

For *Newsweek*, immediate access to financial and other operational reports is vital for success. Publishing is an extremely competitive business, and business executives need to be able to quickly spot financial and other trends and react to them. Previously, *Newsweek* depended on a mainframe-based printing system for publishing financial reports and the printing facility was located in offices separate from corporate headquarters. Printing reports could take several hours after a report was requested for it to be delivered to corporate headquarters from the printing facility via courier. Through Lexmark's comprehensive workshop and discovery process, *Newsweek* identified this and other troublesome workflow areas and built a phased output strategy to address them. In the first phase, Lexmark replaced the mainframe-based system with a Web-based, distributed print-on-demand system, which allows reports to be viewed online and to be printed locally. The result is a projected five-year net benefit of \$514,818 and immediate, on-demand access to vital financial reports and other documents by executives and employees who need the information to make informed business decisions. Note: *These cost savings reflect the initial implementation of the Lexmark solution on five floors in Newsweek's New York offices and are based on a full adoption of Lexmark's recommendations with respect to the elimination of most stand-alone local devices over time.*

Objective	Benefits Achieved
Give <i>Newsweek</i> executives and employees on-demand access to financial reports and other documents in order to make informed business decisions quickly.	Before the Lexmark solution, it could take several hours for <i>Newsweek</i> business executives to get access to a requested report. After the solution was implemented, they have on-demand access via the Web or a local printer.
Reduce maintenance and support for mainframe printer services.	The mainframe printing hardware has been taken down and removed. Service contracts have been cancelled. Five full-time resources have been redeployed.
Cut down on distribution and mailing costs.	Cost reductions on overnight and courier services have been achieved. Reports no longer need to be sent via courier, and mail and overnight express services are no longer needed to fulfill report requests from the data center to headquarters.
Reduce staff required to manage the printing facility.	Five full-time employees who were required to staff the printing facility have been reassigned to other tasks.
Eliminate standalone printers throughout <i>Newsweek</i> offices.	Printers and faxes will be consolidated, standardized and networked, leading to easier upkeep and maintenance.

Goal

For *Newsweek* to provide on-demand access to reports and documents for its employees; eliminate time-consuming mainframe-based report printing; reduce report distribution costs; and consolidate printers throughout its offices.

Solution

Lexmark distributed, print-on-demand system using OM Plus print management software, Web-based REVEAL Report Manager Plus document management software, Lexmark monochrome and color multifunction printers (MFPs) and consulting services.

Results

- A projected five-year net benefit of \$514,818, driven by a reduction in maintenance costs, paper costs and consumables; savings due to printer consolidation; reduction in distribution and mailing costs; and elimination of labor dedicated to mainframe printing.
- An ROI of 350% and a payback period of 34 months. Most business executives now have on-demand access to financial and other operational reports.

These results are based on an implementation on five floors at *Newsweek's* New York offices.

The Challenge: Eliminate Mainframe-Based Printing and Reduce Printer Costs

As one of the world's largest newsweeklies, one of Newsweek's core goals is the efficient communication of information. But when it came to providing access to financial reports, including general ledger, accounts payable, payroll, and advertising, information was not being disseminated efficiently to employees and executives.

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—Leonard Carella
Vice President and Chief Technical Officer
Newsweek
New York, N.Y.
www.newsweek.com

Newsweek was using a legacy AS/400 mainframe-based printing system in its data center in Mountain Lakes, New Jersey, to print reports, and sent them via courier to its New York headquarters, or via express delivery services around the globe. Both methods were arduous, time-consuming and costly.

The process for printing and distributing these reports was a lengthy one, and it frequently took several hours for someone in the New York

offices to get a standard report after it was run. It took even longer for employees in other offices across the country or globe to obtain copies of them.

“The amount of time, effort and money it was taking us to disseminate reports was unacceptable,” said Leonard Carella, Vice President and Chief Technical Officer, *Newsweek*. “We knew that we had to get rid of mainframe-based printing.”

It would take even longer if someone requested that a special report be run. That required a call to the help desk, a special print run and special distribution. These slow processes were affecting the speed at which *Newsweek* executives and employees could make business decisions.

Newsweek had other printing issues as well. Standalone printers and fax machines were spread throughout its offices, and the IT staff had to spend substantial amounts of time and money maintaining, servicing and providing support for the different types of printers. Additionally, printing costs for these disparate devices were high because many of them were personal inkjet printers that were locally attached to PCs, instead of more cost-effective networked models.

