

IDC MarketScape

IDC MarketScape: Western Europe Smart Multifunction Peripheral 2018 Vendor Assessment

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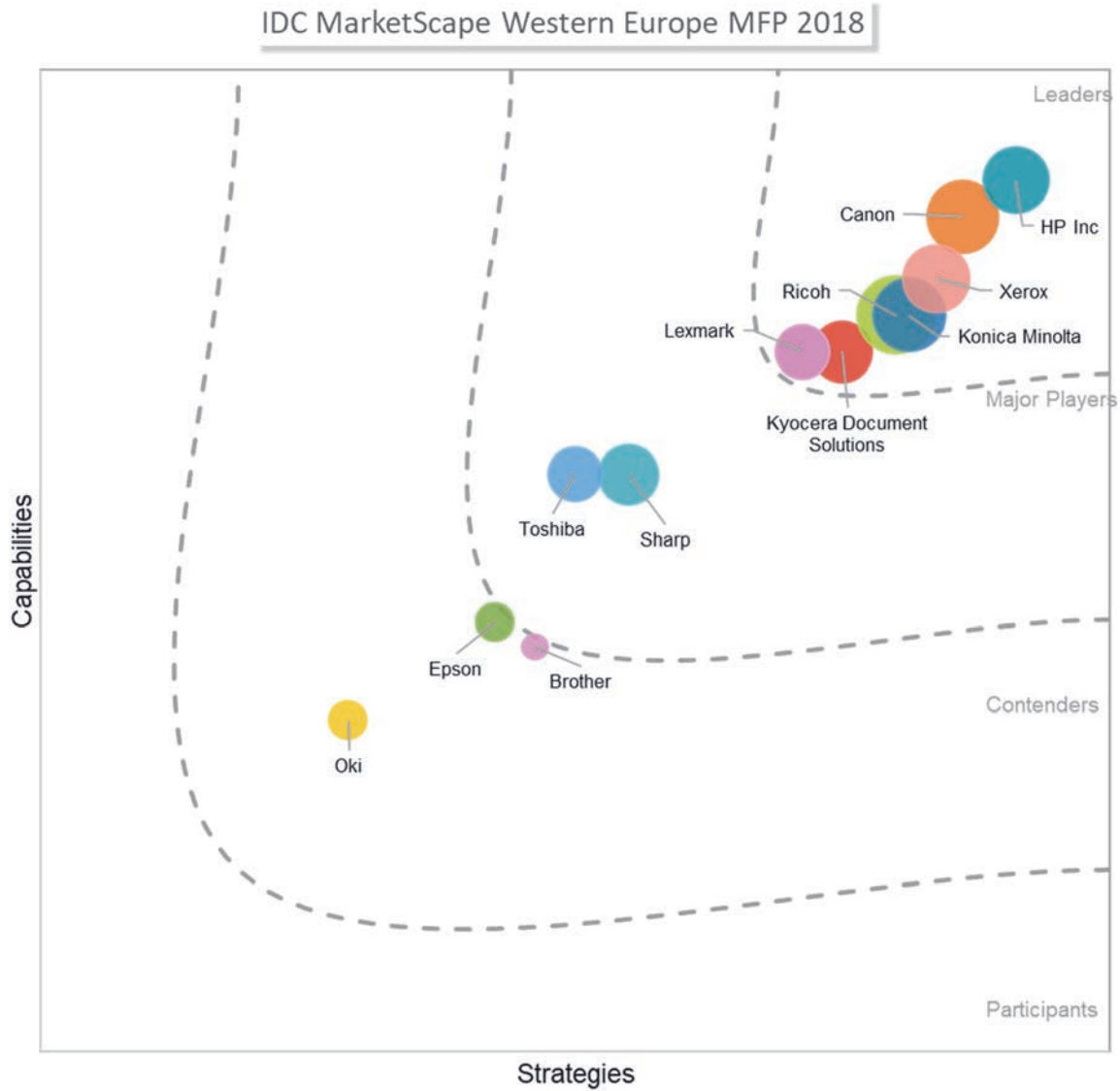
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IDC MARKETSCOPE FIGURE

FIGURE 1

IDC MarketScape Western Europe Smart MFP Vendor Assessment



Source: IDC, 2019

Please see the Appendix for detailed methodology, market definition, and scoring criteria.

This IDC MarketScape assesses the major hardcopy vendors that provide "smart" multifunction peripherals (MFPs) to the Western European marketplace. This study is a new study for Western Europe, and this analysis is not merely a review of hardware products. Instead, the analysis examines an entire smart MFP ecosystem in place for each competitor. This is led by the hardware offering, but it also adds the software, services, and go-to-market breadth and depth as well as an organization's overall strategy that is vital to the market's acceptance of its MFP offering/s.

