

# State of Louisiana Commission on Streamlining Government

## Xerox Global Services

November 5<sup>th</sup>, 2009



# Agenda

The State's Call to Action

Xerox Corporation Today

Xerox Capabilities and Solutions

- Constituent Communications
- Business Process Outsourcing
- Enterprise Managed Print Services

Xerox Recommendations to the Streamlining Commission



# Louisiana Government Acts Upon Challenges

## The Issue

- *“The state faces a severe decline in revenues through fiscal year 2012 ... It is essential (to) act now to reduce the cost of state government, through all means available”*



## Key Actions Taken

- Issued eight **Directives** to all Departments, including: “list programs, functions, or activities that can be privatized or outsourced”
- Required all Departments to provide **Top 10 Streamlining Areas & Savings Estimates**
- Continued implementation of LaGov ERP project (*with initial DOTD Pilot*)
- IT focus on consolidation, shared services, budget & cost control, procurement modification

# Xerox Corporation Today



With sales of \$17.6 billion, we are the world's largest technology and services company specializing in document management.

- Fortune 500 ranking: No. 144
- NYSE: XRX
- History: Founded in 1906
- Headquarters: Norwalk, CT
- Employees: over 57,100 worldwide
- Patents: more than 8,400 active
- Awards: National Medal of Technology Award



# Xerox Corporation: What You Would Expect

Office

Production

Color



WorkCentre Pro



Phaser



DocuColor



iGen



Xerox Copy System

Black & White



WorkCentre



CopyCentre



Nuvera



DocuTech

Software



**ContentGuard**  
rights management from XEROX



**XeroxDocuShare**  
Essential Enterprise  
Content Management



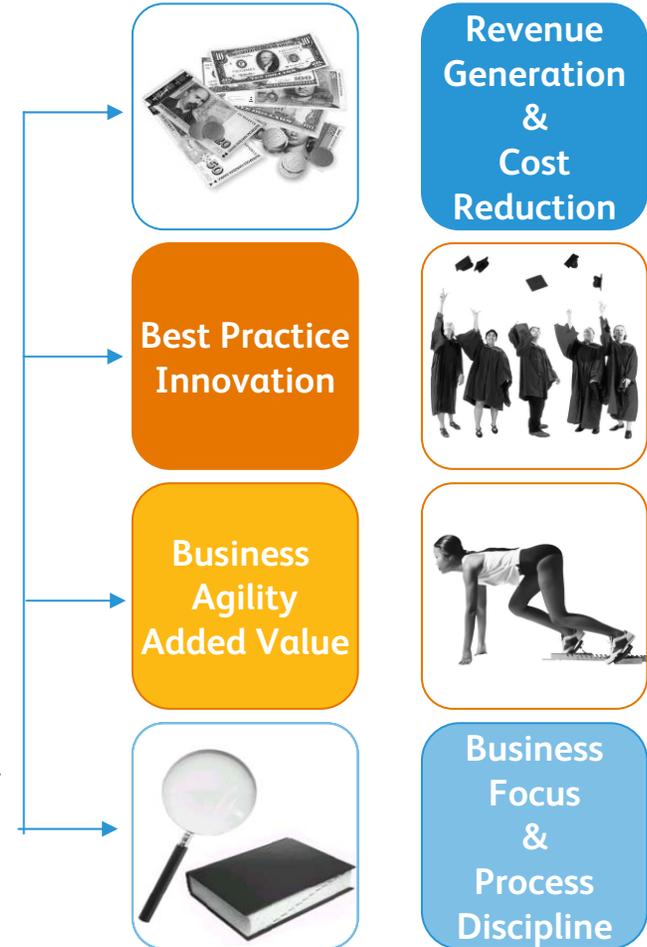
**FreeFlow**

SMARTsend™  
Office Fax Pro  
Scan To PC Desktop

# Xerox Global Services: What You Might Not Expect

Xerox Global Services, a \$4B division of Xerox, offers a broad portfolio of document and process outsourcing services

