

# Document Process Outsourcing: Business Strategies for Successful Market Engagement

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Responsive

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- **Gain an in-depth understanding of the North American Document Process Outsourcing (DPO) market**
- **Obtain detailed knowledge required for effective business planning**
- **Learn how to address the rapidly-growing DPO opportunity**



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## Introduction

Many organizations recognize the need to streamline their operationally-necessary business processes to reduce costs and gain time and resource efficiencies. As they do so, these organizations are discovering that they lack the fundamental knowledge and insight required to fully optimize their document-intensive business processes. The challenge for these enterprises is to identify the total document-intensive process, and then outsource the entire process to a qualified service provider.

InfoTrends/CAP Ventures has coined the term *Document Process Outsourcing* (DPO) to describe the outsourcing of document-intensive business processes, and has identified it as an important and growing segment of the document outsourcing industry. In our annual *United States Document Outsourcing Market Forecast*, we reported that of the \$30.5 billion document outsourcing market in 2003, about \$691 million of the revenues were attributable to document process outsourcing. Nevertheless, we project that DPO revenue will surpass \$1.5 billion in 2008, representing a compound annual growth rate (CAGR) of almost 18%.

This growth will come at the expense of traditional task-oriented document outsourcing business models, which are becoming commoditized, resulting in reduced margins and flattening revenue growth. Corporations are also seeking alternatives to the traditional models that offer accelerated process improvements as well as shared-risk partnerships.

*Document Process Outsourcing: Business Strategies for Successful Market Engagement* will look beyond market size and growth potential to understand the “who, what, how, and why” of the document process outsourcing business in North America. How receptive is the market to DPO solutions? Which processes are being outsourced? Who are the outsourcing decision makers? What are the terms of DPO contracts? What are the primary criteria used to select service providers? What domain expertise is valued? How are ever-larger deals being structured?

The primary objectives of this study are to profile the Document Process Outsourcing business model and identify the best practices and strategies required for successful market engagement and deployment. This study will provide the business acumen required to participate in this rapidly growing market.

## More about Document Process Outsourcing

Document Process Outsourcing (DPO) is the assignment of an entire document-intensive business process, from end to end, to a service provider, who takes over every related task and provides the process at a lower cost and at a higher service level. Profits from DPO for service providers come from superior efficiency generated by the service provider's greater level of understanding of the document process and a customer's needs.

Document business processes include:

- **Customer facing document processes** – the production and distribution of customer-facing documents. Examples of these document processes include on-demand fulfillment of customer requests for invoices and account information and general customer service related to customer communications.
- **Technical document processes** – the production and fulfillment of technical documents, usually between business units or corporate enterprises. Examples of these document processes include creation and distribution of technical service bulletins, as well as the manufacture of supplier technical documents, product design specifications, and repair manuals.

- **Marketing and communications document processes** – document processes related to the production of customer marketing and communications documents, generally externally-facing. Examples of these document processes include on-demand customer collateral fulfillment and managing one-to-one communications programs.
- **Regulatory compliance document processes** – document processes designed to ensure compliance with regulatory requirements (commonly within financial services, insurance, and product safety).
- **Financial accounting and invoicing document processes** – document processes that facilitate the accurate and complete capture, reporting, and archiving of financial information, and the seamless invoicing and payment of customers and suppliers. Examples of these document processes include A/R dispute resolution management, A/P invoice matching management and loan origination, and credit card application management.

The primary characteristic that distinguishes a DPO engagement from a traditional document outsourcing engagement is that the contract centers upon a specific business process and the metrics associated with that process, rather than discrete document services. DPO is a subset of business process outsourcing (BPO), differentiated by the fact that the outsourced process must include management of one or more document lifecycles, resulting in the delivery of documents to the appropriate end-users. It is tied directly to document domain expertise.

## Project Objectives

This study will answer the following questions:

- What is the level of willingness to outsource document-intensive business processes?
- Who is currently outsourcing document-intensive business processes? What industries? What lines-of-business?
- Does the concept of document process outsourcing resonate with high-level executives?
- Who are the ultimate DPO decision-makers?
- Which processes will be outsourced? By what metrics will these processes be measured?
- How should DPO engagements be structured?
- What are primary selection criteria for DPO service providers? What specific domain expertise is valued?
- How important are global capabilities?
- Who are today's leading DPO service providers? Who will be the leading DPO service providers in the future?

