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ROI impact: Three compelling reasons to integrate a fax solution with MFP fleets

Fax remains a cornerstone of enterprise information exchange for every organization. There is simply no globally-accepted document exchange standard to rival fax and many market sectors require fax for regulatory and compliance reasons. The standalone fax machine may have virtually disappeared from the modern office, but electronic fax solutions and Multi-function Printer (MFP) devices have replaced it. However, only one in five enterprises has integrated its enterprise fax solution with MFP fleets. This executive white paper provides three business cases for adopting a fully integrated approach.

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Executive summary

Industry analysts suggest that up to 100 billion faxes are sent each year[1]. That familiar modem handshake is passing into memory, but fax remains an essential business tool. For many global organizations, fax is a critical and active component of their information exchange and business processes, especially for securely exchanging medical records and transferring legally-binding signatures.

Many people consider fax as old-fashioned technology, but this turns out to be its strength. Fax has matured over decades into a globally accepted document transfer system. It is difficult to imagine how a viable alternative could be developed without a great deal of time, effort and cost. It is even more difficult to imagine why anyone would try.

The evolution of information exchange has transformed fax implementations. Electronic fax solutions, whether through on-premises fax servers, cloud-based services or a hybrid deployment, are improving basic fax functionality and building upon it. Fax started as a simple and secure means to transfer paper-based business documents and has become an integral part of an organization's document management and Unified Communications strategies. Electronic fax solutions can deliver impressive and ongoing cost savings to organizations in an area that typically sees poor asset management.

OpenText estimates that fewer than 20 percent of enterprises with electronic fax services integrate them with their MFP fleet to optimize their performance and deliver significant cost savings. This executive white paper provides three business cases that show the positive ROI of adopting a fully integrated approach.

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Benefits of integrating fax services with MFPs

Bringing electronic fax solutions and MFP fleets together can help organizations achieve their business objectives and optimize their entire information exchange infrastructure. Combining MFPs with electronic faxing delivers robust and reliable electronic document delivery and receipt and reduces the complexity of information management within the organization.

Improved cost control

A single fax solution can support multiple MFPs. Organizations can consolidate resources and reduce costs by eliminating standalone fax machines, modems, MFP fax kits, phone lines and associated consumables. Standard features, such as email and internet delivery, or least-cost routing significantly reduce the long-distance phone charges associated with faxing. Reducing the amount of MFP fax kits and phone lines needed to support the MFP fleet can eliminate up to 90 percent of fax costs.

Increased productivity and efficiency

Integrating fax services with the MFP fleet enhances productivity and efficiency. When paper documents need to be faxed, a signature is required and a form must be manually filled out and faxed. Integrating fax services with MFP fleets allows individuals to scan and fax directly from the device.

This integration also eliminates lost or misplaced paper faxes and enables easy and reliable document retrieval and management. Faxes sent via the MFP are stored electronically and an integrated fax solution provides fax traffic history and audit trails.

Ease of deployment and administration

Deploying and managing multiple systems is complex, costly and time-consuming. Electronic fax solutions simplify deployment and administration by centralizing document development and delivery. Administrators don't waste time dealing with multiple MFP fax kits, phones lines and MFPs. A central log of all incoming and outgoing faxes can be used for auditing, analysis and bill-back purposes.

Enhanced security and compliance

Global, national and industry regulations, such as Payment Card Industry Data Security Standard (PCI-DSS), Sarbanes-Oxley (SOX) and Health Insurance Portability and Accountability Act (HIPAA), affect every market sector. Using electronic fax solutions to send and receive documents is an effective way to support corporate, legal and regulatory compliance. It is a centralized hub on the network that electronically distributes tamper- free documents directly to and from the MFP, desktop or other business applications.

This integration enables a range of authentication services not available through other faxing methods, including tracking fax history, assigning individual access rights, providing automated delivery confirmation and routing incoming faxes to individual recipients, ensuring only authorized people can access the document. Faxing from integrated MFPs with user authentication provides complete visibility and an audit trail by user or device, taking the mystery out of who sent what document to which fax number. These capabilities increase accountability and provide additional layers of control to support corporate compliance initiatives.

Integrating electronic fax solutions with the MFP fleet offers significant benefits for almost every organization. When is the right time to start the integration? This executive white paper provides three ROI cases that cover upgrading the MFP fleet, deploying an IP communications infrastructure and reducing total managed print services (MPS) spend with desktop faxing.

