



The Print e-Procurement Marketplace: 2007 Print Buyer Survey Results

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I. Executive Summary

The promise of “print e-Procurement” technology first surfaced during the dot.com era of the late 1990’s. Exaggerated beyond its abilities and spurned by print service providers (printing companies or “PSPs”) as a threat to their profitability, print e-procurement developers spent tremendous amounts of investor funds with modest positive results at the time. Several companies survived the ensuing shakeout, provided the foundation for the “web to print” (W2P) marketplace of the early 21st century and have grown their customer base and revenues. Today, W2P software providers offer print buyers and providers with tools that undoubtedly benefit both sides of the procurement equation.

Print e-procurement is the process by which buyers are able to electronically source, price, procure and possibly pay for printed materials. Buyers may be individual members of the general public, professional purchasing agents employed by corporations, or potentially, the people responsible for creating the item to be printed. While typical business materials such as stationery products, brochures and newsletters are commonly purchased through e-procurement, more complex items, such as direct mail components and marketing collateral, may be supported, depending on the software’s capabilities.

At their simplest, e-procurement solutions are web-based or hosted applications that enable buyers to select items they wish to purchase; upload personalized information, artwork and other copy; determine the quantity needed; and generate pricing. At their most complex, “web to print” tools enable project management of the creative process, the solicitation and evaluation of bids from multiple suppliers, facilitate direct mail campaign management, and integrate with back office functions such as accounts payable. E-procurement applications can be implemented and managed by a buying company to facilitate ordering from multiple suppliers and/or from an internal print shop. Print service providers may also deploy these applications to create a secure webstore (a customer-specific website) for their clients.

The phrase “print e-procurement” was commonly used within the printing industry until a couple of years ago. Since then, the phrase “web to print” has taken hold as the industry moved beyond the unmet promises of the “dot com” boom.

The general acceptance of W2P acknowledges the fact today’s print-specific solutions are viable and in most cases backed with significant financial resources. Equally importantly, by not involving “e-procurement” as part of the name, W2P addresses print service providers’ latent fears that any such solution is solely meant to commoditize their products and services. That said, W2P tools offer buyers the ability to streamline the order process, reduce production errors and cut costs.

Bear in mind that while W2P tools focus specifically on print and print-related procurement, broader e-procurement systems also are used, often with print-specific modules, to facilitate the procurement process. Indeed, both the general and print-specific e-procurement solutions may be used at different stages of the same purchasing process.

For the sake of clarity, the phrase “e-procurement” refers to our findings and analyses regarding print purchasing whether a general solution or a print-specific W2P application was employed. When applicable, the phrase “W2P” is used for insights specific to commercially available print e-procurement tools.

EDSF has a strong interest in the tools that facilitate the effective use of digital printing technologies and techniques. In the interest of nurturing industry understanding and growth, Gartner and George Mason University collaborated on

this study of print buyers' interests in and experiences with e-procurement offerings. A survey of print buyers was developed and participants from the USA and other countries who had a strong familiarity with their respective company's print procurement processes were involved.

Our research results are divided into two groups of print buyers: small- to-medium companies (with less than 1,000 employees) and large-to-very-large companies (with more than 1,000 employees). 34% of the small-to-medium companies and 57% of the large-to-very-large companies either have in place or are in the process of implementing an e-procurement solution. It is interesting that over 40% of the companies that do not use a commercially available e-procurement solution employ either a proprietary tool or a general purchasing module in their print procurement process.

Companies currently using an e-procurement solution undertake more centralized procurement than companies currently not using one do. Though the greater degree of centralized procurement is evident for documents used in both internal and external communications, it is more pronounced for external communication. 45% of the companies using an e-procurement solution have a common procurement department for external communications, compared to the 31% of those who do not use an e-procurement solution.

Our study found conclusively that e-procurement solutions offer tremendous benefits over traditional paper and email procurement processes:

- 39% of the large-to-very-large companies report cost savings ranging from 10 - 25% while another 13% report saving more than 25%.
- 18% of the small-to-medium companies report saving between 10 - 25%, while another 6% reported saving more than 25%.

Similarly, overall user satisfaction with their e-procurement solution was significant:

- 47% of the companies reported the tool's ease of use met their expectations
- 40% of the companies reported the tool's ease of use exceeded or far exceeded their expectations

The reduction in errors during print procurement is the key dimension on which companies are most satisfied with their e-procurement solutions. 54% of respondents noted fewer errors in order submission, where the solution exceeded or far exceeded their expectations, and 50% indicated there were fewer print provider errors.

Detailed findings in the report clearly indicate the print e-procurement marketplace offers buyers tools that improve the purchasing process and reduce costs. Providers offer tools that facilitate print buying at every level, while current users reap quantifiable savings and qualitative process improvements.

End users wishing to streamline their print sourcing and procurement processes should consider a solution tailored specifically for print procurement, whether a general e-procurement module or a stand-alone W2P offering. Such solutions not only facilitate internal procurement processes but they may also handle the complex print production workflows and generate significant cost savings and quality improvements.

Print service providers who want to clarify customer communications, minimize errors and improve production workflow should implement a solution designed for their needs or be open to interfacing with their customers' print e-procurement tools.

End users find the prospect of having to learn and interface with multiple solutions used by multiple print providers a daunting possibility. As a result, print service providers whose customers dictate the e-procurement solution they will use must be prepared to accept data directly into either their own W2P or ERP tools.

II. Objectives and Methodology

During the first quarter of 2007, the Gartner / George Mason University research team launched a significant effort to understand the current print e-procurement marketplace from the print buyers' perspective. Prospective respondents were solicited via e-mail for participation in this study.

The survey was hosted on Zoomerang (an online survey service provider). The survey questions and possible answers were developed by the study's authors.

In appreciation of the participant's time, respondents were offered a copy of this report and entered into a drawing for \$25.00 Amazon.com gift certificates. Participants had to provide their name and email address in order to receive a copy of the report and to be entered into the drawing. 5% of the participants elected to remain anonymous.

We received 191 responses. 140 were selected for analysis based on their completeness and the apparent familiarity of the responders with print procurement (Figure 1). Our analysis includes only responses from participants who either had an e-procurement or a W2P tool in place or were actively considering implementing one. Participants had to be involved in or highly familiar with their company's print purchasing process.

The response data used in this analysis does not include anyone from an e-procurement or W2P solutions provider, resulting in a focus on the "buy side" of the industry.

