



IDC MarketScape

IDC MarketScape: Western Europe Managed Workflow Services 2015 Hardcopy Vendor Assessment – Building on MPDS

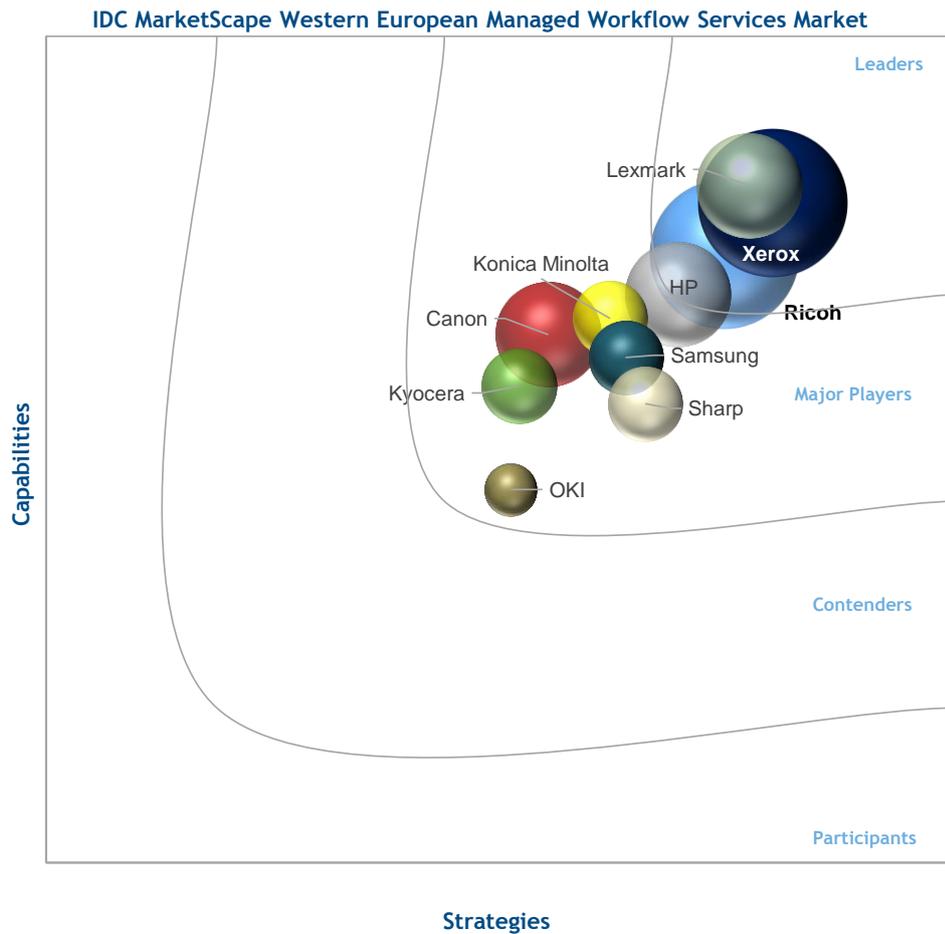
Jacqui Hendriks

THIS IDC MARKETSCAPE EXCERPT FEATURES XEROX

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Western Europe Managed Workflow Services Hardcopy Vendor Assessment



Source: IDC, 2015

Please see the Appendix for detailed methodology, market definition, and scoring criteria.

IN THIS EXCERPT

The content for this excerpt was taken directly from IDC MarketScape: Western Europe Managed Workflow Services 2015 Hardcopy Vendor Assessment – Building on MPDS (Doc #EMEA40662015). All or parts of the following sections are included in this excerpt: IDC Opinion, IDC MarketScape Vendor Inclusion Criteria, Essential Guidance, Vendor Summary Profile, Appendix and Learn More. Also included is Figure 1.

IDC OPINION

This IDC study assesses the capabilities and business strategies of ten hardcopy vendors in the Western European managed workflow services (MWS) market. It includes vendors with established MWS programs as well as those that are currently developing their programs. The assessment discusses both quantitative and qualitative characteristics that position vendors for success in this market.

MWS refers to the evolution of managed print and document services (MPDS) to a set of professional and managed services that automate and optimize vertical and horizontal document-intensive workflows and/or business processes with results and benefits that are aligned with specific business outcomes. MWS represents the most mature level of MPDS. If viewed within the context of IDC's Print and Document Management MaturityScape, it implies that an organization's print and document infrastructure has been fully optimized, and the infrastructure is being leveraged for strategic and competitive advantage.