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Why is there a gap?

There are many reasons why the communications infrastructure of individual organizations develop as they do. However, a common theme has emerged. MFPs have been introduced to bring cost and consolidation benefits to an enterprise's use of office equipment. The ability to remove standalone devices, as well as provide better control over the use of print consumables, makes this the approach taken by almost every organization.

However, replacing standalone fax machines with MFPs has not advanced fax capabilities for many enterprises. Fax is almost universally the least used MFP feature. Instead, electronic fax solutions are often introduced to support the automation of key business processes such as purchasing, order processing or medical record exchange.

Organizations often see these capabilities separately and typically have different departments managing each capability. Unfortunately, many do not know that integrating electronic fax servers with their enterprise MFP fleet is a simple process that leads to cost savings and increased productivity.

Business case 1: Upgrading the MFP fleet

When part or all of your MFP fleet reaches the end of its life or if a device lifecycle is built into a leasing contract, the point of upgrade is an excellent opportunity to reassess your fax capabilities.

The traditional approach to introducing business-level fax capabilities to MFPs has been by installing vendor fax kits. Like standalone fax machines, each kit requires its own dedicated phone line. Cost associated with this approach include the initial outlay of fax kits for each MFP and the ongoing monthly line rental for each analog telephone line.

As line charges rise rapidly year-over-year, even a medium sized MFP fleet of 400 devices has a monthly line rental cost running into the tens of thousands of dollars each month, without including the call charges. This is particularly inefficient and costly considering that fax lines sit idle most of the time; line utilization is less than five percent in many organizations.
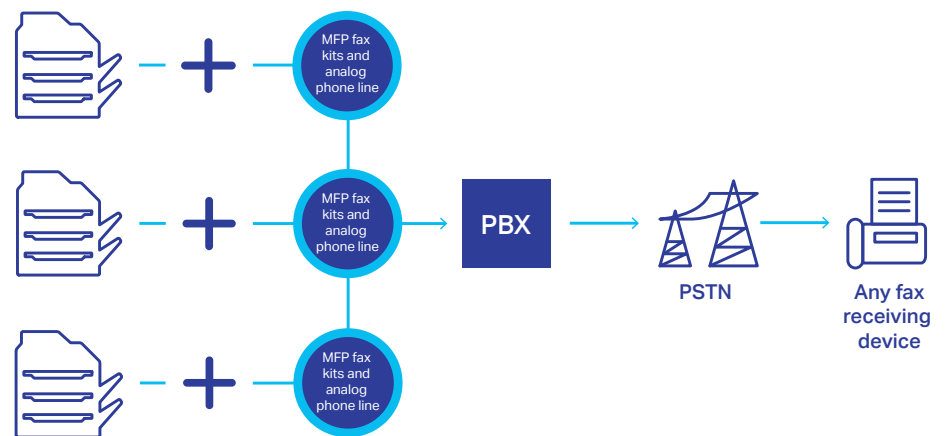
MFP faxing with a non-integrated solution

Figure 1: Each MFP device requires an MFP fax kit and its own analog phone line. Each device is connected to the PBX, which then connects to the PSTN. The faxes are exchanged with any faxing devices, such as a fax machine, fax server, other fax-enabled MFP or cloud fax service.

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Integrating electronic fax while upgrading a 400-device MFP fleet, can deliver almost $1.1 million in savings over a 60-month lease, saving almost $2,700 per device.

MFP faxing with fax server integration

Implementing an electronic fax services allows you to connect multiple MFPs to a single server and eliminate separate and expensive fax kits for each MFP. For the fleet of 400 MFPs, 400 separate phone lines can be consolidated to as few as 24 lines.
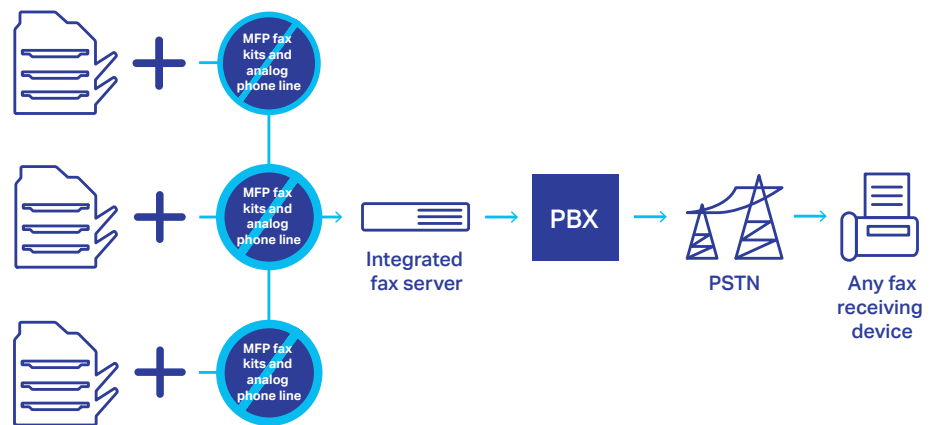

