

# U.S. supermarket chain



## Challenge

As one of the largest privately owned supermarket chains in the U.S., this company does a lot of printing at its stores—everything from pharmacy information and labels to colorful signage promoting the latest specials.

“In recent years, however, the grocer noted a steady rise in the age and operating cost of its output fleet, especially at its busy pharmacy departments, prompting executives to seek ways to reverse the trend. Part of the problem: The 571 printers in operation throughout the stores were getting old and breaking down more often. Inconsistent management of replacement supplies, including toner, imaging units and maintenance kits was also raising costs. Stores built up stockpiles of these supplies, tying up capital in inventory.

“Pharmacists and store managers like having extra parts and toner on hand—but the cost of toner is significant,” said the supervisor, field services. The company also hoped to standardize on just a few types of printers from one vendor and glean savings through consolidation, less-costly warranties and simpler maintenance.

## Solution

With Lexmark, the grocer assessed the needs of its stores and determined that three printers were needed in each store: Two in the pharmacy (for printing prescription labels and educational materials) and a third for general use throughout the store. Through the assessment, Lexmark determined that the grocer could reduce its total number of devices from about 571 to just 319, a 44 percent reduction.

With the help of the company’s own staff of engineers and technicians, the company replaced its entire fleet of devices with new Lexmark printers at every store. Each supermarket switched to a pair of Lexmark MS811 laser printers in the pharmacy and one MS711 laser printer to handle printing needs for the rest of the store. The new MS711 comes in handy for printing signs, and for office materials, such as work schedules.

The grocer is also implementing Lexmark MX410de MFPs in its customer service areas and CX410de MFPs for managers. These MFPs are consolidating 2-3 devices into one depending on the store set up. The CX410de is increasing functionality for store managers and saving about \$124,000 in equipment and toner costs versus the previous set up.

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## Meet supermarket chain

This company is one of the most popular supermarket chains in the Midwest. The family-owned grocery company has grown to include about 100 stores in five U.S. states.

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Supervisor of U.S. Supermarket Chain

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As part of this investment, the company engaged in a managed print services program with Lexmark, relieving store managers of day-to-day device monitoring and maintenance responsibilities. Now, Lexmark technicians remotely monitor the printers over the network and perform proactive maintenance—as well as onsite fixes—as needed. The grocer also opted for proactive consumables management services from Lexmark.

When toner starts running low, the networked printers automatically trigger an order for a new cartridge, which arrives at the store just in time. The same process is used for the printers’ imaging units and maintenance kits. At first, employees were skeptical of the automatic ordering process, but they soon experienced the benefits.

“Our associates were used to worrying every time the printer displayed a ‘low toner’ alert,” the supervisor said. “But that mindset quickly changed when the toner consistently arrived. The accuracy of the ordering has been fantastic.”

## Results

The company estimates that it is saving in the neighborhood of tens of thousands of dollars in consumables per year through more proactive management of toner supplies. A comparison of consumables costs in Q2 2013 versus Q2 2014 showed a cost reduction of more than \$25,000, year over year. “The biggest savings we’re seeing so far, especially in our pharmacy department, is coming from the proactive consumables management program,” the supervisor said.

Beyond this, the company is gaining a lot more visibility into the operation and performance of its output fleet, thanks to the wealth of data collected over the network about each and every networked printer.

The company has also used the data and suggestions to swap devices quarterly in the pharmacies so that they can balance the load across all devices and increase the life and use of the fleet. Previously, the average delta between the main printer and other 2 to 3 printers was 7,000 - 15,000 pages per month.

“We’re now able to see how our fleet is actually deployed and used,” the supervisor said. “Based on the usage data, we may decide to move a printer from one location in a store to another and in some locations we maybe decide that only one printer is needed. We didn’t have this information before, so we really couldn’t act on it.”

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