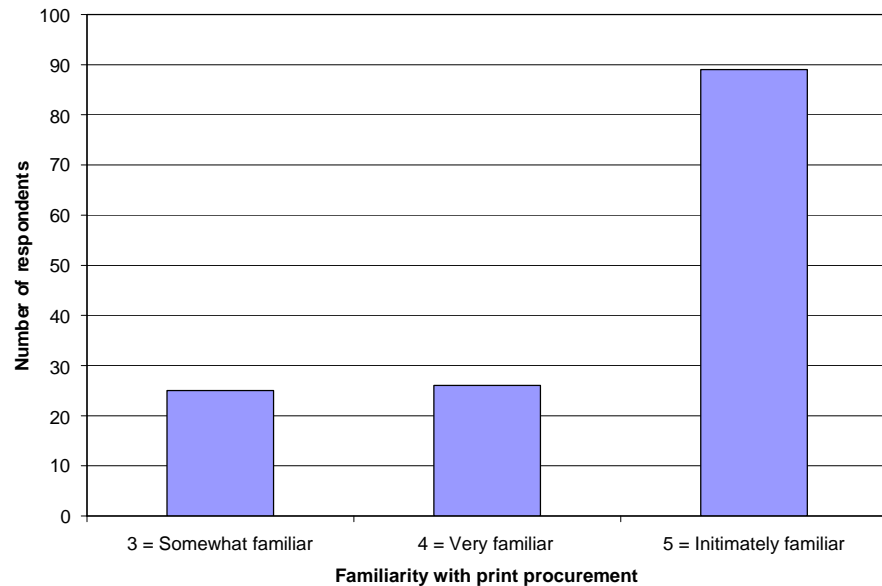


Figure 1: Familiarity with Print Procurement
(Analyzed responses, N=140)

Responses from participants were only considered if they rated their familiarity with the procurement process as a "3" or higher. Suppliers were not allowed to participate, meaning the survey is indicative of the "buy side" of the printing industry.

81% of the usable responses came from participants based in the USA.

The mix of survey respondents is weighted toward large and very large enterprises, firms that often have the most to gain from the efficiencies and economies of print e-procurement and W2P solutions.

While 41% of the respondents were employed at firms with more than \$1 billion in sales, there was a significant pool of participants from smaller companies:

- 19% worked for enterprises with sales ranging from \$100 million to \$1 billion
- 24% worked at companies with sales of \$5 million to \$100 million

Correspondingly, more than half of the participants came from companies with a high number of employees:

- Over 10,000 employees: 28%
- 1,000 to 9,999 employees: 26%
- 100 to 999 employees: 18%
- Under 100 employees: 28%

Our analysis was therefore conducted after applying the following criteria:

- Respondents were at least somewhat familiar with the procurement of printed materials, and
- Respondents belonged to one of the two company classes: small-to-medium (up to 999 employees) or large-to-very-large (more than 1,000 employees)

As a result, 140 responses were used in our analysis (73% of the total respondents). Of these, 64 respondents worked at small-to-medium sized companies while 76 were employed by large-to-very-large companies.

Respondents represented 21 industries, but their numbers were dispersed too widely to provide a statistically valid analysis by vertical.

III. Findings and Analysis

The Gartner / George Mason University team's research focused on print buyers' interest in and experiences with print e-procurement tools. In this report, the phrase "e-procurement" refers to our findings and analyses regarding print purchasing whether a general solution or a print-specific W2P application was employed. The phrase "W2P" is used only when findings specific to commercially available print e-procurement solutions are reported.

Our analysis is presented in six sections highlighting key findings regarding print buyer use of e-procurement tools including Web to Print solutions and the features they value the most.

Section 1: Print e-Procurement Usage

Of 140 qualified respondents, 58 reported that their company was currently using eProcurement solutions for the procurement of print (Table 1). Over 90% of these 58 companies have been using an e-procurement solution for at least a year (Figure 2). This very high percentage allowed us to report on their experiences and to examine usage trends with confidence.

Use of e-procurement tool/solution	Business Size	
	Small to Medium	Large to Very Large
No e-procurement tool/solution	39	25
Currently under consideration	1	5
Currently under planning	2	3
Currently under implementation	4	3
Currently in use	18	40

Table 1: E-procurement solution use for print procurement

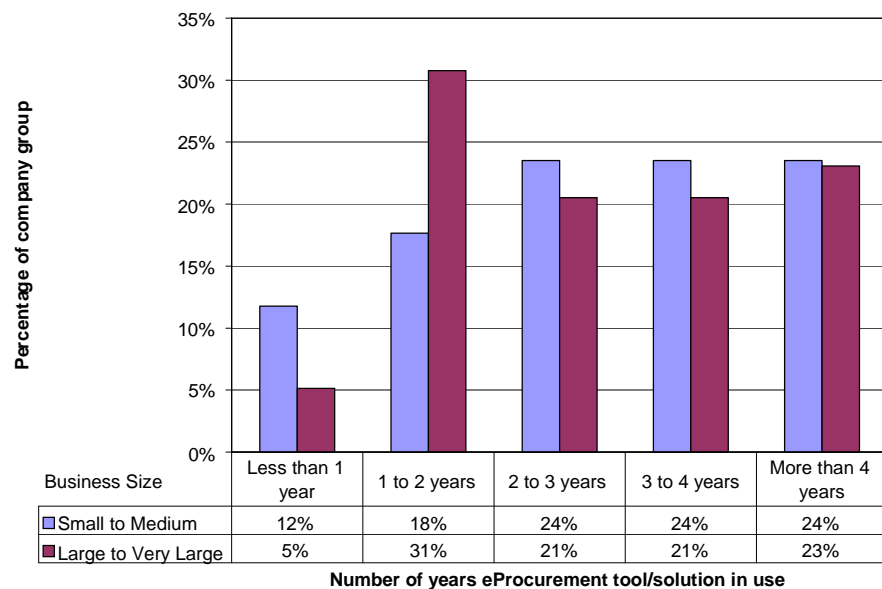


Figure 2: Experience with print e-Procurement solutions

Additionally, their experience enables us to measure user satisfaction with print e-procurement solutions, the importance of different technical characteristics and the users' implementation experience. Furthermore, we conducted a detailed analysis of reported cost savings and ease of use.

28% of small-to-medium companies surveyed are using e-procurement solutions, while 53% of large-to-very-large companies employ an e-procurement solution. An additional 15% of the large-to-very-large companies are currently considering, planning or implementing an e-procurement solution for print. Since the number of respondents for the two business sizes was different, the following chart examines adoption status as a percentage of the number of respondents within that group.

On the surface, this result is not unexpected. Given the history of the market for print e-procurement solutions, which basically originated in the "dot com boom" of the late 1990's and was tainted by overblown promises of cost savings and ease of use, large and very large companies are likely not only to need an effective print procurement solution and but also means to evaluate and implement one.

While more large to very large enterprises use an e-procurement or W2P solution, the number of small to medium companies that procure 95% or more of their print requirements through an e-procurement or W2P tool is higher.

