Associated Food Stores, Inc.

Associated Food Stores saves money and improves operations with Lexmark Managed Print Services

Challenge
With profit margins across the supermarket industry typically hovering around a razor-thin 1%, every penny saved directly impacts the bottom line. In its company-wide quest to maximize operational efficiencies and find cost-cutting opportunities, Associated Food Stores (AFS) discovered that its aging print infrastructure was a prime candidate for a complete makeover. Very few of its printers were networked, making remote device management impossible. Business disruption, due to broken equipment awaiting repair, had become a serious issue, negatively impacting employee productivity and customer satisfaction.

“There were many complaints from our stores,” said Byron Goodwin, AFS’s director of retail technology. “Workarounds or deployment of another printer took a lot of time and in our pharmacy operation these disruptions were expensive and could slow the fulfillment of prescriptions.”

An assessment revealed that AFS was operating 27 different printer models from four manufacturers in its retail locations and several generations of printers in its corporate stores. Even though AFS used an outside organization to provide managed print and maintenance, service levels continued to deteriorate as costs continued to climb. “We considered upgrading our entire fleet of printers, but the cost was well beyond what we were able to spend,” said Goodwin. Not in a position to purchase hundreds of new printers, yet desiring a solution that was both economical and which could be managed by a qualified outside organization, AFS found the answer in Lexmark. Or rather, Lexmark found AFS.

Solution
“Lexmark contacted us and proposed a meeting with us,” said Goodwin. “Working together, Lexmark developed a program that fits our needs and budget, all the while standardizing on a single printer platform that would greatly simplify operations.”

Choosing products from Lexmark’s T-series of commercial-class monochrome laser printers, AFS leased an average of six devices for each of its stores. In its pharmacies, AFS added two-sided (duplex) printing and a second media tray for die-cut prescription label sheets. Differing only in their page-per-minute speed, all of the printers feature the same operator touchscreen panel and use the same toner cartridge.

In keeping with its philosophy of leaving printer administration to those who can do it best, AFS outsourced oversight and maintenance to Lexmark under a multiyear managed print services agreement. Lexmark technicians respond to printer alerts, performing remote diagnostics and dispatching a field engineer when necessary. With the proactive consumables management service, replenishment toner cartridges are shipped as needed, ensuring that no printer runs out, while avoiding the buildup of costly cartridge inventories in each location.

Meet Associated Food Stores, Inc.
Associated Food Stores is a cooperatively owned wholesale distributor to nearly 350 independently owned supermarkets and 45 corporate-owned stores in eight Western states, from Arizona to the Canadian border. Based in Salt Lake City, the cooperative champions the cause of independent supermarket owners and is the only independent wholesale distributor headquartered in the Intermountain West, employing 1,300 people and shipping more than 525 truckloads of groceries each week.

Products in use:
- Lexmark Managed Print Services
- Lexmark Proactive Consumables Management
- Lexmark multifunction products
- Lexmark laser printers
AFS opted for an aggressive deployment schedule, completing installation in 45 locations in just two months. “Lexmark was great to work with through the deployment process,” said Goodwin. “We’ve been very impressed with Lexmark’s professionalism and project management.”

**Results**

With its new all-Lexmark printer infrastructure in place, AFS anticipates saving $50,000 annually. Those savings also helped justify the installation of a second printer in each pharmacy as a backup.

In addition to printing die-cut prescription labels, each store uses its Lexmark devices to print all in-store signage and die-cut vinyl shelf tags, a task that proved more than its previous printer fleet could handle. “Lexmark printers excel at handling everything from paper to die-cut vinyl labels and heavy card stock without jamming,” said Goodwin. “Other manufacturers’ printers could not consistently deal with these difficult media types.”

Reaction among store employees has been very positive, said Goodwin. The standardization on a single printer product family has also simplified operations and helped keep store personnel on the floor, instead of in the back office.

For Goodwin, the Lexmark experience turned out to be a refreshing change from typical dealings with technology providers. “Lexmark did an outstanding job in seeking us out, initiating the conversation and putting together a comprehensive, economical, long-term program.” AFS is now offering its Lexmark output solution across the full breadth of its member markets.

---

“Working together, Lexmark developed a program that fits our needs and budget.”

Byron Goodwin  
Director, Retail Technology  
Associated Food Stores, Inc.