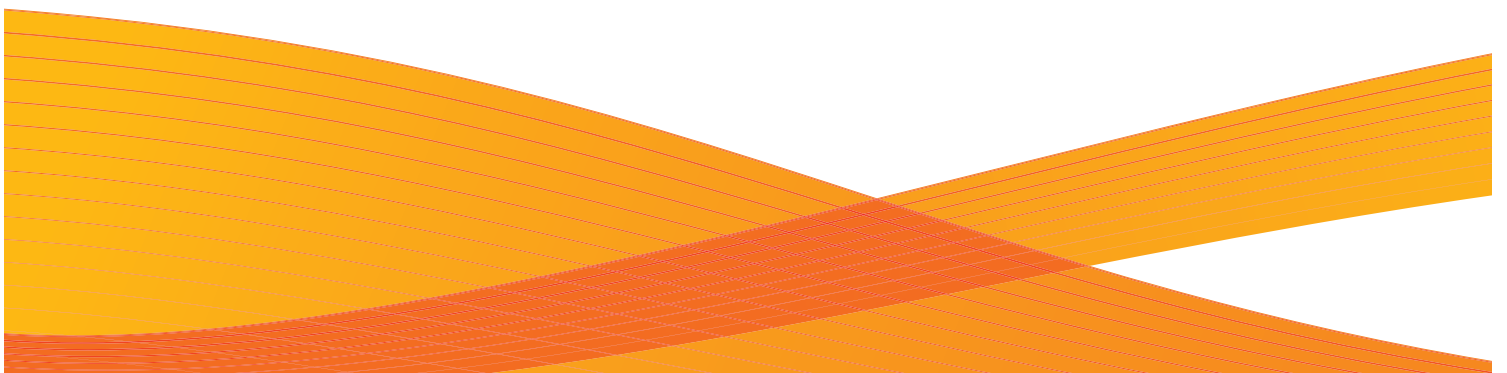


Making It Personal: The Role of Trusted Document Advisors.

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Why pursue a document strategy?

With document-based communications spend typically accounting for 5 to 15 percent of the revenue of an organization, it represents a significant opportunity for savings and, more importantly, for enhancing client loyalty and profits. Effective document management, maintenance of brand integrity, and regulatory compliance can all impact both client loyalty and profits.

Unfortunately, document ownership and spend are often fragmented between multiple lines of business and operational units. Document owners typically use different suppliers and different processes to produce similar documents. This situation is compounded by multiple legacy systems, which may be assumed during strategic acquisitions. Taken together, these factors make development of a document strategy overwhelming for an organization.

Without a well-managed document strategy, organizations are at a disadvantage in several key ways, including:

- End-to-end costs that are not transparent
- Brand control that is lost
- Stock quantities that are often excessive and replete with obsolete items

A quick look at the document process outsourcing market

According to a key industry study,¹ document process outsourcing (DPO) is an evolving marketplace which has grown well beyond documents themselves. Demand for traditional document outsourcing services has diminished, prompting service providers to reinvent themselves to remain competitive—a trend which is compelling these providers to develop broader offerings focused on enterprise document business processes.

“This evolution to higher-value, business process oriented offerings is ... driven by enterprise customers in North America and Europe that are looking at their document-intensive processes as a means to reduce costs and improve their own customers’ acquisition and retention activities.”

—InfoTrends

These factors have driven players in this market to embrace every stage of the document lifecycle, from creation to fulfillment, including additional strategic and business process services.

Major trends in the DPO market include:

- **A growing value proposition.** Clients are increasingly looking to DPO service providers to take responsibility for one or more of their document-driven business processes. Given rising document costs and complexity, DPO offers an excellent path for enterprises wishing to transform their businesses. The most attractive benefit is the cost savings that result from process reengineering and ownership transfer to an outside services provider. The value proposition is expected to expand beyond cost savings to include more strategic metrics, including client retention and acquisition, and performance against process improvement metrics such as client satisfaction and growth in revenues or profits. Expertise in measuring business process impact will be a requirement for the most successful DPO providers.
- **Growth of value-added services.** A second trend is increased demand for value-added services that go beyond traditional printing services—such as creative services, scanning and input services, content management, electronic presentment and consulting. Progressive services providers will focus on products and services that address the entire document lifecycle. They will also focus on how they can help clients improve their document-related operations.
- **Print management aids the procurement process.** Inefficiency is the hallmark of print procurement in many enterprises. Because the procurement process is often decentralized and fragmented, processes and practices are inconsistent. Enterprise print management services help to centralize and standardize processes and practices to alleviate these problems.