The smart MFP is becoming the standard hardcopy device for the office, particularly as the hardcopy market's transformation shifts to software (leveraging the smart MFP architecture) and services (e.g., managed print/document/IT/workflow/security services). Important key success factors for this hardware platform include:

- **A broad spectrum of hardware, software, and solutions.** The dynamics of the transformation from paper to digital documents within the business process means that the smart MFP portfolio needs to encompass a wide range of services. The smart MFP technology is being utilized in a wide range of organizations ranging from small and medium-sized businesses, enterprises, and across the public sector. Each customer will have individual requirements, so the supplier must be able to provide bespoke services and solutions for every need in a way that differentiates itself from the competition.
- **A comprehensive portfolio of software solutions to enable greater utilization of the smart MFP.** Software has become a key element in enabling customers to take advantage of the full capability of the smart MFP. At the basic level, the smart MFP needs to be able to demonstrate its ability to support the print and document management process, but it also needs to go beyond this and support the full business process ecosystem for both paper and digital documents. Provision for cloud, mobility, scanning, and security must co-exist alongside the basic functions of the smart MFP in supporting the digital transformation of the organization. These value-added workflow solutions need to be comprehensive but flexible, regardless if they are provided by proprietary or third-party solutions as most businesses operate with many different software solutions. The increasing use of free or low-cost applications also enables users to develop their own content management and analytical tools to take full advantage of the technology available to transform the smart MFP from a simple print device into a true smart MFP ecosystem.
- **A substantial range of associated services to co-exist with the smart MFP.** Smart MFP devices and their solutions need to be managed and developed over the lifespan of their deployment as an organization's requirements change as the business itself develops, expands, and seeks new ways to conduct their day to day business activities. Managed print and document services (MPDS) are certainly not new, but they have now developed beyond the device and incorporate many additional services covering areas such security, general IT services, customer relationship management (CRM) platforms, and associated workflow solutions.
- **The vendor's position and standing in the MFP market.** MFPs are not new; they have been around for many years and market shares have not significantly changed, although it is only natural to expect some technologies and solutions to have some impact on future growth patterns. Market share is important to some customers as they will consider vendors positioned in the Leaders category in this IDC MarketScape for their own printing and imaging infrastructures. Current market shares reflect vendors' historical investments in hardware and solutions in creating the smart MFP ecosystem, and we expect this will be seen in the future smart MFP segment. More of today's MFPs are being classed as smart MFPs, and they will gain larger shares of the overall MFP market.

IDC MARKETSCOPE VENDOR INCLUSION CRITERIA

The vendors selected for inclusion in this IDC MarketScape were determined to be among the prominent market participants for smart MFPs. This determination was made by a combination of analyzing historical market share data from IDC's Worldwide Quarterly Hardcopy Tracker and analyst opinion.

ADVICE FOR TECHNOLOGY BUYERS

As the market shifts from hardware to services and solutions, most MFPs are required to be smart. The smart MFP platform has been around for many years and is now mainstream on A3 devices and migrating to many A4 models that focus on the SMB and enterprise. Some providers are still utilizing their older platforms for existing smart MFP devices, while others are developing more sophisticated solutions for the office of the future that include full cloud enablement, security, and workflows to transform business processes.

Paper and printing in the office is not dead, so a smart MFP solution needs to bridge the gap between the analog and digital worlds that comprise hardware and digital workflow solutions, enabling customers and independent providers to build and maintain their own comprehensive solutions on the smart MFP platform.

It must also be said that not all devices warrant a smart MFP platform as many customers still require simple MFP devices or single-function printers for their day-to-day printing applications. Nevertheless, the trend toward the smart MFP is increasing, and they are gaining larger shares of the overall hardcopy markets in Western Europe.

Part of the process in producing this IDC MarketScape was to gauge the experiences of the actual users of the smart MFP technology (i.e., customers that provided their knowledge and familiarities of the smart MFPs and the benefits they have brought to their companies). As a result, there were some common themes throughout the interview process and a summary of these is provided below:

- **Smart MFPs drive productivity.** Virtually all customers are now replacing many MFPs and printers with fewer smart MFPs and are streamlining their business processes. This leads to many customers consolidating their fleets under one supplier, meaning there is one main point of contact and one set of service-level agreements to adhere to. This makes the whole process simpler and easier to manage. It is also worthwhile to reduce the number of models that are in use so that users are familiar with the smart MFP device regardless of their location. Having fewer devices also reduces the overall footprint in the office, which is critical in Europe where office space is at a premium, thus negating the need for expensive real estate. It also reduces the need for supplies storage, therefore freeing up valuable office space for other activities that are critical for the day-to-day operation of businesses. By simply utilizing the software and solutions on the smart MFP, everyone who needs access to print and other functions can easily do so.