- Established in 2002 with operations in 160 countries
- Over 14,000 services professionals worldwide
- Specialize in end-to-end management of digital and paper business processes:
  - Document process outsourcing services
  - Delivery services to optimize digitization, creation and print
  - Cross-media communications, platforms and delivery
- Leverage industry, business focus and process expertise to streamline document intensive business processes
- Optimize people, process, Lean Six Sigma methodologies and technology
- Over 100 strategic alliances and partners to extend our value
- Deliver measurable results: 20–40% savings opportunity



# Xerox Global Services: Delivery Excellence

Xerox ranks #1 as “Green” Outsource Provider

Xerox ranks #1 in Document Process Outsourcing

www.TheBlackBookofOutsourcing.com



## Top Green 50 Nominated Outsourcers

The Top Green 50 Sourcing Vendors includes the highest ranking suppliers in all outsourcing domains. Information Technology Outsourcing (ITO), Business Process Outsourcing (BPO), Human Resources Outsourcing/Professional Employer Organizations/Recruitment Process Outsourcing (HRO), Finance and Accounting Outsourcing (FAO), Document Process Outsourcing (DPO), Legal Process Outsourcing (LPO), Facilities Management Outsourcing (FMO), Knowledge Process Outsourcing (KPO), Engineering Services Outsourcing (ESO). A vendor is required ten unique client votes validated for ranking but may nominate more than one in each domain.

Rank	Outsourcer	Nominated Outsourcing Domains	Total Client Nominations
1	Xerox	DPO/BPO	440
2	Accenture	ITO/HRO/BPO/FAO	429
3	CSC	ITO/FAO/BPO	403
4	Capgemini	ITO/BPO/FAO	396
5	IBM Global	ITO/BPO/FAO/HRO	390
6	Oracle	ITO	381
7	HCL	ITO/BPO	362
8	Patni	ITO/BPO	315
9	WNS Global	BPO/KPO	260
10	Hewlett Packard/EDS	ITO/BPO/FAO	259



## TOP TWENTY DOCUMENT PROCESS OUTSOURCING VENDORS

2009 Rank	DPO VENDORS
1	Xerox Global Services
2	Oce Business Services
3	Williams Lea
4	RR Donnelley
5	Integreon
6	HOV Services
7	TPF Group
8	Innodata Isogen
9	Merrill Corporation
10	Iron Mountain
11	Hewlett Packard

Source: Brown-Wilson Group, 2009

# Xerox Capabilities and Solutions

Constituent Communications

Business Process Outsourcing

Enterprise Managed Print Services

# How We Do It: Improve Your Constituent Communications

## Make every Constituent touch point count

### State Services

Provide agencies and constituents with personalized materials



### Tourism and Development

Increase response rates while reducing cost per response



### Constituent On-Boarding and Servicing

Optimize new case opening processes and create customized on-boarding materials



### TransPromo

Increase cross-sell with targeted promotional messaging



- Develop a personal relationship with every constituent and improve constituent satisfaction
- Improve loyalty and repeat business
- Reduce time to market for time-sensitive communications and critical campaigns
- Increase transparency and each dollar spent of constituent tax dollars

# Case Example: State Of Texas Department of Information Resources



## US State Agency Serving Population of Over 20M Constituents

### Client Challenges

- 15 independent agencies, printing 19M impressions per month
- Legacy applications in 31 data centers
- Disparate print platforms (IBM, Xerox, Unisys) across multiple locations
- Manual production & Quality Control process
- Cost to scale to meet agency demands expensive
- Technology obsolescence in print streams that were not able to run on new equipment.

