Digital Transformation: Adding Document Workflow Services to Your MPDS Practice

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BTA Fall Colors Retreat, October 2019

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1

Office Printing Market in Transition

The office printing market has always been a market in transition, but transformation is accelerating at a rapid pace.

Landscape
- Industry consolidation
- Enterprise is mature
- SMB: the growth engine
- Paperless society

Products
- Convergence of A3/A4
- Products to platforms
- Laser Price/performance peaked
- Differentiation in software and usability

Business Models
- Shift to contractual services
- Alternative models
- Moving beyond the click
- Infrastructure-as-a-service

Channels
- Channel convergence
- Contraction in BTA
- IT channels
- Buyer influence expanding

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2

Dealers Can Differentiate Through DX Initiatives

> By 2020, over 50% of acquisition contracts for office-targeted smart MFPs will prioritize the software and services offering first and consider the hardware feature set as a given.
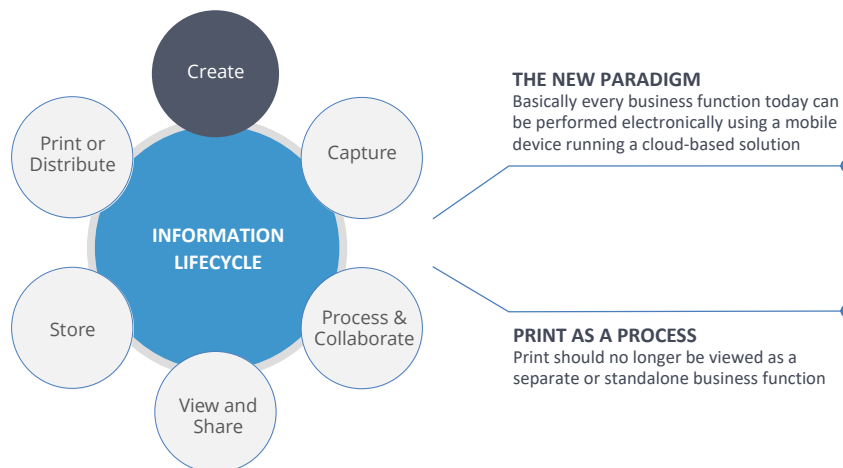
Fueled by DX initiatives, by 2022, 30% of enterprise organizations will have invested in MFP-enabled collaboration solutions to address interdepartmental document workflow bottlenecks.

IDC FutureScape: Worldwide Imaging, Printing and Document Solutions 2019 Predictions

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3

Top IT Concerns: Information Management

Keeping pace with the evolving information lifecycle

Information lifecycle circles: Create, Capture, Process & Collaborate, View and Share, Store, Print or Distribute — **INFORMATION LIFECYCLE**

THE NEW PARADIGM
Basically every business function today can be performed electronically using a mobile device running a cloud-based solution

PRINT AS A PROCESS
Print should no longer be viewed as a separate or standalone business function

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4

The Digital Workplace

PCs

Hard Copy   Static Environment

paper ·······► digital

Digital Ecosystem

access to content   individual privacy   document integrity   content security

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5

5

Realities of Today's Business Environment

32%

of employee time each week is spent on document-related tasks

53%

of the time knowledge workers spend on document-related tasks is focused on information dissemination

Publishing, sharing, emailing, collaborating, printing, and mailing

Source: IDC Document Process Survey, May 2019

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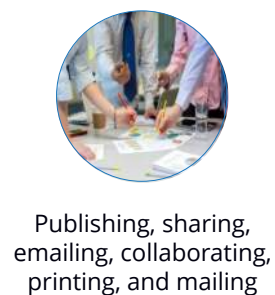
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Document Workflow Challenges and Inhibitors

Q. Which of the following factors below make your daily tasks (document workflows) less efficient, costlier, or less productive?