- **Determine from the start how the smart MFP platform will fit with existing IT services infrastructure.** One of the major pitfalls in replacing IT hardware in organizations is making sure it fits within existing applications that are currently used. There will be many solutions already in place that will still need to be used in conjunction with the smart MFPs, and it must be the supplier's role to make sure that new devices fit seamlessly within the existing infrastructure in most cases. Organizations have many forms of software in use including financial, customer service, and human resources that will continue to be used regardless of the brand of smart MFP. These applications will not be replaced, therefore many smart MFP suppliers offer support for a wide range of business processes. Suppliers that do not offer support for existing applications rule themselves out of critical tenders and projects as organizations will not replace their current solutions to suit MFP providers. Quite often, the installation of many smart MFP devices can cause teething problems and lead to a stuttering start to the relationship between supplier and customer, so full support needs to be offered before, during, and after smart MFP installations.
- **Consult with stakeholders within your organization.** Many departments will be using the smart MFP platform, and key stakeholders need to be consulted to ensure the smart MFP is compatible with existing infrastructures and with ongoing internal IT and digital transformation projects. Stakeholders might include representatives from IT, procurement, and lines of business.
- **Selecting the appropriate software solutions is just as important as the brand of smart MFP.** An increasingly important determining factor for supplier choice is the software and solutions used on the smart MFP. The actual hardware is commoditizing as most models from suppliers implement a majority of the basic functions in the same way, but it's the software that enables full utilization of all functions to gain the maximum benefit. Without support for mission-critical applications already in use means that some suppliers are unable to compete, so many suppliers are expanding their level of support for a wide range of third-party solutions. All suppliers also offer their own range of proprietary print and document management software that is used in many cases and can help to cement a relationship between supplier and customer, but in some cases, it can form a bond that is difficult to replace if the customer wishes to change supplier so the customer needs to fully assess which software and solutions they require for their future business processes. Interoperability and compatibility are key; don't get locked into a relationship or platform that doesn't allow your fleet to evolve.
- **Ensure that adequate after-sales service and resources are available.** Throughout any hardcopy contract, there are always issues that need to be addressed. This can be from the initial installation right through to additional requirements post installation such as enhanced security provision, cloud support, or additional solutions due to business expansion or fewer solutions due to business contraction. Brands that are considered by customers as excelling are those that can offer full 24 x 7 multilingual support for a wide range of needs, and many now offer remote diagnosis and maintenance, often without the need for customer interaction due to the increased efficiencies of many cloud support programs. Positive reactions to any support situation can only enhance any relationship, while poor support can lead to a breakdown of any relationship and lead to a loss of business.

- **Align your smart MFP platform with your overall organizational security policy and infrastructure.** Throughout the interview process with customers, one of the overriding requirements was the need for print and document security throughout the organization. Customers need to decide if this is to be provided directly by their smart MFP providers or through other third-party organizations. Customers – in collaboration with their suppliers – need to decide if the security is specifically a smart MFP-based solution, or if smart MFPs are to be added to an existing security solution in the IT infrastructure. By definition, a smart MFP is a cloud-based device, and this opens the organization to any security threat through the very devices that are to be used enhance business processes. Security is an ongoing concern, therefore customers need to choose suppliers that offer continual support and are forward-thinking in assisting their customers to prevent cyberthreats or to simply implement pull printing to prevent data or information leakage through a paper issue.

VENDOR SUMMARY PROFILE

This section briefly explains IDC's key observations resulting in a vendor's position in the IDC MarketScape. While every vendor is evaluated against each of the criteria outlined in the Appendix, the description here provides a summary of each vendor's strengths and opportunities.

KONICA MINOLTA

Konica Minolta is positioned as a Leader in the 2019 IDC MarketScape for smart MFP in Western Europe.

It has a complete range of smart MFPs comprising products through segment 5 (70-90ppm), which it sells both indirectly via channel partners and directly through direct sales divisions across the region. The company continues to grow organically and through acquisition and is successfully integrating and balancing core market wins with emerging services and new technology business. Konica Minolta has implemented a well-conceived transformational strategy that is shifting into 3rd Platform and Innovation Accelerator technologies to maintain future market relevance. Its move into adjacent markets such as IT services with the launch of its Workplace Hub platform has seen the vendor adapt its go-to-market strategy and equip and incentivize its indirect and direct channels to sell IT services as well as print. This approach enables Konica Minolta to meet the requirements of both SMBs and enterprises and provides it with a strong competitive advantage that goes a long way to ensuring that the company will continue to derive business revenue as the traditional print market contracts.

