



IDC MarketScape

IDC MarketScape: Worldwide Document Workflow Services Hardcopy 2016 Vendor Assessment

Robert Palmer
Terry Frazier

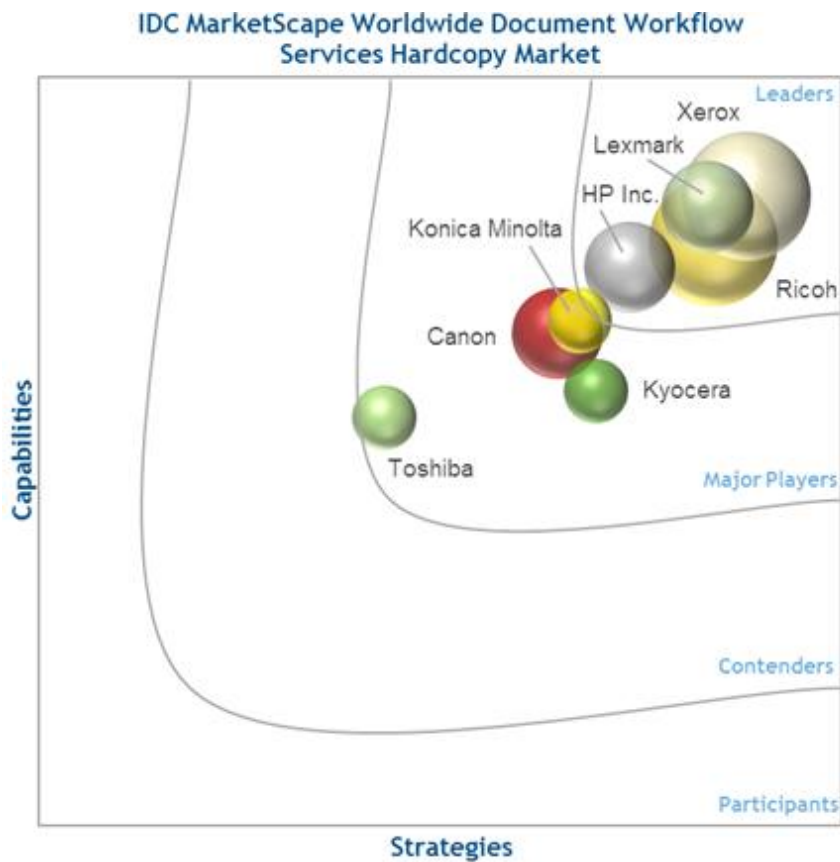
Holly Muscolino

THIS MARKETSCOPE EXCERPT WAS CREATED FOR XEROX/FUJI XEROX

IDC MARKETSCOPE FIGURE

FIGURE 1

IDC MarketScape Worldwide Document Workflow Services Hardcopy Vendor Assessment



Source: IDC, 2016

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: Worldwide Document Workflow Services Hardcopy 2016 Vendor Assessment (Doc #US40994416). 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 capability and business strategy of eight hardcopy vendors that are participating in the worldwide document workflow services market. Vendor selection included vendors with existing and developing document workflow programs. This assessment discusses both quantitative and qualitative characteristics that position vendors for success in this important market. Many hardcopy manufacturers are offering document workflow services as a way of sustaining value for existing managed print and document services (MPDS) customers, though they are also developing practice areas that are independent of (or adjacent to) their managed services offering. 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 those services. Enterprises using the IDC MarketScape for document workflow services are able to identify vendors with strong offerings and well-integrated strategies aimed to keep the vendors viable and competitive over the long run. Capabilities and strategy success factors identified from this study include:

- Current solutions portfolio, professional services, and other capabilities to address high-value document workflow services
- Ability to address specific end-user challenges related to the digital workplace, including workflow assessment, process mapping, capture and conversion, information security, content collaboration, process optimization, and workflow automation
- A holistic approach to delivering horizontal and vertical workflow automation and optimization solutions and services through both direct and indirect channels
- Focus on operational and service delivery excellence, which includes consistent service delivery on a local, regional, and global basis
- Continued expansion into new geographic territories, vertical industries, and line-of-business applications
- Flexible service delivery, pricing, and billing models and the ability to support on-premises, private, and public cloud offerings

IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

Participation in this study was extended to hardcopy equipment manufacturers that offer document workflow services. IT outsourcing companies, business process outsourcing (BPO) providers, and software manufacturers that either offer print, document, and workflow services as part of their IT services or subcontract those services to hardcopy vendors were excluded from this study. We have also excluded indirect channel partners of the hardcopy equipment manufacturers.