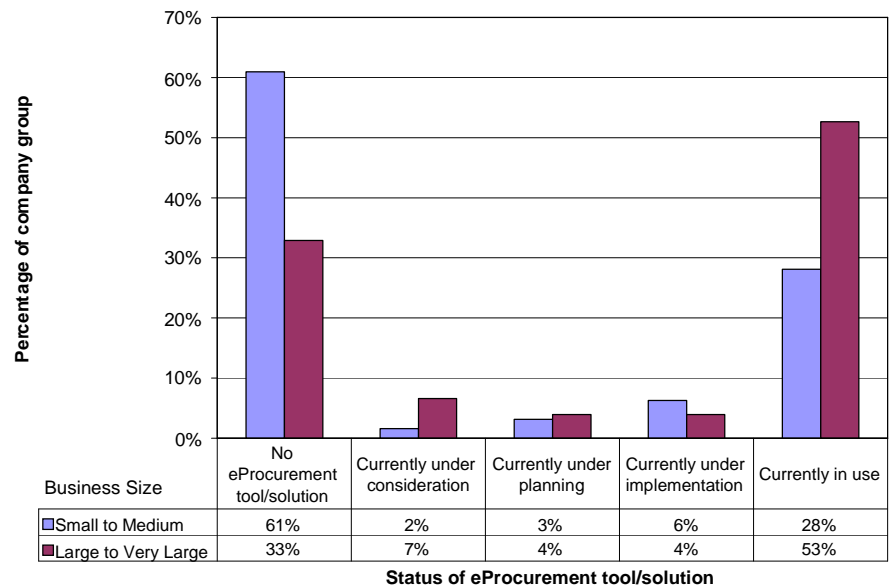


Figure 3: Use of e-Procurement solutions

Among the small-to-medium companies currently using an e-procurement solution, two-thirds use it for more than 80% of their print procurement. Indeed, nearly one-half use their e-procurement solution to purchase 95% or more of their printed materials.

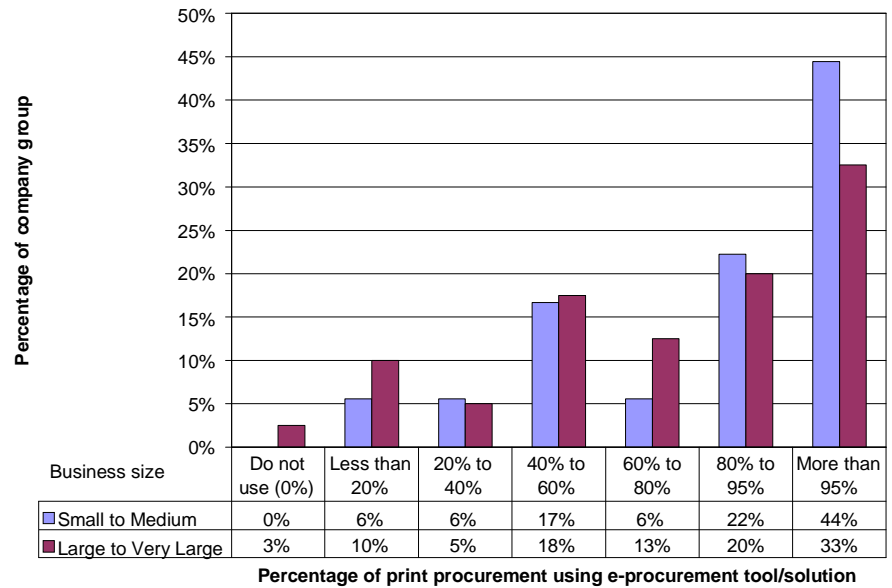


Figure 4: e-Procurement Usage for Print Buying

However, only 53% of the large-to-very-large businesses use an e-procurement tool for more than 80% of their print procurements. This difference may be due to the mix of printed materials — many large enterprises secure their printed materials through the agencies creating marketing collateral — and to distribute (remote office) printing of localized items.

Section 2: e-Procurement and ERP

Enterprise Resource Planning (ERP) systems integrate a company's data and applications into a cohesive system. Typically, this is accomplished with a common, unified database — although that may not always be the case (and may not be completely integrated). Gartner's ERP definition includes these major functionality areas: manufacturing, financial management systems, human capital management, and enterprise asset management.

We examined the respondents' use of ERP systems in addition to their use of e-procurement solutions in order to obtain an overall profile of their procurement systems. The analysis answers the question of whether integration with ERP systems would be desirable in e-procurement offerings. As a corollary, we also determined whether companies using ERP-based procurement solutions are using them for print procurement or are using a combination of e-procurement and ERP tools.

Two-thirds of the small-to-medium companies using e-procurement systems do not have an ERP system. In contrast, two-thirds of the large-to-very-large companies using an e-procurement tool also have an ERP system, with an additional 12% reporting that an ERP system is currently under planning/implementation. E-procurement features relating to potential connectivity with an ERP system are crucial for large-to-very-large companies. On the other hand, an e-procurement solution's dependence on ERP for a complete e-procurement system would be detrimental for small-to-medium companies.

E-procurement and W2P providers must offer their large to very large enterprises customers the ability to integrate their solution with the enterprise's ERP system.

Company Size	E-procurement tool/solution use for print procurement	ERP		
		No	Yes	Under planning/Implementation
Small to Medium	Currently in use	12	5	1
	Under consideration		1	
	Under implementation	1		3
	Under planning	1		1
	No eProcurement system	28	10	1
Large to Very Large	Currently in use	9	26	5
	Under consideration	2	2	1
	Under implementation		2	1
	Under planning	2	1	
	No eProcurement system	16	9	
Total Responses		71	56	13

Table 2: Use of ERP Systems and e-Procurement Solutions

A joint analysis of the use of ERP procurement systems and e-procurement solutions by companies currently having an ERP provides additional insights into use of procurement solutions:

- Large-to-very-large companies – Almost 80% of the companies currently using ERP or implementing it are also using an e-procurement solution or implementing it. It is interesting that 67% of the respondents currently using an ERP procurement solution are also current users of an e-procurement tool.
- Small-to-medium companies – Only 50% currently using or implementing ERP systems are also using an e-procurement solution. In contrast to larger enterprises, only 33% of ERP procurement solution users report also using e-procurement solutions.

Almost 80% of large to very large companies with ERP systems also are using or plan to use an e-procurement solution.

Company Size	E-procurement tool/solution use for print procurement	ERP Procurement Solution		Other procurement solution	No procurement solution
		Currently In Use	Under Implementation		
Small to Medium	Currently in use	4			2
	Under consideration	1			
	Under implementation		3		
	Under planning		1		
	No eProcurement system	7			4
Large to Very Large	Currently in use	23	3	3	2
	Under consideration	2	1	1	
	Under implementation	2			1
	Under planning	1			
	No eProcurement system	8	2		1
Total Responses		48	10	4	10

Table 3: Use of e-Procurement Solutions

Section 3: Responsibility for Print Procurement

Having evaluated the extent to which e-procurement solutions are used and whether they integrate with ERP systems, we looked at who is actually using them and how. We analyzed the following aspects of print procurement:

- Who is responsible for the procurement of print-related services and printed materials?
- What primary tool is used at each of the following six stages of print procurement:
 - Initiation of a print procurement request by user/department
 - Internal processing and approval of a print procurement request
 - Issuing a Request for Quote (RFQ)
 - Submission of tenders/bids by vendors
 - Evaluation and selection of vendor(s)
 - Issuing a purchase order

We considered the procurement of printed materials for internal communications (such as price lists and reports) as well as for external communications (marketing collateral, direct mail, catalogs, print advertising). When examining differences, we evaluated both differences by company size and differences by whether an e-procurement solution is in use.

