Analysis

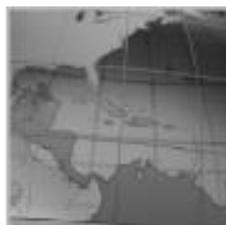**Office Technology & Services**

April 2015

Xerox Pivots Services to Industry Focus

Service Areas

Network Document Solutions

Vertical Market Business Opportunities

Managed Services Consulting Service

Image Scanning Trends

Comments or Questions?

Table of Contents

List of Figures

Introduction

Xerox has been a leader in document technology and services for decades and today's announcement of several new solutions and services will add to this history of innovation. Xerox's Large Enterprise Operations (LEO) is aligning its services offering by key vertical market to connect MPS & BPO. Xerox announced new workflow solutions for document intensive processes within retail supply chains, HR on-boarding, health records information management, and loan application processing. In addition, Xerox announced a number of Apps & tools to complement its Managed Print Services (MPS) offering. These include new private cloud collaboration tools, enterprise content management and process management solutions. The company also announced the release of its user-based analytics capabilities for managed print services and several improvements to its mobile printing portfolio. Bringing together the different divisions of Xerox, the outsourcing business and large enterprise group is working hand and hand to address their customers' changing needs across industries.

Key Findings

- Xerox LEO has changed their GTM strategy by focusing on an industry vertical model and connecting MPS with BPO.

- Xerox announced new industry and cross-industry solutions providing workflow automation for supply chain optimization, HR on-boarding, health records information management, and loan application processing.

- New cloud-based workflow automation solutions were announced, including Digital Alternatives and DocuShare private cloud.

- New user Analytics and mobility solutions were also recently launched.

Go-to-Market Realignment

Xerox is continuously improving their go-to-market (GTM) strategy by focusing on an industry vertical model. Their goal is to "enable a services-led, client focused sales organization to drive profitable revenue growth." In addition to industry specific solutions, this strategy is underpinned by aligning Xerox' Services offering organizationally around the verticals strategy. They laid out six broad vertical markets at a recent analyst briefing: High tech & communications, financial & professional services, industrial & consumer, healthcare, educations, and the public sector. Xerox will be using a process called "retention, acquisition, and development" (RAD) to identify key accounts that are suitable for the industry-specific solutions and services the company has developed. Client managers and their team will be aligned around vertical markets and will focus on prioritized client accounts, developing their teams' inside sales capabilities. Xerox LEO laid out a common global approach where sales specialists have consistent titles, roles, and streamlined compensation packages. Another element of the strategy is

bringing in consultants that have previous experience in the targeted industry verticals. Despite the changes, Xerox expressed an emphasis on protecting relationship continuity. The company reported that it had executed this plan in January 2015, though there was still on-going work.

Enhancing their workflow automation services, Xerox is offering industry workflow solutions that make processes more productive with solutions aligned to core industry processes, as well as personal and office productivity solutions that help individual workers operate more effectively, efficiently, and securely. They are developing a methodology that extends managed print services (MPS) to support a strategic line of business processes and solutions for their new workflow automation services customers and, ultimately, to their business process outsourcing (BPO) clients.

These solutions are customized based on the consultations with the client; technical implementations are done and tested, and then change management phase begins. While the platform is available globally, the industry-specific solutions will not be offered until the later part of 2015. These solutions are currently only available through the direct organization; Xerox is exploring how these could eventually be pushed through indirect channels. There has been some indication that Xerox is seeking partners other than the usual MPS channel—specifically ones with more experience in the type of advanced professional and consulting services necessary to fulfill the complex engagements to which these solutions are best suited.

New Industry and Cross-industry Solutions

Retail Supply Chain Optimization

One of the new vertical solutions announced was a retail-focused service helping to reduce costs; streamline invoice reconciliation; and remove error-prone, manual steps from retail inventory management. Xerox identified business challenges within retail and came up with a solution. Through the digitization of data sources with capture, the harmonization and indexing of data on a secure platform, automation of insights, and minimization of risks and error, Xerox has helped reduce costs and stocking delays, improve fill rates and reorder times, enhance cash flow, reduce printing, as well as given vendors more time to spend with customers.

