IDC MARKETSCAPE

IDC MarketScape: U.S. Managed Workflow Services Hardcopy 2015 Vendor Assessment – Building on MPDS

Holly Muscolino Terry Frazier

THIS IDC MARKETSCAPE EXCERPT FEATURES XEROX

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape U.S. Managed Workflow Services Hardcopy Vendor Assessment

Please see the Appendix for detailed methodology, market definition, and scoring criteria.
IN THIS EXCERPT

The content for this excerpt was taken directly from IDC MarketScape: U.S. Managed Workflow Services Hardcopy 2015 Vendor Assessment – Building on MPDS (Doc #US40586715). All or parts of the following sections are included in this excerpt: IDC Opinion, IDC MarketScape Vendor Inclusion Criteria, Essential Guidance, Vendor Summary Profile, Appendix and Learn More.

IDC OPINION

This IDC study assesses the capability and business strategy of eight hardcopy vendors that are participating in the U.S. managed workflow services (MWS) market. Vendor selection included vendors with existing and developing MWS programs. This assessment discusses both quantitative and qualitative characteristics that position vendors for success in this important market. Many hardcopy manufacturers are offering MWS as a way of sustaining value for existing MPDS customers. This IDC MarketScape focuses on the capability of those vendors to provide clients with a road map to higher-value, workflow automation and optimization services and then effectively deliver those services. Enterprises using the IDC MarketScapes for MWS are able to identify vendors with strong offerings and well-integrated strategies aimed to keep the vendors viable and competitive over the long run. Companions to this study are IDC MarketScape: Western European Managed Workflow Services Hardcopy 2015 Vendor Assessment – Building on MPDS (forthcoming), IDC MarketScape: CEMA Managed Workflow Services Hardcopy 2015 Vendor Assessment – Managed Workflow Services: Building on MPDS (forthcoming), and IDC MarketScape: Asia/Pacific (Excluding Japan) Managed Workflow Services Hardcopy 2015 Vendor Assessment – Building on MPDS (forthcoming).

MWS refers to the evolution of managed print and document services (MPDS) to a set of professional and managed services that automate and optimize vertical and horizontal document-intensive workflows and/or business processes with results and benefits that are aligned with specific business outcomes. MWS represents the most mature level of MPDS. If viewed within the context of IDC’s Print and Document Management MaturityScape, it implies that an organization’s print and document infrastructure has been fully optimized and that the infrastructure is being leveraged for a strategic and competitive advantage. However, it’s important to note several key concepts related to MWS:

- Though workflow services may be delivered by an MPDS vendor, it is not a requirement that these services are included in the MPDS contract. In fact, the influencers, decision makers, and beneficiaries of MWS may not be the same for a less mature MPDS engagement.
- Workflow services may be delivered completely outside the scope of MPDS. In fact, it is possible for a vendor to automate and optimize a client’s workflow in the context of an equipment and/or software sale and subsequently offer MPDS to that client.
- Workflow services may be delivered by vendors other than the hardcopy manufacturers, including business process management (BPM) providers, software manufacturers, systems integrators, and other IT services providers. These vendors are outside the scope of this IDC MarketScape.
IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

Participation in this study was extended to hardcopy equipment manufacturers that offer managed workflow services. Excluded from the study were IT outsourcing companies, business process outsourcing (BPO) providers, and software manufacturers that either offer print, document, and workflow services as part of their IT services or subcontract those services to hardcopy vendors.

ESSENTIAL BUYER GUIDANCE

IDC recommends the following:

- Proactively evaluate print and document infrastructure and process pain points and maturity levels, and then develop a strategy to address those pain points and grow to higher levels of maturity. Our research indicates that many organizations are unaware of the opportunity to gain significant cost and productivity advantages, in addition to core business benefits, by leveraging digital technology to automate and optimize document workflows. Document workflows are often well-ingrained, legacy processes within an organization, and there is low awareness of the potential opportunities for transformational improvements locked within.
- Look to your print infrastructure partners for assistance. Many of these organizations are developing the vertical and horizontal process expertise required to effectively address document workflow bottlenecks and provide innovative solutions to not only streamline workflows but to also suggest new workflow models. Moreover, it is no longer just about print. Most vendors are embracing new digital technologies, and those technologies along with document domain expertise make them well positioned to assist with the digital transformation of document workflows.
- Ensure that a provider's knowledge of your business processes and/or industry uniquely qualifies the provider to provide managed workflow services to your organization. Does the provider have a record of successful MWS in organizations of a similar size? Within your industry? Ensure that the vendor comprehends the organization's specific business objectives and has the capacity to meet those objectives and execute on them.
- Ensure that the vendor has the ability to leverage 3rd Platform technologies – cloud, mobility, big data and analytics, and social media – to develop new document management solutions and business models.
- Look for a record of managed print and document services and managed workflow services operational excellence.
VENDOR SUMMARY PROFILES

This section briefly explains IDC's key observations resulting in a vendor's position in the IDC MarketScape. While every vendor is evaluated against each of the criteria outlined in the Appendix, the description here provides a summary of each vendor's strengths and challenges.

