In the race for first place, know where you're going, how you're getting there, and what technologies, processes, and tools are equipped for the journey.

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CATCH THE NEXT WAVE (of the Outsourcing Revolution)

What’s good for document management is even better for organizational effectiveness.

By John M. Kelly, Xerox Corporation
Drug development is the lifeblood of a pharmaceutical company. After a new drug survives the gauntlet of clinical trials, it is ready for regulatory review. Which means that the pharmaceutical company has to produce one of the single largest documents in the business world: a New Drug Application (NDA). It’s an arduous undertaking. Even a one-day delay in production can have multi-million-dollar consequences in terms of lost revenue and the sacrifice of a commanding competitive advantage.

But flip that problem coin over, and you suddenly see a different side of the situation. What happens if you can avoid development issues and get that NDA out the door in record time? What happens if you accelerate the process? If your drug is approved, you may be able to shave days off your time to market, which could reap a windfall in terms of sales and publicity. You don’t have to work for a pharmaceutical company to get the message here. There’s an increasingly important interrelationship between mission-critical documents, bottom-line impact, and one of the hottest expressions flying around C-level circles—speed.

Faster, Faster

Search Amazon.com these days for “business + speed” and you’ll find enough books and articles to fill a small library, including Bill Gates’ classic, *Business @ the Speed of Thought*. Due to relentless changes in technology, the global marketplace, and even the unpredictable global climate, the world is forcing us to move at a faster pace.

The revolutionary psychoanalyst R.D. Laing predicted this challenging situation more than 20 years ago. “We live in a moment of history,” he says, “when change is so sped up that we begin to see the present only when it is already disappearing.” This is the fast-paced, volatile environment that every organization exists in today. And we can’t expect it to slow down any time soon. Instead, we have to get comfortable with rapid change and unpredictability. We have to find ways to stay ahead of competitors who are ready to sail past at the first opportunity.

Remember the old joke about the two guys being chased by a lion? One guy stops to put on running shoes. The other guy smirks, “That’s not going to help you outrun a lion.” The man with the shoes says, “I don’t have to outrun the lion. I just have to outrun you.” This story applies perfectly to the modern-day business world: The lack of speed can be a real killer.

The need for speed has been a driving force in the dramatic reconfiguration of the modern enterprise. Organizations have divested themselves of components and activities that diverted attention and resources from what they do best. They’ve streamlined manual work processes by leveraging the speed of automation. And they have turned important, non-core functions over to outside experts, taking full advantage of best practices and the latest technological innovations in the process. It’s all part of the effort to move faster and become more agile and efficient.

Outsourcing is a natural outgrowth of this relentless search for better ways to do things because it helps accelerate the process of developing benchmark capabilities. Instead of building a center of excellence from scratch—incurring the costs and delays of trial and error—bring in experts to build, operate, and manage a benchmark operation for you.

This approach revolutionized the management of IT networks in both public and private sectors. It has helped countless organizations make dramatic improvements in the way they handle traditional in-house functions such as human resources and finance. Now the next wave of the outsourcing revolution is ready to focus on a vital cog in the corporate machinery that has a direct impact on every operation in your enterprise: documents.

Far-reaching Impact

Think about all the documents moving constantly around your organization in both paper and digital
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form: records and reports, strategic directives, policies and procedures, intellectual properties, research and marketing materials, customer communications, internal memos, emails, PowerPoint presentations, faxes, and even Web content. The list goes on and on. These documents touch every corner of your organization, affecting every aspect of daily business. In fact, researchers found that 90 percent of inputs and outputs in the enterprisewide value chain at Xerox consists of documents.

Considering their influence on every organizational initiative, activity, and accomplishment, it’s easy to see that paper and digital documents represent a vital infrastructure that’s just as important as your facilities and IT network. Just like any other infrastructure, it can be improved and fine-tuned with a far-reaching impact on organizational effectiveness and speed. 

**Think about it.** What if you could create, produce, distribute, store, and manage documents more efficiently and cost-effectively? And what happens if you make dramatic improvements in document-driven business processes that have a direct impact on the success of your enterprise? Your documents will become more effective. Your document-driven systems and processes will become more efficient. Your people will become more productive. All of which will help you achieve strategic goals.

For example, you can design document management improvements to help generate more revenue, reduce risks, improve compliance, make better use of intellectual property, and tighten information security. Improving document management will also accelerate the flow of critical information, and will help improve the speed and quality of decision-making throughout the enterprise, which means one thing: Your entire organization will move at a faster pace.

**At the Helm of Transformation**

No question about it. When you optimize an infrastructure that supports thousands of tasks performed every day, you literally transform your organization. Despite the obvious benefits, few organizations possess the specialized expertise necessary to make document management a center of excellence.