HR On-boarding Solution

The HR on-boarding solution digitizes, automates, and simplifies the several documents and manual processes involved with the process of hiring, on-boarding, and provisioning a new employee. Xerox identified the business challenges within this process as manual data entry, poorly coordinated processes, poor communication and compliance, as well as employee satisfaction and retention. Xerox is focusing on organizations that are more largely staffed with high turnover because it has been found that, despite many organizations' investments into big management systems, the on-boarding process still

maintains a lot of paper. e-Forms for document submissions, provisioning, and scanning—as well as the e-documents for storing, sharing, and lifecycle management—all help solve these challenges. The benefits of the solution include reduced on-boarding processing time, increased potential for new employee satisfaction levels, reduced costs of overall processes, greater oversight and control during the processes, reduced manual rework due to human error, as well as greater visibility into on-boarding status across the organization.

Health Records Information Management

The Xerox Health Records Information Management solution provides an integrated interface to patient information (e.g., electronic medical records, DICOM images, and unstructured data), allowing clinicians and staff access to content when they need it. Healthcare providers and staff are faced with challenges in healthcare records information management, such as information silos, multiple image stores, poor data integration, duplicate tests, and clinical worker frustration. Xerox's solution can help workers within healthcare easily access records, reduce ordering duplicate patient tests, increase patient safety through informed decisions, enhance employee productivity and mobility, as well as enhance the ability to reach stage 7 of HIMSS EMRAM. Most importantly, overall patient care quality will improve with the automation of health records information management through informed communications. Healthcare providers can spend more time with their patients and less time concerned about paperwork.

Loan Application Processing Solution

Xerox's solution for loan application processing enables automation and acceleration of the loan application review process, allowing financial institutions to better manage the loan document lifecycles, data, and customer information. With automation, this solution takes a manual, slow, paper-burdened, and poorly integrated process and reduces processing times, provides greater oversights and control of processes, reduces errors, provides greater visibility on application status, increases customer satisfaction, improves security, and reduces cost. Applications will be electronically submitted and accepted, paper documents will be captured and stored digitally, external data will be stored in the cloud, and the application status can be tracked along the way—creating an organized, concise process for the applicant *and* loans organization.

New Cloud-based Workflow Automation Solutions

Xerox Digital Alternatives Private Cloud

Xerox announced a private cloud version of its, Xerox Digital Alternatives workflow automation service. The solution can either be deployed on premise or in a Xerox hosted private cloud and can integrate tightly with other components of the wider enterprise IT infrastructure. The private cloud will be available in the U.S., Canada, and Western Europe sometime during the second quarter. Some of the key capabilities and features Xerox is marketing include the personal productivity and collaboration toolset (i.e., read, annotate, sign, sharesync, and fill-out form) as well as powerful analytics and reporting for security, control, and general oversight.

Xerox said that the Digital Alternatives has several benefits; it improves speed and effectiveness of routine tasks; enhances corporate oversight, security, and control of documents; reduces printing and paper usage; and enables data-driven transition to digital workflow. The analytics tool offers a range of usage reports to track print and document sharing behaviour.

**Figure 1: Digital Alternatives Customer Analytics**
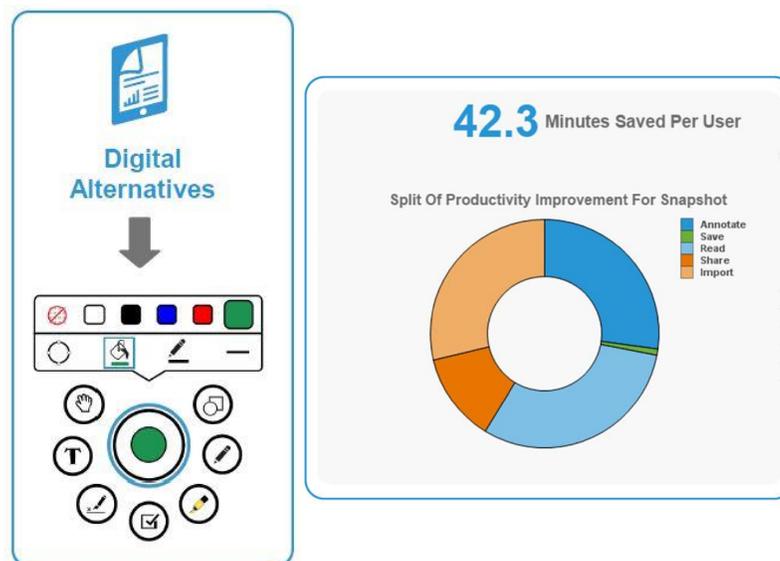
Source: Xerox

Xerox DocuShare Private Cloud Service

Xerox also launched a private cloud service for their DocuShare content management service. As with Digital Alternatives, on premise deployments are currently available and the private cloud will be available in the second quarter for the U.S., Canada, and Western Europe. Xerox is marketing the service with some of the major benefits of the solution including ease of deployment, security and control, scalability, as well as the potential for additional disaster recovery and business continuity add-ons.