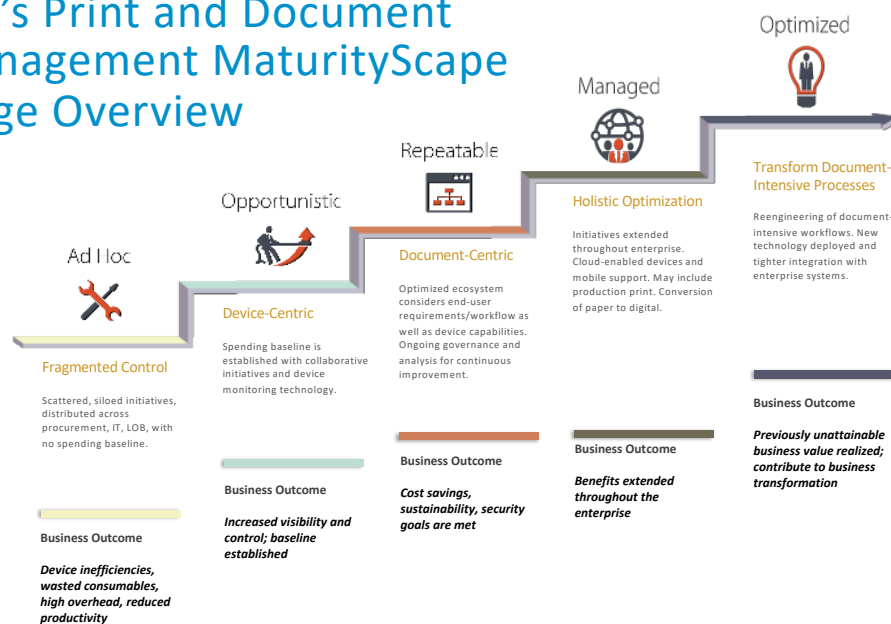| 1. | Workflow is more paper-based and highly manual | 42% |
2.	Manual data extraction from documents	42%
3.	Poor data, errors, and inaccuracy of information	37%
4.	Manual sorting and classification of documents	32%
5.	Rekeying information	30%

Source: IDC Document Process Survey, May 2019

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7

7

IDC's Print and Document Management MaturityScape Stage Overview

Optimized

Managed

Repeatable

Opportunistic

Ad Hoc

Fragmented Control

Scattered, siloed initiatives, distributed across procurement, IT, LOB, with no spending baseline.

Business Outcome

Device inefficiencies, wasted consumables, high overhead, reduced productivity

Device-Centric

Spending baseline is established with collaborative initiatives and device monitoring technology.

Business Outcome

Increased visibility and control; baseline established

Document-Centric

Optimized ecosystem considers end-user requirements/workflow as well as device capabilities. Ongoing governance and analysis for continuous improvement.

Business Outcome

Cost savings, sustainability, security goals are met

Holistic Optimization

Initiatives extended throughout enterprise. Cloud-enabled devices and mobile support. May include production print. Conversion of paper to digital.

Business Outcome

Benefits extended throughout the enterprise

Transform Document-Intensive Processes

Reengineering of document-intensive workflows. New technology deployed and tighter integration with enterprise systems.

Business Outcome

Previously unattainable business value realized; contribute to business transformation

Source: IDC MaturityScape: Print and Document Management 2.0, May 2016

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Print and Document Management Distribution Across the Stages

Source: IDC MaturityScape Benchmark: Print and Document Management in the United States, 2017

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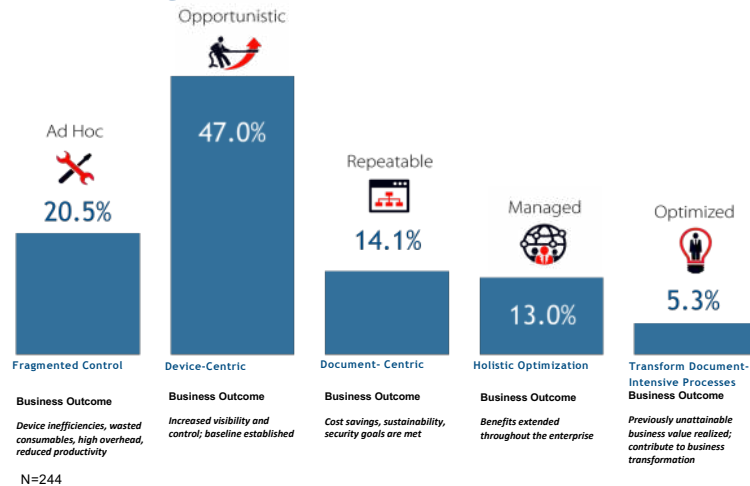
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Larger organizations are more likely to express high confidence levels when it comes to paper-to-digital transformation. This suggests opportunities for helping SMBs migrate to higher levels of print and document maturity.

Q. How confident are you in your organization's ability to manage and integrate paper-based information into digital workflows?