Xerox

Xerox is a Leader in our IDC MarketScape for managed workflow services. Xerox is a public company headquartered in Norwalk, Connecticut. The company has a presence in more than 160 countries with more than 130,000 employees. The company is one of the world's largest suppliers of business process and document management services and derives 54% of its revenue from services.

Xerox is the only vendor evaluated that has established a separate organization solely focused on workflow automation solutions and services. This organization, established in 2014, works in partnership with Xerox's document outsourcing teams – including both managed print and document services and centralized print services – as well as its business process outsourcing organization. In fact, in 2015, Xerox's Large Enterprise Operations (LEO), which includes the workflow automation and document outsourcing teams, moved from Xerox's technology business unit to its services business unit to enable and facilitate better collaboration.

Offering Overview

In 2014, we described how Xerox had organized its managed print services offering around a three-stage approach: Assess and Optimize to increase efficiency, lower costs, and improve productivity; Secure and Integrate to protect intellectual property and ensure a secure environment; and Automate and Simplify to capture, understand, and process complex workflows involving both structured and unstructured information. Xerox's workflow automation services provides a bridge between the Automate and Simplify stage of an MPS and BPO engagement with elements that overlap with both.

Xerox is positioning itself as a trusted advisor that can help customers digitally transform. There are two categories to Xerox's workflow automation services:

- Personal and office productivity solutions designed to help knowledge workers automate and simplify their personal and office work experience as well as print less
- Industry workflow solutions to help enterprises and lines of business automate and simplify key business processes as well as facilitate digital transformation

Each category is supported with a portfolio of software solutions and services, including solutions for capture, enterprise content management, business process management, and solutions focused on security and mobility as well as industry/process-specific applications.

Xerox's workflow automation portfolio is made up of both cross-industry and vertical-specific solutions. Cross-industry solutions include:

- Human resources
- Finance and accounting
- Customer care
- Transaction processing
Industry solutions include offerings for banking, insurance, healthcare, government, manufacturing, retail, transportation, and education. Xerox will continue to grow both its cross-industry and vertical portfolios through organic development and acquisition as well as through continued collaboration with its BPO organization. It is important to note that Xerox has the opportunity to develop solutions more quickly than its competitors by tapping into the expertise, capabilities, and infrastructure available within the BPO team.

**Highlights of Vendor Demonstration**

For the IDC MarketScape demonstration, Xerox provided a thorough overview of the company’s approach to assessing and understanding the customer’s current state and identifying opportunities for business improvement. The user survey and workshop approach was very well done with excellent use of simplified but informative graphics and clear indications of where gains can be made. The company makes excellent use of device data collected from its CompleteView Pro as well as the process mapping features in Hyland OnBase to build a comprehensive view of what is happening within the customer environment.

For a demonstrated workflow, the company showed two separate business processes, addressing different types of business needs. The first was automation of a conventional but complex loan origination process, which involved the intelligent capture of data from printed forms, an automated process flow via Hyland OnBase, and an automated generation of client letters for loan approval. According to the company, this solution is in use today and will be processing more than 850,000 loan applications per year.

The second application demonstrated the automation of a simpler but very common workflow for marketers and creative professionals. Using an iPad, Xerox Digital Alternatives, Xerox Mobile Link app, and Xerox Mobile Print Portal, the company showed a distributed, collaborative workflow for document approval and markup. This second application struck us as an excellent entry point for departments and smaller businesses that may just be starting the workflow automation journey.

**Highlights of Customer Interviews**

IDC spoke with two Xerox customers, both in the education market. In one case, Xerox had developed an innovative solution for a large university looking to streamline the evaluation of professors seeking promotions or tenure. Multiple stakeholders, both internal and external, were involved in the evaluation process. Prior to deploying the Xerox solution, all the required documentation was copied and mailed. In addition to the printing and mailing expenses, the process was very time consuming for human resources personnel. Today, all documentation is submitted electronically to a central repository that can be securely accessed by evaluators. Notifications and assessments are also sent electronically. The university saved thousands of copies a year and countless hours of processing by human resources personnel, and each evaluation turnaround time was significantly reduced from weeks to hours.

The second interview was with a large public school system for which Xerox provides a holistic document management solution, including managed print services, centralized print services, and a content management system that supported learning and collaboration by making it easier to access and share classroom documents, financial data, and other digital content. Xerox also automated the purchase-to-pay process for the school system, providing visibility and accountability through the entire process.
**Strengths**

In the previous managed print and document services IDC MarketScape, we noted that we liked Xerox's strategy for migrating its customers to higher levels of print and document management maturity, including converting paper-based workflows to digital and reengineering processes for greater efficiencies. That capability has been amplified by Xerox's ability to provide the full spectrum of services, from MPS to workflow automation to BPO and from consulting/professional services to full-blown outsourcing.

Xerox's services are supported by a broad software and solutions portfolio. The company has also developed expertise around client office and document work practices through ethnographic studies. Xerox's global coverage enables it to serve multinational and global organizations with consistency across geographies.