Our analysis of the survey results found that:

- Small-to-medium companies handle procurement of creative and design services centrally, whereas large-to-very-large companies handle procurement in a more decentralized manner.
- 52% of the small-to-medium companies have a centralized procurement process, with an additional 22% indicating that procurement is mostly centralized with some specialty procurements handled by different departments. In comparison, only 30% of large-to-very-large enterprises indicate centralized procurement, with another 25% indicating that procurement is mostly centralized with specialty procurement being handled by different departments.

Small to medium companies are nearly twice as likely to have centralized procurement processes as their larger counterparts.

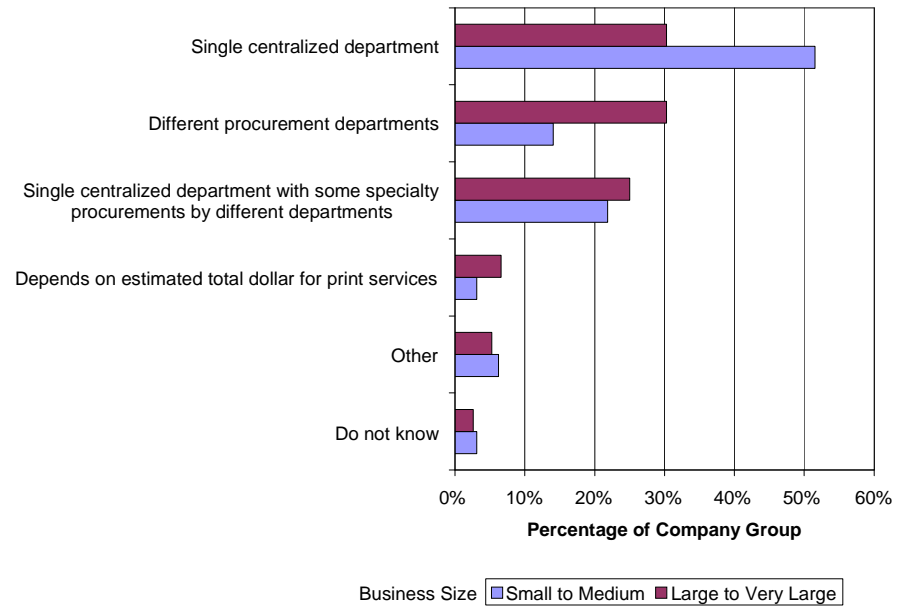


Figure 5: Procurement of creative and design services by medium and large companies

When analyzed by whether an e-procurement solution was in place, we found that:

- There is a greater tendency to centralize procurement, with some specialty purchases handled by a different department.
- This increased centralization by companies using e-procurement solutions likely comes from the reduction in companies using procurement by different departments.

Company size has less to do with who is responsible for print purchases than it does with determining whether outside agencies are involved in print production.

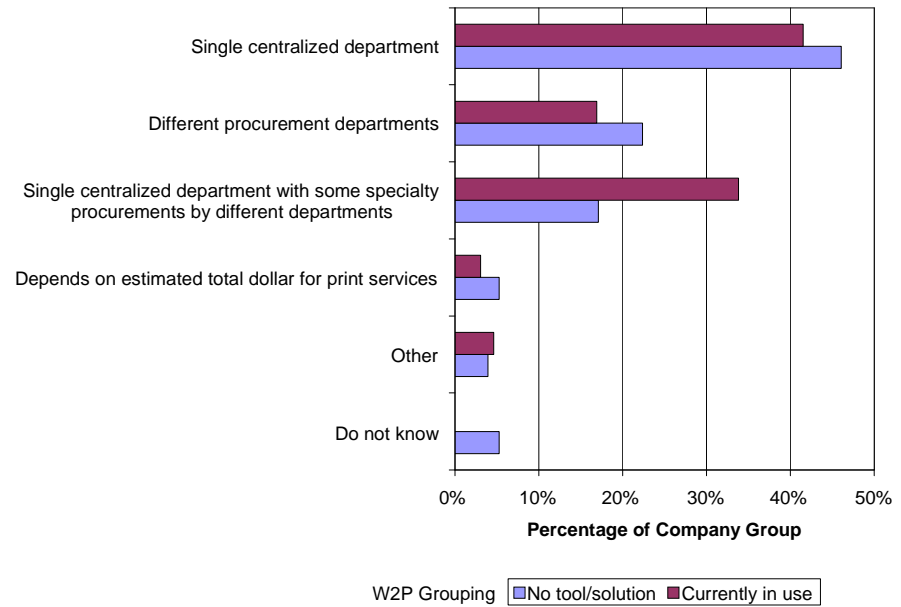


Figure 6: Procurement of creative and design services by companies' use of e-Procurement solution
(e-procurement currently in use, N=58; No tool/solution in use, N=64)

Our analysis of who is responsible for procurement of printed materials for external communications revealed no major differences between small-to-medium and large-to-very-large companies, except for the tendency of larger companies to rely more on outside agencies for relevant print purchases.

Accompanying this increase in common procurement is a reduced print procurement for external communications by the marketing departments of companies using an e-procurement solution.

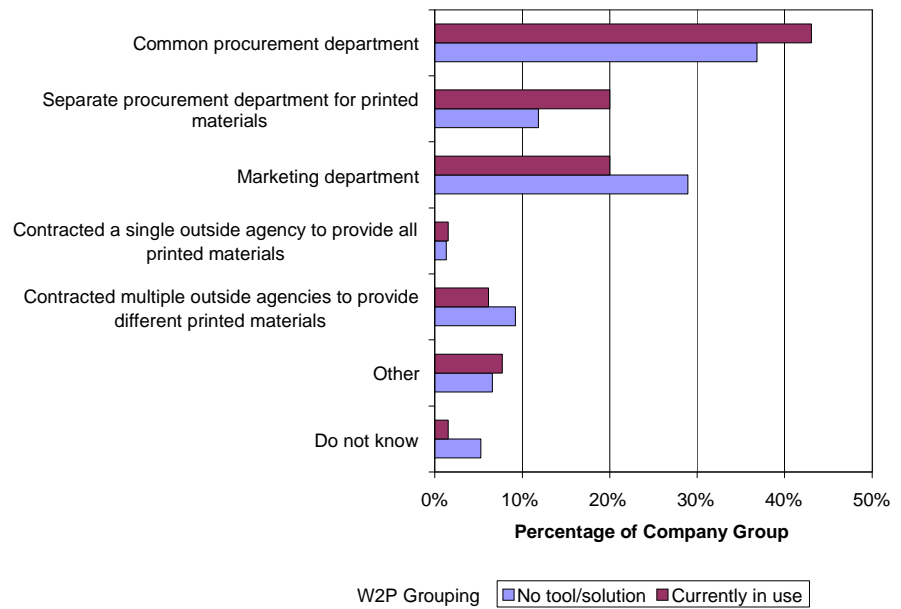


Figure 7: Procurement of printed materials for external communications
 (E-procurement currently in use, N=58; No tool/solution in use, N=64)

