



LEXMARK INTERNATIONAL

IMPROVING SUSTAINABILITY THROUGH MANAGED OUTPUT

QUICK FACTS

Industry

High tech

Revenue

US\$4.5 billion

Employees

14,000

Headquarters

Lexington, Kentucky

Web Site

www.lexmark.com

SAP® Solutions and Services

Reducing carbon footprint using
SAP® Business Suite applications

Implementation Partner

Lexmark Global Services

Printing and imaging leader Lexmark International Inc. was looking for additional ways to reduce its own carbon footprint and that of its customers. Since 80% of an output device's carbon footprint lies in paper consumption, SAP helped integrate Lexmark document workflow solutions to revise business processes to improve upon its aggressive sustainability objectives. By utilizing these solutions, Lexmark has reduced paper usage while saving shipping costs and time.

Key Challenges

- Minimize the environmental impact of Lexmark's and its customers' operations
- Integrate Lexmark document workflow solutions with SAP® software to reduce the resources consumed in printing, especially paper
- Enhance Lexmark's and its customers' reputations for sustainability
- Ease the regulations compliance effort for both Lexmark and its customers
- Develop customers for life

Implementation Best Practices

- Overhauled business processes to improve sustainability
- Developed processes for minimizing consumption in business process steps where paper enters or leaves the flow
- Worked with SAP to implement improvements
- Developed joint understanding of best practices for achieving sustainability and made them available to other customers

Financial and Strategic Benefits

- Improved sustainability while developing joint solutions available to the marketplace
- Enhanced ability to comply with government regulations
- Saved internally on paper consumption, energy usage, cartridges, and more, thereby reducing carbon footprint
- Sped up paper-based processes by replacing printing/mailling with scanning/electronic transfer
- Provided customers with ways to save costs while increasing sustainability

Why SAP Was Selected

- Innovative combining of Lexmark and SAP technologies to enhance business processes and cut carbon footprint
- SAP's complete sustainability solution
- SAP's own allegiance to sustainability
- SAP's desire to understand Lexmark's business and its processes
- SAP software's span of the entire business

Low Total Cost of Ownership

- Improved business processes from sustainability point of view without requiring additional ongoing IT support
- Included sustainability-oriented business-process implementation in standard SAP software rollout, not as bolt-on customization

Operational Benefits Key Performance Indicator	Targeted Impact
Travel receipt shipping costs	-90%
Overall nonoperational shipping costs	-8%
Travel expense turnaround time	-2 days
Paper travel-receipt copies	-Hundreds of thousands annually
Travel document retrieval time	-80%
Paper bills of lading (BOLs)	-60%
Cost of BOL forms	-75%
BOL processing time	-25%



“With the help from SAP on Lexmark’s sustainability initiatives, we are finding new ways to reduce the amount of paper used in business processes. By helping our customers print more efficiently, we gain customers for life and continue to build upon the progress we have made with sustainable practices for Lexmark and our customers.”

John Gagel, Manager of Sustainable Practices, Lexmark International Inc.

Lexmark International Inc. provides businesses of all sizes with a broad range of printing and imaging products, solutions, and services including laser and inkjet printers and multifunction devices.

Appreciating the Importance of Sustainability

Social responsibility is an important value at Lexmark. The company maintains best practices for sustainability – balancing environmental and social concerns with economics – and strives to minimize its carbon footprint, especially the use of output devices. To multiply the impact of this internal attention, the firm focuses on ways that its customers can minimize their environmental imprint when using Lexmark products. Both Lexmark and its customers recognize that sustainability not only conserves resources but also saves money and eases compliance with government regulations. And it enhances their images as companies that people want to do business with.

Lexmark sponsors many conservation programs – for recycling used cartridges and outdated printers, for example. However a study showed that 80% of an output device’s carbon footprint lies in paper consumption, so Lexmark focuses on ways to minimize paper waste. Output device consolidation and better device management help, but to accomplish even more Lexmark identified a number

of business processes they could optimize to cut consumption. Lexmark chose SAP as its partner in making these process improvements, the obvious choice because SAP® Business Suite software spans all the targeted processes. And SAP itself places a high value on sustainability, as evidenced by its number one position in the Dow Jones Sustainability index for software companies.

Managing Output Through Smarter Business Processes

With help from SAP, Lexmark implemented the process improvements, maintaining documents in digital form as long as possible and printing only when necessary. For example, users scan their travel and business expense documents into the travel expense workflow rather than mailing paper documents. Shipping bills of lading (BOLs) are now printed on single-sheet plain paper, then signed and scanned, instead of on multipart forms that use undesirable chemicals. Sales contracts and supplier invoices are scanned, indexed, stored, and transmitted electronically – not printed and mailed. Not only do users save resources, but they also speed up the flow of information for enhanced productivity and improved decision making.

Lexmark knows that users often have second thoughts about needing to print documents. So the firm set up a secure print release process in which documents are held in a print queue until users authorize

printing from a networked printer. Often, users decide not to print after all and delete the documents from the queue.

Reducing Carbon Footprint for Lexmark and Its Customers

The company has seen substantial savings in travel expense shipping costs, turnaround time, and paper consumption. The digital BOL flow has cut forms costs and paper usage while speeding the delivery of BOLs to customers and Customs.

Lexmark’s success in internal operations is a model for other companies that use SAP software, Lexmark multifunction devices, and the set of processes developed by these partners for managing output. The technology and advice provided by Lexmark help SAP customers save costs, accelerate business processes, and improve their own sustainability profile. In this win-win, Lexmark is doing its part to save the environment while creating relationships that turn companies into customers for life.

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