
MPS – BEYOND SOFTWARE AND SERVICES

by Gil Wazana, Vice President of Sales, MSE

Over the last year, I have been the self-appointed Guardian of Quality when it comes to discussing the importance of quality with respect to consumables within any MPS program. It's not that quality isn't important in transactional business, but it seems that most people, whether or not they practice what they preach, tend to talk more about cartridge quality when it comes to transactional or a-la-carte business versus MPS programs.



MPS is many things. It's a tool to deliver efficiency, to manage a budget and to optimize a fleet, but above all, it's another way to place toner on a page. And **whether or not the budget is managed or the fleet is optimized, that page must be a quality page.**

MPS is sold to the IT director or CIO as a service that will reduce workloads, control spending, manage budgets, and optimize fleets. The quality of the consumable isn't discussed because the IT director is focused on software and hardware; he or she isn't in the trenches, where the rubber meets the road or where the toner meets the page. The MPS program is deployed without any consideration of how the user experience may be impacted. But unless a quality product was installed, the internal user eventually experiences failures and interruptions. To that user, it doesn't matter that they are now in a "managed environment," because they weren't procuring the product in the first place. They simply hit the print button as they've always done and expect quality output. This inevitably leads to poor user satisfaction and sets off a chain reaction that starts with internal complaints to help-desk support or directly to the IT director. This puts the IT director in quite a predicament; he likes the concept of the solution but not the dissatisfaction of the users. This leaves him only two options: Scrap the whole thing and go back to transactional or, if the problem is with an aftermarket consumable, switch to using OEM consumables in the MPS solution.

The fundamental concept of customer satisfaction leading to loyalty and success isn't new to any of us, so what are we missing? At the July 2012 Managed Print Summit in the Las Vegas, USA, there wasn't a single mention of the importance of quality consumables, not a single mention of how important the user experience is. Aftermarket veterans know all too well the damage still being caused by poor quality consumables; did software in an MPS program suddenly solve that? How dare we overlook it!

There is also the matter of the dealer's own profitability. When the service element is built into an MPS program, users are much quicker to call the provider at the slightest hint of an issue with complete disregard of the root cause. Lack of quality will absolutely increase a dealer's activity-based costing, which is the very thing most software solutions are trying to control or mitigate. The consumables account for the majority of the dealer's cost in a MPS program and the majority of the profit as well, so shouldn't a proportionate amount of focus be placed on finding a quality consumable?

Quality has proved to succeed in pretty much every industry, and it should not be overlooked in this one. Eventually, you will find yourself competing with another MPS provider that has the same monitoring software, reporting, auto-fulfillment and four hour response time — so how will you differentiate yourself? Price? There will always be someone cheaper, and it is impossible to gain loyalty through price. Quality, on the other hand, will drive loyalty and retention, whether sold a la carte or through an MPS program. Think about the items you buy on a regular basis as a

consumer; how often do you make a purchasing decision based on the quality of a product and not the price? In the printing consumables space, 70 percent of consumers buy monochrome cartridges based on quality, and 90 percent buy color based on quality. This isn't due to lack of awareness of aftermarket alternatives; they make decisions based on their user experience. The aftermarket consumables industry would have had a great deal more market share by now had all providers offered high quality from its inception; fortunately, the level of quality of aftermarket consumables these days is consistently higher — good news, as MPS is still in its relative infancy; the industry has a rare opportunity to learn from its collective mistakes.

At the end of the day, manufacturers and providers of aftermarket consumables have a responsibility to the industry to advocate for quality. An increased level of quality will lead to increased sales, regardless of whether you're selling software, consumables and services a la carte or in an MPS program.

About MSE (Micro Solutions Enterprises). We are a privately owned family business employing more than 800 people worldwide and generating annual revenues of circa \$130,000,000 in 2012. We are totally focused on laser printer toner cartridges and we have a unique process for remanufacturing which we call Intelligent Re-engineering™. Our Technology and Manufacturing Centres are located in California, USA. There we have some 50+ people in R&D, on which our annual spending is in excess of \$4,500,000. We operate with a 99.2% success rate.

For the EMEA region, we operate from a base near Amsterdam in The Netherlands. This location is very central. We are 40 minutes by road from Schiphol Airport, one of Europe's major air cargo hubs and one of the busiest passenger airports in Europe. Additionally and more importantly, we are one hour away from the sea port of Rotterdam, which is the largest in Europe and the 7th largest container port in the world. We bring our products to EMEA via ocean containers and our investment in inventory allows us to operate as if we were a local manufacturer.

In Russia we have a number of Resellers that can sell you MSE cartridges from the warehouse in Moscow and other cities of Russia. You can always contact Petr Kulakov, Business development manager at MSE EMEA (petrk@mse-europe.com) to obtain full information about MSE products.

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