

Transformative BPO

The best way to engineer best-in-class processes for your documents and data.

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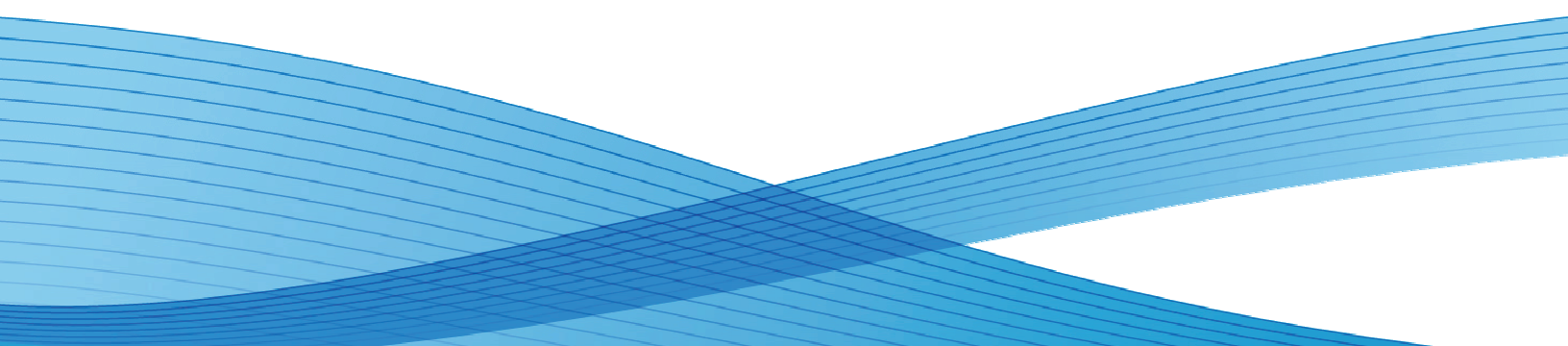
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Business process evolution: A case in point.

A few years ago, a leading investment bank wanted to improve the way it handled new account applications. At the time, the company was handling a key step in the process—copying, mailing, faxing and scanning documents and extracting the most important data—in-house. But there were problems.

Different local offices handled these tasks in different ways, which led to inconsistencies, errors and redundant steps. In addition, the in-house staff had a high turnover rate, which necessitated constant training. All of these problems had an impact on the bottom line.

Finally, the company decided to bring in outside document and business process experts to assess the situation. These consultants utilized a Lean Six Sigma methodology to identify non-value added steps in the process and make a series of recommendations for improving operational consistency, cycle time and cost.

They also recommended a gradual migration path to the overall goal of business process transformation that would make it easier for the client's organization to adapt to change.

Once the recommendations were implemented and the new account application process was standardized on an enterprise-wide basis, the cycle time was reduced by 40% – from five days to three. That was close to the industry benchmark at the time.

But the critical process still had a high error-rate, because document management was not a core competency of the client organization.

Reducing the cycle time by 24 hours.

To engineer further improvements in cycle times and accuracy, the consulting team recommended outsourcing the client's imaging operations to a professionally managed Center of Excellence imaging facility.

Once the outsourcing solution was implemented, the client used overnight shipping services to send the signed paper applications from hundreds of retail offices to the imaging center for high-volume scanning and data extraction.

Right away, the error rate went down. And that helped increase efficiency. In fact, the cycle time to process new account applications was reduced to 48 hours, which set a new benchmark.

Making the quantum leap in performance with a little help from Lean Six Sigma.

Despite the impressive achievement, the leaders of the client team and their outsourcing partners realized there was even further potential for improvement. So they decided to test an innovative approach that would eliminate one of the most time-consuming manual steps in this mission-critical business process: overnight shipping.

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Lean Six Sigma (cont.)

To accomplish the goal, they installed state-of-the-art multifunction devices (MFDs) equipped with high quality scanning and emailing capabilities in a test group of regional offices. Company employees could then use the new technology to scan in new account applications right at the point of origin. After that, the documents could be transmitted via email to the imaging center with the press of a button.

Technically, the solution made perfect sense. It would turn the very time-consuming step of overnight shipping into an almost instantaneous electronic file transmission. But both partners were concerned about whether employees would quickly adapt to a significant change in their work process.

With training and an effective approach to change management, however, the partners won the support of the regional office staff. And the solution was eventually rolled out to 700 offices across the country.

Meanwhile, the two partners brought in a team of Lean Six Sigma Black Belts to identify new opportunities to increase efficiency. Through a series of small, but significant improvements in terms of technology, training and workflow design, they reduced the error rate and streamlined the process for submitting new account applications to the Center of Excellence imaging facility.