Key IT services acquisitions across the region include Koneo (Sweden), ProcessFlows (U.K.), Serians (France), Raber+Märcker (Germany), WEBCOM (Czech Republic), Groupe Numerial (France), Aurelium (Belgium), and Grupo Meridian (Spain). Identifying, harnessing, and integrating expertise from these buys has been critical to success. Konica Minolta's presence is being increasingly felt in the marketplace, and the competitive market assessment with other vendors identified Konica Minolta as the second most competitive vendor in the scope of this research effort.

Product Line

Konica Minolta's bizhub product line comprises a strong range of A3 monochrome and color models at several price points and speeds as well as A4 devices. The monochrome line includes 22ppm, 28ppm, 30ppm, 36ppm, 40ppm, 45ppm, 47ppm, 55ppm, 65ppm, and 75 ppm models. The color portfolio includes 22ppm, 25ppm, 28ppm, 30ppm, 33ppm, 36ppm, 38ppm, 45ppm, 55ppm, and 65ppm models.

During 2018, Konica Minolta introduced eight refreshed MFPs across the A3 monochrome and color lines and overhauled the A3 monochrome lineup in the speed bracket between 30ppm and 65ppm. Product improvements included enhanced mobility and security features with productivity gains offered via more robust document feeders, paper handling capabilities, and finishing options. Product innovation continues, and Konica Minolta will launch new A3 and A4 color devices in the first quarter 2019. The focus will be around smart design concepts and sustainability. Konica Minolta's current range of smart MFPs incorporate the Dynamic ECO Timer to help to reduce energy consumption.

Software and Services Ecosystems

Workplace of the Future

At the heart of Konica Minolta's office of the future vision lies its Workplace Hub IT services ecosystem. Unique in the industry, it is a platform that can manage IT infrastructure and services across existing and future IT systems, devices, and services either with MFP functionalities for the office space (Workplace Hub) or without MFP functionalities from the server room (Workplace Hub Edge). Both versions are designed primarily for small and medium-sized businesses, and the Hub version is a one-stop combination of software, hardware (server and MFP), and services. The platform enables a broad set of services including system security and data protection, storage and backup management, onsite installation and support, asset management, professional IT services, and help desk services. For SMBs with little or no IT support, this could be a viable option.

Konica Minolta aims to become a one-stop supplier offering services beyond print to retain and grow its customer base, creating new revenue streams as the traditional print business declines. In addition to IT services, Konica Minolta is nurturing other services and technologies such as augmented reality, artificial intelligence, robotics, cloud, and mobility to address applications such as virtual meeting rooms and collaboration, virtual receptionists and visitor registration systems, security solutions, and enterprise content management (ECM). To this end, Konica Minolta is not only developing in-house technology and expertise but also acquiring and recruiting the necessary skills and know-how. Konica Minolta has made several investments in each of these technology areas, and the result is a set of rapidly growing technology segments. For example, ECM is one of Konica Minolta's fastest-growing businesses today.

bizhub MarketPlace is Konica Minolta's global platform for MFP apps and customization. It offers a wide range of apps across scanning, communications, and productivity as well as provides customer-friendly user interface customization tools. In addition to introducing hardware improvements in 2018, Konica Minolta also launched an enhanced bizhub MarketPlace. The new version includes Connector for FTP, Dropbox, SharePoint Online, and One Drive for Business, which enables users to access these cloud services directly from the MFP control panel. Konica Minolta is already witnessing more orders and contracts being generated via MarketPlace. Going forward and as cloud takes hold, Konica Minolta intends to include MarketPlace as standard in its smart MFPs.

Konica Minolta bizhub OP (Open Platform) is a Developer Support Program to support ISVs for specific developments for bizhub Extended Solutions Technology (bEST). The bEST concept integrates products to external software applications for connected customer solutions. The dedicated website highlights the bEST Technology Suite available to support third-party partners that want to become bEST certified as well as assisting sales and support personnel selling Konica Minolta. Members have access to the latest tools and documentation provided by Konica Minolta. Resources include an Integrated Web Browser, an Application Testing Simulator, and the Open API software development kit (SDK). bEST authorized solutions include Umango; Imagine Solutions; Dispatcher Phoenix; Levi, Ray & Shoup, Inc.; Everyone Print; nQueue; Nuance

AutoStore; Nuance eCopy; Nuance Equitrac; and Nuance Output Manage. Gold and Platinum Level Partner numbers grew in 2018.

Channels and Customer Targets

Konica Minolta has a well-balanced sales model composition. The company's direct (Konica Minolta's sales representatives) and indirect (Konica Minolta's channel partners) sales have accounted for a relatively even 45-55 split of Konica Minolta's equipment sales over the past few years, respectively.