Driving the Need for a New Solution

Newsweek was looking to eliminate mainframe-based printing and to consolidate printing devices throughout its offices for several reasons:

About Newsweek

Newsweek, owned by the Washington Post since 1961, is one of the largest newsweeklies in the world, with a worldwide circulation of more than 4 million, including 3.1 million in the U.S. *Newsweek's* total readership exceeds 21 million.

The magazine has 25 editorial bureaus and business centers around the globe, with eight domestic editorial bureaus located in Boston, Chicago, Dallas, Detroit, Los Angeles, Miami, San Francisco, and Washington, D.C. Its eight overseas editorial bureaus are in Beijing, Cape Town, Jerusalem, London, Mexico City, Moscow, Paris, and Tokyo. Its corporate headquarters is located in New York City.

Newsweek was founded by Thomas J.C. Martyn and the first issue was published on Feb. 17, 1933. It holds more National Magazine Awards given by the American Society of Magazine Editors (ASME) than all other newsweeklies combined.

Newsweek Inc. also publishes *Newsweek* International in three English-language editions - Atlantic, Asia, and Latin America - and is part of The Bulletin With *Newsweek* in Australia, with a combined circulation of 751,000. The magazine currently appears each week in over 190 countries around the world. *Newsweek* is the only newsmagazine with weekly foreign-language editions – in Japanese, Korean, Spanish, Arabic, Polish, Russian and Chinese.

- Provide online, real-time access to reports and information. Current turnaround for getting access to financial reports was not optimal and made it more difficult for employees to do their jobs and make decisions. Often, employees would want only a single page, chart, or piece of information, but it was difficult to get just that one piece of data immediately.
- Reduce waste and clutter. With the existing system, an entire report had to be printed out, even if someone wanted to access only a single page or chart. As a result, *Newsweek* was generating a substantial amount of paper waste.
- Reduce distribution and mailing costs. Physically delivering the reports via couriers and express delivery services cost a substantial amount of money.
- Reduce support costs. The help desk was spending significant amounts of time and money supporting a wide variety of printers. For example, supporting print drivers took substantial effort.

Newsweek Chooses the Lexmark Solution

Newsweek had discussions with several software vendors, but was looking for a solution that would combine hardware and software, and not just software alone.

At the same time, Lexmark offered *Newsweek* an output strategy workshop to bring together several key IT and purchasing executives to identify its key problem areas and to build a phased roadmap for improvements.

“Lexmark has been thorough in its evaluation of our needs, and has been very responsive to what needs to be done in order to achieve our goals.”

—Leonard Carella

Based on Lexmark’s “Print, Move, Manage” philosophy, the output strategy outlines specific areas for improvement that will help a company print smarter and at less cost, move information more efficiently and manage information more effectively.

Within the two-hour meeting, Lexmark and *Newsweek* identified mainframe printing as its primary business printing pain point. In the same meeting, workflow was identified as an additional piece of the puzzle that would be tackled later.

Ultimately, *Newsweek* chose Lexmark not only for the quality of its printers and multifunction devices, but because Lexmark’s strategic approach, consulting services, software and integration capabilities were far-reaching and of superior quality to other vendors’ proposed solutions.

Following this meeting, Lexmark conducted an in-depth output assessment of *Newsweek*’s printing infrastructure, including the most aggravating issues for users.

Based on recommendations that resulted from the assessment, Lexmark proceeded with a pilot program on a single floor within *Newsweek*’s headquarters. The program focused on eliminating mainframe-based printing, creating a distributed print-on-demand system and consolidating printing hardware, including printers, copiers, fax machines and scanners throughout its offices.