Thanks to these efforts, they gradually whittled down the cycle time to as little as two hours, a quantum leap improvement from the original five-day turn-around time. And that had a powerful impact on the business, because customers could now start trading and investing the same day they filled out their new account applications.

Not only did that improve customer satisfaction and loyalty, it helped the company generate about \$2 million in additional service fees every year that would otherwise have been lost due to application processing delays.

These results prove the power of document-driven Business Process Outsourcing (BPO).

Documents drive many key business processes today.

Clearly, new account applications play a vital role in revenue generation. But that's just one example of the many ways documents and document-driven business processes help organizations achieve their strategic goals today.

Take manufacturing companies, for example. They produce a wealth of documents for new products, beginning with the early engineering records and continuing through user manuals and technical publications that support service and troubleshooting.

Today, these documents are often managed by a number of different departments involved in product development, manufacturing, sales and customer support. As a result, they often recreate content for their applications rather than finding ways to reuse content that has already been developed elsewhere.

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Documents drive many key business processes today. (cont.)

This inefficiency is compounded when technical documents have to be localized and translated for a global market. As a result, organizations experience higher content error rates, higher overall costs for development and production, and a slower Time To Market. These problems also impact service quality and customer satisfaction, too.

Clearly, the fragmented approach to the management of these documents is ready for automation and optimization through a structured approach to authoring, content management, and global translation and distribution.

Here's another example. In many industries, the paper and electronic documents related to customer accounts can be managed in a more effective way throughout their entire lifecycle just like the technical product documentation described above.

Mortgages, contracts, invoices, proposals, litigation, technical documents, utility maps, R&D archives, educational documents—they all drive important processes. And yet few organizations have the expertise to manage them in the most efficient and cost-effective way.

Documents also play an important role in acquiring new customers. If you improve the impact of these documents through skillful, science-based design techniques and the use of multi-channel delivery strategies, you can generate more revenue, reduce the costs of production and distribution, and do a better job of building long-term customer loyalty.

And let's not forget the documents that play a key role in back office functions like Human Resources, Finance and Administration.

The complex, multifaceted processes that create, produce, distribute, store and access all of these paper and electronic documents can be significantly improved with business process outsourcing.

In addition, every organization is struggling to find ways to deal with the information explosion of the Internet age. Effective document management strategies and process improvements can help organizations find the right information at the right time, reducing the countless work hours lost to errant searches while improving business process productivity.

All of these examples underscore the importance of optimizing the way we work with documents and the information and data they contain.

The benefits of document-driven Business Process Outsourcing.

Let's take a closer look at some of the powerful benefits that can be achieved by optimizing your business processes with expert outsourcing services.

Cost reduction. A best-in-class partner can often help clients reduce their business process costs and achieve double-digit savings. In many cases, additional savings can be generated year after year through continuous improvements and a focus on automation.

Faster cycle times. By re-engineering inefficient processes, you can speed up cycle times. And that can have a major impact on customer satisfaction, the

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Document-driven BPO (cont.)

all-important Time-to-Market for new products, compliance and litigation responsiveness. Improvements in these areas can also make a significant contribution to top-line revenue growth and bottom-line profitability.

Quality improvements. Expert outsourcing partners can help you reduce costly error rates and improve the quality, usability and effectiveness of paper documents and electronic documents. Effective communication strategies can also boost productivity at call centers, warranty processing centers and other operations that revolve around documents.

Automation of time-consuming tasks. Many organizations still rely on labor-intensive, manual steps in their document management processes. Outsourcing providers can engineer dramatic process improvements by taking full advantage of digital documents, imaging, and the power of automation.

Measurable gains in efficiency and productivity. By combining automation with the latest best practices, industry expertise and disciplined management methodologies like Lean Six Sigma, BPO providers can turn “problem processes” into highly efficient, benchmark operations.

Improved customer satisfaction, loyalty and retention. Because documents represent a vital communication channel to customers, they can have a major impact on the customer experience. Improvements in the way these documents are created, produced, distributed and managed can help organizations build better and more profitable relationships with the people they ultimately depend on.

Increased focus on core competencies and competitive differentiation. Not only does Business Process Outsourcing improve efficiency, productivity and cost-effectiveness, it frees up internal resources for top-priority tasks. As a result, organizations can increase their investment in their core competencies and find new ways to create a competitive advantage in the marketplace.

The power of innovation. Innovation is a powerful force that helps organizations adapt to changing conditions and maintain a competitive edge in a challenging global marketplace. BPO is a proven way to leverage the power of innovation by bringing in best-of-class business processes that have been designed, developed and refined by experts in the field. It’s one of the fastest and most efficient ways to bring innovation into your organization. An effective BPO partner will also make sure that you benefit from continuous innovation throughout the life of the engagement.