Konica Minolta's primary MFP channels include approximately 2,500 direct sales representatives as well as partnerships with about 2,000 dealers (1,300 from Konica Minolta and 700 from Develop). Some sales are also being channelled through distributors and IT resellers. Konica Minolta forecasts that sales through the IT reseller channel will increase going forward.

IDC estimates that close to 85% of Konica Minolta's MFP placements have gone into small companies (<100 employees) and primarily fulfilled through the channel, 11% for companies with 100-999 employees, and 4% for large enterprises (1,000+ employees). Its largest opportunities among verticals include professional services, public sector, and retail.

IDC expects that in the future, Konica Minolta's overall business mix will remain stable. Konica Minolta's transformative efforts and strategic intentions are slated to improve the company's current standing in the enterprise market. IDC anticipates that midsize and large enterprises will most likely account for only small share gains annually for Konica Minolta. We believe that the SMB market will continue to control the largest share of the company's business for the foreseeable future.

Customer and Competitive Perspectives

IDC interviewed two Konica Minolta customers – a German airline and a well-known German car manufacturer – both are on global contracts. Similarly, the two organizations are long-standing Konica Minolta customers that engage directly with the direct sales divisions in Germany. The long tenure of the contracts is testimony to the fact that Konica Minolta retains its client base through continual customer satisfaction. Product range breadth and depth, reliability, and pricing as well as Konica Minolta's capabilities in fleet rightsizing, optimization, and consolidation were the main purchase-influencing criteria. It was evident from the interviews that Konica Minolta is leveraging its print customer base to try and upsell IT services. Konica Minolta has also extended its footprint in the car manufacturer to also include production devices. Konica Minolta's strength in the production space enables it to compete and offer contracts that combine office and production customer needs. Both global contracts did not include devices for home users and speaks to the fact that Konica Minolta's product range strengths lie more in the larger, more robust office devices rather than in small-home-style devices. Partnerships with software companies such as YSoft and Nuance were at the heart of the solutions implemented.

In the vendor interview process, IDC asked all participants the following question: "Which MFP vendors provide the most competition for your company?" Five out of the 12 rated Konica Minolta as the most competitive vendor, with only one other vendor being mentioned more.

Strengths

Konica Minolta has a comprehensive range of products and services ideally suited to the midsize and large enterprise and large SMBs across all verticals. With both and indirect and direct sales models, it can serve a variety and size of customers. Optimized print services (OPS) goes from strength to strength, and the company is well-equipped to cater to large, multiregional, and global customers. In Western Europe, Konica Minolta also has a secondary brand in Develop. Konica

Minolta continues to invest in office print while also organically and inorganically growing its industrial and production print business. Its foray into IT services is being backed up by continual investment in acquisitions, training, and expertise, and it will be a new revenue source for many of its dealers and direct sales staff. The vendor's focus on market growth engines, diversification, and entering adjacent markets will ensure longevity in the evolving print space. Customers can be confident that the vendor will be around for the long haul.

Challenges

Some of Konica Minolta's dealers that are perhaps near retirement age may not have the appetite or capabilities to transform their business and embrace new concepts and services such as IT services, resulting in Konica Minolta losing some channel partners. In addition, while Konica Minolta might recruit some of its existing print customers to buy its IT services through the Workplace Hub platform, it will have a steeper challenge growing net-new business in customer sites where it does not already have an established reputation. While Konica Minolta has undoubted strengths in A3, it has a less complete range of A4 products especially those suited for the small offices. This may result in some customers looking for a supplier with a portfolio more evenly balanced between A3 and A4 for a more balanced range.

Consider Konica Minolta When

Konica Minolta is recognized globally as a smart MFP provider of note. It can offer any size of customer a full suite of print hardware, software, and associated workflow solutions. In addition, it has a worthy track record of serving large, multiregional, and global customers. The vendor has a clear vision of where the market is headed and the workplace of the future, and it can articulate this to clients. With continual innovation, Konica Minolta remains at the forefront of the print and print-related market.

APPENDIX

Reading an IDC MarketScape Graph

For the purposes of this analysis, IDC divided potential key measures for success into two primary categories: capabilities and strategies.

Positioning on the y-axis reflects the vendor's current capabilities and menu of services and how well aligned the vendor is with customer needs. The capabilities category focuses on the capabilities of the company and product today, here and now. Under this category, IDC analysts will look at how well a vendor is building/delivering capabilities that enable it to execute its chosen strategy in the market.

Positioning on the x-axis or strategies axis indicates how well the vendor's future strategy aligns with what customers will require in three to five years. The strategies category focuses on high-level decisions and underlying assumptions about offerings, customer segments, and business and go-to-market plans for the next three to five years.

