

Printers and MFPs have long been part of the IT infrastructure for a business' computing environment. As the IT market has evolved toward 3rd Platform and other emerging technologies, the role of print transitions as well. Within this shift, business buyers will need to ponder these developments in tandem with the print buying decision.

## *As the Workplace Evolves, How Will Printers and MFPs Stay Relevant?*

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### ***Introduction: The Role of Printers and MFPs in the Evolving Workplace***

This paper examines how the needs of a changing workplace can be satisfied with the latest editions of business-to-business (B2B) printers and multifunction printers (MFPs). The office of the future will be driven by emerging technologies that IDC categorizes as 3rd Platform (cloud, mobile, big data, and social) as well as innovation accelerators (next-generation security, augmented reality/virtual reality, Internet of Things, cognitive systems, robotics, and 3D printing). Additionally, the COVID-19 pandemic is expected to create a "new normal" in work environments and result in some changes in how and where work is conducted.

Office-targeted printers and MFPs play a fundamental role in how businesses communicate. Just as the basic operational needs of the workplace are continuing to evolve, the features and capabilities of B2B office equipment need to demonstrate relevance in this changing landscape. Beyond making simple prints, copies, and scans, today's printers, MFPs, and scanners are important document processing tools that fit with the requirements of the office's vision and evolution.

### ***Important Trends and Drivers to Consider***

When organizations are considering the acquisition of office document and imaging equipment, certain capabilities are necessities. Basic functionality such as image quality, reliability, ease of use/service, and print/copy/scan speeds is vital. Not surprisingly, these features have historically been rated as the most important in virtually all product-related survey studies conducted by IDC. However, they are the foundational capabilities that buyers will consider as essential and not to be compromised. In addition, savvy business buyers and channel partners will look beyond the obvious product specifications to determine the printer/MFP fit within the broader scope of the organizational technology goals and objectives. The following sections discuss some of the key issues for organizations to address in the buying decision beyond the examination of product specifications.

### **AT A GLANCE**

#### **KEY STATS**

- » Over 1 trillion pages are printed every year in U.S. offices.
- » In the United States, the average selling price of a laser-based A4 MFP is \$684, while the average selling price of a laser-based A3 MFP is \$10,738.
- » Print technologies must support an emerging mobile computing workplace. In 2019 alone, over 262 million mobile devices shipped in North America.

### **The COVID-19 Impact**

The COVID-19 pandemic has caused a monumental upheaval in the operations of U.S. businesses. No industry has been left untouched. Only essential workforces (e.g., healthcare, police, firefighters, government agencies) can report to work, while most other workers operate under stay-at-home mandates.

The impact we envision in the post-COVID-19 era is a greater shift to more home-based locations to conduct job tasks. New work-from-home employees and homeschooled students are gaining a new perspective on remotely completing their job and class responsibilities. This increased work-from-home change will likely have a positive impact on sales of more affordable and smaller-sized printers and MFPs for home offices, but these devices will still need the same capabilities (e.g., mobile/cloud support, security) demanded in business environments. In this scenario, printing becomes more decentralized to an increased audience of individual workers and students in remote locations. Even when employees return to a corporate office, we may see more printers and MFPs deployed in a decentralized fashion to reduce health risks and support social distancing.

### **Do I Need A3 Support on All My Office Equipment?**

Printers and MFPs for the office typically come in one of two configurations. A4 machines support media sizes up to 8.5in. x 14in. (letter/legal size) and A3 machines support media sizes up to 11in. x 17in.

It is interesting to note that while many offices are equipped with several A3 machines, the actual output requirements for 11in. x 17in. printing and copying are miniscule. According to IDC's historical data, A3-sized output is typically in the small single-digit percentages of all output. Letter/legal-sized media accounts for an overwhelming majority of actual copied/printed volumes. However, while the actual output is heavily weighted toward A4-sized media, the annual percentage of A3 MFP hardware unit shipments in the United States is around 25%, according to the latest IDC forecast data.