### Xerox Solution

- Consolidated the work of 8 of the largest agencies into one production center.
- Transactional print and mail for Health and Human Services, Workforce Commission, Criminal Justice, Transportation and 21 agencies in total.
- Integrated multiple print platforms
- Transformed legacy mainframe output to more portable postscript and PDF formats.
- Secure processes for handling of constituent data

### Measurable Results

- Cost Certainty – simple unit cost impression
- Scalability - people and equipment when volumes increase or decrease
- Helps achieve House Bill 1516 goal of more robust & secure statewide infrastructure
- Enhanced security & disaster recovery plans
- Improved & automated Quality Control process
- Guaranteed Service Level Agreements
- Continuous improvement of service levels, standardized governance process

# Case Example: State Transportation Department



## State Toll Road Authority for Department of Transportation

### Client Challenges

- Poor service & performance from non-Xerox print and mail provider
- Electronic document assembly not automated resulting in delivery delays & errors
- Customer call center volume was growing due to confusing invoices & violation notices
- Client was missing legal notifications

### Xerox Solution

- Take the raw data from disparate sources and compose into constituent correspondence
- Transition print to XGS Dallas Innovation Center
- Redesign toll tag invoices, toll way violation & client communication notices to enable electronic document assembly with variable data

### Measurable Results

- Improved Time to Revenue through clear, more direct and easily understood correspondence.
- Immediate improvement in # of mailing errors.
- Cost Savings as Call Center volume reduced
- Receive weekly mailing reports showing reliable tracking for legal purposes
- Fewer IT resources required
- Met the service levels of the transportation department.

# How We Do It: Streamline Your Back-Office Processes

Streamline processes and improve information flow

## Finance and Administration

Manage financial processes more profitably



## Human Resources

Reduce the cost of managing documents throughout the employee lifecycle



## Document Processing

Seamlessly integrate electronic and hard copy information to automate workflow



## Document Supply Chain

Lower costs with tailored print management solutions



- Improve access to information throughout the enterprise
- Reduce manual intervention, redundant tasks, costs and errors
- Achieve consistent quality and sustainable savings on print costs
- Improve AP/AR process efficiency, obtain discounts for early payments and detect problems quicker
- Streamline hiring practices, employee on-boarding and ongoing communications

# Client Example: International Hospitality Company



## Global Lodging Company

### Customer Challenges

- \$35 million corporate-wide upgrade project to PeopleSoft in 2004
- Insufficient capacity and capability to support a global, unified accounting system
- Multiple accounts payable scanning and image storage solutions
- Disputes resolved in 10-15 days

### Xerox Solution

- Digitize 12+ million images per year from invoices and vendor documents globally, and make accessible through hosted repository via PeopleSoft or directly
- Automated bi-directional data updates with client for data validations and indexing
- Services delivered to strict service level agreements and key performance indicators
- Client-focused Implementation, Delivery, Production, and Client Account Mgmt teams
- Expansion to Claims, Risk Management, Payroll Tax, Garnishments and Architecture & Construction

### Measurable Results

- Disputes resolved within 72 hours
- Operational cost optimization
- Consistent, standardized document processing services on a global basis
- Increased customer satisfaction
- Delivering continual process automation
- Contract extension through 2015 (signed 11/08)

# Corrections to Career Services

Preparing select inmates for success...

Teaching disciplines of digital print craftsmen

**PEOPLE:** Document Advisor



**CURRICULUM:** Course Guides with Industry Certifications

Competencies	Learning Plans	Performance Assessment	Learning Activities	Industry Knowledge
<ul style="list-style-type: none"> <li>Outlining Workflows</li> <li>• Prepare Equipment</li> <li>• Web Services</li> <li>• Make Ready</li> <li>• RIP &amp; Print Engines</li> <li>• Finishing</li> <li>• Variable Data</li> <li>• Troubleshooting</li> </ul>	<ul style="list-style-type: none"> <li>Introduction to Workflows</li> <li>• Preparation Procedures</li> <li>• Production Procedures</li> <li>• Variable Print Workflows</li> <li>• Troubleshooting Workflows</li> </ul>	<ul style="list-style-type: none"> <li>Components of RIP &amp; Print Engines</li> <li>• Preparation</li> <li>• Production</li> <li>• Operations and Troubleshooting</li> </ul>	<ul style="list-style-type: none"> <li>Individual and group classroom activities and hands-on lab exercises to reinforce student success</li> </ul>	<ul style="list-style-type: none"> <li>Current and relevant terminology, processes and industry specific information</li> </ul>