The size of the individual vendor markers in the IDC MarketScape represent the market share of each individual vendor within the specific market segment being assessed.

Positioning on the grid is broken down into groupings that reflect the combined view of a vendor with respect to strategies (x-axis) and capabilities (y-axis).

These groupings are defined as follows:

- **Leaders** are vendors that have led and continue to lead the market in both breadth of offering and strategic intent. These companies have made the investment in service portfolios, go-to-market enablement, and delivery capabilities that set them apart from the rest of the market. All have robust product portfolios supported by an array of software and services. These smart MFPs can be acquired via well-defined go-to-market strategies that include targeting SMBs, enterprises, and key vertical opportunities through a balanced array of channels.
- **Major Players** are vendors that have established and proven offerings in the market and have demonstrable success in delivering and delighting customers. These vendors are shadowing the Leaders and exert competitive pressures via new capabilities, channel initiatives, and other differentiable capabilities that raise the bar for all vendors in the market. Several vendors are Major Players. They have demonstrated a significant position in the market with in-depth knowledge of market trends as well as an understanding on how to leverage these trends for sustainable growth.
- **Contenders** are vendors that have defined smart MFP offerings but are still developing delivery resources, technology infrastructure, and go-to-market coverage. MFP Contenders should not be discounted because of their current status, as these vendors show strengths that make them vendor viable market players.
- **Participants** are vendors that are still developing a smart MFP portfolio or have limited releases. As the MFP product portfolio develops for these vendors, we expect to see more intense competition in this market.

Observations in This IDC MarketScape Graphic

There are three distinct clusters in this Western European smart MFP IDC MarketScape. The first cluster contains Canon, HP Inc., Konica Minolta, Kyocera Document Solutions, Lexmark, Ricoh, and Xerox. These OEMs clearly demonstrate that they are at the forefront of the smart MFP market and although they may have some similar traits in areas such as the devices themselves, and they have some clear differences in areas such as digital transformation, their software and solution portfolios, and IT service provision.

These smart MFP suppliers generally have larger shares in terms of smart MFP sales and often compete against each other in major tenders. While maintaining their market leadership, these OEMs are attempting to gain unique selling points (USPs) against their rivals as much of the hardware itself is commoditizing, so they are investing heavily in the smart MFP ecosystem of the future.

The second cluster involves those OEMs positioned as Major Players; their smart MFP business is developing strongly but needs further investment in several areas. The OEMs in this cluster include Sharp and Toshiba that have strength in their legacy MFP businesses and are now developing further platforms, solutions, and programs to grow their smart MFP businesses.

The third cluster involves Contenders that have demonstrated that their smart MFP business is moving in the right direction but need further investments in areas where there are clear distinctions between themselves and competitors. In this cluster are Brother, Epson, and OKI, and all three are focusing on different strategies to gain recognition in the smart MFP market.

IDC MarketScape Methodology

IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders, participants, and end users. Market weightings are based on user interviews, buyer surveys and the input of IDC experts in each market. IDC analysts base individual vendor scores, and ultimately vendor positions on the IDC MarketScape, on detailed surveys and interviews with the vendors, publicly available information and end-user experiences in an effort to provide an accurate and consistent assessment of each vendor's characteristics, behavior and capability.

Market Definition

IDC's definition of a smart MFP is as follows:

- The MFP incorporates the print function and at least one or more of the document functions – copy, fax, and scan.
- The MFP is network ready and/or Internet ready.
- The MFP has a customizable graphical user interface (e.g., touchscreen) panel.
- The MFP has an open embedded platform that allows the MFP to be programmed to perform customizable functions (e.g., addressing specific customer workflows). These functions are driven by software that is either embedded or server based (e.g., inside the firewall or in the cloud) applications.

This study excludes consumer-oriented inkjet MFPs as well as single-function printers of any kind. However, business inkjet (solid or liquid) devices that meet these criteria are included.

Strategies and Capabilities Criteria

This section includes the definitions of the market-specific factors and their weightings used to evaluate the vendors in this IDC MarketScape. The definitions and weightings were intended to demonstrate the necessary characteristics that MFP providers must take into consideration when crafting their future smart MFP product strategy as well as leveraging current capabilities to their advantage. These factors are weighted as IDC believes that some of these are more critical than others in maximizing the market opportunity to its fullest and realizing market success.

Strategies

The strategies category focuses on high-level strategic decisions and underlying assumptions about offerings, customer segments, business, and go-to-market plans for the next three to five years. This category considers whether or not a vendor strategy in various areas is aligned with customer requirements (and spending) over that time period (Table 1).