Figure 2: Each MFP device no longer requires an MFP fax kit, nor a dedicated analog phone line. The MFP device is connected to the fax server, which connects to the PBX, then the PSTN. The faxes are exchanged with any faxing devices, such as a fax machine, fax server, other fax-enabled MFP or cloud fax service.

By integrating fax services and MFPs together, you simplify your communication infrastructure and reduce the amount of equipment to maintain, saving the time and cost of equipment management and maintenance. Integrating electronic fax while upgrading a 400-device MFP fleet, can deliver almost $1.1 million in savings over a 60-month lease, saving almost $2,700 per device.

This does not include soft costs such as personnel-hours spent faxing or the amount of paper and consumables used. The charts below are designed to provide a 'hard dollar' estimate.

As important as the cost savings, full integration enables you to benefit from the electronic fax services functions directly from each MFP device. Centralizing authorization and auditing capabilities makes faxing as easy as sending an email and reduces the time employees spend waiting for faxes to go through and printing confirmation slips.

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Chart 1: Cost to fax-enable a fleet of 400 MFPs with fax kits and analog lines on a 60-month lease

	Monthly cost per device	Monthly cost for 400 devices	Total cost over 60 months for 400 devices
Fax kits 1 required per device	$12	$4,800	$288,000
Phone lines 1 required per device	$35	$14,000	$840,000
Total cost to fax-enable 400 MFP devices with non-integrated faxing		$18,800	$1,128,000

Chart 2: Cost to fax-enable MFPs with an integrated fax solution

	Monthly cost for 400 devices	Total cost over 60 months for 400 devices
Fax kits: None required	$0	$0
Phone line consolidation 400 lines to 24 lines	$ 840 24 lines @ $35/line	$50,400
Total cost to fax-enable 400 MFP devices with a fax solution	$840	$50,400

Chart 3: Cost savings to fax-enable MFPs with integrated faxing

Total first year savings	$205,920
Total savings over 60 months	$1,077,600
Total savings per MFP over 60 months	$2,694

Chart 4: Monthly business line (analog) charges from AT&T

Year	Monthly charge	% increase
2010	$25.00	$0
2012	$37.50	50%[2]
2014	$52.25	39.33%
2015	$65.00	24%[3]

Business case 2: Deploying an IP communications infrastructure

The vast majority of businesses now rely on the IP protocol for data communications. More and more are switching to Voice over IP (VoIP) for voice communications as well. A completely IP-based communications infrastructure provides cost and efficiency benefits, as well as the availability of the latest cloud-based services.

It is not surprising that Fax over IP (FoIP) is a major growth area for fax services. Historically, it has been difficult to integrate the analog-based fax capabilities of MFPs with the IP network. The common approach is attaching an Analog Terminal Adapter (ATA) to each fax kit within the MFP fleet. The ATA connects to the IP infrastructure then to the PSTN where it transmits the outbound fax to the final receiving device: fax machine, MFP equipped with faxing, desktop fax services, etc.

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The end of POTS

While the death of fax has been greatly exaggerated, the end of analog services or plain old telephone systems (POTS) has not.

Telecom providers have seen landline usage disintegrate to a point where a small and shrinking percentage of their customers account for more than 50 percent of their total expenses[4]. They are committed to replacing POTS with a digital infrastructure. This is increasingly supported at a worldwide governmental level with regulations allowing the replacement of analog with voice over IP (VoIP) or session initiation protocol (SIP) services.

For example, European governments adopted an all IP initiative, mandating the elimination of analog, BRI and PRI telephone lines. This means that every telecom company in Europe must move their existing telephony environment to IP which will affect every organization with a telecom infrastructure inside their organization.