It is important to note several key concepts related to MWS:

- Although workflow services may be delivered by an MPDS vendor, it is not a requirement that these services are included in the MPDS contract. In fact, the influencers, decision makers, and beneficiaries of MWS may not be the same for a less mature MPDS engagement.
- Workflow services may be delivered completely outside the scope of MPDS. In fact, it is possible for a vendor to automate and optimize a client's workflow in the context of an equipment and/or software sale, and subsequently offer MPDS to that client.
- Workflow services may be delivered by vendors other than the hardcopy manufacturers, including business process management providers, software manufacturers, systems integrators, or other IT services providers. These vendors are outside the scope of this IDC MarketScape.

Many hardcopy manufacturers are offering MWS as a way of sustaining value for existing MPDS customers. This IDC MarketScape focuses on the capability of those vendors to provide clients with a road map to higher-value workflow automation and optimization services, and then effectively deliver them. Enterprises using the IDC MarketScape documents for MWS are able to identify vendors with strong offerings and well-integrated strategies aimed to keep them viable and competitive over the long run.

More advanced offerings addressed the industry-specific workflow requirements, which is a challenge to deliver globally. Investments in industry-specific solutions have historically developed due to specific country market opportunities, existing and acquired skills including acquired customer bases, as well as market readiness to adopt these solutions. IDC recognizes the more cautious approach to an industry-specific portfolio that can be delivered globally, given that a huge proportion of the Western European market is small to medium-sized organizations. However,

vendors also have an opportunity to leverage expertise from one market to another by collaborating across regions to deliver services effectively.

Complementing this study are:

- *IDC MarketScape: CEMA Managed Workflow Services 2015 Hardcopy Vendor Assessment – Building on MPDS* (forthcoming)
- *IDC MarketScape: Asia/Pacific (Excluding Japan) Managed Workflow Services 2015 Hardcopy Vendor Assessment – Building on MPDS* (forthcoming)
- *IDC MarketScape: U.S. Managed Workflow Services Hardcopy 2015 Vendor Assessment – Building on MPDS* (IDC #US40586715, November 2015)

IDC MARKETSCOPE VENDOR INCLUSION CRITERIA

Participation in the study was extended to hardcopy equipment manufacturers that offer managed workflow services. IT outsourcing companies, BPO providers, and software manufacturers (either offering print, document, and workflow services as part of their IT services or subcontracting those services to hardcopy vendors) were excluded from this study.

ESSENTIAL BUYER GUIDANCE

- Our research indicates that many organizations have adopted print services initially to reduce print-related operational costs and help boost productivity and efficiency. For smaller organizations, with very few hardware devices, managing increasing workflow as companies grow is critical to optimizing their limited resources. Companies often do not know who to approach and are faced with the internal challenge of obtaining senior level buy-in, integration with legacy systems, and changing the way in which employees work in order for digital transformation to be effective. Evaluate their print and document infrastructure and identify the pain points to understand the level of maturity and next steps needed to accelerate transformation.
- Many organizations do not know how to tackle these challenges and should look to your print infrastructure partners for assistance. Several of these partners are already developing process solutions expertise, both functional/horizontal and vertical/industry-specific, to address process challenges. These can be out-of-the-box solutions or specifically designed for individual companies' requirements. Vendors should advise on new workflow models based on leading-edge technology which is often available at a lower price point and provides more scalable, flexible solutions.
- Ensure that a provider's knowledge of your business processes and/or industry uniquely qualifies it to offer managed workflow services to your organization. Does the provider have a record of successful MWS in organizations of similar size? Within your industry? Make sure that the vendor comprehends the organization's specific business objectives and has the capacity to meet those objectives and implement them.
- Ensure that the vendor has the ability to leverage 3rd Platform technologies – cloud, mobility, Big Data and analytics, and social media – to develop new document management solutions and business models.
- Look for a record of managed print and document services and managed workflow services operational excellence.

VENDOR SUMMARY PROFILES

This section briefly explains IDC's key observations resulting in a vendor's position in the IDC MarketScape. While every vendor is evaluated against each of the criteria outlined in the Appendix, the description here provides a summary of the vendor's strengths and opportunities.

Xerox

Xerox is a Leader in IDC's MarketScape for managed workflow services. Headquartered in the U.S., it has presence in over 160 countries with more than 130,000 employees. It is one of the world's largest suppliers of business process and document management services and derives 54% of its revenue from services.