ESSENTIAL BUYER GUIDANCE

IDC recommends the following:

- Proactively evaluate print and document infrastructure to identify paper-intensive processes, workflow bottlenecks, vulnerabilities and gaps in content security, and specific business process pain points. Then develop a strategy to address those pain points and grow to higher levels of maturity.
- Identify paper-intensive processes that are ripe for optimization and automation. Our research indicates that many organizations are unaware of the opportunity to gain significant cost and productivity advantages, in addition to core business benefits, by leveraging digital technology to automate and optimize document workflows. Document workflows are often well-ingrained, legacy processes within an organization, and there is low awareness of the potential opportunities for transformational improvements locked within.
- Look to your print infrastructure partners for assistance. Many of these organizations are developing the vertical and horizontal process expertise required to effectively address document workflow bottlenecks and provide innovative solutions to not only streamline workflows but also suggest new workflow models. Moreover, it is no longer just about print. Most vendors are embracing new digital technologies, and those technologies along with document domain expertise make them well positioned to assist with the digital transformation of document workflows.
- Evaluate vendors not only on capabilities to deliver workflow services but also on the talent and resources available to assess your current environment to identify bottlenecks and uncover opportunities for process improvement. The ability to accurately model the current state of your existing document infrastructure and map specific business processes is crucial to determining where and when workflow automation could achieve a measurable return on investment (ROI).
- Look to establish a deeper integration of your print and document infrastructures. Many businesses fail to recognize the importance of the network multifunctional printer (MFP) as a key asset for integrating document workflow solutions. The distributed network MFP, combined with scanning software and intelligent workflow tools, delivers the ability to convert paper to digital format at the most opportune point in the overall process. Businesses of all sizes can benefit greatly by leveraging the network MFP as an entry point into process automation and optimization.
- Ensure that a provider's knowledge of your business processes and/or industry uniquely qualifies the provider to provide document workflow services to your organization. Does the provider have a record of success in organizations of a similar size? Within your industry? Ensure that the vendor comprehends the organization's specific business objectives and has the capacity to meet those objectives and execute on 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.
- Seek vendors that are equipped with the necessary solutions and professional services expertise to address business-critical issues around content security, data privacy, and regulatory compliance. The always-on digital ecosystem has changed the way businesses work with information, placing increased emphasis on the need for solutions that speed access to content while mitigating risks associated with data exposure and security vulnerability.

Businesses should reprioritize document strategies and implement advanced programs to gain better control over content and business-critical information.

- Look for a record of managed print and document services and document workflow services operational excellence.

VENDOR SUMMARY PROFILE

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 in this section provides a summary of the vendor's strengths and challenges.

Xerox/Fuji Xerox

Xerox, along with its partner Fuji Xerox, is an IDC MarketScape Leader for document workflow services worldwide. Xerox is a public company headquartered in Norwalk, Connecticut. Xerox has a presence in more than 180 countries, with more than 130,000 employees. Xerox is one of the world's largest suppliers of business process and document management services.

Xerox is the only printing equipment manufacturer we interviewed that has a dedicated organization supporting document workflow. Xerox Workflow Automation Solutions is a dedicated line of business within Xerox's Global Document Outsourcing organization. The Workflow Automation business unit has dedicated go-to-market, sales, and implementation resources and an allocated portion of Xerox's R&D budget. The mission of the Workflow Automation business is to enable Xerox's customers to move away from print and paper and conduct business in a more digital way.

In January 2016, Xerox announced its intention to separate into two public companies, a document technology company focused on printing technology, document management, and document outsourcing, and a business process outsourcing company focused on providing customer care, transportation solutions, finance and accounting solutions, and healthcare/payer provider services across the transportation, healthcare, commercial, and government markets. Xerox's Workflow Automation Solutions business will remain with the document outsourcing and document technology company. The technology company, which will retain the name of Xerox, will maintain a close relationship with the BPO organization (to be named "Conduent") and will continue to leverage solutions and expertise through that relationship.

Offering Overview

There are two components to Xerox Workflow Automation Solutions:

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

Xerox's document workflow portfolio includes both cross-industry horizontal solutions and industry-specific solutions and spans both the front office (systems of engagement) and the back office (systems of record). Horizontal solutions include (but are not limited to) accounts receivable/payable, HR onboarding, and employee file management. Examples of vertical solutions include admissions processing (higher education), claims processing (insurance), health records information management

(healthcare), loan application processing (banking), and engineering change management (manufacturing).

Xerox's document workflow services are delivered on-premises, through private cloud, or via a hybrid cloud solution. Xerox offers both licensing and SaaS models for software. The company has a number of offsite shared delivery centers.

Xerox continues to enhance its document workflow solutions and services portfolio and market reach through additional partnerships and acquisitions. Key partners include Hyland Software for content management, Top Image Systems for enterprise capture, and Datawatch for analytics. The company also continues to enhance its professional services organization by including individuals with deep expertise in partner solutions.