N=300
Base=All Respondents
Notes: Managed by IDC's Quantitative Research Group. ; Scale: 1 - Very confident, 4 - Not at all confident ; Data Not Weighted ; Use caution when interpreting small sample sizes.
Source: US – MPDS Benchmark Survey 2018, IDC, July, 2018

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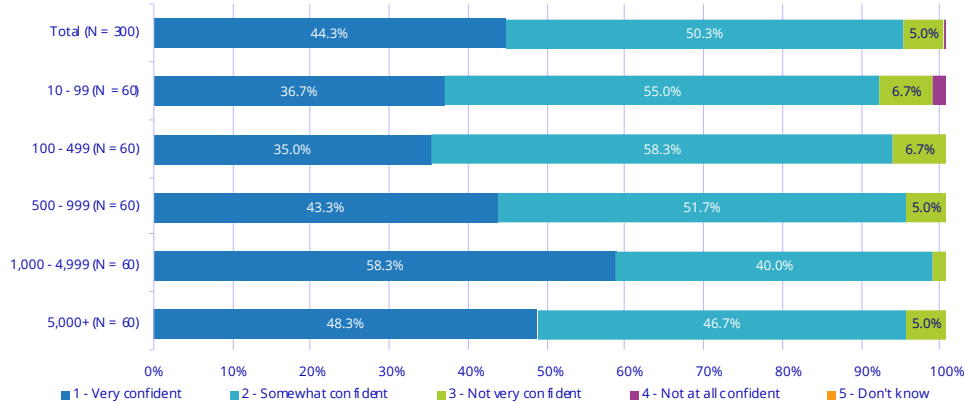
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MPS Is The Enabler: Changing the Conversation

ENTERPRISE
Taking cost out of the system and creating an integrated content strategy
- Consolidating devices
- Eliminating print and printers
- Controlling and reducing color usage
- Reducing or eliminating paper consumption
- Reducing energy footprint
- Transition from paper to digital
- Content management
- Business process improvement
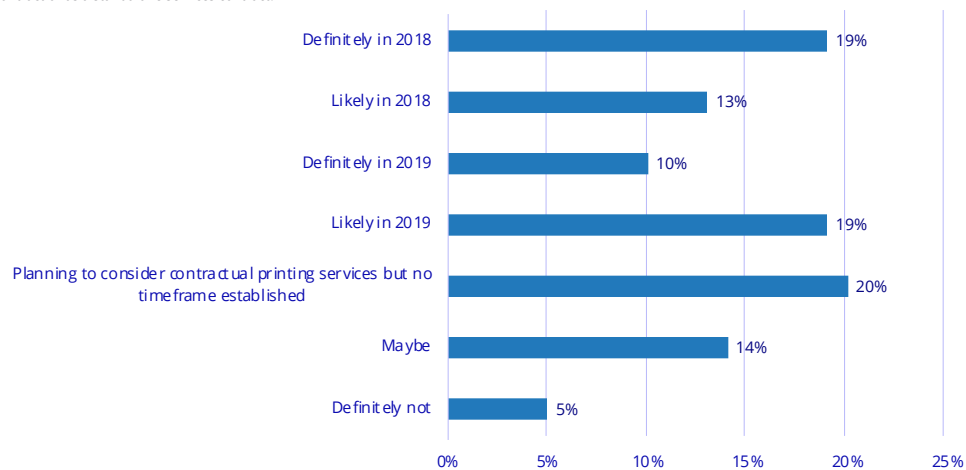
SMB CUSTOMERS
Save time and drive productivity in all areas of the business
- Managing devices
- Simplifying print management
- Make color more affordable and accessible
- Automating processes
- Document/device security
- Reduce the burden on IT staff
- Improvements in workflow
- Consolidating vendors

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11

Almost Half of SMBs (49%) Are Planning to Adopt Contractual Print Services in the Future, with 29% Stating Definite Plans to Transition in the Next 18 Months.

Q22. What is the likelihood that your organization will move to a contractual print service in the next 18 months? This can mean adding it as part of a larger third-party outsourced services contract or as a standalone services contract?

