Anheuser-Busch InBev

Anheuser-Busch brews innovation and savings with Lexmark Managed Print Services (MPS)

Challenge

Each year, Anheuser-Busch's North American operations produces 215 million hectoliters of beer and other beverages (54% of InBev's total volume) which are bottled, packaged and sold through its network of company-owned and independent wholesalers and retailers. As part of its daily administrative operations and to respond to increasing demand for its products, the beer manufacturer had spent decades adding and replacing printers, copiers, fax machines and scanners as needed, and without much thought. The result: an inefficient, uncoordinated network of mismatched and aging printers and a dizzying and expensive collection of leases and maintenance plans to support them all.

"We had 500 to 600 leased copiers and multifunction devices and a few thousand devices that we owned," said Jay Emery, Director of Workplace Services IT at Anheuser-Busch InBev's St. Louis operations. "It was a completely mixed model," he continued. "For models we owned, we had to buy things like toner and cartridges. For models we leased, toner was included. Maintenance plans weren't consistent either. Nothing was simple. We knew there was an opportunity for significant savings and that we could put those dollars to better use growing the company."

The numbers were staggering. An assessment conducted by Lexmark revealed that original Anheuser-Busch output environment contained 307 distinct device models from 19 different manufacturers. Also tell-tale signs of an unmanaged environment, the company had 111 inkjets, 140 fax machines, 14 copiers and a total of 478 wide-format A3 (11x17) devices that were under-utilized.

But despite the condition of its output devices, paper was still operationally critical and the lifeline of getting beer from the cask and into beer cases throughout North America. "If a device goes down and beer can't be shipped, it's thousands of dollars an hour that are lost," Emery said. "I'm not kidding when I say that we always had a printer in the closet as a backup, just in case."

Furthermore, because Anheuser-Busch's product is alcohol, specific shipping protocols must be adhered to: Faulty or missing print-outs can botch a delivery. "The most important piece is our bill of lading," Emery said. "Everything needs to be printed in triplicate. One of the legal requirements from the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) is that one copy goes with the driver, one copy stays at the brewery and one copy goes to the wholesaler."
Paper was pervasive in the back office as well. “People would print something and not even think about it and then, at the end of the day, there were stacks and stacks of paper that were left in the printers and forgotten about,” said Emery. “Every page printed and abandoned was a wasted opportunity to fund growth and innovation.”

An assessment conducted by Lexmark revealed that the devices installed throughout Anheuser-Busch were an average of 6.5 years old. Breakdowns, often caused by the age of the devices, became a costly headache and soon it became clear that Anheuser-Busch’s output environment was not up to par.

Anheuser-Busch also knew that all of that paper, printed and abandoned or even recycled, had an environmental cost too. The company wanted to get serious about reducing paper consumption—for environmental reasons as much as for savings—which had reached “multiple arch proportions.” According to a Lexmark assessment, the brewer’s combined American and Canadian operations produced 61.5 million printed pages in 2011 alone, an amount that, if stacked on top of each other, would be the equivalent of stacking St. Louis’ landmark Gateway Arch 32.5 times. “There weren’t any systems in place to track, manage or control print usage,” Emery acknowledged.

In 2011, the company began looking for a better, more cost effective and greener way to handle output: One that would support its overall business objectives around growth and innovation. Uniformity, ease of use, lower costs and more functionality were all internal priorities.

But even more importantly, Anheuser-Busch wanted all of its entities, including newly acquired companies, locations or wholesalers, to be able to quickly and easily adopt the solution and share in its ease of use and efficiency. “We are frequently acquiring new companies,” Emery said. “When we do, it’s really important for them to have a turnkey solution that they can just move to—a solution that’s easy, and works and helps support their business.”

**Solution**

All of Anheuser-Busch’s priorities were attainable in the solution from Lexmark: A unified set of networked multi- and single-function printers, under a long-term lease agreement, supported by a multi-year managed print services (MPS) contract to handle the ongoing upkeep and optimization of the fleet and consumables replenishment. “Our goal was to have one print vendor service all of our print and output needs and we were able to accomplish that with Lexmark,” said Emery.

Following an extensive evaluation of suppliers, Anheuser-Busch selected products, solutions and services from Lexmark. Anheuser-Busch began by removing its menagerie of existing devices and installing 1,300 Lexmark devices in 138 locations throughout the U.S. and Canada. The optimized fleet of Lexmark monochrome and color multifunction products (MFPs) and printers represents a 43 percent reduction in the total number of devices Anheuser-Busch now uses for its business operations throughout North America. All the devices are networked and can be shared among employees, regardless of office location and making color, finishing and other advanced features available to everyone.
To tackle the mountain of paper—and to remove systemic inefficiencies for employees—Anheuser-Busch opted for Lexmark’s Print Release solution. This solution queues print jobs and releases them only when job owners authenticate themselves at selected Lexmark devices connected to the network. It also eliminates the time gap between printing and pickup, ensuring that forgotten print jobs do not pile up. After four-hours, print jobs are deleted automatically from the print queue and thereby never printed at all. “The most cost effective page is the one never printed,” said Emery. “We’ve reduced printing by two million pages per month, just by implementing print release and defaulting to duplex.”