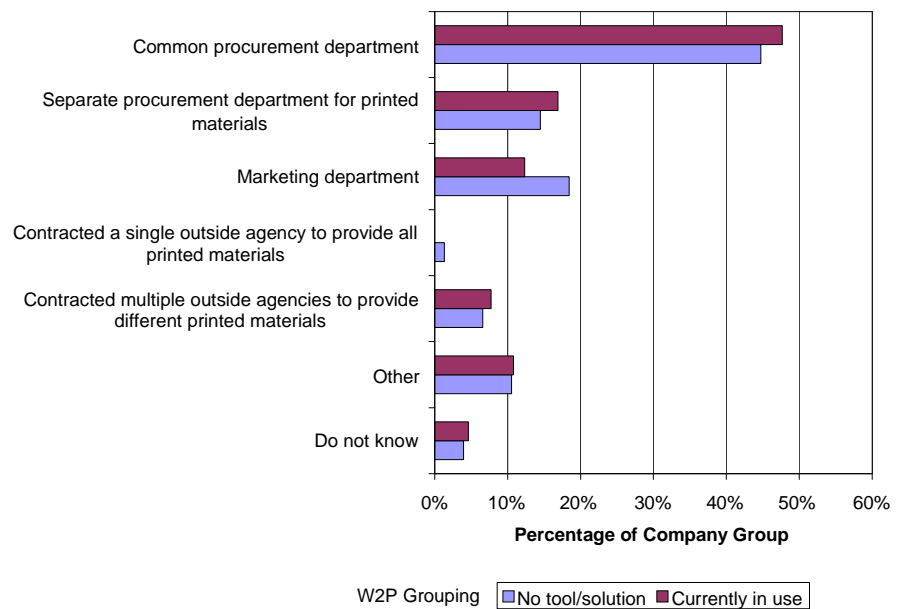


Figure 8: Procurement of printed materials for internal communications
 (E-procurement currently in use, N=58; No tool/solution in use, N=64)

Section 4: Email versus Paper versus e-Procurement

Old habits die hard. Paper and personal contact formed the basis of print purchasing for generations. Even today, companies that do not use an e-procurement solution almost exclusively use e-mail for all stages of the procurement process. In fact, 50% to 60% of them primarily use e-mail to initiate a procurement request, secure internal approval, issue RFQ, and submit bids/tenders by vendors.

Further, companies currently not using an e-procurement solution also have a tendency to use manual paper-based processes more than companies currently using such tools do. Most significantly, the paper based-process is significantly higher when the buyer is issuing an RFQ (19%) and subsequently evaluating the bids and then selecting the vendor(s) to produce the job. In contrast, only 2% to 17% of companies currently using an e-procurement solution also use paper-based processes at different stages of print procurement.

Importantly, over 30% of the companies identifying themselves as not currently using an e-procurement solution actually do use a proprietary e-procurement tool or general e-procurement purchasing module when issuing purchase orders. Most likely the print procurement process runs independently of other procurement processes until this point, and then the relevant information is fed into the company’s ERP or accounting systems.

Even among companies that still rely on paper and email to process print procurement there is a strong number who subsequently re-enter the data into an ERP or accounting system.

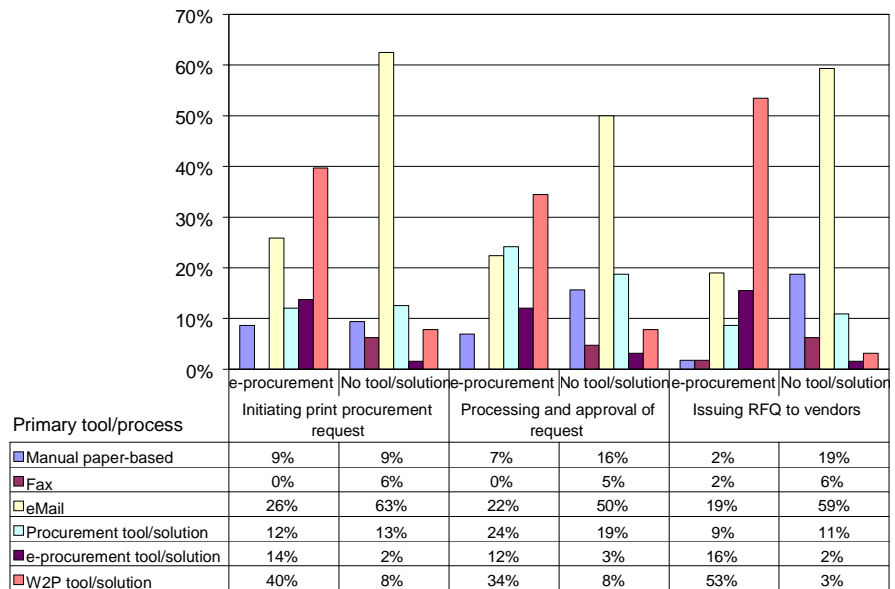


Figure 9: Primary tools/processes used at different stages of print procurement
 (E-procurement currently in use, N=58; No tool/solution in use, N=64)

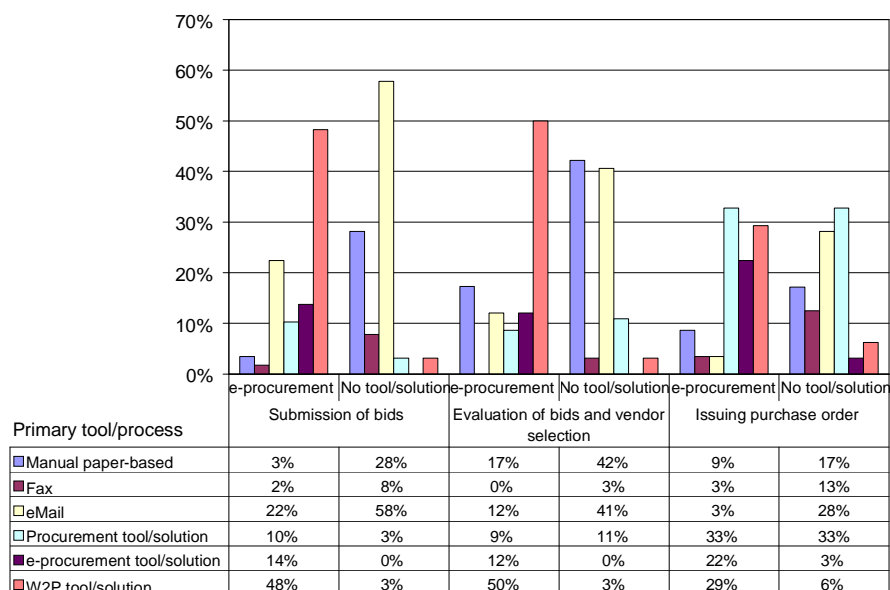


Figure 10: Primary tools/processes used at different stages of print procurement
(E-procurement currently in use, N=58; No tool/solution in use, N=64)

As noted earlier, we evaluated the six processes involved in print procurement: Initiation of a print procurement request by user/department; internal processing and approval of a print procurement request; issuing a Request for Quote (RFQ); submission of tenders/bids by vendors; evaluation and selection of vendor(s); and issuing a purchase order. The following tables illustrate the survey responses regarding whether paper, email, W2P, a general procurement tool, or a proprietary procurement tool is used in none or several of these processes.