TABLE 1

Key Strategy Measures for Success: Western Europe Smart MFP 2019

Strategies Criteria	Definition	Weight
Functionality or offering strategy	While much of the MFP capabilities are focused on basic copy, fax, print, and scan capabilities, the device also needs to increasingly marry both paper and digital document requirements of users. Future requirements include, but are not limited to, document/content/output management, security, intelligent capture, mobile print, support for the cloud and support for horizontal and industry-specific document processes. Vendors need to provide a clear description and strategy of their future MFP portfolio. This description and strategy should outline how the vendor will cater to the traditional copy/fax/print/scan requirements, but also address how the MFPs will help aid the paper-to-digital transformation. A forward-looking strategy is critical to the long-term success of MFPs.	15.0%
Delivery	MFPs can be delivered to the market in a variety of direct and indirect models as well as procured through a number of pricing models. The vendor's strategy to deliver MFPs demonstrates a sensitivity to the market's expected wide range of future preferences. To reach the broadest market, vendors will need to consider various delivery options to deliver MFPs to the market.	15.0%
Functionality or offering strategy	The vendor needs to demonstrate how it will span the spectrum of office document processing requirements across a broad customer audience over the next few years. This will include a wide range of products for SMBs, enterprises, and verticals. The portfolio strategy also needs to include an appropriate collection of apps, software, and services to enhance the overall value of the core MFP device offering. Future MFP market success will not occur by the box alone. Vendors must support their MFP offerings with a collection of evolving software and services, along with a traditional set of aftermarket products.	15.0%
Other	MFPs will continue to be sold through a variety of direct and indirect channels to serve a broad range of customers. By understanding this, the vendor has committed the appropriate field resources to support all channels. Also, the vendor has demonstrated a strategy to grow the breadth and depth of its indirect channel. The vendor has also taken the appropriate steps to educate the market on the value of its MFPs and related support system. This includes not only the basic value proposition of the offering, but also noting the unique differentiation the vendor brings to customers that separates it from the competition.	15.0%
Growth	Vendor management has communicated a strong commitment to delivering a robust set of MFP offerings as well as a plan to achieve growth in this market. The strategy — which should address a range of needs from SMB, enterprise, and verticals — aligns well with the expected market trends over the next few years. A well-defined, expansive, and robust MFP strategy and execution plan involving hardware/software/services is a very important aspect for the vendor's success in the MFP business.	10.0%
R&D pace/ productivity	The vendor understands that to drive increased value for its MFPs, it will need to tap into both internal and external resources. The vendor must demonstrate a clear strategy for both internal R&D investments and external partnering (when warranted) over the next few years. MFP innovation will need to continue, but will go beyond traditional output requirements. Innovation will come in the evolving software/services offerings that encompass the overall MFP solution.	5.0%

TABLE 1

Key Strategy Measures for Success: Western Europe Smart MFP 2019

Strategies Criteria	Definition	Weight
Financial/funding	The vendor has appropriately allocated the necessary financial resources to deliver MFPs for the future market. This includes funding for R&D, sales and marketing, and channel programs. MFPs will be the foundation of much of the market's future hardware activity and must be funded accordingly.	10.0%
Other	Customer service is a critical component of the MFP experience. The vendor's strategy to provide customer service includes direct engagements with the customer or through a third-party indirect channel partner. The strategy demonstrates the ability to provide high-quality and quick turnaround on customer MFP inquiries. The focus of the MFP market is shifting quickly to a customer relationship model instead of differentiating via hardware specifications and product features. Future distinction will come from the customer service experience.	15.0%
Total		100%

Source: IDC, 2019

Capabilities

The capabilities category focuses on the capabilities of the company and product today, here and now. Under this category, IDC analysts look at how developed a vendor's capabilities are that enable this company to execute its chosen strategy in the Western European smart MFP market (see Table 2).

TABLE 2

Key Capabilities Measures for Success: Western Europe Smart MFP 2019

Capabilities Criteria	Definition	Weight
Functionality or offering	While much of today's MFP capabilities are focused on basic copy, fax, print, and scan features, the device also needs to marry both paper and digital document requirements of users. Vendors need to provide a clear description of their current MFP portfolio. This description should outline how the vendor will cater to the traditional copy/fax/print/scan requirements and address how the MFPs aid the paper-to-digital transformation.	15.0%
Functionality or offering	In addition to catering to the customer's essential business and document processing requirements, the vendor's portfolio should span a range of performance capabilities from desktop to distributed workgroup devices.	10.0%