Xerox is the only vendor evaluated that has established a separate organization solely focused on workflow automation solutions and services. This organization, established in 2014, works in partnership with Xerox's document outsourcing teams – including both managed print and document services and centralized print services – as well as its business process outsourcing (BPO) organization. In 2015, Xerox's Large Enterprise Organization (LEO), including the workflow automation and document outsourcing teams, moved from Xerox's Technology business unit to its Services business unit to enable and facilitate better collaboration.

Offering Overview

Xerox has a well-defined, three-phase services approach:

- Assess and Optimize to increase efficiency, lower costs, and improve productivity
- Secure and Integrate to protect intellectual property and ensure a secure environment
- Automate and Simplify to capture, understand, and process complex workflows involving both structured and unstructured information

Xerox's Workflow Automation Services provides a bridge between the Automate and Simplify stage of MPS and a BPO engagement, with elements that overlap with both.

The Workflow Automation Services has two categories:

- Personal and office productivity solutions designed to help knowledge workers automate and simplify their personal and office work experience – and print less
- Industry workflow solutions to help enterprises and lines of business automate and simplify key business processes and facilitate digital transformation

Each category is supported with a portfolio of software solutions and services, including solutions for capture, enterprise content management (ECM), business process management (BPM), and solutions focused on security and mobility as well as industry/process-specific applications.

Xerox's workflow automation portfolio comprises both cross-industry and vertical-specific solutions. Cross-industry solutions include:

- Human resources
- Finance and accounting
- Customer care
- Transaction processing

Xerox continues to extend these cross-industry solutions to provide end-to-end workflow solutions and address industry-specific workflow requirements in government, healthcare, education, banking, insurance, manufacturing, retail, and transportation. It will continue to grow both its cross-

industry and vertical portfolios through organic development and acquisition as well as continued collaboration with its BPO organization. It is important to note that Xerox has the opportunity to develop solutions more quickly than its competitors by tapping into the expertise, capabilities, and infrastructure available within the BPO team.

Offering Strategy

Xerox's overall aim is to deliver value to customers by understanding their requirements and defining new ways of working within their document environments. It stays very close to its customers with invitations to advisory councils and regular customer experience reviews.

Xerox accomplishes this by aligning its services with changing market requirements, accelerating the development of new solutions, and having flexible business models/pricing. Its road map includes a continued focus on both cross- and vertical-industry solutions that embrace the continued use of 3rd Platform technology (Big Data, mobile, social business, and cloud) in the company's product strategy.

Furthermore, Xerox continues to evolve its methodologies and processes for customer engagement by delivering consistent high-value services. It is differentiated from its competitors by its broad portfolio of software and solutions and the ability to leverage its BPO organization and capabilities. Process expertise throughout the broader Xerox organization helps provide rich service offerings to customers. Finally, the continued effort to bring more technology to Xerox's device offerings helps develop next-generation managed workflow services.

Highlights of Vendor Demonstration

For the MarketScape demonstration, Xerox provided a thorough overview of the company's approach to assessing and understanding the customer's current state and identifying the best opportunities for business improvement. The user survey and workshop approach was well done, with excellent use of simplified but informative graphics with clear indications of where gains can be made. The company makes excellent use of device data collected from its CompleteView Pro, as well as the process mapping features in Hyland OnBase to build a comprehensive view of what is happening within the customer environment.

For demonstrated workflow, the company showed two separate business processes, addressing different types of business needs. The first was automation of a conventional but complex loan origination process which involved the intelligent capture of data from printed forms, automated process flow via Hyland OnBase, and automated generation of client letters for loan approval. This solution is in use today and will be processing more than 850,000 loan applications per year.

The second application demonstrated the automation of a simpler but very common workflow for marketers and creative professionals. Using an iPad, Xerox Digital Alternatives, Xerox Mobile Link, and Xerox Print Portal, the company showed a distributed, collaborative workflow for document approval and mark-up. It struck us as an excellent entry point for departments and smaller businesses that may just be starting the workflow automation journey.