Company Size	Number of stages in print procurement using paper-based process	E-procurement Tool/Solution	
		Currently in use	No
Small to Medium	1	17%	41%
	2	67%	26%
	3	5%	31%
	4	5%	2%
	5	6%	
	6		
Large to Very Large	1	20%	8%
	2	35%	48%
	3	38%	28%
	4	7%	16%
	5		
	6		
Total number of responses	Small to Medium	18	39
	Large to Very Large	40	25

Table 4: Number of print procurement stages using paper based processes

Key Findings:

- A greater percentage of companies not currently using e-procurement tool/solution rely on paper-based processes for their print procurement.
- 33% of small-to-medium firms use paper-based processes for 3 or more of the 6 stages of procurement. In contrast, 16% of small-to-medium sized companies with an e-procurement solution use paper-based process to a similar extent.
- About 45% of large-to-very-large companies use paper for 3 or more stages whether an e-procurement tool is used.

Company Size	Number of stages in print procurement using e-mail	E-procurement Tool/Solution	
		Currently in use	No
Small to Medium	0	72%	64%
	1	22%	13%
	2	6%	3%
	3		7%
	4		3%
	5		
	6		10%
Large to Very Large	0	70%	28%
	1	18%	32%
	2	5%	12%
	3	5%	16%
	4	2%	8%
	5		
	6		4%
Total number of responses	Small to Medium	18	39
	Large to Very Large	40	25

Table 5: Number of print procurement stages using e-mail tool/processes

Key Findings:

- Regardless of size, companies not using an e-procurement solution use e-mail to a very high degree during multiple stages of print procurement.
- Of the companies currently not using an e-procurement solution, 20% of small-to-medium companies, and 28% of large-to-very-large companies use e-mail in 3 or more stages of print procurement. Among companies employing an e-procurement tool, however, 0% of small companies and only 7% of large companies use e-mail primarily in 3 or more stages of print procurement.

Company Size	Number of stages in print procurement using W2P tool/solution	E-procurement Tool/Solution		
		Currently in use	No	
Small to Medium	0	16.7%	82.1%	
	1	0.0%	7.7%	
	2	16.7%	5.1%	
	3	5.6%	0.0%	
	4	16.7%	5.1%	
	5	22.2%	0.0%	
	6	22.2%	0.0%	
Large to Very Large	0	50.0%	84.0%	
	1	5.0%	12.0%	
	2	5.0%	4.0%	
	3	7.5%	0.0%	
	4	7.5%	0.0%	
	5	10.0%	0.0%	
	6	15.0%	0.0%	
Total number of responses		Small to Medium	18	39
		Large to Very Large	40	25

Table 6: Number of print procurement stages using W2P tools

Key Findings:

- 67% of the small-to-medium sized companies using an e-procurement solution indicate using W2P tools in 3 or more stages of their print procurement.
- In comparison, only 40% of large-to-very-large companies using e-procurement solution indicate using W2P tools in 3 or more stages of print procurement.
- In fact, half of the large companies using an e-procurement solution do not use any W2P tools during their print procurement.
- A small proportion (12% to 16%) of companies indicating they are not using an e-procurement solution still use W2P tools in one or two stages of print procurement.

Company Size	Number of stages in print procurement using e-procurement tool/solution	E-procurement Tool/Solution	
		Currently in use	No
Small to Medium	0	88.9%	97.4%
	1	5.6%	0.0%
	2	0.0%	2.6%
	3	5.6%	0.0%
	4	0.0%	0.0%
	5	0.0%	0.0%
	6	0.0%	0.0%
Large to Very Large	0	62.5%	88.0%
	1	10.0%	8.0%
	2	5.0%	4.0%
	3	5.0%	0.0%
	4	7.5%	0.0%
	5	5.0%	0.0%
	6	5.0%	0.0%
Total number of responses	Small to Medium	18	39
	Large to Very Large	40	25

Table 7: Number of print procurement stages using e-procurement tool/processes

Key Findings:

- 11% of small-to-medium sized companies indicating use of an e-procurement solution are actually using e-procurement tools other than W2P tools.
- 37% of large-to-very-large companies indicating use of e-procurement solution are actually using e-procurement tools other than W2P tools.

Company Size	Number of stages in print procurement using general procurement tool/solution	E-procurement Tool/Solution	
		Currently in use	No
Small to Medium	0	72.2%	61.5%
	1	16.7%	25.6%
	2	5.6%	7.7%
	3	0.0%	0.0%
	4	5.6%	2.6%
	5	0.0%	0.0%
	6	0.0%	2.6%
Large to Very Large	0	52.5%	52.0%
	1	17.5%	20.0%
	2	15.0%	4.0%
	3	5.0%	8.0%
	4	0.0%	12.0%
	5	5.0%	0.0%
	6	5.0%	4.0%
Total number of responses	Small to Medium	18	39
	Large to Very Large	40	25

Table 8: Number of print procurement stages using general procurement tool/processes

Key Findings:

48% of the large-to-very-large companies that are users of an e-procurement solution are also using general procurement tools in their print procurement. It is interesting that 48% of large companies that indicate they are not using e-procurement for print do use general procurement tools in their print procurement.

Section 5: Cost Savings Analysis

Our study found conclusively that print e-procurement solutions offer tremendous benefits over traditional paper- and e-mail based procurement processes:

- 39% of the large-to-very-large companies report cost savings ranging from 10 - 25% while another 13% report saving more than 25%.
- 18% of the small-to-medium companies report saving between 10 - 25% while another 6% reported saving more than 25%.
- Note that the respondents at 21% of the large-to-very-large companies and 29% of the small-to-medium companies using an e-procurement solution do not know what their cost savings are. Our survey did not probe the reasons for this response.

Print e-procurement and W2P tools offer print buyers significant cost savings opportunities, in many cases exceeding 25%.

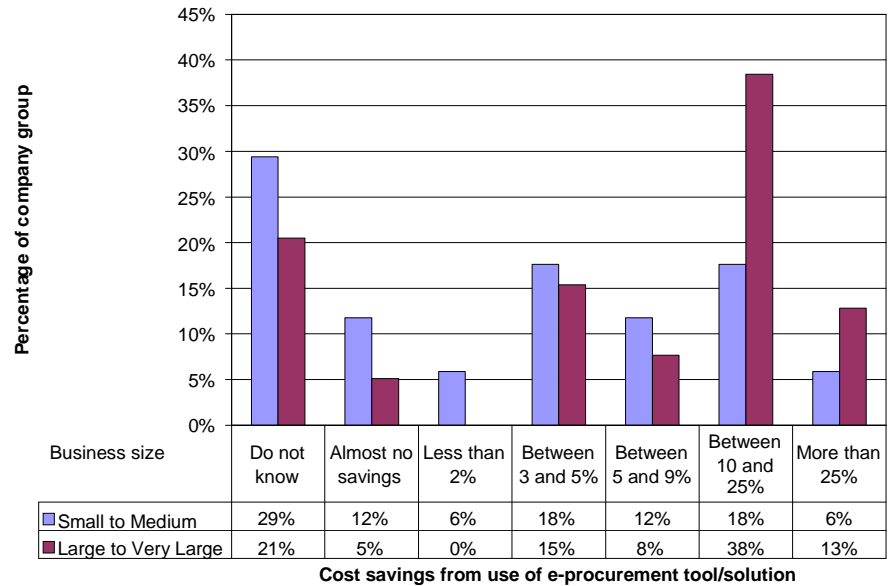


Figure 11: Medium to large companies report greater cost savings from implementation of e-Procurement solution

Based on independent Gartner research, these findings are in line with the savings enterprises experience when implementing e-procurement tools for other materials and services. Significant savings are possible due to the increased competition that e-procurement tools foster (easier to request more quotes and to evaluate additional suppliers), higher product quality (new suppliers; alternative production processes), and less waste (more detailed and accurate specifications).

