

Bringing print rationalization to the federal government

The public sector can be a tough market to crack, but a recent event in Ottawa may point to a way inside 6/11/2009 5:28:00 PM
by Jeff Jedras

IT VARs can crack the federal government IT market the potential for business growth is lucrative, and a recent event held in Ottawa may point to one way the channel can get its foot in the door: print rationalization.

Organized by Ottawa's PrintersPlus Inc. and IT channel development firm MarketWorks, the "Fine Print" event brought together over 100 government decision-makers and IT professionals, including representatives from Public Works and Government Services Canada, the government department with primary responsibility for procurement. Industry participants included Samsung, HP, Fujitsu, Xerox, Lexmark, Sims Recycling Solutions and Ringdale.

The keynote address was given by analyst Michelle Warren of Toronto's MW Research. Warren said she sees the print industry evolving beyond a managed print services model towards one of print rationalization, which can be distinguished from managed services by its focus on cost and by its embracing of a mixed-vendor environment.

It's a true solution sale, said Warren, where the partner takes a truly vendor-agnostic approach, drawing on their industry expertise to recommend the best solution for the customer, regardless of vendor.

"We believe it's the next level to the printing market in Canada, and it encapsulates everything, things such as printing policy, environmental concerns, security concerns, and change management," said Warren.

The print rationalization model has three key stages: an assessment of the current situation, a needs determination, and putting together a plan that's then executed against.

The model really relies on the VAR applying their industry expertise, and their knowledge of hardware and software market trends, to build a customized print model to take a customer organization into the future. Equipment can be leased or purchased, whichever works best for the environment, and different vendor products can be used.

"It's leading to the emergence of a solution provider channel called the hybrid dealer," said Warren. "The hybrid dealer is a digital information management guru that can come in and manage all this information."

This is a change for some VARs, said Warren, given that vendors generally incent them to go heavily with one vendor's products. While a multi-vendor approach may hurt VAR margins, Warren said it's in the long-term best interests of the channel to put the focus on what's best for the end-user.

"It's a concern, absolutely, but it depends on the outlook and it's really a challenge solution providers have faced for years," said Warren. "But at the end of the day, if the dealers don't have customers they don't have a business."

Cracking the public-sector market

The federal government market was a key focus of the "Fine Print" event, and Warren said it was very interesting to hear about this market's needs and concerns.

"Print rationalization is a fairly large undertaking, which means government departments need an expert to walk them through the process," said Warren. "That's where the solution provider can come in and play a role, working with the government to assess their current situation."

However, selling into a federal government department is no easy undertaking, said Warren, although the rewards can be lucrative. But National Defence purchases differently from the Canada Revenue Agency, for example, and knowing the processes and the subtle differences will be important to channel success.

"It's not as easy as going to a private-sector company and doing a needs assessment," said Warren. "Each department purchases differently, Public Works is involved. There are certainly extra layers."