Although the complete switching off of analog public switched telephone networks (PSTN) is further in the future for most of the world, it is being considered as a long-term option. In the short term, telecom providers worldwide are using price hikes to recover costs and disincentivize the installation of new analog lines. US carrier AT&T has levied a year-on-year price increase of around 25 percent (see chart 4). Consolidating the amount of analog lines you currently have and reducing the need to install new lines is a key benefit of fax integration when upgrading your MFP fleet.

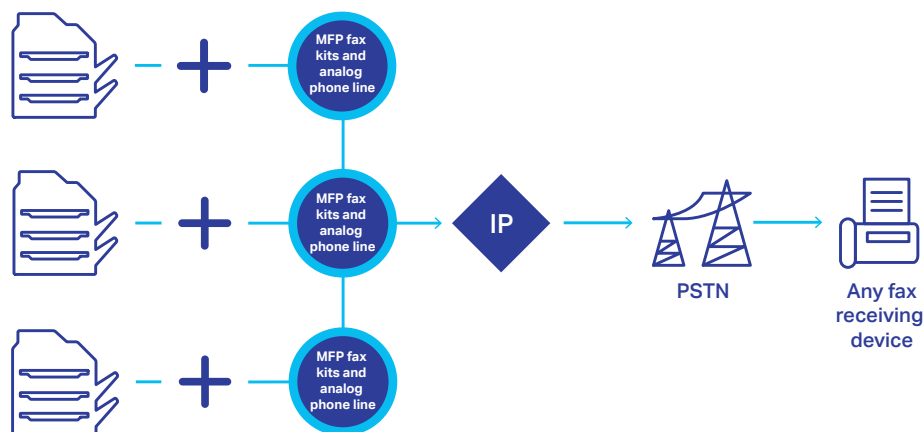**MFP faxing with non-integrated solution in an IP environment**

Figure 3: Each MFP device requires an MFP fax kit and its own ATA device. Each MFP is connected to the IP network, which then connects to the PSTN. The faxes are exchanged with any faxing devices, such as a fax machine, fax server, fax-enabled MFP or cloud fax service.

This solution has allowed companies to remove analog lines but often with unacceptable performance and efficiency costs. ATAs have traditionally been designed to convert voice traffic from analog to digital but handling data traffic leads to line jitter and reduced quality of service. Companies have reported fax failure rates rising to as much as 15 percent, making a once reliable technology so unreliable that some have reverted to adding analog lines back to ensure smooth fax transition.

By integrating electronic fax solutions with your MFP fleet, you introduce a technology designed for the IP environment and make the entire process digital, removing the need for analog conversion. This integrated solution also handles analog traffic which enables a smooth migration path for your MFP fleet and enables you to immediately and cost effectively take advantage of full FoIP functionality.

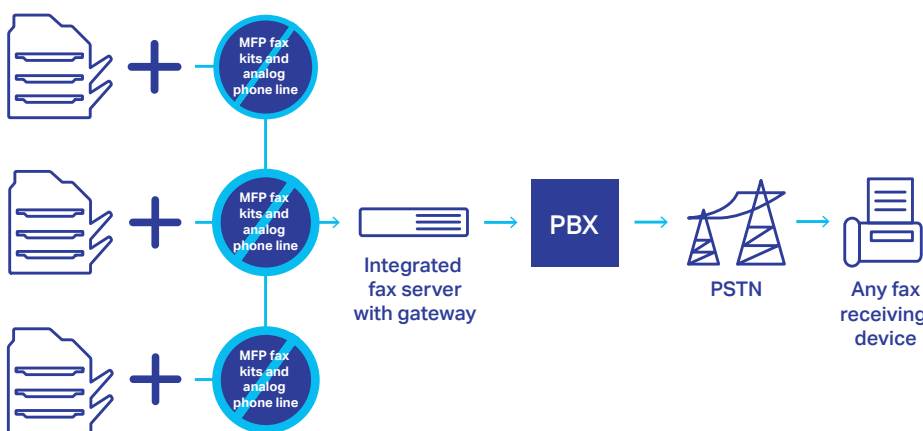**MFP faxing with fax server integration in an IP environment**

Figure 4: Each MFP device no longer requires an MFP fax kit and its own ATA device. Each MFP is connected to the fax server with a gateway, which then connects to the PSTN. The faxes are exchanged with any faxing devices, such as a fax machine, fax server, other fax-enabled MFP or cloud fax service.