Definitely in 2018	19%
Likely in 2018	13%
Definitely in 2019	10%
Likely in 2019	19%
Planning to consider contractual printing services but no timeframe established	20%
Maybe	14%
Definitely not	5%

N=100
Base=Non MPS Respondents
Notes: Managed by IDC's Quantitative Research Group.; Data Not Weighted; Use caution when interpreting small sample sizes.
Source: NA - Channel MPDS End User Survey 2018, IDC, October, 2018

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12

For SMBs, Perception of Value and Existing Systems for Self-Managing Among Top Reasons for Not Implementing an MPS Program

Q17. You indicated that you do not currently have any contracts for 'Managed Print Services'. Why has your organization chosen not to implement any Managed Print Services contract?

Reason	Percentage
Everything works well, why change it?	28.0%
Have an in-house system	26.0%
Prefer to keep supplies and maintenance/repairs separate	25.0%
Do not see benefit (financial or otherwise)	23.0%
Not a priority relative to other projects	21.0%
Never considered it	19.0%
Lack of Management support	14.0%
Bad prior experience	14.0%
Implementation would take too long	13.0%
Concern that payback would be longer than 12 months	12.0%
Not aware of such services, or nobody has tried to sell them...	9.0%
Lack of flexibility in the MPS contract	9.0%

N=100
Base=Respondents indicated that organization do not currently have any contracts for Managed Print Services
Notes: Managed by IDC's Quantitative Research Group.; Multiple dichotomous table - total will not sum to 100%; Data Not Weighted; Use caution when interpreting small sample sizes.
Source: NA - Channel MPDS End User Survey 2018, IDC, October, 2018
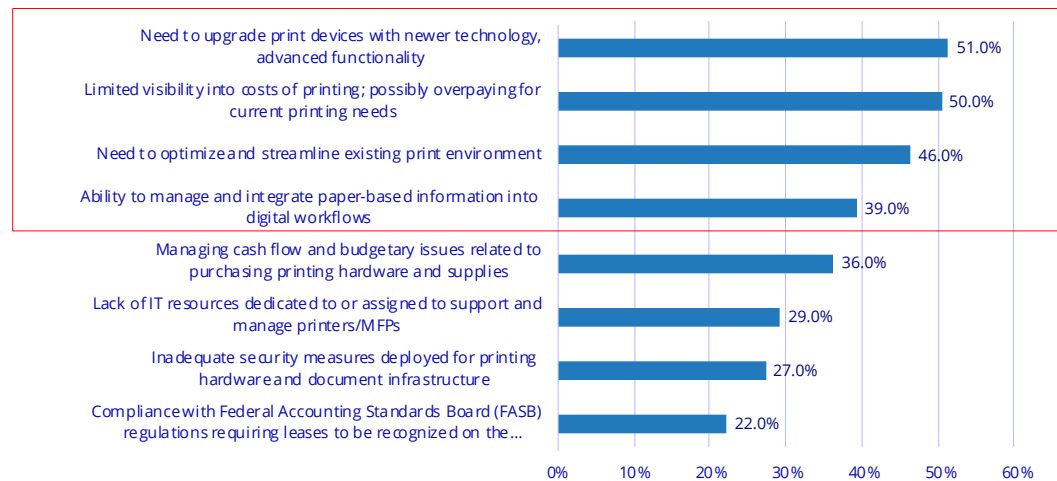
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13

A Move to Contractual Services Would Also Address the Top Print-Related Business Concerns of SMBs. Interesting to Note that Security and Compliance Rank at the Bottom of the List, Which Suggests SMBs Need Further Education on Security Risks Within the Print Infrastructure.

Q21. What would you say are the top 3 business-critical issues your organization faces regarding its current printing infrastructure?

Issue	Percentage
Need to upgrade print devices with newer technology, advanced functionality	51.0%
Limited visibility into costs of printing; possibly overpaying for current printing needs	50.0%
Need to optimize and streamline existing print environment	46.0%
Ability to manage and integrate paper-based information into digital workflows	39.0%
Managing cash flow and budgetary issues related to purchasing printing hardware and supplies	36.0%
Lack of IT resources dedicated to or assigned to support and manage printers/MFPs	29.0%
Inadequate security measures deployed for printing hardware and document infrastructure	27.0%
Compliance with Federal Accounting Standards Board (FASB) regulations requiring leases to be recognized on the...	22.0%