In addition, e-print strategic sourcing, or web-to-print, is a popular subset of DPO, providing enterprises with another avenue to achieve benefits such as cost savings and transfer of document ownership.

“Lack of methodology, expertise and often resources to track print purchasing trends and costs leaves most organizations in the dark in terms of their total document spending.”

—InfoTrends

Take control with an integrated approach.

Given the increasing level of document cost and complexity, DPO may be one of the most effective areas for an enterprise considering business transformation. It is a key way an organization can centralize fragmented document ownership and spend to achieve cost savings, increased productivity and efficiency, and greater document effectiveness.

The draw to DPO has been the result of the cost savings from process reengineering and outsourcing to a services provider. These services providers combine advanced technology and methodologies with the expertise of on-site document advisors to address the inefficiencies of multiple suppliers, improve client communications and drive savings.

These document advisors build on the benefits of centralization provided by DPO, taking document processing within an organization to an advanced level. They are highly knowledgeable communications experts who work directly not only with document owners, suppliers and users, but with creative departments and agencies as well. They review all aspects of client communications for efficiency and/or effectiveness, and suggest ways to reengineer the document, the process or both as needed, to elicit the best results possible for the client organization.

An organization may employ one document advisor or a number of advisors to bring optimal control and cost-efficiency. They help provide maximum value to the document management process by integrating previously individual service areas—each with their own processes, spend, equipment and head-count elements—under one “team” umbrella. Solutions include a combination of:

- Dedicated people identified as document communication experts
- Standard, Six Sigma-based tools and methodologies
- An appropriate mix of hardware and software technologies

By taking control of the end-to-end processes for each document, applying Six Sigma methodologies and processes, and using market-leading software and hardware, document advisors ensure documents are delivered on time and are produced using appropriate technology in adherence to appropriate standards.

Document advisors also deliver an overall document vision and strategy for an organization via a scalable and modular implementation approach. The solution is scoped using proven assessment methodologies to identify current-state process and spend as well as future opportunities and solutions.

Document advisors are trained to focus upon end-to-end management in specific service areas of an organization’s document requirements and spend, including:

- **Transactional-promotional communications** that transform post-sales communications such as bills, statements and invoices into communications that are more relevant to their target audience by adding pertinent marketing messages.
- **Operational forms** that involve the design, storage and management of all forms from their creation to production, whether they’re printed internally or externally, or posted electronically.
- **Document production** that enables a managed print production center to extend beyond reducing costs to help organizations measurably improve their communication efficiency and effectiveness using digital print technologies and web-to-print.
- **Print management** that provides expert advice to document owners and creative departments about different ways to create and produce documents and manage the print sourcing process from internal resources or preselected external print suppliers.

Trust is the number one goal.

Trust in a document advisor-client relationship cannot be overestimated—it is absolutely essential to the solution’s success. Building a relationship based on trust takes time, usually a minimum of six months to a year. The relationship generally progresses through four levels:

- **Service-based.** The advisor is focused on offering answers and expertise. Providing timely, high-quality service is an indicator of success.
- **Needs-based.** The client has a business problem and the advisor becomes a problem solver, providing solutions. If the problem is resolved, the relationship is a success.
- **Relationship-based.** Because the focus is on the client’s organization, the advisor is providing insights and ideas for process improvements. Success is achieved if the client continues to employ/come back to the advisor.
- **Trust-based.** The focus is on the client as an individual. The advisor’s time is spent understanding the client’s business objectives and how the advisor can help. Success is achieved because the client now engages the advisor earlier in the problem-solving, campaign management or document design process.