TABLE 2

Key Capabilities Measures for Success: Western Europe Smart MFP 2019

Capabilities Criteria	Definition	Weight
Functionality or offering	MFPs can be delivered to the market in a variety of direct and indirect models as well as procured through a number of pricing models. The vendor is delivering MFPs through multiple channels to demonstrate sensitivity to the market's wide range of preferences. To reach the broadest market, vendors need to consider various delivery options to deliver MFPs to the market.	15.0%
Portfolio benefits	The vendor has MFPs that span the spectrum of office document processing requirements across a broad customer audience. This includes a wide range of products for SMBs, enterprises, and verticals. The portfolio also includes an appropriate collection of apps, software, and services to enhance the overall value of the core MFP device offering. Success in the MFP market does not occur by the box alone. Vendors must support their MFP offerings with a collection of evolving software and services, along with a traditional set of aftermarket products.	10.0%
Go-to-market	MFPs are sold through a variety of direct and indirect channels to serve a broad range of customers. By understanding this, the vendor has committed the appropriate field resources to support all channels. The vendor has also taken the appropriate steps to educate the market on the value of its MFPs and related support system. This includes not only the basic value proposition of the offering, but also noting the unique differentiation the vendor brings to customers that separates it from the competition.	15.0%
Pricing model or structure of product/offering	The vendor recognizes that its customers require a range of pricing models (e.g., transactional, lease, cost per copy, managed services, subscriptions) to acquire MFPs. The vendor's MFP pricing model incorporate most, if not all, ways that customers want to procure MFP equipment. MFPs pricing represents the provision of flexibility for the customer and margin protection for the seller.	10.0%
Customer service delivery	Customer service is a critical component of the MFP experience. The vendor's customer support direct and indirect (via the channel) programs that provide high quality and quick turnaround on customer MFP inquiries. The focus of the MFP market is shifting to a customer relationship model instead of differentiating via hardware specifications and product features. Future distinction will come from the customer service experience.	15.0%
Total cost of ownership of product/offering to IT buyer/user	Along with a variety of pricing model options, the significant total cost to operate print equipment has become more well-known in the customer community. The vendor's portfolio will need to demonstrate a keen sensitivity to the operational cost of the equipment that not only includes the hardware acquisition cost, but also the costs and yields of the ongoing supplies annuity based on usage over the life of the product.	10.0%
Total		100%

Source: IDC, 2019

Related Research

- *Western Europe MFP Forecast, 2018-2022* (IDC #EMEA43690418, March 2018)
- *Western Europe Printer Forecast, 2018-2022* (IDC #EMEA43614518, March 2018)
- *Western European Hardcopy Survey, 2Q17: Hardware Buying Intentions* (IDC #EMEA42907217, August 2017)
- *IDC Survey Spotlight: What are Businesses Key Environmental Considerations Surrounding Print* (IDC #EMEA42809717, June 2017)
- *Western Europe Business Inkjet Forecast, 2017-2021* (IDC #EMEA41348617, May 2017)
- *Western Europe MFP Forecast, 2017-2021* (IDC #EMEA42378217, March 2017)
- *Western Europe Hardcopy Peripherals Forecast, 2017-2021* (IDC #EMEA41348717, March 2017)

Synopsis

This IDC study uses the IDC MarketScape model to evaluate a number of vendors participating in the smart MFP market. The IDC MarketScape is an evaluation based on a comprehensive framework and a set of parameters that assess vendors relative to one another and to those factors expected to be most conducive to success in a given market during the short term and long term.

This study assesses a number of vendors participating in the Western European smart MFP market and is made up of two key sections. It starts with a graphical depiction of multiple vendors in a bubble chart format. This concisely illustrates IDC analysts' review of vendors along their strategies and current capabilities axes. The strategies axis represents a three- to five-year future perspective, while the capabilities axis represents current product and go-to-market execution. This standing determines whether the vendor is positioned in the Leader, Major Player, Contender, or Participant categories in the Western European smart MFP office market. It also depicts the vendor's market size (as determined by current market share) by the size of the bubble.

The remaining portion of this section offers IDC's assessment on the most critical success factors in the smart MFP market and guidance to the buying community for such products. The section goes on to provide individual analysis for each company participating in this market.

The second section of the study is provided in the Appendix. This portion of the study offers all the background analysis on using the IDC MarketScape graphic, research methodology, market definition, and capabilities/strategies criteria.

"Many organizations are utilizing the architecture of smart MFPs to transform their business processes in today's office workplace as the hardcopy industry itself transforms from paper to digital pages. The availability of cloud-enabled workflow and document management solutions are increasing the deployment and utilization of smart MFPs in small and large organizations as they realize that the smart MFP is no longer just a print and copy device, but a center point for their day-to-day business activities," said Phil Sargeant, program director, IDC Imaging Hardware and Document Solutions.

About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications and consumer technology markets. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. More than 1,100 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries worldwide. For 50 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company.

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