Significant areas of focus for Xerox include workflow assessment methodology, adaptive business process models, intelligent document processing, and review and forms recognition. One key area is intelligent business process management (iBPM), which will enable solutions to scale and will accelerate rapid application development.

Much of Xerox's growth in document workflow services has originated in North America and Western Europe, but the company is driving expansion globally, aided by the global infrastructure in place for its managed print and document services offering. This includes its long-standing partnership with Fuji Xerox to deliver solutions in the Asia/Pacific region. The top vertical industries for Xerox are financial services, government, higher education, and manufacturing.

Strengths

Xerox has a well-developed document workflow strategy and road map including partnership and M&A plans to address solution gaps and drive continued expansion. Its strategy also includes geographic growth, ongoing development of its professional services organization, and further development of its indirect channel.

Xerox has a strong document workflow portfolio, including proprietary assessment and collaboration tools. It has developed core assets that address a broad range of horizontal business applications and verticals to address key markets strategic to its growth.

Challenges

Because Xerox is the largest organization evaluated, it may take more time and effort to bring solutions to the field globally compared with smaller, nimbler competitors. In addition, Xerox's dependence on Fuji Xerox in the Asia/Pacific region and partners in developing countries may impact consistency of workflow solutions in global accounts.

Xerox's upcoming separation may present a distraction. With the separation, some expertise and BPO offerings will remain with Conduent, though Xerox will continue to retain a close relationship with this organization.

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 to 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 markets in this IDC MarketScape presents a relative view of the vendor's current document workflow market presence. Note that, unlike previous IDC MarketScapes focused on MPDS, we have taken a "small, medium, and large" approach to these markers. Therefore, these markers do not represent the market share of each individual vendor within the specific market segment being assessed.

While there are well-established business practices in areas such as enterprise content management, document management, and workflow automation, among hardcopy vendors, the market for document workflow services is nascent. Most vendors have established solutions portfolios and well-defined strategies for addressing market needs, from both a horizontal and an industry-specific perspective. Nevertheless, vendors continue to build out their workflow services programs, business models, and go-to-market strategies. As a result, IDC has determined it best to weight capabilities and strategy equally for the purposes of this IDC MarketScape.

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

IDC defines documents workflow services as professional and managed services aimed at removing the inefficiencies of information silos and disconnected processes, connecting people to the information they need at the moment they need it with specific business benefits:

- Integrates information types and sources, including structured and unstructured content – both text and rich media
- Vertical industry specific or horizontal
- Could include any combination of document software, hardware, and managed or professional services
- Reengineering may be done in-house or by third-party vendor on a project basis or as an outsourced service engagement
- Monitored for continuous improvement and optimization

LEARN MORE

Related Research

- *Worldwide and U.S. Managed Print and Document Services and Basic Print Services Market Shares, 2015: Steady Pace in a Maturing Market* (IDC #US40183516, May 2016)
- *Worldwide and U.S. Managed Print and Document Services and Basic Print Services Forecast, 2016-2020* (IDC #US40183716, May 2016)
- *IDC MarketScape: U.S. Managed Workflow Services Hardcopy 2015 Vendor Assessment – Building on MPDS* (IDC #US40586715, November 2015)

Synopsis

This IDC study is a vendor assessment of the document workflow services market using the IDC MarketScape model. This assessment discusses both quantitative and qualitative characteristics that explain success in this growing market. Document 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. This display concisely exhibits the quantified scores of the reviewed vendors along two axes – strategies and capabilities – which determine if the vendor is a Leader, a Major Player, a Contender, or a 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. The study provides specific guidance for organizations considering document workflow services – or a managed print and document services – engagement.

"Organizations adopting advanced document workflow services are engaged in achieving the highest levels of print and document maturity," said Robert Palmer, research director, IDC's Imaging, Printing, and Document Solutions. "Identifying a vendor with the proper set of solutions, resources, skill sets, and professional services capabilities is critical to achieving a successful program. This study effectively positions the various market players based on the capabilities and strategies needed to produce optimal results."

About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications and consumer technology markets. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. More than 1,100 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries worldwide. For 50 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company.

Global Headquarters

5 Speen Street
Framingham, MA 01701
USA
508.872.8200
Twitter: @IDC
idc-community.com
www.idc.com

Copyright and Trademark Notice

This IDC research document was published as part of an IDC continuous intelligence service, providing written research, analyst interactions, telebriefings, and conferences. Visit www.idc.com to learn more about IDC subscription and consulting services. To view a list of IDC offices worldwide, visit www.idc.com/offices. Please contact the IDC Hotline at 800.343.4952, ext. 7988 (or +1.508.988.7988) or sales@idc.com for information on applying the price of this document toward the purchase of an IDC service or for information on additional copies or Web rights. IDC and IDC MarketScape are trademarks of International Data Group, Inc.

Copyright 2016 IDC. Reproduction is forbidden unless authorized. All rights reserved.