A couple of DPO success stories.²

Innovations led by document advisors have been well documented throughout a number of industries. Take the following two case studies, for example:

Reengineered statements cut gas and electric company’s costs and boost client satisfaction

To make the billing statements regularly sent to over 2 million clients easier to understand and to reduce printing and mailing costs, Baltimore Gas and Electric (BG&E) decided to reengineer their statements. BG&E had already determined outsourcing was the most cost-effective solution for their statement printing, and had partnered with a document outsourcing partner that acted as a single source provider of print, print management and outsourced communications.

“Our cost savings have been dramatic. We reduced our paper output by 7 million sheets per year and are saving \$297,000 annually in printing and mailing costs alone.”

—Dan Cohen, Senior Information Analyst, BG&E

Changes implemented

- Statement information was streamlined to reduce the number of pages.
- Visual appeal and accessibility were enhanced by increasing font size and improving positioning of information (e.g., What do I owe? When is payment due?)
- Customization with targeted information will be implemented in the near future.
- Fast turnaround maximizes cash flow and ensures regulatory requirements are met.

Results

- Realized \$297,000 of savings in printing and mailing costs.
- Reduced two-page billing statements by 99 percent.
- Significantly increased client satisfaction while lowering call center inquiries and complaints.
- Reduced the number of pages printed annually by 7 million.

Tool company raises revenue with web-to-print portal

Seco-Carboly (SC), a Seco Tools company and leader in metalworking technology, wanted to support the sales efforts of its dealers while controlling its own brand identity. The existing program for obtaining sales collaterals was laborious, time-consuming and subject to error. SC wanted to eliminate printing and storage of preprinted sales collaterals to enable their dealers to customize and easily order sales materials, and to shorten the turnaround time in obtaining collaterals. To meet these goals, SC developed an outsourcing relationship with a full-service marketing solutions provider.

Dealer participation increased more than 300 percent and sales of some products also rose 300 percent.

Changes implemented

- A Web portal solution was created that allows distributors to customize and order sales and marketing collaterals.
- The system is almost 100 percent automated. Once orders are received, a Web job ticket and high-resolution PDF file are created and placed in a folder to be produced.
- A highly successful educational initiative for dealers was implemented to ease the transition to the new system and promote widespread acceptance.

Results

- Increased sales of some products by up to 300 percent.
- Boosted dealer participation more than 300 percent and participation rates continue to rise.
- Reduced material turnaround time from four weeks to one week.
- Eliminated preprinted materials—all materials are customized and printed on demand.
- Increased production of some products up to 200 percent to meet increased demand.

Effective communications call for a little engineering.

Using the latest developments in design and behavioral science, document advisors help create both paper and digital communications that work to dramatically improve mission-critical document effectiveness.

These reengineered communications are essential to realizing the cost savings and improved client acquisition and retention rates enterprises seek. To that end, there are several techniques that can be applied to increase the effectiveness and efficiency of client communications:

- **Personalization.** Variable information applications use data to increase a communication's relevance or value to its recipient. Targeted, one-to-one communications are demonstrably more effective for both marketing and transactional materials.

One study of 60 color variable data print projects indicated that color personalization yielded a response rate 21 percent higher than black-and-white personalization. What's more, cost per response was 54 percent lower than traditional direct mail campaigns and the average increase in sales resulting from the projects was 93 percent.³

- **Color.** Research has proven that using color in business documents has measurable results.⁴ In contrast to black-and-white communications, it does a superior job of capturing attention, enhancing productivity and improving the effectiveness of communications. For example, the use of color increases reader attention and recall by 82 percent, the likelihood information will be read by 80 percent and reader motivation to respond by 80 percent. In addition, direct mail recipients are 55 percent more likely to pick up a full-color piece first.

Color has also been shown to improve bottom-line results, increasing the effectiveness of sales collaterals to deliver a boost in sales of up to 80 percent over black-and-white collaterals. Brand recognition also rises by up to 80 percent.

Document advisors not only provide expert advice on when full color or highlight color is most advantageous, but can also facilitate and ease the enterprise's transition from black-and-white printing to color printing.

