

Cummins Inc.

Lexmark global managed print services save Cummins US\$2 million and slash printing by 36 million pages annually

Organisation

Cummins is the world's largest independent manufacturer of diesel engines and related products. The company reported 2010 revenue of US\$13.2 billion and serves its customers through 550 company-owned and independent distributor facilities and more than 5,000 dealer locations in 200 countries and territories.

Challenge

Cummins is a company with 40,000 employees and global operations throughout 200 countries and territories. With such a vast distribution of locations comes the challenge of selecting, deploying, managing and maintaining technology— even output devices. Whether at its US base or remote operating sites worldwide, Cummins employees need to print, copy, fax and scan critical business documents reliably.

“Whether it is Russia or places like Zambia and Zimbabwe in Africa, there are significant challenges to providing IT service and that is a critical business requirement for us regardless of the physical location,” said Bruce Smith, Cummins’ Director of Computing Services.

Its existing fleet of output devices had aged and became prone to breakdowns that were increasing maintenance costs and negatively impacting device reliability and employee productivity. At the same time, Cummins wanted to trim output costs further and reduce paper consumption in support of its sustainability initiatives. These business goals and challenges became the genesis of a corporatewide initiative Cummins inaugurated called Print Smart.

Cummins began an aggressive project to optimise, standardise and refresh its entire printer fleet globally and implement industry best practices to reduce costs and cut paper consumption, while improving output capabilities and service in all of its locations around the globe.

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Bruce Smith
 Director, Computing Services
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Cummins is an active practitioner of the Six Sigma® business management strategy with 18,000 projects that have saved the company US\$3 billion. For Print Smart, Cummins leveraged its Six Sigma expertise to impose structure on the process of gathering requirements.



Cummins is on track to cut printing by an astonishing 36 million pages in just one year, generating a projected annual savings of US\$2 million. In overall costs, Cummins has seen its expenses drop by 62 per cent on a monthly basis.

Key needs revealed during the process included the tracking of consumables—paper and toner, a desire to eliminate abandoned print jobs, implementation of a consistent user interface for printers worldwide, insight into employees’ usage habits and standardised global service. The outcome of its research into end-user needs and operational requirements was a comprehensive Request for Proposal seeking a global managed print services partner.

The requirements of the RFP, particularly the ability to provide a consistent service model around the globe, was too much for some suppliers. “Some opted out straight away. There was one supplier in particular that everybody thought would be a frontrunner that just didn’t match up well,” said Smith. “They wouldn’t offer us a consistent service offering around the world. That was not a compromise we were willing to make.”

Lexmark’s response and approach stood out from the pack. “I will be first to admit, I did not expect Lexmark to win the way that they did,” said Smith.

“There was a clear gap between first and second. The others just couldn’t reach the pedals and Lexmark did. Lexmark was building that partnership before the contracts were ever even signed.”

Bruce Smith
Director, Computing Services

Lexmark’s response was carefully designed to address each specific geographical and technical requirement. Cummins later singled out Lexmark’s solutions-oriented proposal as more detailed and insightful than the hardware-centric ones submitted by other suppliers.

As Cummins’ procurement team moved towards selection of a managed print services provider by narrowing the field, Lexmark took the additional step of providing Cummins with a solution summary that detailed all deliverables, including number of devices, resources and solutions and service levels in every geography. In addition, Lexmark installed several products in Cummins’ IT test labs. To ensure that no detail was overlooked, an executive-level customer-facing team that included Lexmark’s director of operations for Europe, Middle East and Africa met face-to-face with key Cummins officials. Lexmark also provided global customer references that stressed its lengthy track record of providing managed print services worldwide—even in active military theatres of operation.

Solution

Following its analysis of products, services and customer support around the globe, Cummins chose Lexmark as its global managed print services provider. Under a comprehensive equipment leasing and asset management agreement, Lexmark is providing implementation, asset lifecycle, proactive consumables management, break/fix and global help desk management, training and maintenance services around the world.

Lexmark installed a combination of monochrome departmental printers and high-volume monochrome and colour multi-function products (MFPs). Installation of more than 2,000 devices was completed in approximately six months, no easy task considering the large number of geographies and differing regulations involved. A universal driver was created for Cummins so that new devices could be added to the network without having to install each one on every PC. This saved Cummins IT hundreds of hours that now could be spent on more strategic IT projects.

“The easy part is taking the old printer out and putting the new one in; the challenge is the coordination, logistics and planning that comes before that,” said Smith. Lexmark executed dozens of unique Local Country Agreements to ensure compliance with a wide array of legalities and standards. “It took a lot of coordination and planning between Cummins and Lexmark, to make sure that everybody was on the same schedule and fully prepared. Lexmark did a very good job, even in countries where we expected difficulties.”