**Challenges**

Xerox is still developing and continues to expand its portfolio of workflow solutions, both cross-industry and for its target vertical industries. It is important to note that this is true for almost all the players in this nascent market. Xerox has the opportunity to gain a significant headway on some of these competitors by leveraging the capabilities of its BPO business. Xerox should also continue to develop its arsenal of solutions by building, buying, or acquiring technology. Most importantly, Xerox must remain focused on execution across all facets of the workflow business.

**APPENDIX**

**Reading an IDC MarketScape Graph**

For the purposes of this analysis, IDC divided potential key measures for success into two primary categories: capabilities and strategies.

Positioning on the y-axis reflects the vendor's current capabilities and menu of services and how well aligned the vendor is to customer needs. The capabilities category focuses on the capabilities of the company and product today, here and now. Under this category, IDC analysts look at how well a vendor is building/delivering capabilities that enable it to execute its chosen strategy in the market.

Positioning on the x-axis, or strategies axis, indicates how well the vendor's future strategy aligns with what customers will require in three to five years. The strategies category focuses on high-level decisions and underlying assumptions about offerings, customer segments, and business and go-to-market plans for the next three to five years.

The size of the individual vendor markets in this IDC MarketScape presents a relative view of the vendor's current MPDS (including MWS) market presence. Note that, unlike previous IDC MarketScapes focused on MPDS, we have taken a "small, medium, and large" approach to these markers. Therefore, these markers do not represent the market share of each individual vendor within the specific market segment being assessed.

**IDC MarketScape Methodology**

IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and
interviews with market leaders, participants, and end users. Market weightings are based on user interviews, buyer surveys, and the input of a review board of IDC experts in each market. IDC analysts base individual vendor scores, and ultimately vendor positions on the IDC MarketScape, on detailed surveys and interviews with the vendors, publicly available information, and end-user experiences in an effort to provide an accurate and consistent assessment of each vendor’s characteristics, behavior, and capability.

**Market Definition**

The definitions that follow distinguish between basic print services (BPS), MPDS, and MWS. MWS is the subject of this IDC MarketScape analysis covering vendor strategies and capabilities.

Basic print services and managed print and document services (including MWS) must include the following:

- **Contract scope** refers to the third-party management of a group or fleet of printers and/or MFPs (may also include other device types such as scanners).
- **Contract length** is multiyear.
- **Environments** cover the distributed office environment and may include an in-plant, CRD, or datacenter in addition to the office environment; however, contracts that include only centralized facilities are excluded.
- **Coverage** includes ink/toner and maintenance/repairs and may optionally include printer/MFP hardware (purchases and leases).
- **Consolidated fleet billing** refers to a single bill for at least consumables (ink/toner), maintenance, and repairs (break/fix) for all the printers/MFP fleet of devices under management. Billing may have a hardware component.
- **Fleet usage monitoring** tracks print/copy volumes. The service includes a remote monitoring solution while acknowledging the fact that non-network-connected machines would require manual monitoring.

In addition, managed print and document services must include the following:

- **Detailed assessment**: Provider analyzing a sample of the organization’s actual print/copy usage and recommending an output strategy for optimization with defined goals
- **Fleet usage analysis/reporting**: Ongoing analysis, reporting, and recommendations against predefined goals
- **Ongoing optimization**: Ongoing optimization with proactive management using the provider’s resources to continuously manage the environment toward contract goals
- **Governance**: Established business rules and/or a formal change management program with education and incentives to get employees and their managers to achieve and sustain contract goals for printing and document workflows

Managed workflow services are the most mature segment of MPDS. MWS refers to the evolution of MPDS to a set of professional and managed services that automate and optimize document-intensive workflows and/or business processes with results and benefits that are aligned with specific business outcomes.
Related Research

- *IDC MaturityScape Benchmark: Print and Document Management in the United States (IDC #251916, October 2014)*
Synopsis

This IDC study is the first vendor assessment of the managed workflow services market using the IDC MarketScape model. This assessment discusses both quantitative and qualitative characteristics that explain success in this growing market. Managed workflow services represent the most mature segment of the managed print and document services market and contribute to the overall workflow automation and optimization services market. This study provides a visual presentation of the resulting vendor analysis in a single bubble chart. This display concisely exhibits the quantified scores of the reviewed vendors along two axes – strategies and capabilities – which determine if the vendor is a Leader, a Major Player, a Contender, or a Participant. The study also provides vendor summaries that discuss IDC’s positioning of each vendor in the market along with commentary on strengths reflected in their scoring and opportunities for improvement. The study provides specific guidance for organizations considering a managed workflow services – or a managed print and document services – engagement.

"The managed workflow services market continues to mature and evolve, offering customers a greater value and challenging vendors to continually evaluate and enhance their product and services portfolios,” said Holly Muscolino, research vice president, IDC’s Printing, Imaging, and Document Solutions. "This study identifies the IDC MarketScape Leaders, Major Players, Contenders, and Participants that make up the current managed workflow services landscape."
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Global Headquarters

5 Speen Street
Framingham, MA 01701
USA
508.872.8200
Twitter: @IDC
idc-insights-community.com
www.idc.com

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