These are some of the reasons why leading organizations around the world are improving the way they work with documents with Business Process Outsourcing.

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How to build a strong foundation for an effective BPO solution.

Before you can improve your operational efficiency with BPO, you have to take a holistic view of the business processes running through your organization. After all, these vital processes are often woven through different lines of business, departments and workgroups throughout the enterprise.

This sometimes presents a challenge to change agents, however, because a single process may be managed by different decision-makers operating within their “silos.” As a result, different processes and technologies may be deployed within each silo. In addition, different vendors may be engaged, each providing only a partial solution.

Another disadvantage of this fragmented approach is that no one is fully accountable for results.

Clearly, there is a better way to transform processes that play a vital role in the day-to-day activities of an organization. If you're ready to take advantage of the benefits of outsourcing these processes, here are some practical steps you can take to lay the groundwork for success.

1. **Develop a holistic view of the process and its impact on your organization.** Before you can transform a critical process, you have to understand its role and importance from start to finish. You also have to be willing to improve the entire process to maximize the value of an outsourcing solution.
2. **Find the right partner.** Obviously, the selection of a strategic BPO partner will have a major impact on the results you achieve. In general, qualified partners should have:
 - In-depth expertise in developing, supporting and managing best-in-class business processes
 - A long track record of successful outsourcing engagements
 - State-of-the-art business process and technology expertise
 - Insights into the role and importance of key documents in your industry
 - A strong portfolio of best practices
 - A commitment to continuous improvement and innovation
 - Expertise in change management and disciplined, data-driven management methodologies like Lean Six Sigma
 - Extensive experience in business process outsourcing
 - Standardized service platforms and Shared Service Centers to provide best-in-class capabilities without the cost, upgrade and management challenges associated with proprietary platforms designed for each client
 - Global service delivery capabilities to ensure success on multi-site projects in a single geographical area or around the world

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How to build a strong foundation (cont.)

3. **Analyze the existing process and identify opportunities for improvement.** With help from your partner, you can use Lean Six Sigma tools like “process mapping” to analyze every step in the existing process and determine its ultimate value. You’ll find that some steps add value to your customers and clients and some steps add value to your business. Other steps may not add any value at all. Improvements can then be designed to eliminate them.
4. **Assess the value and impact of potential improvements.** The goal at this point of the process is to make sure that there is a sound business case for proceeding with the development of your business process optimization plan. Your partner should be able to assist you with this high-level assessment.
5. **Conduct a “Visioning Session.”** Visioning sessions provide the opportunity to bring together all of the process stakeholders in your organization as well as key members of your service provider’s team. Through a carefully facilitated discussion, the group should be able to reach a consensus on a “working” framework for a solution that will generate the results you and your organization need.
6. **Consider your BPO partner a trusted advisor.** The right partner will add value every step of the way—from the initial planning and implementation to ongoing management and improvement. So include your partner in your initial strategy discussions. You’ll reap the benefits right away.
7. **Develop and refine the BPO solution.** Once the general direction is established, you will be able to work with your partner to engineer a high-impact, service-based solution that will transform your business process, improve efficiency and productivity, and generate opportunities for measurable, year-over-year improvements. Of course, you’ll also want to develop and execute a contract that will help you achieve your outsourcing goals and take full advantage of your BPO solution.
8. **Use disciplined change management processes and tools to streamline the transition.** An effective approach to change management addresses all of the complicated organizational issues and human factors involved in converting an in-house operation into an outsourced service. It will also help your service team keep a sharp focus on continuous improvement and innovation throughout the entire relationship.

Exploring the dynamic potential for document-driven BPO improvements.

By following this methodical approach, you can take advantage of a wide range of applications for document-driven Business Process Outsourcing that benefit both public and private sector clients.

Organizations can speed up the flow of information, improve the management of content on an enterprise-wide basis, and deal effectively with the information explosion that represents a major challenge to every organization.

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Dynamic potential for improvements (cont.)

They can process documents and information faster and more efficiently than ever before. They can transform the way they manage customer account documents, mortgages, compliance and legal documentation, technical publications, engineering records, manuals and other documents through their entire lifecycle—from creation, production and imaging to distribution and archiving.

They can also use science-based design principles to create documents that are more powerful, more effective, and more economical to produce.

Business process outsourcing services can even help clients take advantage of the power of one to one marketing, multi-channel delivery programs, personalized urls, and secure web portals that give sales representatives the ability to quickly produce customized marketing materials for their prospects.