Highlights of Customer Engagement

IDC conducted interviews with two of Xerox's customers. A public sector department dealing with work and pensions selected Xerox to provide sensitive content management three to four years ago. Xerox was already providing print services for the customer and subsequently added workflow solutions. The solution aimed to address the public sector department's challenges around providing a single view of the customer. This was highly important as a single view can highlight anomalies provided by customers. Xerox provided an agile indexing server used to extract metadata from mail for digital filing, data streams, and storage. This helped the company generate

tasks distributed to the relevant personnel. There was also a long list of security aspects that needed to be addressed around what can be made public information, sensitive content, health details, and medical reports. Xerox assigned a dedicated security architect to ensure systems adhered to regulations. It continues to assess and improve its offering, for example, by providing form designs for better data extraction for fraud and criminal identification. Workflow solutions that constitute the offering include capture and data extraction, content repository, CRM, and file transfer. Xerox acts as the lead integrator with various partners. Key benefits include time and cost savings, increased efficiency and productivity, and tighter security.

The second interview related to a U.K. hospital. In line with its 10-year strategic plan for digitization and document management, it reviewed providers to support its strategic initiatives and chose Xerox. The customer and Xerox jointly discussed and prepared a plan for digitization through advanced scanning in adherence to legislation on electronic evidence and specific healthcare compliance. The Xerox solution helped the customer reduce its cost of physical storage significantly and lessen the number of employees who used to physically deliver patient records from 50 down to four or five. A mobile component to the solution enabled consultants equipped with tablets to search for information directly in real time. As part of the hospital's continuous improvement, solutions for digitization are being rolled out to other hospital departments.

Strengths

Xerox provides the full spectrum of services from MPDS and workflow automation to business process outsourcing (BPO), and from consulting/professional services to full-blown outsourcing. It has an extensive hardware, software, and services portfolio to support its offering framework.

It has a longstanding global strategy and can provide consistent delivery to its enterprise and often multinational clients. In the past year, it has shown greater evidence of engagements which provide opportunities to replicate these global engagements, while also steadily addressing the needs of its partners in providing services to the SMB market, by developing tools and providing support to drive partner business.

In terms of addressing horizontal process requirements, it continuously develops its offering portfolio and is well placed as the outsourcing provider of choice for core functional business processes.

Challenges

Addressing the multitude of needs of the Western European market is challenging, and given that the majority of the market consists of small to medium-sized companies, Xerox needs to continue delivering its plan to present additional solutions for this lucrative market. In addition, continued development of more cloud-based solutions will be attractive to companies looking for lower initial investment.

Xerox needs to watch the laggards in the market that have an opportunity to learn from the mistakes of the market players in developing innovative solutions without the legacy of previous service offering, and which are closely aligned with the needs of the future workplace.

APPENDIX

Reading an IDC MarketScape Graph

For the purposes of this analysis, IDC divided potential key measures for success into two primary categories: capabilities and strategies.

Positioning on the y-axis reflects the vendor's current capabilities and menu of services and how well aligned the vendor is with customer needs. The capabilities category focuses on the capabilities of the company and product today, here and now. Under this category, IDC analysts will look at how well a vendor is building/delivering capabilities that enable it to execute its chosen strategy in the market.

Positioning on the x-axis or strategies axis indicates how well the vendor's future strategy aligns with what customers will require in three to five years. The strategies category focuses on high-level decisions and underlying assumptions about offerings, customer segments, and business and go-to-market plans for the next three to five years.

The size of the individual vendor markers in the IDC MarketScape represents the market share of each individual vendor within the specific market segment being assessed.

IDC MarketScape Methodology

IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders, participants, and end users. Market weightings are based on user interviews, buyer surveys, and the input of a review board of IDC experts in each market. IDC analysts base individual vendor scores, and ultimately vendor positions on the IDC MarketScape, on detailed surveys and interviews with the vendors, publicly available information, and end-user experiences in an effort to provide an accurate and consistent assessment of each vendor's characteristics, behavior, and capability.

Market Definition

The following definitions distinguish between basic print services (BPS), MPDS, and MWS. MWS is the subject of this IDC MarketScape analysis covering vendor strategies and capabilities.

Basic print services and managed print and document services (including MWS) must include the following:

- **Contract scope** refers to third-party management of a group or fleet of printers and/or MFPs (may also include other device types such as scanners).
- **Contract length** is multiyear.
- **Environments** cover distributed office environment and may include in-plant, CRD, or datacenter, in addition to office environment. However, contracts that include only centralized facilities are excluded.
- **Coverage** includes ink/toner and maintenance/repairs and may optionally include printer/MFP hardware (purchases and leases).
- **Consolidated fleet billing** refers to a single bill for at least consumables (ink/toner), maintenance, and repairs (break/fix) for all the printers/MFP fleet of devices under management. Billing may have a hardware component.
- **Fleet usage monitoring** tracks print/copy volumes. The service includes a remote monitoring solution while acknowledging the fact that non-network connected machines would require manual monitoring.

