



Podcast

# Xerox and Business Process Outsourcing: The untold story

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Julie: Hi, I'm Julie Meyers from Xerox Global Services. I'm pleased to say that I've been affiliated with the journey of Xerox Global Services since our inception. This podcast is part of an ongoing series. Be sure to visit [Xerox.com/ThoughtLeadership](https://www.xerox.com/ThoughtLeadership) to download future Podcasts.

I'm here today with Rich Baily. Rich is Xerox's Vice President of Business Process Services and a true pioneer in the BPO space. Hi Rich.

Rich: Hi Julie—how you doin' today?

Julie: I'm good, thank you. We thought we'd talk today a little bit about Xerox Global Services and how we really got into this business process services space. Rich, can you give us a little bit of history about how this all started?

Sure. Over the last 10 years or so, Xerox has offered a lot of services to our clients around how they manage documents and how those documents support the business process, and in many cases we've provided a lot of expertise in how customers can better support their customers and their business processes with better documents and better document processes, and I think through that process, you know, we started providing a lot more process expertise and realized that many of our clients' key business processes were truly document driven. And as we started outsourcing and providing services in the space of document management, imaging services, we realized that we could take a much broader role, or a more important role for our clients, by really consulting on the business process piece itself and use that as the guides to where we try to provide the optimal services for our client. And over time, the clients realize that that is extremely valuable to them and they've asked us to do more and more and our business is growing all the time with new and exciting services that are supporting our clients' business.

Julie: I remember 16 years ago when Xerox tried to define the document for people because I think traditionally people think of a document as a piece of paper with words on it, and I think we still have the challenge out there in the marketplace where people don't acknowledge documents to be more than that piece of paper—yet what you're talking about is really the digital evolution of documents and the information they contain which is not necessarily wrapped up in an IT system, right?

Rich: You're absolutely right. In fact, many of the clients we support today from a document management perspective, those documents—we don't even touch paper in how we support the processes. So it's been an evolution, clearly, but it's happened very, very quickly and there's a lot of value we add to all types of our clients' documents, whether they be paper-based, fax-based, Internet documents, or even native files such as Word or Excel or PowerPoint documents. And I think, as we've evolved over time, the client's business process has become the primary topic in which we focus. Now given our background of being document-centric, if you will, we focused on the business processes that are document-intensive in nature as we've evolved, but again, now that we've kind of changed the conversation from documents to business processes, it's helped our clients really understand how they can better improve their business processes with a lot of the expertise and services from Xerox Corporation.

Julie: So let's walk through at a real simple level. I'm looking at my desk right now and I have lots of paper on it, and I've read statistics lately about the literally double-digit trillions of pages that continue to get printed worldwide—so this paperless office idea is clearly not happening, yet what we think we know is that the majority of documents and the information they contain that actually get integrated into the business processes that are so critical to what we do and what we're trying to achieve every day aren't even these pieces of paper. So how could what we do at some of our facilities around the world, make it easier for me to get done what I need to get done without all these folders and pieces of paper on my desk?

Rich: That's a good question, Julie, and let's take a very specific business case example and something that a lot of people are familiar with in terms of having to buy a home and apply for a mortgage. Applying for a mortgage is a very document-intensive process and you have lots of different players or constituents involved in that process. You have a mortgage broker that's maybe initiating the mortgage; you have bankers involved; you have credit analysts involved; you have appraisers and a whole series of outside or third-party resources that all need to collaborate to make sure that that loan gets funded any you're able to buy a home or refinance your home. So with all those paper documents—and again, they are, in most cases paper documents—having to trade hands and go back and forth, it's very easy to see how people can lose track of a piece of paper or maybe not have the most recent version, or an action may be sitting on someone's desk waiting for them to take action before something else can happen. In that case, we've been able to work with clients to really automate that process and help clients understand how they can streamline the interactions between people, making sure people are engaged on the current information, the right information at the time, using the same common sets of documents and clearly having an audit trail, which is very important to understand who made what decision at what point in time to make sure that things were done in the proper way. And that whole process becomes electronic; it becomes much more efficient from a cost perspective and, more importantly, it is able to identify where the process breakdowns are on a real-time basis with tracked history of how we can improve the process and make everyone's life better and—so that's just one example of how we've been able to innovate for our clients' behalf.