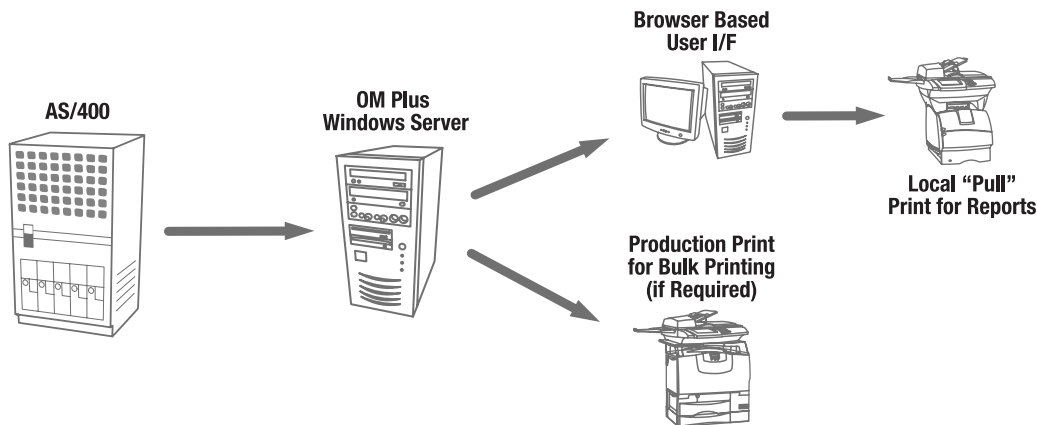
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Ultimately, *Newsweek* chose Lexmark not only for the quality of its printers, but because of Lexmark’s software and integration capabilities, and the far-reaching, superior quality of its proposed solutions.

The Lexmark solution is composed of a Plus Technology server, which includes OM Plus print management software, and Web-based REVEAL Report Manager Plus document management software.

The AS/400 mainframe will remain, but mainframe-based printing has been eliminated. Instead, information from the AS/400 is available online so that access to reports is on-demand and available from any Web browser.

An Inside Look at the Lexmark Solution



With the Lexmark solution, reports are still generated on the AS/400 mainframe. An OM Plus Windows server provides online access to the reports via a Web browser. Users can search and sort through reports and can view them online or print them on networked MFPs. Bulk printing can also be done by bypassing a browser and printing directly to a production printer.

When reports need to be printed at the New York offices, they can be printed via dedicated Lexmark report printers, configured with features that provide speed and ease of use.

Newsweek's bottom line for the project: A five-year projected cumulative net benefit of \$514,818, an ROI of 350% and a payback period of 34 months.

Most of the devices are multifunction, including the Lexmark X632e, the Lexmark X752e and the Lexmark X912e. This helped consolidate devices. Each of these devices is connected to networked PCs for printing reports. The devices also have copy, faxing and scanning functionality that is accessed using an easy-to-use touch screen panel.

Eliminating mainframe-based printing will free up five staff members to be reassigned elsewhere, which will save *Newsweek* from hiring for those extra positions. Because reports will no longer need to be distributed via couriers and express delivery services, *Newsweek* will save those costs as well.

Newsweek will also save in consumables and toner, because online access to data means that employees will print out far fewer reports.

Newsweek estimates that since mainframe-based printing has been eliminated, approximately 75% less report printing has been done.

Support costs will be cut as well, because as *Newsweek* eliminates standalone printers and standardizes on networked devices, fewer types of printers will need to be supported, and those printers that are supported will be limited to a few, easy-to-support models.

Perhaps more important than direct financial benefits are that *Newsweek* employees now have on-demand access to financial reports from the nearest Web browser. As a result, productivity has been increased.

These reports are not only more immediately available, but they are more functional as well — employees can interact with live data, for example, using a spreadsheet taken directly from the report over the Web, rather than reading numbers on paper. Searching the system is also far easier, because online search tools can be used instead of having to thumb through paper reports.

“Because data is freely available and accessible in ways never before possible, people have uncovered information they never would have been able to discover before,” Carella said. “This has led to better and faster decision making.”

The following chart provides a detailed, five-year analysis.

Project Summary						
Annual ROI	50%					
ROI	350%					
Payback Period (in months)	34					
Cumulative Net Value	\$514,818					
Project Costs	Startup	Year 1	Year 2	Year 3	Year 4	Year 5
Device Consolidation & Convergence by Lexmark	\$155,481	\$90,378	\$90,378	\$90,378	\$90,378	\$90,378
Lexmark Solution to Replace Mainframe Printing	\$50,500	\$176,500	\$25,000	\$25,000	\$25,000	\$25,000
Total	\$205,981	\$266,878	\$115,378	\$115,378	\$115,378	\$115,378
Benefits	Startup	Year 1	Year 2	Year 3	Year 4	Year 5
Device Consolidation & Convergence by Lexmark		\$72,885	\$72,885	\$72,885	\$72,885	\$72,885
Paper		\$9,000	\$9,450	\$9,923	\$10,419	\$10,940
Labor (incl. IT Mgt. & Overhead)		\$0	\$225,000	\$236,250	\$248,063	\$260,466
Distribution/Mailing		\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Hardware & Services (Computing & Printing)		\$10,000	\$10,500	\$11,025	\$11,576	\$12,155
Total		\$93,885	\$319,835	\$332,083	\$344,943	\$358,446
Financial Analysis	Startup	Year 1	Year 2	Year 3	Year 4	Year 5
Net Value	-\$205,981	-\$172,993	\$204,457	\$216,705	\$229,564	\$243,067
Cumulative Net Value	-\$205,981	-\$378,974	-\$174,518	\$42,187	\$271,751	\$514,818
Net Present Value (NPV)	\$352,618					
Payback Period (in months)	34					
Annual ROI	50%					
ROI	350%					
Internal Rate of Return (IRR)	33%					
Key Performance Indicators						
Reduction of mainframe printer and related services, greater than 50%						
Device consolidation & convergence reduction of 62% (from 153 to 58 devices)						