In addition, managed print and document services must include the following:

- **Detailed assessment:** the provider analyzing a sample of the organization's actual print/copy usage and recommending an output strategy for optimization with defined goals

- **Fleet usage analysis/reporting:** ongoing analysis, reporting, and recommendations against predefined goals
- **Ongoing optimization:** ongoing optimization with proactive management using the provider's resources to continuously manage the environment toward contract goals
- **Governance:** established business rules and/or a formal change management program with education and incentives to get employees and their managers to achieve and sustain contract goals for printing and document workflows

Managed workflow services are the most mature segment of MPDS. MWS refers to the evolution of MPDS to a set of professional and managed services that automate and optimize document-intensive workflows and/or business processes with results and benefits that are aligned with specific business outcomes.

Strategies and Capabilities Criteria

Strategies criteria collectively assess a vendor's ability to capture an increasing percentage of a total addressable market (TAM) over a three-year period. In hotly contested markets punctuated with growth through innovation, the strategy must result in share gains even while the TAM grows larger as the market opens up and requirements become more sophisticated.

While strategies pave the future for a business, capabilities create momentum, measured by marketing buzz, partnerships, competitive wins, and growth.

Strategies Criteria

Strategies criteria for the IDC MarketScape for managed workflow services are measured in three key areas (see Table 1):

- Offering strategies reflect the buildout of existing capabilities and new features that will be relevant and attractive to customers over the next three years.
- Go-to-market strategies determine how MWS offerings should be sold and to whom they should be sold.
- Business strategies set the mission, direction, and goals of the company or the business unit in charge of making the MWS offering successful.

Capabilities Criteria

While strategies pave the future for a business, capabilities create momentum. Capabilities provide execution proof points for each vendor's strategies, covering (see Table 2):

- Offering capabilities assess the current functionality of a vendor's offering as shown in the vendor briefing, capabilities survey, demos, and customer and partner interviews. They are assessed competitively across all vendors participating in the IDC MarketScape.
- Go-to-market capabilities include those that maximize the connection between the offerings and customers, such as delivery, partnerships, pricing, marketing, sales, and service.
- Business capabilities are the outcome of previous years' strategies and capture vendors' success in financial terms as well as the ability to deliver a holistic offering designed to meet customer needs.

TABLE 1

Key Strategy Measures for Success: Managed Workflow Services

Strategies Criteria	Subcriteria Definitions	Subcriteria Weighting
Offering strategy		
Functionality or offering road map	The offering strategy provides a clear view of how and where the vendor is extending the current MPDS offering with workflow and other advanced services. The strategy should articulate a road map that supports current needs for priority customer segments while providing a clear path to address future needs and future customer segments. The road map should provide specific information regarding the advancement of IDC's four pillars (cloud, mobile, social, Big Data/analytics) within the offering, as well as address increasing requirements for specialization in vertical markets. Services, both professional and managed, should be emphasized over hardware. The road map should also include a description of current and future priority customer segments and how the offering functionality aligns with their needs.	4.0
Delivery model	Plans are in place for support of delivery models to match shifting customer preferences toward workflow and advanced services and technologies over hardware. The delivery model strategy should articulate how the vendor intends to extend workflow and advanced services capabilities across borders, as well as where they expect to make these capabilities available. The plan should identify and address current gaps/opportunities in service delivery and demonstrate how the vendor will increase the capture/reuse of best practices to scale offerings beyond one-off engagements.	2.0
Cost management strategy	The cost management strategy should articulate an alignment of and support for the vendor's other strategies to reduce operating and development costs, increase efficiency, reduce time to market for new offerings, and position the company to compete more effectively in future customer and product segments. The cost management strategy should address internal transition to services versus hardware and articulate how the vendor is preparing to defend against disruptive market influences that can radically alter competitive pricing structures.	2.0
Portfolio strategy	The portfolio strategy should align with and enhance both the offering strategy/road map and delivery model strategies. It supports increasing customer demands for delivery of advanced MPDS and demonstrates how the vendor's acquisitions and/or partners will combine to provide a seamless experience for customers. The strategy should address how the vendor identifies gaps and/or opportunities related to the current portfolio and offer a road map to extend functionality in support of broadening customer requirements. The evaluation includes looking at a strategy of technology or services acquisitions to fill gaps, a strategy of interoperability to leverage a broader set of third-party offerings, and partnering and other efforts to broaden the offering portfolio to address customer needs.	2.0
Subtotal		10.0
Go-to-market strategy		