**Figure 2: Xerox Private Cloud Service Overview**
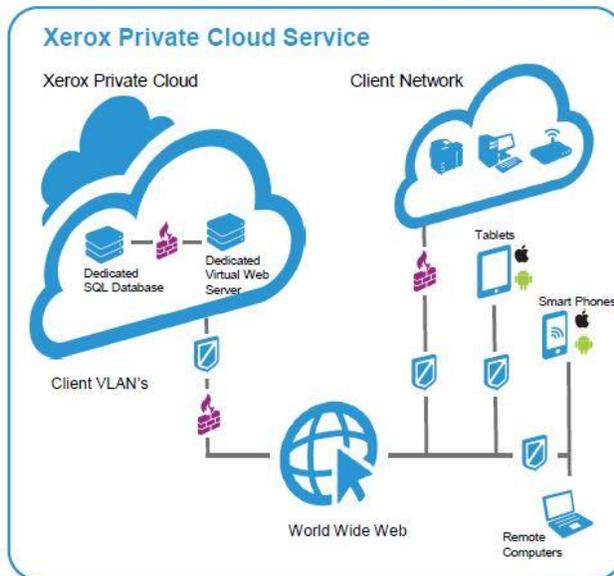
Source: Xerox

User Analytics

Xerox also announced the CompleteView User Analytics Tool from Newfield IT, a Xerox company, as a way to provide insight into users' printing behaviors. Xerox's analytics platform CompleteViewPro, which was announced several years ago, gave a comprehensive overview dashboard of the customer environment. Last year, they announced their analytics tool that gave a document-centric overview of the environment. This new user-based feature takes data granularity to another dimension by giving insight on how users are printing, when they are printing, and what types of documents they are printing. With this latest iteration of Xerox's analytics, a full picture is created by providing an end-to-end view of the printing environment.
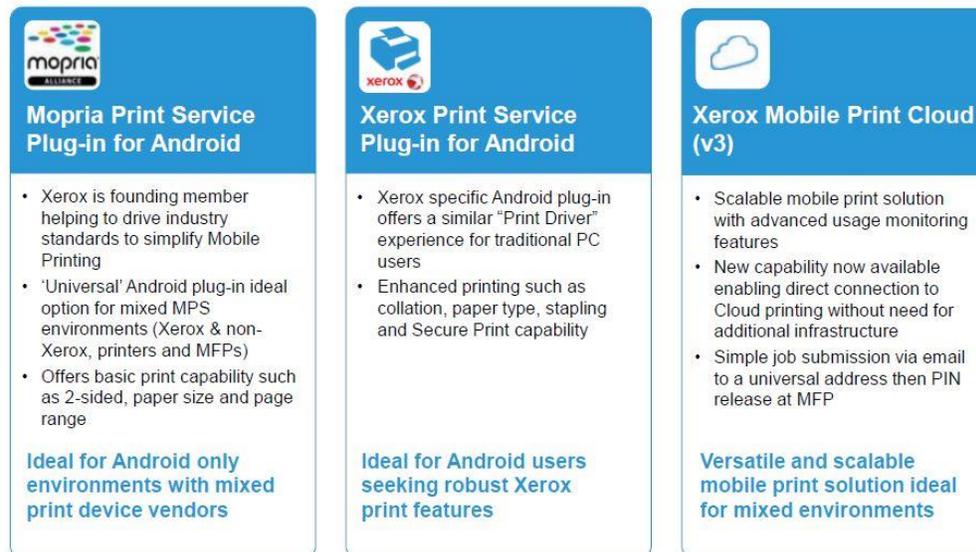
Figure 3: Xerox Data Analytics Overview
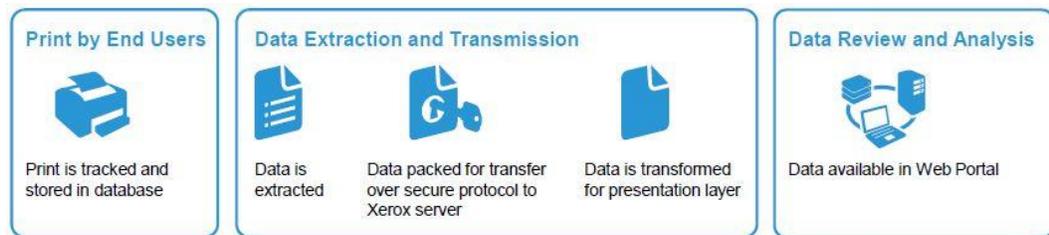
Source: Xerox

The solution provides analysis on cost drivers and inefficiencies, a deep dive into device usage, and simpler job accounting. This user friendly web interface also integrates with other popular print management tools, including Equitrac, Safecom, and Print Audit.