![opentext logo]

As IP becomes the primary communication infrastructure for business, the analog nature of fax is anachronistic. It is increasingly unnecessary to maintain expensive analog lines solely for fax capabilities. Companies transitioning to VoIP and integrating electronic fax services with their MFP fleet see improved FoIP performance across the entire organization and significant savings over previous analog or ATA-based solutions.

Chart 5: Cost to fax-enable an MFP fleet with fax kits and Analog Terminal Adapters (ATAs)

	Per device costs	Total cost for 400 devices
Fax kits 1 required per device	$720	$288,000
ATAs 1 required per device	$260	$104,000
Total cost to fax-enable 400 MFP devices with non-integrated faxing in an IP environment	**$980/device**	**$392,000**

Chart 6: Cost to fax-enable an MFP fleet with integrated fax in an IP environment

	Per device costs	Total cost for 400 devices for 60 months
Fax kits	$0	$0
ATAs	$0	$0
T1/SIP trunk added for additional capacity	$2.50	$60,000
Total cost to fax-enable 400 MFP devices with non-integrated faxing in an IP environment	**$2.50/device**	**$60,000**

Chart 7: Cost savings to fax-enable MFPs with integrated faxing in an IP environment

Total savings over 60 months	$332,000
Total savings per MFP over 60 months	**$977.50**

Assumptions and sources: These charts are based on the same set of assumptions as the previous charts with the additional cost for the ATAs and T1/SIP, based this on the Cisco ATA190 for $260. Line costs are removed from the calculation, as switching to leased lines (1 Gigabit or more) makes the fax element of this cost negligible even at high fax volumes. T1/SIP trunk cost includes 24 SIP channels with unlimited outbound and inbound calling and 400 DIDs (one DID per device). https://www.sip.us/pricing/

Business case 3: Reducing total managed print services (MPS) spend with desktop faxing

While leasing often reduces the total cost of ownership of your MFP fleet, it represents a large recurring cost. The most significant saving from fax integration is still likely to lie in the massive consolidation of phone lines. However, leasing contract negotiations and renewals provide another opportunity for cost reduction.

There are two distinct reasons for this.

First, leasing options from major suppliers often take the form of outsourced MFP fleet management. For large fleets, this usually means taking responsibility for MFP devices, fax kits and consumables from other manufacturers which adds to the supplier's management burden. Introducing a centralized fax server or cloud-based fax service removes equipment and simplifies the support task.

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The role of FoIP in unified communications

Organizations continue to push towards a comprehensive unified communications solution where IP is the backbone of all communications. Data-based services such as email, chat, web and video conferencing and the rapid migration to VoIP can deprioritize fax migration which is how fax often ends up operating on a separate communication network.

Electronic fax services facilitate the integration of fax into unified communications. Whereas traditional fax has allowed the secure transfer of paper-based documents, FoIP provides far greater capabilities, including showing all communications for an individual in the same inbox and seamlessly delivering faxes and documents from your MFP securely over the corporate network.

Secondly, service contracts are widely negotiated on a cost per click basis. The enterprise pays for each single side printed with the cost based on print volumes. Companies often underestimate the amount of paper printed on the MFP through fax activities. For example, they may count the pages received but forget to factor in the fax confirmations sent. This affects not only how much they spend but also the 'cost per click' they can negotiate for the next leasing contract.

The introduction of an electronic fax solution means that the amount of faxing can be reduced. People now send and receive faxes from desktops and cell phones. Paper-based originals are scanned into the MFP and held in memory so even if a fax fails, there is no need to re-enter it and no printed failure notices. Fax confirmations are delivered directly to the sender's inbox, resulting in less printing.

It is likely that the paper printed by fax will only ever be a small proportion of your MFP output but demonstrating reductions in print volume can help organizations negotiate an improved service contract.