TABLE 1

Key Strategy Measures for Success: Managed Workflow Services

Strategies Criteria	Subcriteria Definitions	Subcriteria Weighting
Sales/distribution strategy	The sales/distribution strategy assesses alignment of the sales/distribution strategy with growth strategy and goals covering markets, including geographies, industries, customer size, and vertical and horizontal workflow automation and optimization. "Alignment" means that the vendor can clearly articulate how the sales/distribution strategy will further growth and the achievement of goals.	3.3
Marketing strategy	The marketing strategy assesses horizontal and vertical-specific marketing, as well as alignment with regional needs. The measure of success will be the demonstration of a well-articulated plan for how the vendor will market its high-value services capabilities in the future.	3.4
Customer service strategy	The customer service strategy effectively retains customers of existing MPDS offerings and advances them to higher levels of maturity and higher-value services such as workflow. The strategy provides a path to creating a seamless customer experience for services-led markets or a path to seamless self-service for low-cost providers.	3.3
Subtotal		10.0
Business strategy		
Growth strategy	The growth strategy covers the mission, direction, and goals by which a vendor will capture a growing share of the total addressable MWS market over the next several years. This category assesses the clear and convincing articulation of the vendor's positioning, market opportunity, and goals for increasing the vendor's share of MPDS' TAM.	4.0
Innovation/R&D pace and productivity	Innovation/R&D pace and productivity evaluates how vendors leverage other business unit and/or partner capabilities, as well as the vendor's ability to invest, keep pace with changing market conditions, and bring differentiable and innovative capabilities to the market.	2.0
Employee strategy	The employee strategy is related directly to the need to support managed workflow services in terms of key recruitment drivers, the hiring of consultants, and expertise on horizontal and vertical business processes gained through acquisition or recruitment.	4.0
Subtotal		10.0

Source: IDC, 2015

LEARN MORE

Related Research

- *Western Europe Print Services Market Shares, 2014: Continuous Contract Improvement is Key to Market Success* (IDC #KD04X, September 2015)
- *Western Europe Basic Print and Managed Print and Document Services Forecast, 2015-2019* (IDC #KD03X, September 2015)
- *Western Europe Hardcopy End-User Study: Business Process Automation Trends* (IDC #KD58X, June 2015)
- *Western Europe Hardcopy End-User Study: Print Services Evolution Continues* (IDC #KD57X, June 2015)
- *Western Europe Hardcopy End-User Study: Automating Functional Business Processes* (IDC #KD56X, June 2015)
- *Western Europe Hardcopy SMB End-User Study: Print Services and Document Solutions* (IDC #KD54X, March 2015)

Synopsis

This IDC study is the first vendor assessment of the managed workflow services market using the IDC MarketScape model. It discusses both quantitative and qualitative characteristics that explain success in this growing market. Managed workflow services represent the most mature segment of the managed print and document services market and contribute to the overall workflow automation and optimization services market.

This study provides a visual presentation of the resulting vendor analysis in a single bubble chart. The IDC MarketScape figure concisely exhibits the quantified ratings of the reviewed vendors along two axes – strategies and capabilities – which determine if the vendor is a Leader, Major Player, Contender, or Participant. The study also provides vendor summaries that discuss IDC's positioning of each vendor in the market along with commentary on strengths reflected in their scoring and opportunities for improvement. Furthermore, it offers specific guidance for organizations considering a managed workflow services – or a managed print and document services – engagement.

"Managed workflow services market players are continuing to develop their offerings to address challenging process workflows in their customers' organizations," said Jacqui Hendriks, research and consulting manager, IDC European Managed Print Services and Document Solutions. "This is a rapid development in light of the fact that once customers experience the significant impact of implementing efficient workflow solutions, they can be on a fast track to identifying additional workflow challenges and aiming for total business transformation rapidly. It is difficult for vendors with a global footprint to understand what they should invest in regionally, given different levels of market opportunity by country, but established Western European market players have taken cautious steps and are more aggressively fulfilling customers' functional and industry-specific workflow requirements. This study identifies the IDC MarketScape Leaders, Major Players, Contenders, and Participants that make up the current managed workflow services landscape."

About IDC

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