- **Communication engineering.** Communication engineering relies on tested techniques in document design and human behavioral science to improve the effectiveness of documents in a way that accelerates desirable client behaviors, reduces customer service costs and builds client loyalty.

This strategy is employed hand in hand with color and personalization and yields measurable results.

Recognizing opportunities to apply these methods to an enterprise's communications is a primary responsibility of a document advisor. For this reason, advisors are highly trained and equipped with best-in-class platforms and partners to help realize improved flexibility and cost-efficiency.

The improvements enabled by document advisors are many.

Document advisors address many of the key business issues that are critical to the success of DPO activities. The table below highlights a number of these potential business improvements:

Area of Business Improvements	Description	Methodology
Acquisition and Loyalty	Reengineer communications based on client business and performance objectives.	Measure client retention, satisfaction and service inquiries as well as revenue and profit in areas impacted by reengineered communications.
Product Time to Market	Time taken to produce document from concept to delivery.	Potential process re-engineering or Six Sigma project to define process improvements and reduce time.
Brand Consistency	Is brand usage maximized and used correctly?	A document advisor takes ownership to ensure processes and guidelines are in place and followed.
Compliance	Documents comply with statutory regulations.	Build processes to incorporate regulatory requirements.
Quality Consistency	Consistently achieving set standards.	Introduce standard processes to ensure required quality is delivered.
Control/Focus	Single point of contact.	All document requirements and supplier management brought under control of the document advisor team or office.
Visibility/Accountability	Clear responsibility/job definition.	Responsibility clearly defined and performance measured via Service Level Agreements (SLAs).
Pooled Best Practice	Gather and share best practices.	Document advisors share knowledge within the document advisor team or office and across the client's business units.
Measurement of ROI	For example, a marketing campaign. True costs are clear.	Identify current practices, build improvements into qualitative benefits in the business case.
Versatility in CRM (Customer Relationship Management)	Flexible, single point resource to work with CRM representatives, e.g., managing variable data to develop 1-to-1 capabilities.	Identify current practices, build improvements into qualitative benefits in the business case.

Assessing the impact of a DPO solution is easier than you think.

Prior to implementing a document outsourcing solution in an enterprise, an assessment is undertaken which involves analyzing document processes and spend across the organization or geography. This information is then used to build an integrated document strategy that supports the business objectives at all levels of the business.

Whether the enterprise's requirement is local office printing, high-value multi-component marketing campaigns, or the efficient and compliant execution of document-based business processes, this approach uncovers all document-related requirements. This is accomplished via several essential steps:

- Client information gathering.** This exercise focuses on the qualitative aspects of the process. Ideas and opinions are exchanged between the document advisor team and key client stakeholders to filter ideas and determine the major areas of opportunity. A powerful set of Six Sigma tools is used to bring new patterns of information to the surface and to harness progressive ideas about the issues at hand, the goal of which is to generate breakthrough concepts. A report is generated at the conclusion of this step.

- **Decision support based upon return on investment (ROI).** This phase includes the use of a set of tools and methodologies to help the client make more informed business decisions. Areas of “pain” are identified and individual service areas of affected spend are reviewed. At this stage, data and facts are gathered to further understand the current-state scenario and the impact that a new future state would have on the costs, benefits and risks of moving forward.

- **Phased implementation.** During this phase, a solution is designed and a detailed plan for implementation is developed. The ultimate goal is to enable a new document strategy to be managed and driven by a document advisor.

A phased implementation approach is especially important when putting a solution supported by document advisors in place. This makes it possible to preserve an organization’s long-term vision, makes the implementation manageable for both the client and the advisor team, and delivers early benefits for both organizations.

Change management and process control are essential to a successful and effective outcome. DPO sponsors within the organization must set the direction from the early stages and involve staff members who are impacted by the change. With cooperative joint planning and engagement, issues can be anticipated and overcome up front to minimize disruption.

The real test: Document advisors in action.