Chart 8: Leasing agreement for an MFP fleet with fax kits and analog lines

	Number	Pricing
Phone lines $35/month per phone line	400	$14,000/month
Pages $0.01 per click rate	220,000 clicks per month	$2,200/month
Total monthly costs		**$16,200**
Total annual costs		**$194,400**

Chart 9: Leasing agreement for MFP/fax integration

	Number	Pricing
Phone lines $35/month per phone line	24	$840/month
Pages $0.01 per click rate	55,000 clicks per month	$550/month
Total monthly costs		**$1,390**
Total annual costs		**$16,680**

Chart 10: Cost savings from MFP/fax integration

Total monthly savings	$14,810
Total annual savings	**$177,200**

Assumptions: These charts are based on a series of assumptions established in the first two business cases. Added assumptions are if the organization is able to demonstrate that it prints under one million black and white pages a month, it can negotiate a better 'per click' service contract; and with the adoption of electronic, digital faxing, total clicks for faxed documents are reduced from 220,000 printed pages per month to 55,000 printed pages per month (25 percent of total).

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Attaining a positive ROI

The cost savings that can be achieved through integrating electronic fax services with MFPs makes this one of the easier business decisions your organization is likely to face—although cost is not the only reason to close the gap between fax capabilities and the MFP fleet.

The analog phone lines that many fax systems are based on are becoming much more expensive and will be phased out over the next decade or so. In addition, it makes little business sense to have your fax operate on a different communications network from your other business communications.

The IP infrastructure that underpins data and voice communications is the ideal platform for leveraging advanced fax services that can bring fax into a complete unified communications solution.

A positive ROI comes from optimizing the fax capabilities of your current MFP fleet, eliminating purchase and ongoing costs for costly fax kits and dedicated phone lines, building a smooth migration path to a fully FoIP or cloud-based fax solution and moving from simple and secure paper-based document transfer to a complete end-to-end document production and delivery environment.

About fax integration with OpenText

OpenText provides the ideal fax solutions for enterprises with traditional on-premises fax servers, cloud-based fax services or hybrid fax solutions. OpenText fax servers and cloud services are specifically designed for the high volume, high performance, high security enterprise environment, resulting in an MFP fleet with outstanding fax capacity and efficiency. A wide range of connectors, developed in partnership with the leading MFP providers, make adding enterprise fax functionality to MFP devices low cost and low maintenance.

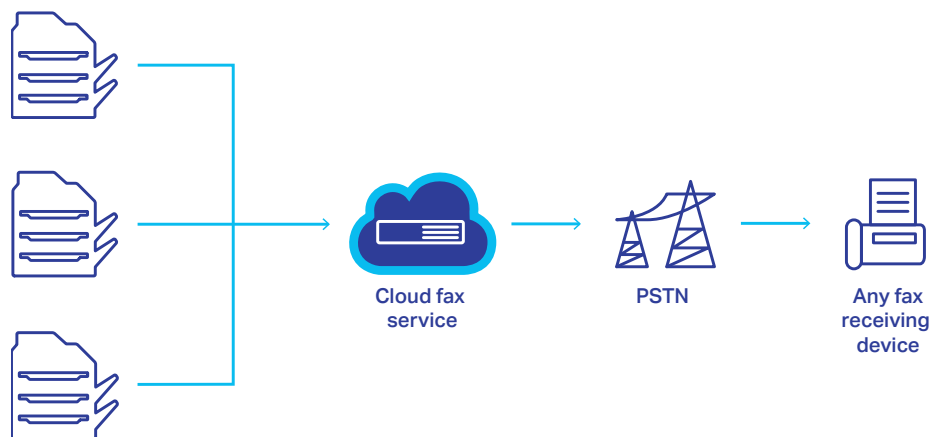Cloud fax service   PSTN   Any fax receiving device

Figure 5: Multiple MFP devices can connect to a single fax server or cloud fax service. Once a user scans and sends the fax from the MFP, the fax solution sends the fax job to any fax receiving device, such as a fax machine or other fax server/service.

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Integrating your MFP fleet with OpenText allows you to go beyond secure document transfer to a comprehensive platform for enhanced document management, data security and data sovereignty, backed by a global operations and support team that delivers local language support and consultancy. Integrating fax with your MFP fleet is simple, fast and cost effective, especially for organizations already using OpenText fax solutions.

As a market leader in on-premises and cloud-based fax services, OpenText works closely with all major MFP suppliers to ensure connectors always deliver optimal operations within your MFP fleet.

Connectors are available for these MFP manufacturers and/or devices:

Canon   **Lexmark**   **Toshiba**

HP®   **Ricoh**®   **Xerox**®

Konica Minolta®   **Sharp**®

Any brand of MFP device with scan-to-email capabilities via an SMTP connector.

About OpenText

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