As BEI celebrates its 20th year in business I decided to undertake another industry study to see if changes in technology have impacted the effects of additional power protection. Due to the substantially larger data sample that was now available to use to compare a wider base of machines, and due to the significant technology office equipment upgrades that have been made to the industry over the past 5 years, I felt it was important to review the financial impact of power protection to the dealership business.

Synopsis:

- In the Fall of 2013 we undertook what is arguably the most significant evaluation of power protection in the Imaging industry.
  - Our evaluation is based on performance data from over 250,000 machines serviced by 20 different dealerships from around the United States for a period of one year. To ensure the integrity of this study the number of machines in the final study group was determined to be 125,450 MFPs and high end printers, based on the criteria outlined in the results section of this report. This group was distributed across most product segments and virtually every manufacturer, and produced over 9.1 billion pages.

- We then analyzed the study group’s machine performance data, along with power protection customer data. We selected data from Electronic Systems Protection (ESP/SurgeX) for this study due to the fact that they are the most widely used professional grade power protection provider and offer the largest and most credible data sample for comparison purposes.
  - ESP provided BEI with lists of their customer base that we compared against BEI’s machine data measured in the field. This enabled us to evaluate the largest professional-grade protection sample base due to the fact that ESP has the highest industry penetration and protects the largest population of serviced office equipment devices in the field.

- The data was also validated by a prestigious research university.

The Results:

As the following graphs reveal, our analysis discovered that power protection significantly improves MCBV (mean copies between visits), CPC* (parts service costs), and labor costs:

![Graph 1: MCBV Improvement](image1.png)

- Power protection provides a 10% average total service cost savings per machine, per year.

![Graph 2: CPC Parts Savings](image2.png)

- Power protection was also found to reduce parts cost on average by $115.00 per machine in the field, per year.

![Graph 3: CPC Labor Savings](image3.png)

- Additionally, dealers that utilize protection realized an average CPC labor savings of $90.00 per machine, per year.

![Graph 4: Estimated ROI](image4.png)

- Data indicates that dealerships that utilize power protection realize an estimated ROI of $205, annually.

- Power protection provides a 10% average estimated ROI per machine, per year.

- When proper power protection is used, dealerships experience on average almost 21% improvement in MCBV, which ultimately reduces labor expenses.

- Additionally, dealers that utilize protection realized an average CPC labor savings of $90.00 per machine, per year.
How We Determined the Results:

- BEI Services compiled machine performance data from over 250,000 machines serviced by 20 different dealerships from around the United States for a period of one year.
- To ensure the integrity of this study and to eliminate bias, machines were omitted from the analysis for the following reasons: 1) data from old technology (analog), 2) data from new installations, less than 120 days in the field (that could be skewed by un-trained users and lower than normal page volumes), 3) data as a result of poorly performing Service Technicians (graded poorly on First Call Effectiveness Ratio), and 4) low end stand-alone printers where cost does not justify additional protection.
- The resulting study group was 125,450 MFPs and high end printers. This group was distributed across most segments and virtually every manufacturer and produced over 9.1 billion pages.
- BEI Services obtained power protection usage lists from ESP/SurgeX (a professional grade power protection manufacturer) and compared these lists to our study group. We found that from our sample of 125,450 machines (both color, black and white as well as high end printers), 67,865 total copiers utilized power protection, while the remaining 57,585 copiers did not.
- BEI Services then conducted a blind analysis from the base sample of 125,450 machines by comparing CPC parts usage (the cost of all parts used to service a machine divided by the number of copies made), CPC labor, and MCBV (mean copies between visits), to power protection usage data provided by ESP. We used CPC and MCBV because these statistics are widely accepted service performance measurements and we at BEI Services felt that these would be the most effective ways to measure the financial impact of power protection.
- It is important to note that the data used has its limitations.
  - ESP’s customer data was used to compare which dealers used ESP power protection, against dealers who did not. Although it is not possible to guarantee that the dealers that use ESP power protection put them on every device, ESP’s supplied data was from a base of customers that utilized full power protection programs.
  - It is also not possible to guarantee that the dealers who did not use protection were not using another power protection brand. However, due to the extraordinarily large sample size and the fact that there is no other comparable power protection company with the substantial imaging customer base – this data is the best collection available to compare in our industry.
  - In addition, it is also worth noting that because the study uncovered considerable measurable ROI, it is clear that type of power protection makes a difference. Regardless of the fact that the sample group that did not use ESP power protection may use other protection products – the collective group still statistically resulted in a lower ROI.

Conclusions:

It is evident that a power protection policy should be a standard practice in the office equipment industry or any market that sells serviced commercial equipment.

After analyzing the performance data from such a large sampling (over 125,000 machines from over 20 national dealerships), I was able to quantify the following:

- Pro-active use of proper power protection reduces parts and labor costs.
- Professional-Grade power protection provides significant and measurable ROI.

While the results varied from manufacturer to manufacturer, in every case dealership machine performance protected with ESP power protection was measurably better than dealerships that did not utilize ESP power protection.

The bottom line is this: Are you willing to risk almost $115 per year in extra parts costs and 19% lower MCBV for every machine you service? I, for one, would not recommend it.

BEI Services has collected data on copy machines from across the country for 20 years. BEI is widely recognized as the most reliable source of comprehensive service data in the office equipment industry and compiles data on 1.6 million imaging units each month. BEI Services offers customers copier performance comparisons and a variety of benchmarking and reporting tools to improve machine and technician performance. In addition, BEI offers a turnkey technician bonus program and the industries only page base sales compensation mode.

For further ideas on how to improve your dealership’s productivity and reduce cost, contact Wes McArtor at 307-587-8446, wes@BEIServices.com, or visit http://beiservices.com.

* CPC: This reduction in Parts Cost Per Copy (CPC) and CPC labor nets the average serial number a parts savings on an annualized basis. This is an average across the population and savings varies based on page volume.