Why is the machine ratio so out of balance with actual page volumes generated? A3's legacy comes from a copier heritage where high volumes were the norm. These machine platforms were built on high duty cycles and enhanced finishing (e.g., stapling, sorting, folding, hole punch) functions. Over time, while market needs have changed, customers have continued a legacy of, perhaps, unnecessarily acquiring and using A3 machines. This buying behavior continued largely because it is what customers have always had versus having a clear understanding of need. Recently, we have observed the market making a gradual transition to lower-cost and smaller A4 machines because of several influential factors:

- » Overall copy/print volumes are flat to declining.
- » The need for 11in. x 17in. copy/print support is virtually nonexistent.
- » Finishing requirements have lessened, but not eliminated, with maturing page volume activity.

IDC anticipates that A3 and A4 configurations will coexist in the market. However, we expect A4 to gain share at A3's expense.

Why? A4's functionality has evolved and increasingly incorporates many of the core functions required by document-intensive offices. IDC has observed several enhancements in the A4 offering, such as speeds, duty cycles, and paper input/output capacities that closely match those provided in an A3 configuration, but at a fraction of the A3 acquisition cost.

Finishing for copy and print jobs continues in today's market, but it has evolved as the use of office equipment has changed as well. We see the need for basic stapling with offset stacking, but most users do not stand at the machine and wait for complex finishing jobs to be completed. In such cases, both A3 and A4 devices typically have such options available. If the need for more sophisticated finishing persists, then an A3 device may be the best solution.

To be clear, IDC is not recommending that buyers eliminate all A3 equipment from their fleet. Instead, they should work with their provider to fully understand their document requirements. The exercise may yield some interesting findings. Perhaps organizations will discover that they do not have as extensive a need for 11in. x 17in. media support or complex finishing or high duty cycles as the representation in the fleet might suggest. This may mean replacing some, but not all, "big iron" A3 devices currently in use. With this more granular examination, customers should have a more optimized mix of both A3 and A4 devices that makes sense for their user base and do so without making any sacrifice in productivity. The important change is that they will probably realize cost savings in the process.

From a hardware perspective, a couple of important issues beyond configuration type are scalability and product construction. Office-targeted printers and MFPs should demonstrate the ability to grow with the needs of the organization. This means there should be built-in scalability to address future requirements for the company such as a need for more paper capacity or finishing capabilities. The machines must also be built on a well-constructed product platform that can withstand the heavy, rigorous use present in the office.

### ***The Ability to Connect to the Current and Future Work Environment with a Print Fleet***

IDC sees 3rd Platform technologies such as cloud and mobility as table stakes for office technologies. The sheer magnitude of these markets demonstrates the swift transition to this "computing on the go" requirement for business. IDC reported that in 2019 alone, over 262 million mobile computing devices — nearly 52.4 million notebook computers, nearly 163 million smartphones, and just over 47 million tablets — shipped in North America. Managed cloud services in North America are slated to grow to nearly \$34.4 billion by 2023. Work is no longer relegated to a specific office location; it is located wherever the employee is — at the office, at home, in the field/airport/hotel. Computing power and access to content must be readily available as part of this business evolution. As noted earlier, we anticipate that the post-COVID-19 era will most likely accelerate more work to be conducted outside of the traditional confines of an office setting and will create demand for a more flexible work environment within the office.

According to IDC research, in 2019 alone, over 262 million mobile computing devices shipped in North America.

Print remains one of the essential tools that continue in this evolution of business computing. However, without this kind of connectivity support available, employees may be hamstrung as the printer or MFP may not provide all the operational support for the organization's document processing needs. Thus, functionality such as mobile support and cloud support is no longer just "nice to have"; rather, it is required to enable employee productivity. Printer/MFP business buyers should consider office equipment with support for mobile printing standards such as AirPrint, Mopria, and NFC as well as scan-to-mobile and Wi-Fi Direct connectivity. Additionally, buyers should make sure that its business printers and MFPs provide connection to cloud services such as Dropbox, Box, and OneDrive directly from the device. This way, the MFP takes on the role of an information hub for scanning to and printing from the cloud. Under this scenario, a PC is no longer required once the connection with the printer or MFP is set.