This case study was authored by the Case Study Forum. The financial analysis that appears in this case study was developed by ROI-Calc, Inc. Results shown are not a guarantee of equivalent performance.

Phased Approach Builds Mutual Trust and Results

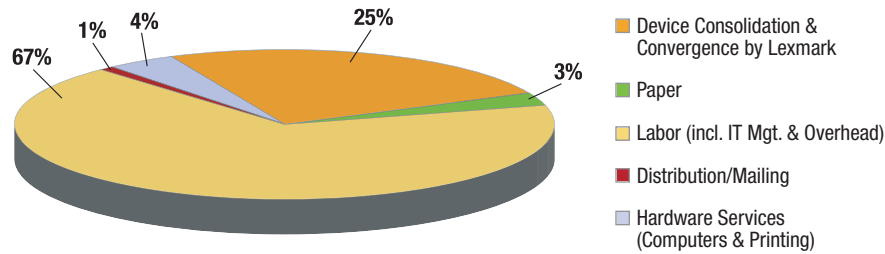
The output strategy created by Lexmark for *Newsweek* was built in phases, based on the most significant printing “pain” being experienced within the organization.

Step by step, Lexmark established its credibility with *Newsweek* by making solid recommendations based on real data and input from users, implementing each phase successfully and partnering well with *Newsweek's* executives. Over time, each successful phase of the output strategy has been built upon the previous one to create mutual trust and results for the two companies.

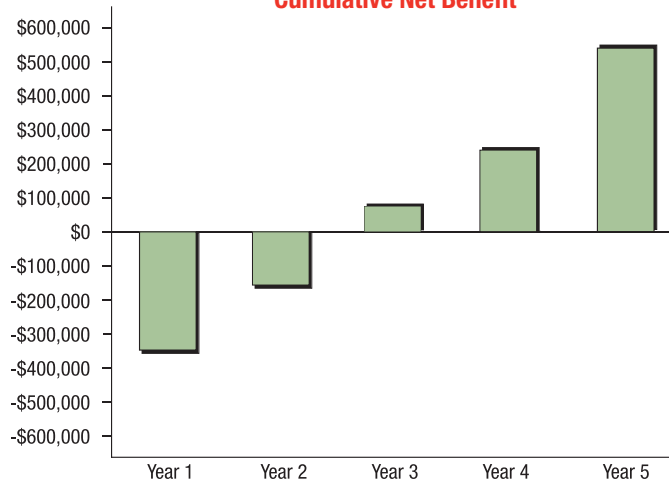
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Cumulative 5-Year Net Benefit=\$514,818



Cumulative Net Benefit



Newsweek Looks to the Future

Mainframe printing has been eliminated at *Newsweek*, and Lexmark is working on the second and third phases of the project – device consolidation and workflow. Now, with an optimal device infrastructure in place, *Newsweek* is poised to make additional improvements from this solid base, including consolidating devices and improving workflow. The multifunction devices that are now in place are the building blocks of a highly sophisticated system that will enable advanced functions such as scan-to-email and others to be defined by Lexmark and *Newsweek*.

In the initial discovery phase of this project, Lexmark analyzed and worked on a single floor in *Newsweek's* New York offices. It uncovered

many different types of standalone inkjet printers, fax machines, copiers and scanners. The devices were used for a variety of purposes, took up valuable space and were expensive to operate and maintain. The most significant costs were found from large files that were being printed on desktop inkjet printers.

Lexmark consolidated and standardized the printers on that floor, and since then, other floors as well, leading to savings in printer maintenance and support costs. It is embarking on finishing the printer consolidation phase throughout all *Newsweek* offices, which it expects to yield even greater benefits.