Anheuser-Busch also outsourced oversight, management and maintenance to Lexmark under a multi-year managed print services agreement. “Moving to a managed services model is a growing industry trend,” Emery said. “Our philosophy is that if it’s not our core competency, we don’t want to own it. We want operations to support our business and not be a focus of our staff.”

With managed print services, Lexmark proactively monitors the entire fleet of devices, tracking device alerts and conditions. Lexmark technicians perform remote diagnostics and dispatch field engineers when necessary. Lexmark printers and MFPs automatically trigger new toner cartridges to be ordered and shipped directly to that device’s precise location, ensuring that no printer runs out of toner and avoiding the buildup of costly cartridge inventories in each location.

Lexmark also collects valuable information about the fleet of devices, providing Anheuser-Busch with data that can be used to make fact-based business decisions. For example, under-utilized devices can be moved to higher-demand areas. Devices removed from the network can be spotted right away. Volume in color printing can be tracked. Spikes in output volume can be investigated to see if there is a better, more cost effective way to accomplish that unique business requirement.

“We are a very data-driven company,” said Emery. “We have used the information about our printing habits to drive cultural change. We partnered with high-volume print departments, such as our people and legal departments, as areas for improvement and we rewarded teams for being ‘most improved’ in terms of their print goals. As we have created a little bit of competition and promoted these successes across business units, our results have continued to grow.”
Changes in printing habits were also fostered through a creative communications plan to employees that started at the top of the executive food chain and that was linked to corporate holidays and other internal events such as World Environmental Day and Arbor Day. Anheuser-Busch’s primary message: Think Before You Print. “Print reduction from an IT perspective is something that our vice president is very passionate about,” said Emery. “He challenges senior leadership, using real data from the Lexmark reports, to do their part.”

Together, Anheuser-Busch and Lexmark orchestrated an aggressive deployment schedule: 138 offices in 60 days. “Lexmark did a fantastic job,” Emery said. The Lexmark team created a deployment schedule that tackled four to eight locations concurrently, coordinating equipment, resources and training all at the same time. “What impressed us was Lexmark’s ability to be nimble, move quickly, and adapt to our changing requirements,” Emery said.

At each of the major locations, Lexmark had already performed site surveys and pulled usage data from the original fleet of devices so that the new Lexmark equipment would be designed to match volume demands and feature requirements. Once the new Lexmark devices were installed, Lexmark staff trained Anheuser-Busch employees how to use the devices and new features and demonstrated how a single device could replace the requirements of four—and still have room to grow. “Having the data made it easier for our employees to embrace the solution and to get behind our cost savings and sustainability goals,” Emery said.

Results

With its new all-Lexmark output infrastructure in place, Anheuser-Busch has been able to reduce the number of printers and devices by 43 percent—from 3,000 to 1,300. With the new, optimized, smaller fleet in place, Anheuser-Busch anticipates saving tens of thousand of dollars annually on maintenance and consumables alone. “By the time we take into account all the toner, paper and maintenance on the old devices, we are looking at savings close to seven figures a year,” Emery said.

Furthermore, the reduction in devices comes with new capabilities that will make it easier for employees to get their work done. “As we told various teams, yes, we’re taking away four of your devices, but here are the whiz-bang gizmos you get instead. You can do more and you still have plenty of room to grow in terms of capacity.”

Paper consumption has already shrunk by nearly seven theoretical Gateway Arches. “From a volume perspective, we are so far ahead of where we thought we’d be,” Emery said.

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Director of Workplace Services IT
Anheuser-Busch InBev
“With Lexmark Print Release alone, we’re on track to knock out 20 percent of wasted printing, or two million pages per month. Down the road, I think we can knock out another 5 percent to 10 percent through by continuing to partner with our higher usage departments such as legal and our people department.”

For Emery, working with Lexmark provided an ideal opportunity to build a longterm relationship that has supported Anheuser-Bush’s goals of eliminating administrative costs in favor of fueling business growth and innovation.

“The big differentiator for us was Lexmark’s willingness to partner with us and truly understand our business challenges and our goals,” said Emery. “Our Lexmark partnership is one in which both sides are looking out for each other and trying to make sure that the partnership is a long and valuable one.”

Technology statistics

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