Gartner research has found that most of the e-procurement cost savings come from price reductions and a relatively small amount is derived from improvements in the

procurement process. Future research into print e-procurement should delve into how much of the savings come from process improvements, price reductions, and/or product improvements based on shorter run, targeted CRM printing.

Nevertheless, analysis of the responses makes it clear that respondents were thinking of price reductions when asked about the cost savings derived from their e-procurement solution. Indeed, the greatest savings come over time, long after process improvements have been factored into the savings.

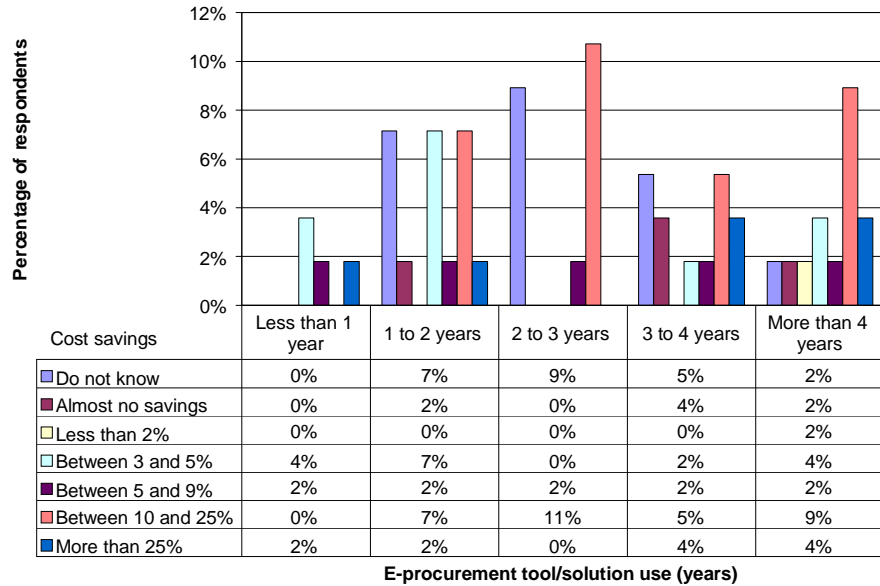


Figure 12: Cost savings increase with years of use

Next we considered responses to questions about the savings that companies employing a W2P tool experience and whether the respondent knew the amount the tool was saving the company. For this analysis, we broke the respondent pool into two segments: companies using W2P in less than 3 stages of print procurement and companies using W2P in more than 3 stages:

Cost Savings	e-procurement solution users	
	W2P tools in 3 or more stages of print procurement	W2P tools in less than 3 stages of print procurement
Less than 2%	5%	18%
Between 3 and 5%	24%	18%
Between 5 and 9%	10%	14%
Between 10 and 25%	48%	36%
More than 25%	14%	14%
Total number of responses	N=21	N=22

Table 9: Cost Savings when a W2P Tool is employed

Since the pool of respondents to these questions was small, the results indicate the likely difference in cost savings, and a larger sample may not result in the same degree of difference in cost savings. Nevertheless, 62% of companies using W2P

tools for 3 or more stages of print procurement report savings of 10% or greater. In comparison, only 50% of those using W2P tools for fewer than 3 stages report similar savings.

Section 6: Analysis of User Satisfaction with e-Procurement Solutions

Although significant cost savings might be enough to generate high user satisfaction, other e-procurement benefits contributed as well. Overall, 40% of the companies reported their e-procurement tool “exceeded” or “far exceeded” their expectations.

Regardless of company size, nearly 90% of respondents said their e-procurement tool met, exceeded or far exceeded their expectations.

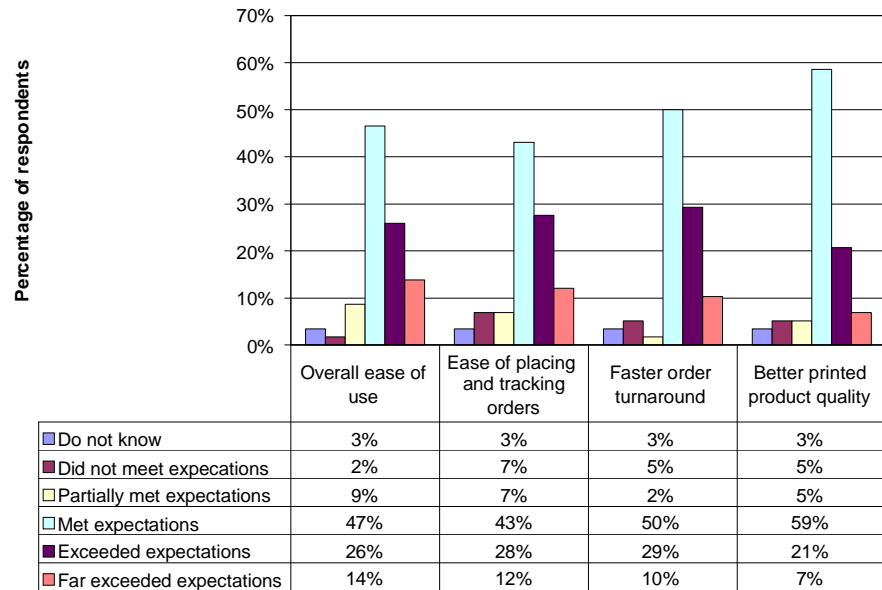


Figure 13: e-Procurement tools/solutions ease of use is meeting or exceeding expectations for 90% or more of the users
 (N = 58 companies with an e-procurement tool in place)

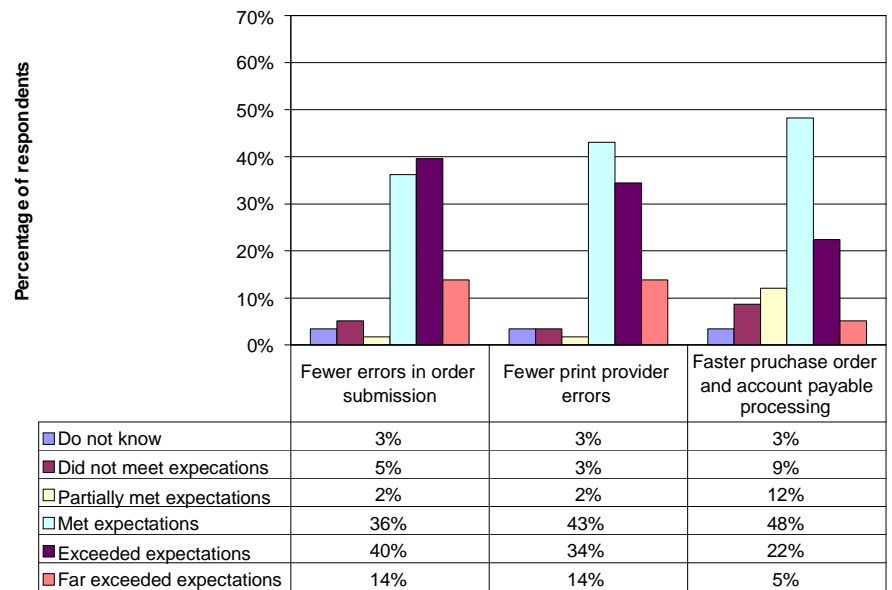


Figure 14: User experience eProcurement tool/solution

The following table details the participants' responses. Among the key points are:

- Level of current print providers' acceptance of e-procurement solution is high (96.3% when "not applicable" responses are omitted)
- Strong willingness of other print providers to participate in e-procurement solution (94.2% when "not applicable" responses are omitted)
- Slightly less satisfaction with the ease of implementation from the users' perspective than from IT (84.5% versus 93.1%), possibly because of the complex nature of print specifications and ordering
- Slight dissatisfaction (12%) with the ease of ordering, due either to the inherent complexity or the tool's limitations
- Slight dissatisfaction with the quality of training documentation and support (15.5%) and with technical IT support (12.0%)
- Variable data product purchases (20.7%) and ordering paper (32.8%) were not applicable to a significant number of print buyers
- More than a third of buyers (37.9%) did not use their e-procurement tool for order tracking or invoicing using a catalog function, possibly due either to the use of the company's ERP or other back office system to perform those functions or because a catalog is not in use

Features of eProcurement solution	Expectations					
	Unmet	Partially met	Met	Exceeded	Far exceeded	Not applicable
Ease of Implementation from IT perspective	1.7%	5.2%	50.0%	10.3%	24.1%	8.6%
Ease of Implementation from user perspective	1.7%	13.8%	43.1%	13.8%	22.4%	5.2%
Ease of RFI/RFP	1.7%	6.9%	48.3%	17.2%	19.0%	6.9%
Ease of order process (from quote to invoicing)	1.7%	10.3%	32.8%	22.4%	25.9%	6.9%
Ease of bid/quote analysis tools	1.7%	6.9%	27.6%	31.0%	22.4%	10.3%
Ease of ordering print with variable data components	1.7%	6.9%	34.5%	20.7%	15.5%	20.7%
Quality and functionality of reports	-	15.5%	46.6%	20.7%	10.3%	6.9%
Quality of training documentation and support	5.2%	10.3%	41.4%	22.4%	12.1%	8.6%
Quality of technical (IT) support	1.7%	10.3%	39.7%	20.7%	20.7%	6.9%
Ease of order tracking and invoicing using catalogue function	1.7%	6.9%	39.7%	8.6%	5.2%	37.9%
Ease of ordering own paper	3.4%	3.4%	36.2%	13.8%	10.3%	32.8%
Level of current print providers' acceptance of eProcurement solution	-	3.4%	39.7%	34.5%	13.8%	8.6%
Willingness of other print providers to participate in eProcurement solution	-	5.2%	36.2%	37.9%	10.3%	10.3%

Table 10: Satisfaction with different aspects of e-Procurement solution

Our next table illustrates the most important technical characteristics print buyers look for in their e-procurement solution. Not surprisingly, availability during business hours was highest, followed by the ability to customize the user interface and management reports:

Technical characteristics of eProcurement solutions	Importance					
	Not Important	Somewhat Important	Important	Very Important	Extremely Important	Do not know or Not Applicable
Application availability during business hours			1.7%	19.0%	74.1%	5.1%
Accessibility on company property and remotely	1.7%	6.9%	12.1%	20.7%	51.7%	6.8%
Customizability of user interface		6.9%	22.4%	22.4%	43.1%	5.1%
Ability to generate customized reports		3.4%	19.0%	34.5%	37.9%	5.1%
Copy/ pre-flight feature	8.6%	3.4%	19.0%	20.7%	25.9%	22.4%

Table 11: Importance of different technical characteristics of e-Procurement solution

Our last table evaluates user satisfaction with their W2P tool. Since the respondent pool was relatively small, the results are indicative of the likely difference in cost savings and a larger sample may not result in the same degree of difference in cost savings.

However, the responses are so significant that possible changes found in a larger population may not alter the findings significantly:

Companies using W2P tools for 3 or more stages of print procurement are far more satisfied regarding overall ease of use, the ease of placing and tracking orders and with the fewer errors in order submission and fewer print provider errors that they experience.

	Do not know		Did not meet /partially met expectations		Met expectations		Exceeded / far exceeded expectations	
	W2P	Others	W2P	Others	W2P	Others	W2P	Others
Overall ease of use		7%	4%	17%	39%	53%	57%	23%
Ease of placing and tracking orders		7%	7%	20%	32%	53%	61%	20%
Faster order turnaround		7%		13%	54%	47%	46%	33%
Better printed product quality		7%	7%	13%	61%	57%	32%	23%
Fewer errors in order submission		7%		13%	25%	47%	75%	33%
Fewer print provider errors		7%	4%	7%	29%	57%	68%	30%
Faster purchase order and account payable processing		7%	28%	13%	46%	50%	25%	30%

Table 12: User Satisfaction with W2P tool

W2P: Companies with e-procurement solution using W2P tools for 3 or more stages of print procurement (N=28)

Others: Companies with e-procurement solution using W2P tools for fewer than 3 stages of print procurement (N=30)

Key Findings:

- Companies using W2P tools for 3 or more stages of print procurement are far more satisfied when it comes to overall ease of use (57% vs. 23%), ease of placing and tracking orders (61% vs. 20%), fewer errors in order submission (75% vs. 33%), and fewer print provider errors (68% vs. 30%).
- The key dimension on which users of W2P tools are dissatisfied is faster purchase order and accounts payable processing. 28% of the respondents indicated their expectations were not met or only partially met.

IV. Implications: Web to Print Marketplace

The Gartner / George Mason University study on behalf of EDSF has uncovered important findings from the print buyers' and the e-procurement and W2P solution providers' perspectives. Further, the study lays an important foundation upon which future research can be built and trends over time analyzed.

Print buyers must still perform due diligence on all the e-procurement and W2P solutions they are considering. They should engage both users and IT personnel in the process of determining the best solution for their needs. The time and effort are worthwhile, given the significant cost savings and process improvements that may be realized.

E-procurement and W2P solutions providers should use the insights found in this report to develop features and functionality that align with prospective customers' needs. Equally importantly, they should conduct periodic and thorough client surveys to benchmark performance compared to these results.

Print Service Providers should not be disheartened by the cost savings that print buyers report. Rather, they should view the use of an e-procurement and W2P solution as the means not only to provide outstanding products and service, but also to become an intimate part of their customers' procurement process. Product mix may change, with the potential for more high value and high profit sales, while providing the opportunity to truly partner with customers.

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