N=100
Base=Non MPS Respondents
Notes: Managed by IDC's Quantitative Research Group.; Multiple dichotomous table - total will not sum to 100%; Data Not Weighted; Use caution when interpreting small sample sizes.
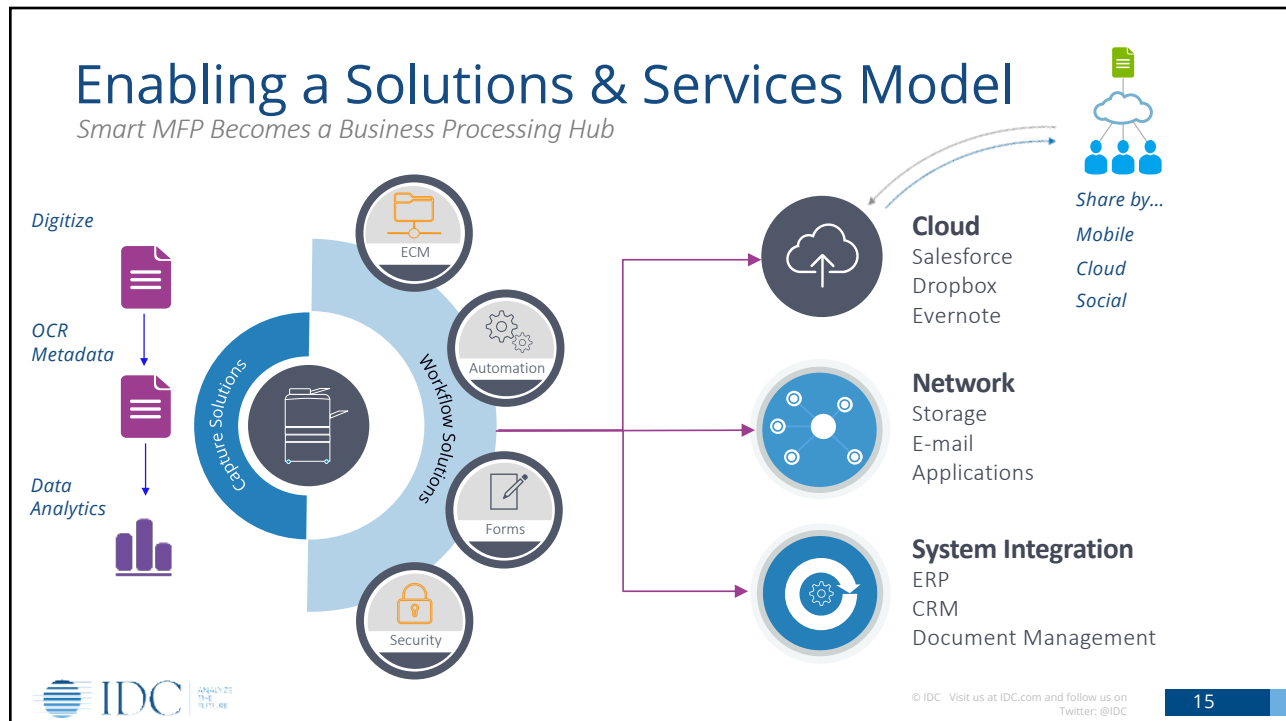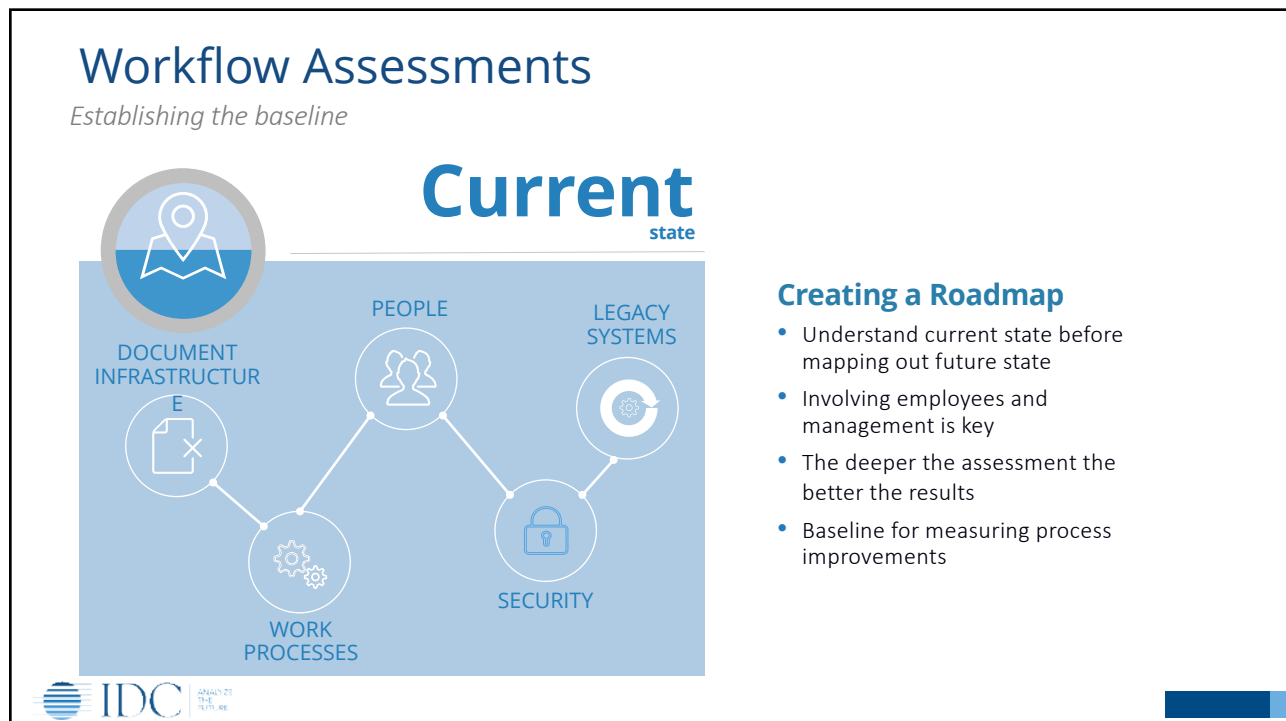Source: NA - Channel MPDS End User Survey 2018, IDC, October, 2018