So what is a determined organizational change agent to do? One sensible approach is to consider the lessons learned during the last quarter of the 20th century about the value of focusing on core competencies. At that time, enterprises around the world were struggling to manage and improve their rapidly evolving IT networks. Frustrated by the challenge of maintaining state-of-the-art expertise in-house, some innovative institutions looked outside for assistance. After all, the savvy leaders of these organizations recognized that IT was an infrastructure of vital importance to the enterprise in the present and the future. They also realized that expert IT management required specialized technology and expertise that were not their core competencies. So they took a series of bold steps that paid off dramatically:

- They developed an enterprisewide strategy to guide all IT decisions.
- They established a C-level position to direct their IT networks.
- They outsourced IT management and maintenance to experts who combined state-of-the-art technology and in-depth expertise with innovative ideas and industry best practices.
Thanks to the strength of this strategy, organizations made giant leaps in speed, efficiency, and cost-effectiveness. Those successes helped launch the outsourcing revolution. Now it's time for the next wave—document outsourcing. Handing the production and management of your organization's documents over to external experts is a sound way to make breakthrough improvements with far-reaching benefits.

Document Outsourcing Wave

Since documents are a vital part of every organization’s metabolism, there are countless opportunities to improve document management. In general, there are three high-level outsourcing applications that typically yield the most powerful benefits:

1. Optimize the document management infrastructure in your offices, including high-volume print production and imaging environments.

2. Turn critical, document-driven business processes into benchmark operations.

3. Improve the effectiveness of key documents, including prospect, employee, and customer communications.

Together, these improvements will reduce cost structure, upgrade your capabilities, boost productivity and efficiency, generate more revenue, and help your organization move at a faster pace. They will also give you more control over documents and document-related work processes.

Bringing New Efficiencies to the Office

If you hire an efficiency expert to design the office document infrastructure, you may never again have to experience a sprawling collection of printers, copiers, multifunction devices, fax machines, and scanners scattered across desktops and hallways throughout your facilities again. Unfortunately, most organizations still face this situation today. Obviously, a cluttered facility isn’t designed for maximum efficiency. And it’s impossible to manage this unwieldy assortment of equipment effectively, considering the challenge of providing service, support, and supplies for hardware that comes from a variety of vendors and manufacturers.

But if you assess office needs in a disciplined manner, you can develop a sound, carefully controlled action plan to turn the document device infrastructure in your offices into a well-oiled machine.

For example, many organizations are replacing isolated copiers, printers, and other devices with a...
much smaller number of state-of-the-art, networked, multifunctional systems. The result? Reduced equipment, energy, and output costs. The quality of document management services and features available to employees is improved. It’s much easier to manage service and supplies, and new capabilities are added that will accelerate the development of enterprise content and records management systems in the future.

Similar breakthroughs can be achieved with in-house print shops and high-volume print production and imaging operations by deploying innovative, right-sized technology that will streamline work processes, improve quality, and speed up turnaround times. In addition, organizations don’t have to make major capital investments to upgrade these facilities because today you can outsource everything—from the initial, data-driven analysis and implementation of new technology to the daily management of your optimized fleet. It’s a proven way to turn a management headache into a benchmark operation. It worked in the IT world. And it works with document output devices, too.

Creating Benchmark Business Processes

In the outsourcing age, organizations also have the ability to transform key, document-driven business processes into centers of excellence. Finance and accounting, human resources, customer account management, accounts payable and receivable, mortgage applications, e-discovery (securing electronic data for legal cases), technical publications, R&D, product documentation, global translation, and content and records management can all become benchmark operations. By combining the right technology and expertise with proven best practices, you can streamline the workflow, eliminate time-consuming manual tasks, speed up access to critical information, and reduce operational costs—all of which will help improve efficiency and productivity.

In addition, benchmark business processes can have a big impact on the bottom line by helping grow revenue, improve cash flow, boost long-term customer loyalty, and increase your company’s ability to respond to fast-changing business conditions. These benefits can have a powerful impact on the enterprise, and they can all be achieved by outsourcing document-driven business processes to experts who have access to the latest technological innovations and best practices in the field.

Improving the Effectiveness of Your Documents

The simple fact is that many of the top-priority documents that organizations depend on can be engineered to produce better results. A combination of skillful analysis and content design based on behavioral science with state-of-the-art print production and distribution expertise will get you there. Take documents designed for direct marketing. In today’s competitive marketing environment, many of these costly communications deliver a response rate of a fraction of one percent. That’s the response rate, not the sales conversion rate.

One of the problems is that these documents are often designed from a creative standpoint rather than scientifically engineered to achieve specific goals. By employing a rigorous, fact-based development methodology, you can design the content and appearance of documents to accomplish goals such as revenue generation, customer loyalty, cost reduction, and more.

Standard documents sent to customers can also be improved by combining the same “communication engineering” methodology with innovative technology that facilitates one-to-one marketing. Consider all those invoices, policy declarations, notifications about changes in terms, and other documents that go out to customers every month. These documents often contain information that’s confusing, which explains why calls to customer support centers spike as soon as the communications hit the mail.