Mobility

Working to provide a seamless mobile print experience and to address mobile worker evolving needs, Xerox announced new mobility offerings including Mopria Print Service Plug-In for Android, Xerox Print Service Pug-in for Android, and Xerox Mobile Print Cloud (v3).

Figure 4: Xerox Mobile Solutions

Mopria Print Service Plug-in for Android

• Xerox is founding member helping to drive industry standards to simplify Mobile Printing
• 'Universal' Android plug-in ideal option for mixed MPS environments (Xerox & non-Xerox, printers and MFPs)
• Offers basic print capability such as 2-sided, paper size and page range

Ideal for Android only environments with mixed print device vendors

Xerox Print Service Plug-in for Android

• Xerox specific Android plug-in offers a similar "Print Driver" experience for traditional PC users
• Enhanced printing such as collation, paper type, stapling and Secure Print capability

Ideal for Android users seeking robust Xerox print features

Xerox Mobile Print Cloud (v3)

• Scalable mobile print solution with advanced usage monitoring features
• New capability now available enabling direct connection to Cloud printing without need for additional infrastructure
• Simple job submission via email to a universal address then PIN release at MFP

Versatile and scalable mobile print solution ideal for mixed environments

Source: Xerox

They have also released new mobile apps for increased productivity, including the Xerox Mobile Access App to remotely access a Xerox multifunctional peripheral (MFP) from a tablet, and the Xerox Mobile Link App to leverage the mobile device interface and resources to streamline workflows. The Xerox Mobile Access App, which will only be available in the U.S., enables users to view and operate a Xerox ConnectKey Technology-enabled MFP remotely from a tablet. It is optimized for blind and visually impaired users as an accessibility solution with talk back capability. It is not ideal for phones, but works well with iPads or Android tablets. The Xerox Mobile Link App connects Xerox hardware to personalized cloud, fax, and e-mail destinations—allowing for one-touch workflows to be created to one or more locations. One touch workflows are created once and saved as icons allowing users to repeat the desired workflow in just one touch of a button.

InfoTrends' Opinion

Xerox has transitioned their business model from a decentralized structure to a new operating model with an industry-oriented go-to-market focus—aligning this strategy with enhanced offerings and partnerships. It also creates a more holistic approach to combining their outsourcing business with their solutions and services, which will ensure a continued market leading position in the industry. Xerox is strongly committed to the vertical markets it identified, and InfoTrends believes that follow through on bringing in consultants (and other knowledgeable individuals) from these industries is a must to show their customers their vertical expertise and thought leadership. Securing a strong and diversified vertical market and business process automation solutions portfolio is a powerful strategy, and we see this as a great opportunity. Continuing to widen these offerings into additional markets will only strengthen Xerox's customer relationships.

InfoTrends views analytics around MPS as a strong feature of differentiation in the market. Xerox can provide customers with the ability to view their print environment with varying level of granularity—holistic to the individual level. This provides the ability for customers to take actions ranging from organization-wide print policies to identifying paper-intensive processes within or across departments, as well as detecting individuals printing in an undesirable fashion. With CompleteView User Analytics, organizations can identify non-essential print and flag specific user print behaviors. It assures (possibly suspicious) customers that their vendor is actually providing them the tools to reduce page volumes, while empowering them to take action independently around print, workflows, and business process.

Xerox indicated in the analyst briefing that it does not have plans at this time to support a multitentancy public cloud solution. While the private cloud does make sense for enterprises (its target customers) at this point—because of the adoption rates and the sensitivity of the data these solutions will contain—Xerox should consider other deployment options in the future, as well. Including a public cloud option will be important for reaching down into the small to medium-size enterprise (SME) space and helping the channel, while compatibility with hybrid cloud arrangement will be necessary throughout the enterprise space in the future.

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Comments or Questions?