Julie: And it's a good one because I think most people can relate to the pain associated with that mortgage process. I'm a marketing executive, as you know, and the marketing field has changed so much with both the globalization of information—so the 24x7 kind of say it here today, it's in Hong Kong in three minutes, not in three days—and also the digital revolution; the Web and how we capture information and how can we leverage IT systems, etc. It's not your traditional print ads and hardcopy direct mail exclusively anymore. Do you have any examples in the marketing space how this can apply?

Rich: Absolutely. I mean, clearly in the marketing space, we're trying to create messages and positioning so our clients understand what we're offering, how we're offering it, and hopefully will buy our service or engage with our organization. So lots of different marketing techniques have been out there, from one-to-one marketing, personalized marketing, etc., and what we're seeing today is the more personalized a marketing message can be, the more of a response rate you're going to get. So whether that message is delivered via a piece of paper, delivered via the Internet, via a phone message, or whatever the case may be, the more personalized you can make that message, the better off—the higher response rate you're going to get. But we're also seeing that, take even a step further and that many of the documents, whether they be, again, sent out via the Internet or in the hardcopy mail, we're expecting our clients to receive the information, digest the information, and then take action and engage with us—either sign up for an insurance policy or sign up for insurance—healthcare insurance coverage. And if we can make it easier for that client to complete that transaction, make it very simple for them to understand what to do, how to return the document, etc., that again speeds up our process and makes everyone more efficient. And what we've been able to do recently is build intelligence into the documents that are being sent to clients so that when the client does return the document back to us, it can be ingested right into the business process, self-identifying itself as to what type of document it is, who it's coming from, and really the action that needs to be taken next with that document. So it really enables the business process on the back end to be much more efficient so we can be more efficient with our customers and drive process, you know, efficiencies with our own internal organization.

Julie: And as a marketer, speaking as one, I can totally relate to obviously increasing response rates, but more importantly being able to actually see and measure the metrics associated with some marketing activity because now we've been able to track and tie specific actions, either incremental revenue or, you know, a next step in a transaction to it, that would be fantastic. Hey, I think you need to come my way and look at my desk pretty soon.

Rich: Well, one of the things we're also seeing, Julie, is that when businesses are making decisions around how to—for example, in the marketing space—how to better communicate to clients and have them respond to us, oftentimes what we're seeing, or what we've seen in the past, I should probably say, is that those decisions are made in silos where maybe the marketing individual is trying to create the marketing message and that person may not have total responsibility for maybe how a customized package would be printed and sent out to a client, and that group of people doesn't have anything to do with the people that are receiving maybe the incoming correspondence, and really the next group of people that are involved in enrolling the client into a new program or signing them up for a service or shipping a product out to them. And as those individual decisions were made in the past, oftentimes one group would sub-optimize the impact of a decision within another division or another department within the group. So while they may be making the decision that appears to be in their best interest for that individual department, it's actually sub-optimizing the process down the road, and what we're doing is having discussions with clients and showing them how integrated decisions across multiple aspects of their organization—these decisions can be made in such a way that it supports the entire process rather than just a subset of that process, and that's much more powerful than everyone going off and making individual decisions on their own, and it's really making a tremendous difference in the way some of our clients operate today.

Julie: That's really interesting. I know, for example, if we communicate things to our clients, sometimes they'll call in to Xerox and our call center doesn't necessarily have the information that they need that we already know and have in another system about that existing client, and the client can get frustrated and their experience can be sub-optimized. So I know for some of our clients we've actually done that and helped their call center process so they have real-time information on their customers. Do you have any examples of that?

Rich: Well, yes I do; in fact, several examples. I think probably the one that I like the most because I use it all the time personally is with health insurance claims where, you know, quite honestly I don't want to call the help center—so maybe it's the anti-call center answer—to get a question responded to. I don't want to have to call an 800 number, wait on hold; I would prefer at my leisure to go to the Internet and be able to pull up that information and have instant access to it. And in the health insurance space, we've helped a lot of insurance companies with the EOB, or the explanation of benefits document, that really details what's happened with each transaction as you go and get healthcare services from a doctor or get drugs sent to your house or something along those lines. So I want to go online and see that, so that's really eliminated—by being able to take that document, putting it online, we've eliminated a lot of costs associated with shipping that document out and, personally for me, having to go off and talk to someone. So we've eliminated time on the back end for the client. But even most importantly, when I do have a question, being able to call the call center and ask specifically a piece of information or something specific about that explanation of benefits that I received via the Internet or via the mail, I want that call center representative to be able to look at the exact same document I'm looking at, and we've helped a lot of call centers with that exact problem where maybe they were seeing, you know, transactional-based data on the screen and maybe an end user was explaining something they saw on the documentation they received in the mail which doesn't necessarily appear on the transaction screen; it led to a lot of miscommunication and frustration on the users when they called the help desk. So that's just one example of where we've been able to improve the customer experience and, at the same time, reduce a tremendous amount of cost from the call center support organization.