## Methodology

To respond to these questions, InfoTrends/CAP Ventures will conduct in-depth interviews and focus groups with C-level and line-of-business managers across multiple industries and functional areas. The study will combine qualitative and quantitative research, providing respondents with the opportunity to discuss initiatives, trends, concerns, and interests while also answering specific questions.

Interviews will be conducted with 10 to 15 managers in each of the following functional areas:

- Finance and accounting
- Sales and marketing
- Human resources
- Operations

## Methodology (cont.)

Managers will be selected from a range of vertical industries, including:

- Financial services and insurance
- Healthcare and allied industries
- Manufacturing
- Retail/Wholesale
- Telecom and utilities
- Local and national government
- Legal

## Secondary Research

InfoTrends/CAP Ventures will also thoroughly examine existing market information utilizing a variety of sources that include:

- Annual reports and SEC documents
- Periodicals and trade articles
- Web sites
- White papers
- Published industry reports
- Industry databases
- Research reports

## Deliverables

The final report will include extensive analysis of primary and secondary research to develop a comprehensive understanding of primary business strategies for success in the document process outsourcing arena, including best practices and InfoTrends/CAP Ventures' recommendations. The material will include:

- An executive summary that addresses key issues, findings, and overall recommendations
- A detailed written report with text and charts addressing the objectives of the study
- A set of presentation-style overheads for internal communication of the research results
- Transcripts of online interviews and focus groups
- An optional, on-site briefing

## Who Should Subscribe?

- Business process outsourcing companies
- IT outsourcing service providers
- Document services providers
- Commercial printers/specialty printers
- Quick printers/franchises
- Facilities managers
- Publishers
- Statement printers
- e-Print providers
- Print brokers
- Document outsourcing service providers
- Corporate managers, document owners, and print buyers seeking information on the opportunities presented by document process outsourcing

## Project Schedule

InfoTrends/CAP Ventures intends to begin this project early in the second quarter of 2005. The project will be completed with material distributed in the third quarter of 2005. Throughout the project, InfoTrends/CAP Ventures will issue regular status updates.

Early study sponsors will be able to provide input into the development of the interview guides and will help shape the overall study in addition to receiving a discounted price.

Key project milestones are as follows:

- April 29, 2005                      Last date for charter subscribers
- July 1, 2005                        Complete all surveys
- August 5, 2005                    Complete analysis and draft report
- Q3 2005                              Deliver final report

## Terms and Conditions

### Liability for Advice

Although reasonable efforts will be made by InfoTrends/CAP Ventures to ensure the completeness and accuracy of the information contained in written and oral reports in connection with the proposed study, no liability can be accepted by InfoTrends/CAP Ventures for the results of any actions taken by the Client in connection with such information, opinions, or advice.

### Copyrights

InfoTrends/CAP Ventures retains all Copyrights. Reproduction of any material can be made only with the written consent of InfoTrends/CAP Ventures.

### Confidentiality

InfoTrends/CAP Ventures will use its best efforts to ensure that any confidential information obtained about the Client and its business during the course of the proposed study is not, unless agreed otherwise in advance, disclosed to any third party without the prior written permission of the Client. InfoTrends/CAP Ventures retains the right to reuse any non-proprietary information as part of its ongoing analysis of the document solutions market.

### Timely Delivery

InfoTrends/CAP Ventures will take all reasonable steps to ensure that the time scales called for by the proposed study are met in accordance with the agreed schedule, but no liability can be accepted for the consequences of delays, howsoever caused.

### Terms

One half of the fee will be due upon initiation, and the other half will be due upon report delivery.

## Authorization

### Before April 29, 2005:

- Complete report with transcripts \$12,995
- Complete report with no transcripts \$9,995

### After April 29, 2005:

- Complete report with transcripts \$14,995
- Complete report with no transcripts \$10,995
- Optional On-Site Briefing \$2,500 plus travel expenses

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