By carefully engineering the design and content of these documents, you can solve the confusion problems and reduce customer support costs at the same time. You can even accelerate revenue collection and improve customer satisfaction and loyalty by making amounts, due dates, and action steps crystal-clear to your customers. When you add one-to-one marketing capabilities to the mix, you can also turn these routine customer communications into powerful cross-selling, up-selling, and brand-building...
Improved document management can have a big impact on the bottom line at both the enterprise and line of business levels. Here are just a few examples, based on real-world situations, of specific goals that can be achieved:

- A healthcare system can improve compliance, efficiency, and productivity by automating forms management and replacing an outdated inventory system with a state-of-the-art print-on-demand solution.
- A regional government can speed up the collection of tax revenues.
- An investment services company can build long-term loyalty by improving the new customer acquisition and on-boarding process.
- A telecommunications company can reduce customer churn by engineering a personalized bill specifically designed to eliminate confusion.
- A utility service can improve safety by providing workers with faster access to accurate, up-to-date maps, charts, and other information housed in a carefully controlled digital archive.
- A cost-conscious hospital can reduce outside printing costs for high-quality marketing materials by upgrading its digital color print production capabilities and improving turnaround times.
- Law firms and law firm clients can improve compliance with court mandates—and avoid costly penalties—by accelerating discovery.
- A national provider of home services can drive traffic to local subcontractors with personalized direct marketing that features the endorsement of a customer living in the neighborhood.
- Any organization can turn an unmanageable collection of printers, copiers, fax machines, and scanners into an efficient fleet of document devices that speed up the flow of information, boost productivity, improve information security, reduce overall costs, and even lay the groundwork for Enterprise Content Management (ECM) capabilities in the future.
- Organizations can even take advantage of fast, easy ways to achieve sustainability goals by “greening” their approach to documents.

State-of-the-art document management can help organizations become faster, more efficient, and more cost-effective while accelerating revenue growth.
Success Stories

Here’s how some leading organizations transformed key operations through document outsourcing:

**Taking a big step toward sustainability.** A world leader in information storage and management upgraded its office printing infrastructure and reduced costs by 30 percent. The new technology—which included high-efficiency multifunction devices that reduce energy use and waste—also helped the company keep 20 tons of waste out of landfills.

**Speeding up cash flow.** A global leader in relationship management transformed its highly successful human resources outsourcing business by building innovative document management capabilities that included a digital repository, variable data form templates, and sophisticated DataGlyph® technology for tracking. The solution accelerated process cycle times which drove faster time to revenue, and improved cash flow and global expansion opportunities.

**Automating outdated work processes.** A fast-growing healthcare system in the United States brought its forms management system into the 21st century by establishing an automated, Web-based, print-on-demand solution. The solution dramatically reduced the number of time-consuming manual steps involved in the process and virtually eliminated the need for wasteful forms.

**Building benchmark capabilities.** One of the world’s largest package delivery companies dramatically improved its management of HR documents by implementing a fast, efficient system for imaging and hosting. The system also streamlined compliance reporting and audit preparation.

**Accelerating compliance.** A Pennsylvania-based medical center complied with tough, new federal mandates by implementing a new solution for printing tamper-resistant prescriptions in-house. With help from a document-outsourcing consultant, the medical center designed, tested, and installed the new solution—which required custom software coding and customized printers—in only five weeks.

Document management outsourcing services helped all of these companies improve productivity, control costs, and achieve other high-priority goals.
tools by adding personalized offers and other relevant information.

Last but not least, all of the documents you use for marketing and customer communication can be scientifically engineered to save on both production and mailing costs. Reduced costs, improved cash flow, more powerful marketing, higher levels of customer satisfaction and loyalty, and a better brand image can all be achieved by outsourcing the design of your documents to communication engineering experts.

**First Steps**

The strategic outsourcing solutions described above can help any organization work faster and more efficiently. But let’s face it; few organizations have the resources to revamp their enterprisewide approach to document management all at once.

So how do you make practical improvements that will pay off today while advancing steadily toward corporate goals? The first step is to develop an enterprisewide document management strategy. With a sound strategy in place, you will be able to evaluate and prioritize potential improvements. Your strategy will also help you recognize specific document outsourcing opportunities that will deliver the most value to your company in both the short and long run.

With that strategic and tactical groundwork in place, you’ll be ready to begin the process of identifying and evaluating potential outsourcing partners who can help develop the world-class document management capabilities you need to succeed in a highly competitive and fast-changing business environment.

**Making Headway**

With the right outsourcing partner on your team, you will be ready to make dramatic improvements in the way you work with and manage your documents, giving your organization newfound momentum.

After all, your documents are a dynamic part of the work you do every day. They advance the cause of marketing. They help build customer loyalty. They preserve priceless business intelligence, intellectual property, records, and data. They convey strategy and direction. They help maintain compliance, manage legal risks, reduce costs, and grow revenues. They also solve problems, inspire employees, create competitive advantages, help lead the organization forward, and ultimately help you achieve every important goal on your agenda.

In other words, documents aren’t just static packages of printed or electronic information, they are dynamic agents that facilitate progress, action, and change. That’s why it’s so important to find the best ways to create, produce, distribute, store, and manage them. One reliable strategy to achieve those goals is to consider document outsourcing. Outsourcing works wonders in the IT world. It raises the bar on Business Process Optimization (BPO), and it helps you improve your approach to document management, too, so your organization can catch the next wave, and leave your competitors behind. [5]

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