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14

Enabling a Solutions & Services Model

Smart MFP Becomes a Business Processing Hub

Digitize

OCR Metadata

Data Analytics

Capture Solutions

ECM

Automation

Forms

Security

Workflow Solutions

Cloud
Salesforce
Dropbox
Evernote

Share by...
Mobile
Cloud
Social

Network
Storage
E-mail
Applications

System Integration
ERP
CRM
Document Management

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15

15

Workflow Assessments

Establishing the baseline

Current
state

DOCUMENT INFRASTRUCTURE

PEOPLE

LEGACY SYSTEMS

WORK PROCESSES

SECURITY

Creating a Roadmap

- Understand current state before mapping out future state
- Involving employees and management is key
- The deeper the assessment the better the results
- Baseline for measuring process improvements

16

Process Mapping
Detailed schematic of existing work process

Uncovering Foundational Elements

- ☑ Does the task involve more than one individual or department?
- ☑ What inputs and outputs are required during the overall process?
- ☑ What is the flow of information or documents?
- ☑ Is input required from a third-party or anyone outside the corporate firewall?
- ☑ Are any other processes triggered at any point along the way?
- ☑ What is the final desired outcome of the process?

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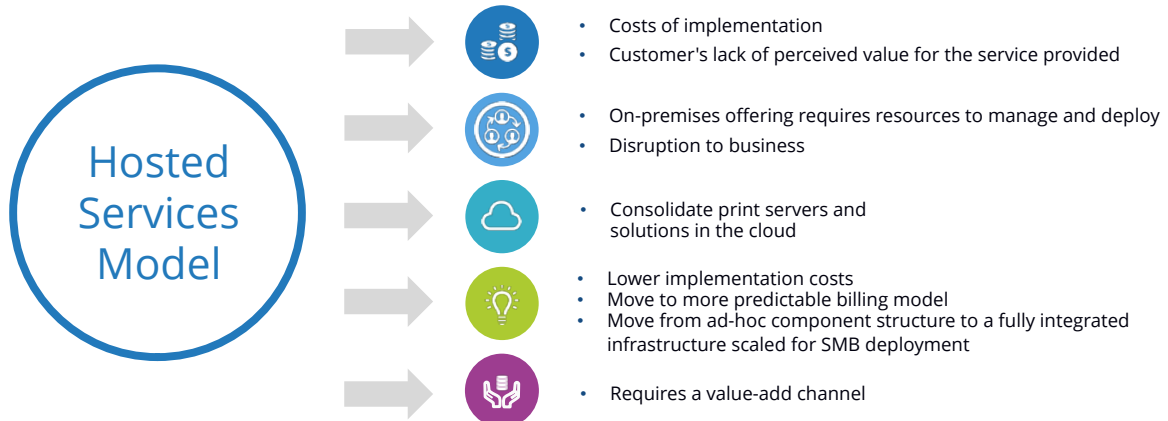
Locating Process Bottlenecks

