

Pendl Companies, a provider of printer consumables, broadens its business and establishes a new, service-based revenue stream as it provides remote printer fleet management and maintenance through the use of Lexmark Fleet Tracker.

Lexmark Fleet Tracker helps systems integrator create new customers and revenue streams

The Organization

Based in Waukesha, Wisc., Pendl Companies Inc. is a nationwide provider of information processing products and services.

The Challenge

For systems integrators and IT technology solutions providers, maintaining satisfactory profit margins is a never-ending challenge. In the current economy, this challenge is fast becoming an outright fight for survival. Providers are continuing to seek ways to expand the range of services they provide as a means for generating new revenue at respectable margins.

Managing customers' existing printer fleets is one method of generating new service and supplies revenue. Doing so simultaneously provides integrators with a way to maintain crucial visibility during the years that often elapse between large fleet replacements.

If one fact is certain about customers' printer installations, it is that they are almost always a mixture of products from many manufacturers, encompassing dozens of different models from new to many years old. Tracking usage, maintenance and preventing the hoarding of toner cartridges is a headache that companies find increasingly overwhelming. And with each vendor's products employing proprietary performance metrics and alert message syntax, the ability for a systems integrator to remotely – and profitably – manage a corporation's entire worldwide printer fleet through a single, unified view has remained nearly impossible. Until now.

The Solution

Wisconsin-based Pendl Companies, a nationwide dealer specializing in toner cartridges, office supplies and other consumables, faced this challenge. Serving businesses of all sizes, from *Fortune* 1000 to small,

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–Sara Portale
Sales Manager
Pendl Companies
Waukesha, Wisc.
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local firms, Pendl was keenly aware of the management woes faced by its customers. Recognizing a significant opportunity to assert its expertise, Pendl proposed that several of its customers outsource printer



management to them. To establish this new revenue stream, Pendl implemented a powerful, new management tool from Lexmark.

Lexmark Fleet Tracker is a network-based software platform, provided to solution providers, that continuously monitors customers' printers, networked copiers, and multifunction printers (MFPs), whether manufactured by Lexmark or not. Through this mechanism, solution providers can respond instantaneously to status, service, and low consumables alerts for virtually any business-class printer from any manufacturer, whether it is located down the street or halfway around the world. Lexmark Fleet Tracker allows solution providers to provide ongoing fleet management services long after they've sold and installed new printers and for virtually any printer the customer already has in service. Lexmark Fleet Tracker runs entirely from a server at the provider's location. Several data collection options are available based on the customer's IT architecture and size.

With Lexmark Fleet Tracker in place, Pendl is transforming itself into a value-added reseller of cradle-to-grave, end-to-end printer fleet management services, and is using the information it gathers as compelling evidence, convincing customers to replace aging, costly to maintain hardware. Through Lexmark Fleet Tracker, Lexmark is helping Pendl grow its revenue stream, raise service levels with existing customers and establish relationships with new customers, regardless of the printer brand they use.

At one of country's largest manufacturers of upscale kitchen and bath fixtures, Pendl has taken over every aspect of printer fleet management. Provided with the IP addresses of the nearly 1,000 devices to be monitored throughout Europe, India and China, Pendl brought the system up to speed one subnet at a time in just a few days. "We track printer manufacturer, model, page counts, usage by device and corporate cost center, toner levels, and we can respond to status alerts by performing remote diagnostics or by dispatching a certified field engineer only when necessary," said Sara Portale, Pendl Sales Manager. "It is amazing to us what we've been able to accomplish with this tool."

Pendl is also providing the same outsourced printer fleet management services to a major international manufacturer of premises identification and protection solutions. That company, had previously turned to Pendl to solve a significant report printing problem that surfaced when it moved to SAP. Armed with Lexmark Fleet Tracker, Pendl drove this new business opportunity much further, convincing this corporation to offload all printer

fleet monitoring, management, and maintenance of more than 900 devices nationwide.

From its days as a supplier of toner and consumables, Pendl has greatly increased its business while simultaneously saving money for customers. When Pendl receives a low-toner alert message, it responds with automatic shipment of a new genuine Lexmark toner cartridge that identifies both the IP address and physical location of the printer to eliminate any possible misdirection. Toner cartridge sales that Pendl once had no opportunity to make have now become an essential part of its business, generating a continuous stream of revenue. For the customer, automatic replenishment eliminates the common – and very expensive practice – of toner hoarding and replacing a cartridge the moment an alert is generated, even though the cartridge is not yet empty.

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At a time when corporations are cutting IT and purchasing department staffs, the ability to scrutinize operations data never before available is nothing short of a revelation. "Our customer had no idea of how many printers they had," said Portale. Equipped with detailed reports especially intended to support integrators' sales personnel, Pendl is now partnering with that customer to maximize its assets. Underutilized high-capacity printers are being redeployed to locations where smaller devices have been taxed beyond their rated capacity. Other printers are being retired.

In other locations, Pendl is outfitting this manufacturing company with new printers that consume less power than the devices being replaced. With reporting from Lexmark Fleet Tracker, Pendl is able to demonstrate daily operations cost on a device-by-device basis, and serve up the math that shows a new printer's operating costs can be as much as two-thirds less.

The Results

Leveraging the information gathered and aggregated by Lexmark Fleet Tracker, Pendl is helping both of these corporations reduce costs while simultaneously boosting service levels. Now able to measure and quantify the electricity consumed daily by each printer down to actual dollars and cents, Pendl is demonstrating how replacing aging devices is not just environmentally wise, but also is good business. Long sensitive to the environment, Pendl is working to right-size its customers' printer fleets, consolidating standalone printers, faxes, networked copiers, and scanners into MFPs; using extra-high-yield toner cartridges to cut down on plastics recycling and shipping; and recommending ways to print less, including two-sided duplex printing and the scanning of incoming documents to an electronic format that is easily e-mailed and archived.

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IT solutions providers and systems integrators are built primarily to sell infrastructure solutions consisting of hardware and software. With today's highly reliable printers needing replacement only after several years of service, Pendl sees that approach as a missed opportunity for generating ongoing revenue. "We came at this from the opposite direction, as a provider of supplies that are always needed," said Portale. Pendl also quickly discovered another benefit: the ability to perform, from a single desktop, instantaneous remote diagnoses on thousands of printers and to dispatch a field engineer only when necessary. This approach is resulting in operational efficiencies that are lowering its own costs of doing business.

As margins on most hardware products – servers, monitors, networking infrastructure and yes, even printers – have eroded over the past decade, integrators and resellers of value-added solutions are quickly adopting new means toward differentiation and profitability. With the Lexmark Fleet Tracker, Pendl is improving its ability to service existing customers and is establishing relationships with new customers, regardless of the printer brands they use.