



State of Florida
Savings Opportunities

May 21, 2009

Agenda Topics

- Office Depot Introductions
- Savings Opportunities
 - Office Depot Design Print and Ship
 - New State of Florida Core
 - Florida Minority Toner
 - Demand Management
- Questions/Next Steps

Office Depot Introductions

- Jim Pollman-VP Southeast Region
- Billy Grimmett-Director Public Sector
- John Riley-Regional Sales Director North Florida
- Linda Sykes Director-Design Print and Ship
- Morrie Norwood-District Manager

Office DEPOT[®]

Design, Print, & Ship Services

May 21, 2009

Can we talk? Digital Printing Savings

- Focus on Quick Print/ Digital Printing/ Copy Jobs
- State has significant savings opportunities
 - Vendor consolidation – Leveraged buying
 - Waste reduction/ Green effect
 - Shipping – Florida is a big state!
 - Reduced administrative costs
 - Virtual File Cabinet saves time and effort
- Leveraged Price Savings
 - Print pricing programs are benchmarked against key Public Sector contracts to maintain industry leading pricing
- Uniqueness of each Agency/Department
 - Met with 4 Departments
 - Print and Process cost assessment

Can we talk? Digital Printing Savings

- Focus on Quick Print/ Digital Printing/ Copy Jobs
 - Closed Door Regional Print Facilities
 - 137 Stores Digital Copy Centers/ Florida
 - Networked Web based Virtual File Cabinet
 - Unique Xerox Certification



Can we talk? Digital Printing Services

- Print on Demand Services
- Digital Black and White & Color Printing
- Wide Format Black and White & Color Printing
- Binding and Finishing Services
- Document Archiving & Storage
- Web-based ordering via Online Print Center
- Expedited Shipping

Can we talk? Digital Print Order Process Comparison

Current

- Contact Print Shop
 - Yes, send file
 - No, multiple options
- Source vendors
- Get quotes/ 2
 - Individual job is quoted
 - Lose leveraged spend
 - Apples to oranges?
 - Shipping fees
- Submit job, various methods
 - Email, file size issues,
 - Instruction communicated,
 - Take to printer
 - Picked up
- Receive job
- Approve separate invoice
 - Total usage/spend tracking difficult

Proposed

- Contact Print Shop
 - Yes, send file
 - No, Office Depot
- Online order
 - Online quote
 - Leveraged pricing
 - No shipping fees
 - Order confirmation call
- Receive job
- Integrated invoice
 - Usage/ spend tracking

Can we talk? Additional Benefits

- Virtual File Cabinet offers consistency
 - Instantly latest documents available
 - Pre Configured documents
 - Approvals same as Office Supplies
- Time
 - “Want it yesterday” syndrome
 - Just in time = waste reduction
 - Delivered where you want it – free!

Can we talk? Cost Analysis

TOTAL COST OF OWNERSHIP

Calculation for TCO per BW click

Item	Purchasing cost	Annual Cost Amortization over 6 years	Est. annual volume	Cost per click
HW Cost	24,300	4,050	500,000	0.00810
Click				0.00340
Paper				0.00612
Subtotal				0.01762
Waste		Salary Teacher	%	0.00300
Labor		40,000	17%	0.00916
Power				0.00000
Space costs				0.00000
Total Customer Cost				0.02978
			Volume Rebate	
OD Price		0.022	6%	0.02068
			Savings	30.5%

Note: Results may vary for different HW, annual usage and infrastructure costs.

Can we talk? Digital Printing Savings

Next Steps:

Meet with you to explore your unique Agency/ Department

Print Assessment – Total cost of ownership

Process Review

Virtual File Cabinet demonstration

Savings Opportunities

New State of Florida Core 5/04/09

- Office Depot and DMS Utilized Private Brand and Demand Management principles to create a revised core
 - Reviewed 2008 Agency usage trends
 - Focused on high volume Agency usage items
 - Consolidated spend on best value items where possible
 - Goal of providing better value, same quality items that can reduce overall State spend
 - Replace non stocked items with our current product assortment
 - Minimize price increases, maximize savings opportunity

Savings Opportunities

Florida Certified Minority Toner

- Magnetic Imaging Systems
 - Miami FI
- Current State Agency sales of over \$1M annually
- High Quality, Product is Guaranteed
- ISO 9000; 2000 Certified
- Qualified spend toward Certified Florida Minority Businesses
- Provides 10% to 45% savings over OEM Toner

Savings Opportunities

Demand Management

- Demand Management is the process of concentrating spend on the lowest cost product that performs the function
- Demand Management provides a greater savings opportunity than any other method (10%-15% of total spend)
- Demand Management can be “Suggestive”, or “Mandated” and requires a willingness to change past purchasing habits.
- Demand Management Opportunities
 - State of Florida Core-focus spend on high use, private brand and lower cost products
 - Florida Minority Toner- Guaranteed Product, Minority Spend
 - Office Depot Brand Remanufactured Toner-additional product selections
- Demand Management requires a significant amount of analysis, and is best done at an Agency/Department level
- Contact your Office Depot Account Manager for additional information

Demand Management Examples

SKU	Description	UOM	Spend
181578	PEN,BALL PT,MEDIUM,STICK,BLUE	DZ	\$ 8,893
112266	PEN,GRIP/ROUND STIC,DOZ,BLUE	DZ	\$ 3,442
270556	PEN,SARASA,GEL,DZ,BLUE	DZ	\$ 6,327
659623	PEN,UNIBALL,FINE,ONYX,DZ,BLUE	DZ	\$ 3,190
149757	PEN,UNIBALL,XF,UB120,BLU	DZ	\$ 1,518
216661	PEN,UNI-GEL GRIP,MEDIUM,BLUE	DZ	\$ 6,163
120709	PENS,MED.PT,RSVP,12PK,BLUE	DZ	\$ 4,980
			\$ 34,514

105047	PEN,BP,STCK,GRP,MD,24PK,BLU	PK	\$ 24,179
		Savings	29.9%

SKU	Description	UOM	Spend
810838	FOLDER,FILE,LETTER,1/3 CUT	BX	\$ 94,663
315515	FOLDER,FILE,LTR,1/3 CUT,MANILA	BX	\$ 21,368
316471	FOLDER,LETTER,1/3,REINFORCED	BX	\$ 9,106
475814	FOLDER,LTR,1/3,RECYCLED,100/BX	BX	\$ 1,866
			\$ 127,003

810838	FLDR,P/L,LTR,ECONOMY,1/3,MAN,1	BX	\$ 123,040
			3.1%

SKU	Description	UOM	Spend
940320	FILE,STRGE,ECOLOGIC,12X10X15	EA	\$ 12,772
940346	BOX,STORAGE,RECY,LTR/LGL	EA	\$ 4,591
940338	FILE,STORAGE,LTR,LGL,ECONO	EA	\$ 1,174
199570	BOX,STOR,ECON LETTER/LEG	CT	\$ 17,650
			\$ 36,187
876916	BOX,OD,LTR/LGL,ECONO,4/PK	PK	\$ 30,355
			16.1%

SKU	Description	UOM	Spend
497735	MARKER,DRY ERASE,CHSELTIP,4COI	PK	\$ 20,317
204156	MRKR,ST/D/ER,CHS,4CLR	ST	\$ 7,576
204164	MRKR,SET,D/ERS,8CLR	ST	\$ 10,451
			\$ 38,344
877405	MARKER,DRY ERASE,EF,DZ,ASTD	DZ	\$ 24,475
			36.2%

Questions/Next Steps