“With a standardised and optimised Lexmark output environment around the world, employees experience the same user interface on every device in every location worldwide. This approach reduces the need for training and increases employee productivity. Presenting a consistent interface was essential for a smooth deployment,” said Smith. “It doesn’t matter which printer an employee goes to, a monochrome device or a bigger high-volume colour unit. The user interface is exactly the same in all of our locations. It’s simple and intuitive,” Smith said.

To address its document paper consumption concerns, Cummins implemented a solution that releases print jobs only when job owners enter an identification code at Lexmark devices connected to the network. Waste is eliminated.

“With Lexmark, we were able to reduce our print volume by three million pages a month,” said Smith. “The print rooms are so much neater now because they don’t have all this excess paper all over the place.”

This approach enhances security by guaranteeing that confidential jobs print only when the document owner is physically present. That physical presence also eliminates the time gap between printing and pick-up, eliminating forgotten print jobs from piling up and avoiding paper and toner waste. Jobs not printed within a specified timeframe can be deleted from the queue automatically.

All of the output devices on the Cummins network are proactively monitored by Lexmark. The devices themselves actively report back their health to a staff of engineers who can often take care of device issues before employees even notice. Lexmark engineers also integrated the entire device fleet with Cummins’ BMC® Remedy® Service Desk system for incident management and help-desk support. Now, printer issues are logged with Cummins IT and calls are dispatched as necessary.

“Lexmark saw some of the density that we have in certain locations and we actually have people who are on site just as part of the standard service offering. They’re here every day and they’ve just become part of the print team,” said Smith.

Cummins IT bills internal departments for print consumption. With a complete view of its entire network of devices, Lexmark prepares monthly reports on usage by device and by location so that the information can be fed directly into Cummins’ internal billing system.

With proactive consumables management, the Lexmark devices also send alerts when toner gets low. These alerts trigger a replacement genuine Lexmark toner cartridge for that model to be delivered to its precise location. On-site Lexmark technicians receive the toner and replace the cartridge before a toner outage impacts employee productivity.

Results

By selecting Lexmark as a trusted advisor and partner, Cummins has seen extraordinary returns on its investment in Lexmark output technology, solutions and services. Through this partnership and its own Print Smart initiatives, Cummins is on track to cut printing by an astonishing 36 million pages in just one year, generating a projected annual savings of US\$2 million. In overall costs, Cummins has seen its expenses drop by 62 per cent on a monthly basis.

The reduction in annual paper consumption saves the equivalent of 4,000 trees, along with a projected greenhouse gas avoidance of 605 tonnes. By managing its use of colour, Cummins reined in color printing from 600,000 pages per month to just 225,000, saving an additional US\$1.5 million annually. The 2,500 printers Cummins previously operated has been reduced by about 16 per cent, simplifying maintenance and lowering overall operating costs.

Without a doubt, Cummins’ Print Smart project to optimise and standardise its output infrastructure worldwide and reduce printing overall presented profound technical and logistical challenges. Some of the best-known names in the printer business withdrew due to their inability or unwillingness to face and surmount these obstacles. Only Lexmark, with its decades of international experience and customer commitment was able to prevail. “When I’m asked about supplier relationships,

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I hold up Lexmark as an example of the best in how a proactive relationship can work,” said Smith. “I’ve had some really, really bad supplier relationships. This is a really, really good one.”

Now with a fleet-wide view of all of its output devices, Cummins has powerful information on which it can make business decisions. With that complete view, Cummins knows how many devices it operates, where they are located, what those devices are printing and whether each of those devices is over- or under-utilised. Its entire fleet is linked directly to its IT service desk to remedy printer issues before they impact users or to dispatch on-site Lexmark resources. Toner and other consumables are delivered, arrive and are replaced automatically, freeing employees from ordering, storage and replacement and freeing up storage space and money for more needed projects.

With reports from Lexmark, Cummins can bill departments internally for print usage. And, with a solution from Lexmark, Cummins is printing less in support of its corporate cost savings and environmental goals.

Though it comes as no surprise to Lexmark's thousands of employees, Lexmark's excellence has exceeded Cummins' expectations. "I think it goes back to 'transparency builds trust,'" said Smith. "Lexmark was very transparent with us and had a real focus on our business needs, even as those were changing."

And those business requirements at Cummins will continue to evolve. In fact, according to Smith, Cummins is looking at expanding into new countries. "That's my challenge and, in turn, that will become Lexmark's challenge," said Smith.

For the world's largest manufacturer of diesel engines, its global operations can never be allowed to stall. Through its close partnership with Lexmark, Cummins' output infrastructure runs lean and on all cylinders.