Julie: So one of the questions that I get asked when I'm out talking about Xerox Global Services is “I don't get this. Isn't Xerox all about paper and putting paper out and putting prints on paper? And how does this new way of thinking, this business process attack, this acknowledgement that information and content in documents may or may not be on paper, but rather digital and electronic from its initial state—how does that support, if not contradict, the Xerox business model?” Do you get that one?

Rich: I get that question quite often, and first and foremost, Xerox is one of the most innovative companies out there in the world today. In fact, I think we filed last year 900—we received 900 patent applications for some of the innovations and technology advances we've made. And clearly, Xerox is focused on the best printing capabilities that we can

provide to our clients, making products that are the best in the world and support a wide variety of uses. But over time, Xerox has also innovated to provide even greater support to our clients, and our clients have asked us “More than just provide us, you know, the printing equipment and the services around that, but really help us in some of the business process areas that you’ve become expert in.” And again, our legacy was around document-oriented business processes and supporting those processes, and over time we’ve built that expertise and we’ve been able to add more and more value to our clients directly, and as they’re struggling with how to improve their processes and bringing the right expertise in and always being on the cutting edge, they’re really looking for Xerox to bring that innovative thinking to their business to allow them to be either best-in-class or on par with the industry so they can create or make investments in other aspects of their business to be the differentiated player they want to be in their respective industry.

Julie: Let’s back up a second. We talked a little bit about some of the processes that we’re able to support, but what are the nuts and bolts behind this? I know I’ve been to our Hot Springs, Arkansas facility as an example, and of course we have similar facilities around the world. What do the Xerox employees there do every day?

Rich: Sure. Well, you referred to the facility in Hot Springs, Arkansas; that is our largest image processing center in the world. And like you said, we have centers around the world of similar scale, but not quite as big as what we’re doing in Arkansas. So today we’re processing a number of different types of documents from our clients, and as you can imagine, being an image processing center, we scan a lot of documentation, and most of the documentation we scan are real-time business documents for our clients, so this is a piece of paper or a document or some type of information that is really feeding the business process. So the quicker that document can be indexed—or I’m sorry, the quicker that document can be brought into the organization, scanned into a system, indexed, and routed to the appropriate party or kick off the appropriate transactional activity within our clients’ business activity, the quicker our clients can respond to their clients; the quicker they can be within their own internal organization—and that’s a tremendous amount of value that we’re bringing to them. But more importantly, what we’re seeing is more and more of the documentation we’re dealing with isn’t coming to us in paper; in fact, over half of the documentation that we process on behalf of our clients comes to us in electronic form, and that volume is growing on a monthly basis. So that is clearly a trend that we saw coming; we’ve prepared for it and we’re really, I think, ahead of the curve. So once we receive those images, whether, again, they come in electronically or paper, the next question is “Okay, how do you get them into the transaction system? How do you understand what you need to do with the documents, what they contain, and where you need to route them next?” And we’re using a variety of technologies to extract information to identify what type of document is coming in, pulling the right information from that document and pushing that data into a data system or a transactional system so a product can be shipped, so a transaction being kicked off so a stock transaction can occur—a whole series of different types of businesses we’re supporting out of those locations, and we’re investing a lot in those locations today. We’ve developed an innovative image capture and processing technology that we’re deploying in all of our locations around the world, and these centers are acting as one integrated operation so that we have clients that potentially do business in three or four different continents. They can ship their documents to the location within maybe that geography and those centers—the various centers can integrate together using the same application to process those documents on our clients’ behalf in the most efficient fashion, and I think that’s extremely important, especially for our global clients who are requiring consistency of services across the globe—that’s a very difficult thing to do, and I think we’re well ahead of the curve on that opportunity.

Julie: Well Rich, I gotta run, but this has been another fantastic conversation, and thank you.

Rich: Well, thank you.

Julie: If you would like more information on business process outsourcing and other important topics, join us at [Xerox.com/ThoughtLeadership](http://Xerox.com/ThoughtLeadership). I’m Julie Meyers—on behalf of Xerox Global Services, thank you for listening.

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