### Customizing Workflow Through the Office Printing Portfolio

Business printers and MFPs need to cater to the individual company needs, not the other way around. An open product architecture is a start to enable customization for software solutions that complement the hardware offering. Additionally, the device control panel should serve as the interface to address customized and often repeated workflows directly at the device level. A typical B2B software portfolio, inclusive of both applications and full solutions, includes OEM- and third party–developed support for the following:

- » Mobile scanning/printing
- » Scan to/print from the cloud
- » Secure scanning
- » Scan to various document management repositories
- » Security authorization/authentication
- » Fax services
- » General print management
- » Cost recovery
- » Supplies/support automation

Document-intensive industries such as healthcare (Health Insurance Portability and Accountability Act [HIPAA]), financial services (Sarbanes-Oxley), and education (Family Educational Rights and Privacy Act [FERPA]) are highly regulated and policed by industry-mandated regulatory compliance standards. Business buyers should make sure that their office equipment demonstrates compatibility with commonly used applications in their field (e.g., popular healthcare-related electronic medical record technologies including Cerner, Epic, and Meditech). Additionally, the equipment should be supported by horizontal managed services and document management applications (e.g., Kofax, PaperCut, FMAudit, PrintFleet, Print Audit) so that print behavior can be appropriately tracked and managed for cost and efficiency purposes.

A software solutions portfolio is complemented by an offering of print-related services designed to help channel partners and customers engage in a more committed relationship. Increasingly, this channel/end-user relationship is shifting to a contractual engagement that includes services. A managed print services program is key, especially if the provider can demonstrate a value proposition related to print cost savings for end-user customers and an avenue to enhance margins for the channel partner.

### Ensuring Print Security

In this evolving workplace where mobility and cloud reign to enable global, 24 x 7 access to content, it is more crucial than ever to make sure that company documents and data are as secured as possible. This "anytime/anywhere" access, which is commonplace in the 3rd Platform computing ecosystem, heightens the demand for security.

Printers and MFPs are often overlooked for security vulnerability, but they shouldn't be. Unfortunately, networked print devices provide several avenues for unintentional and malicious breaches of sensitive information. Organizations need to ensure that only authorized persons have access to such content. Additionally, printers and MFPs offer unique document processing characteristics because these devices are responsible for document creation/management/distribution in both paper and digital formats. IDC's U.S. page volume data indicates that consumer and office products combined to generate nearly 1.12 trillion pages in 2019. Any of these pages could be vulnerable to unauthorized use and could lead to damaging consequences.

In fact, print security alone could be a major reason for companies to update their print fleet. Many older printers and MFPs may not have the current security protocols and features available to them. At a minimum, corporate buyers should make sure that their print fleet has the latest manufacturer firmware to ensure the highest level of security.

On an encouraging note, we are finding that corporate buyers are increasingly recognizing that security is an important part of the print acquisition decision. Buyers should seek to work with providers that offer a strong set of print security features that address this important requirement as comprehensively as possible. We recommend a multifaceted approach inclusive of device, document, and network security. Specifically, this means:

- » **Device security.** A print device has many points of access that make it vulnerable to attack (e.g., a display screen or user interface, memory, hard drive, and communication ports). Companies should take steps to ensure the proper user authorization/authentication is available on the device including PIN and/or card reader support, determine if physical locks to the devices are necessary, and ensure that access to device functions can be managed at the user level. Another consideration is to ensure that all imaging devices can wipe the device's memory so that any stored data is erased.
- » **Document security.** Documents are susceptible to security breaches when sensitive prints/copies/faxes are left in a paper tray or when unencrypted documents in motion (scans, faxes) are intercepted. Additionally, companies should examine which employees can access specialty media in areas including printing checks and prescriptions. Scanning functionality should be secured by ensuring secured destinations and using secure PDF for transmissions.
- » **Network security.** Single-function and multifunction printers are hubs for considerable document activity — printing, scanning, and copying, as well as a wide range of document traffic that must be monitored and secured. Companies need to ensure that network users are equipped and familiar with security tools and processes specific to print technology to meet standards and ensure best practices.