These solutions have important applications today in financial services, healthcare, manufacturing, telecommunications, the high tech and energy industries, education, government and other fields.

When they are based on a disciplined, data-driven assessment, implemented with effective change management strategies and tactics, and continuously improved through the length of the outsourcing relationship, these valuable services help clients achieve a host of strategic goals—from cost and cycle time improvements to advancements in marketing, sustainability and the use of critical data and information.

All of these benefits can be achieved today with a strategic approach to business process outsourcing and optimization.

The best is yet to come in Business Process Outsourcing.

In the future, technological breakthroughs will undoubtedly bring clients new opportunities to improve their document-driven business processes. In fact, leading outsourcing providers are already working on ways to capitalize on a number of recent innovations.

Smart documents. Paper and digital documents can be designed to include embedded intelligence that automates routing, filing, data extraction and other tasks after the documents are scanned. This breakthrough has powerful implications for virtually every organization, because it will streamline document processing, improve access to information, and reduce costs.

Document design techniques that streamline data extraction. One of the challenges of the modern age is “unlocking” critical data from unstructured sources like paper and digital documents. Sophisticated document design techniques can expedite data extraction and automate processes that depend on unstructured information.

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The best is yet to come (cont.)

Secure e-signature processes. Advancements in information security now make it possible to add valid “e-signatures” to electronic documents and maintain a detailed audit trail to ensure accuracy and authenticity. This innovation can eliminate costly, time-consuming steps in business processes that revolve around mortgages, contracts and other sensitive documents.

Cloud-based service delivery. The delivery of services from a secure, web-based environment will help clients expedite implementation and reduce their overall costs. This emerging platform could transform the delivery of many valuable BPO services.

These examples show why it’s so important for outsourcing providers to keep investing in innovation. In fact, it should be considered a core competency in business process outsourcing.

Let your documents deliver a message about the power of transformative outsourcing.

When you get right down to it, documents are the lifeblood of many organizations today.

They sell products and services. They convey critical business intelligence and analysis. They share knowledge. They keep the lines of communication open to all stakeholders. And they establish the strategies and tactics that will shape the future. As a result, they help organizations achieve every strategic goal on the agenda.

But the simple fact is, few organizations today have the in-house expertise, technology and in-depth understanding of the latest industry best practices to manage these documents throughout their life cycle in the most efficient and cost-effective way.

That’s why it makes sense for organizations in both the private and public sectors to consider outsourcing key business processes to experts in the field.

With help from their outsourcing partners, they can reduce costs, increase productivity and efficiency, ensure a commitment to continuous improvement and innovation, and sharpen their focus on what they do best.

These are the high-impact, transformative benefits that opened the world’s eyes to the value of Business Process Outsourcing in the first place. And they can all be achieved today.

That’s why BPO is the best way to develop benchmark processes for your documents. And make sure they keep getting better, year after year.

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About the Author

Richard Baily has been there since the beginning. Imagine when imaging documents was a new frontier and you saw its early potential. Rich knew that a solid document strategy could impact business results. He saw that the world could get flatter, customers could be helped better and faster and workers could be more satisfied by eliminating document inefficiency and stresses. He also saw how different business functions could use technology savvy documents to really beat out their competition. And that journey led him to jump in early and experience many client successes.



Expertise

- Global delivery of document management and Business Process Outsourcing offerings
- Expert in strategic document management and imaging

Background

- Vice President, Communications & Business Process Outsourcing, Manufacturing and High Tech
- Oversees global services development and delivery while managing North American business
- Experience with clients in financial services, manufacturing and energy, retail, healthcare, government and high-tech industries
- Bachelors in chemistry from West Virginia University
- MBA from the University of Pittsburgh
- Early leader in document outsourcing space as an original founder of Xerox Connect
- Lead client successes in Arthur Anderson consulting services

Visit [Rich's page on the Xerox Thought Leadership Site](#) for more information about Rich and to find the following:

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Xerox Global Services

Enterprise Document ServicesSM is our strategic approach to transform your documents to help reduce costs, achieve operational excellence and grow revenue. Through our unique combination of experience, resources and technology, we help integrate and optimize your office environment, high-volume print production and business processes. And it all begins by working with a proven partner.

We employ Smarter Document ManagementSM technologies to add intelligence and structure to both paper and digital documents and activate the content they contain. And we combine our extensive industry expertise with tools like Lean Six Sigma to create a powerful portfolio of services that adds real value to enterprises worldwide.

Xerox Global Services (XGS) delivers measurable results for companies in industries from aerospace and the financial services to healthcare, government and retail by looking at business challenges in a whole new way.

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