In practice, document advisors have been delivering significant results for their enterprise clients on a global basis, as can be seen in the following examples:

Major Canadian Bank

Situation

A major Canadian bank was facing document processing problems:

- Forms and commercial print costs were escalating and out of control.
- Document fulfillment processes were slow and inefficient.

Solution

To solve these problems, a team of document advisors came on board to manage end-to-end processes for forms and commercial print, including:

- Migration to a digital platform (e.g., print on demand (POD), e-forms)
- Forms rationalization
- Integration of 12 digital print centers
- Warehouse control software for workflow and stock management

Results

Overall, the bank realized a total savings of \$30 million on spend of \$80 million.

The advisors began with three goals:

1. A 30 percent reduction in number of items
2. A 20 percent reduction in inventory value
3. A 33.7 percent reduction in commercial print spend

The net results were:

- Inventory was reduced 47.4 percent in the first year.
- Commercial print spend was reduced by 37.1 percent.
- Savings resulting from the advice of document advisors was 7.2 percent of total commercial print spend.
- Number of forms was reduced by 31.9 percent.
- Result of client satisfaction survey—97 percent of clients were satisfied.

European Financial Institution

Situation

One of Europe's largest financial institutions was spending approximately \$175 million each year on documents. This institution serves approximately

16 million clients, has over 83,000 employees and offers branch, Internet and phone banking, mortgages, investment and insurance services. Some of the problems they encountered included having:

- No baseline document spend figure
- No enterprise-wide document strategy
- Multiple print suppliers

As a result of a careful assessment exercise, it was possible to determine the institution's business spend by category, to assess the current-state spend for each category, and then to focus attention on the major areas of:

- Commercial print spend within group marketing
- Reprographic services within the group
- Transaction print

Once an initial business case had been established, due diligence was then conducted, covering:

- Current-state analysis
- Document inventory
- Financial analysis
- Process understanding
- Technology review
- An eRFP on commercial print and direct mail to establish savings opportunity

Solution

It was determined that the best course of action was to bring in a team of document advisors within the organization's group marketing operations to manage a \$50 million document spend.

Thirteen document advisors oversaw all aspects of document production and advised the organization's business units on process improvement. They also drove systematic document reviews while providing day-to-day advice on all document-production requirements.

Results

The organization realized a number of important benefits:

- Document spend was reduced by a double-digit percentage.
- The document advisors continue to support the organization's objective of driving down day-to-day costs.
- The document advisors are the foundation of a groupwide document enterprise services strategy that provides greater accountability and measurable controls across commercial print, transaction print and reprographics.
- A replicable, scalable advisor model enables groupwide rollout and will accommodate any future acquisitions.

A trusted document advisor can help you take the lead.

Enterprises today are searching for ways to optimize their document spend and cut costs while improving client acquisition and retention. To that end, they should take a close look at inefficient, fragmented and costly document-intensive processes.

Developing a cohesive document strategy can have a significant impact on these factors as well as on an enterprise's profits. Successful outsourcing providers are called upon to reinvent themselves to meet the needs of these clients. They must take greater responsibility for document production and cost cutting, while delivering on strategic metrics such as client satisfaction and growth in revenues or profits.

In addition, their clients now want more value-added services, such as creative services, scanning and input services, content management, electronic presentment and consulting.

Services providers must focus on products and services that address the entire document lifecycle. Beyond that, they must determine how they can help clients improve their document-related operations.

Introducing *trusted* document advisors meets these requirements on a highly personalized level, expanding on DPO to provide the value-added elements businesses now demand. These advisors enable more effective client communications with greater levels of efficiency across an entire enterprise.

When document advisors are trusted to work early in the document creation process it enables them to impact the total document lifecycle, from providing advice during the creative communications design process, through production and fulfillment and, if required, right through to delivery to clients.

The trusted document advisor's steady focus allows organizations to make fact-based decisions regarding a host of issues, including:

- Driving increased sales
- Post-sale and cross-sales interactions
- Quicker time to revenue
- Reduced help desk activities

The level of confidence between a client and a trusted document advisor often becomes so great that the document advisor becomes an indispensable part of the client organization.

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