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### End-User and Channel Partner Customer Support

IDC's research also confirms that print-related buying decisions are often not strictly product specific. In fact, the customer's sales and service experiences are often key pieces of the initial sales process but, more importantly, make or break customer loyalty to the printer/MFP vendor and/or channel provider.

For end users, a printer provider should demonstrate sensitivity to taking the burden off the already overworked internal IT staff. While print is mission critical, it is often not the highest priority for the IT department. In fact, many IT managers indicate that print appears on their radar screen only when something goes wrong or when user complaints run high. Thus, the level of support from the supplier plays a significant role in ensuring ongoing operation of the equipment and, more importantly, the customer's critical business operations, which often do involve print.

For channel partners, an authorized dealer program should include the necessities to appropriately service and support end-user customers (e.g., access to the vendor's technical website, online service/training manuals, service reimbursement program, parts ordering, and a dedicated dealer service hot line). Similar to users, dealers also require an ecosystem of dealer field support to cover targeted vertical market opportunities, presales workflow assessments, and general consulting/managed print support.

Business buyers and channel partners should look for high-touch customer service components of the after-sales experience, including the following:

- » Availability of extended product warranties
- » Free support over the life of the product and help desk training
- » Supply order automation
- » Next business day exchange programs for products under repair with prepaid shipping so that productivity is not lost
- » Discounts on supplies and warranty extension incentives with a promised commitment to purchase OEM supplies
- » A field support team that includes expertise in vertical markets, field engineers, managed print support, and the ability to customize workflow with solutions

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## Key Benefits

The important industry trends and drivers previously described offer considerable benefit opportunities for companies. Benefits start with the cost savings available in the acquisition of A4 configurations to displace some of the probable overcapacity of A3 machines in the organization. The difference in price between the configurations is considerable. According to IDC's United States Quarterly Hardcopy Peripherals Tracker, the average selling value of a laser-based A4 MFP is \$684, while the average selling value of a laser-based A3 MFP is \$10,738. The elimination of some unnecessary A3 machines could substantially reduce the initial hardware investment costs without any performance sacrifice. A printer/MFP provider should be able to provide critical insight in an assessment of an organization's print infrastructure.

Another important consideration is ensuring that the print fleet will function in the next generation of computing. Printers and MFPs suited for the business market will need to support mobile/cloud connectivity and customizable workflows and ensure security in order to effectively manage the document creation/management/distribution needs of the organization.

Further, a robust customer support program for channel partners and end-user customers is essential in maintaining peak efficiency within the business. Office workers and IT personnel rarely think about the print environment during the workday, until something goes wrong. When a problem arises, customers need to be assured that the provider has an immediate course of action so that downtime is kept at a minimum.

## Considering Brother as a Business Printer and MFP Partner

Brother International Corporation is a well-known provider of printers, MFPs, and scanners. Many know Brother for its small office/home office (SOHO) class of document imaging technologies. However, Brother also offers more advanced document imaging and management technologies for the evolving B2B market.

The Brother Workhorse Series is a robust line of monochrome and color laser printers, MFPs, and scanners. These A4 printer and MFP models are built on a product platform that is different from the platform used for the company's SOHO-targeted products. This new product platform enables the A4 printer and MFP models to provide an array of capabilities typically available only in higher-priced A3 devices. Most importantly, the product line is supported by an impressive and essential range of hardware, software, and service capabilities highlighted in this IDC Vendor Spotlight to effectively provide for the printing and document processing needs of any business. Highlights include:

- » A scalable hardware lineup built specifically to withstand the demands of enterprise print environments (The machines offer additional paper trays and select models offer a stapler/finisher option to build upon the base hardware configuration.)
- » A robust offering of both Brother-developed and third-party solutions that address a number of business document processes such as mobile printing/scanning, printing to/scanning from common cloud services, scanning to a variety of destinations and file formats including Microsoft office applications, security authorization/authentication, fax services, barcode printing and scanning to streamline processes, translation services and printing/document management (e.g., cost recovery, supplies/support automation, and device usage dashboards and reports)

- » The ability to customize workflows at the device control panel to ensure seamless device navigation and assist employee productivity
- » A Value Print Program that provides discounts on Brother Genuine Supplies and offers a two-year limited warranty upgrade on select hardware models designed to support dealers' managed print services business with hardware, supplies, service, and field service support
- » Access to Brother's Special Solutions Team (SST) to customize end-user workflow and security needs and to assist with device deployment to deliver an out-of-the box solution
- » Strong customer support with programs such as next business day warranty exchange service, extended warranties, free support over the life of the product, and print assessments and analyses (If needed, Brother also offers options for onsite services.)

### Challenges

Brother is well represented in the home office segment and continues to make great strides in the B2B space with a focus on specific vertical market opportunities (e.g., retail, hospitality, healthcare, education, government). With the Brother Workhorse Series, Brother is focused on higher print volumes and more business process workflows commonly found in corporate offices. It is also expanding its reach with B2B channel partners to place its office-targeted printers, MFPs, and scanners. Brother aims to communicate to corporate buyers through its resellers that investments made in this B2B portfolio will hold up to current and future office imaging demands.

In targeting this corporate and enterprise market segment, Brother is competing with other more established brands for mindshare in traditional B2B printer and MFP channels. While the combined U.S. printer and MFP market is showing a decline at a -4.4% CAGR through 2024, it is still a very large market (more than 14.3 million units are projected to ship in 2024) with opportunity. To counter this mindshare challenge, Brother offers a family of products to effectively compete as it continues to build its product and solution portfolio (e.g., the latest products coming from the company's recent partnership with Kofax). Furthermore, Brother must help organizations identify areas for improvement (e.g., underutilized fleets, outdated technologies, business/process improvement). Providing these consulting services will be critical for Brother to acquire market share and replace existing competitive devices.

### Conclusion

The B2B market is the right move for Brother. While the company's legacy is well known in the home, small office/home office, and corporate office/home office markets, the higher-end business opportunity provides longer-term prospects for higher-volume hardware sales and aftermarket potential. As a result, Brother has created a portfolio of hardware, solutions, and services to make it a viable competitor for businesses and industries of all types to consider.

The Brother Workhorse Series provides low total cost of ownership, advanced security, reliability, and productivity-enhancing features. A touchscreen interface on select devices also allows for customization according to the unique needs of the user. Most significantly, Brother's B2B product portfolio is supported by several built-in solutions and services as well as third-party integrations that are ideal for the evolving workplace.



IDC believes the B2B print market will continue to be an important mission-critical opportunity. To the extent that Brother can demonstrate its legitimacy in this market segment and address the challenges described in this paper, it should have a solid chance to demonstrate market success.

## About the Analyst



### ***Keith Kmetz, Program Vice President, Imaging, Printing, and Document Solutions***

Keith Kmetz is the Program Vice President of IDC's Imaging, Printing, and Document Solutions. He is responsible for all written research in these areas, including analysis on the printer, multifunction peripheral (MFP), and 3D printing markets as well as related transformational hardcopy software/services developments.

## MESSAGE FROM THE SPONSOR

**About Brother**

The ability to improve employee productivity and workflow can be impacted by many factors. Two important things to consider are as follows:

- » Provide employees with easy access to technology
- » Reduce the friction associated with utilizing this technology

Brother believes it is critical to partner with solution providers that are willing to properly assess a company's imaging environment. In collaboration with our channel partners, Brother offers products, services, and solutions to securely print, scan, archive documents and automate workflow.

The Brother team designs plans that enable fleet optimization, workflow customization, and efficient deployment to meet the evolving needs of work environments.

For more information, visit [www.brother-usa.com](http://www.brother-usa.com).



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