Process
inefficiencies
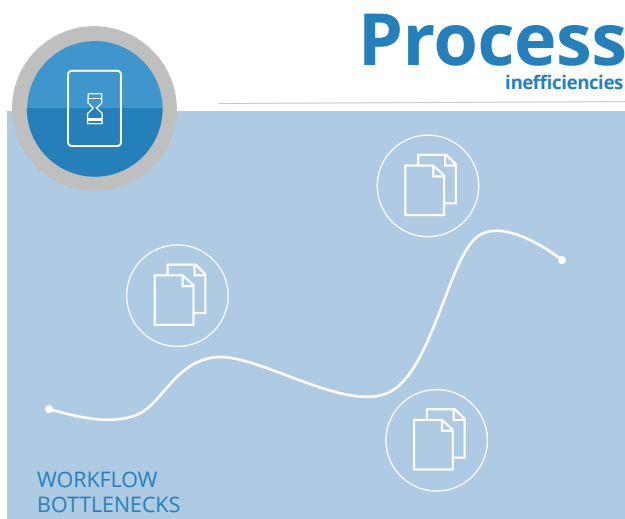
Key Indicators
- Paper-based processes
- Work backlog
- Extended allocation of resources
- Long wait times
- High stress levels

WORKFLOW
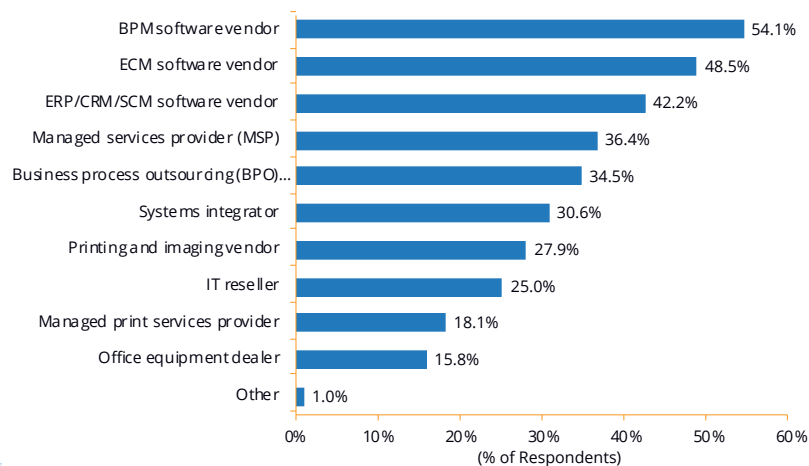BOTTLENECKS

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18

Cloud-Based MPS and Workflow Tools: Addressing Barriers to Adoption in SMB

Hosted Services Model

- Costs of implementation
- Customer's lack of perceived value for the service provided

- On-premises offering requires resources to manage and deploy
- Disruption to business

- Consolidate print servers and solutions in the cloud

- Lower implementation costs
- Move to more predictable billing model
- Move from ad-hoc component structure to a fully integrated infrastructure scaled for SMB deployment

- Requires a value-add channel

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19

Permission to Play?

Which type of provider do you believe is best suited to automate and optimize your company's business document processes?

Provider	%
BPM software vendor	54.1%
ECM software vendor	48.5%
ERP/CRM/SCM software vendor	42.2%
Managed services provider (MSP)	36.4%
Business process outsourcing (BPO)...	34.5%
Systems integrator	30.6%
Printing and imaging vendor	27.9%
IT reseller	25.0%
Managed print services provider	18.1%
Office equipment dealer	15.8%
Other	1.0%

(% of Respondents)

Source: *Business Automation Survey*, IDC, Feb. 2014, N = 998

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20

Developing Workflow Services Roadmap

Implementation

Training

Education

Research & Learn
- Associations can provide guidance
- What are your competitors doing?

Best Practices
- Peer groups and best practices
- Training courses and certification
- Leverage existing partners and OEM e-learning programs

Strategic Planning
- Identify the best implementation model for your workflow practice
- Develop and hire skillsets
- Outsourcing is an option
- Workflow as a Service

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21

For More Information

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22