**TECHNOLOGY:** Digital Tools



**PROCESS:** Learning the trade—real experiences



# How We Do It: Defining Managed Print Services



- Leverage the expertise to deliver sustainable cost savings and operational efficiencies that add value year-over-year to your business
- Reduce your financial commitment to investing in technology
- Engage a Partner who can deliver innovative solutions to improve business processes

# Optimizing the Output Infrastructure

## What are the Potential Savings for the State?

### **26M impressions per month**

- 24M B&W impressions
- 2M Color impressions

### **313M Impressions per year**

### **\$18M spent on output each year**

### **Typical savings range from 10 – 30+%**

- 10% savings = \$1.8M annually
- 20% savings = \$3.6M annually
- 30% savings = \$5.4M annually

#### **State of Louisiana – Using Xerox Managed Print Assessment data**

- 51,099 total employees (assumed), 60% knowledge workers = 30,659 knowledge workers that use documents extensively
- Mixture of geographies -- Metropolitan areas with large offices, multiple locations, Rural areas with small offices, limited locations

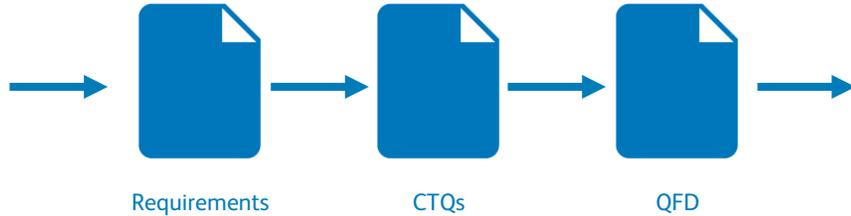
# How We Do It: Office/Centralized Print — Right Sizing the Output Infrastructure

Lean Six Sigma  
Process Based  
Methodology

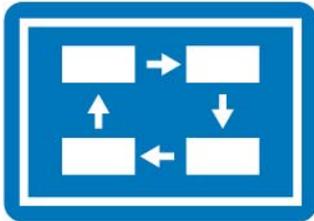
## Voice of the Customer



Determine End User Requirements



## Voice of the Process



Flowchart Support Processes



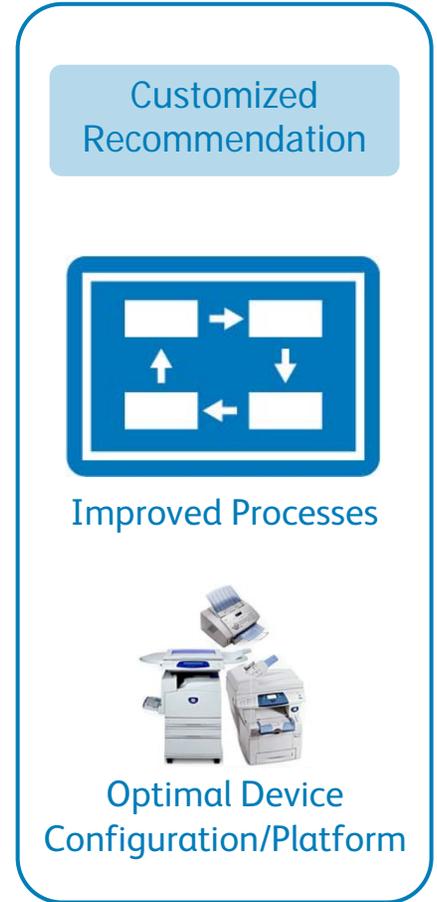
## Voice of the Environment



Collect Equipment Data

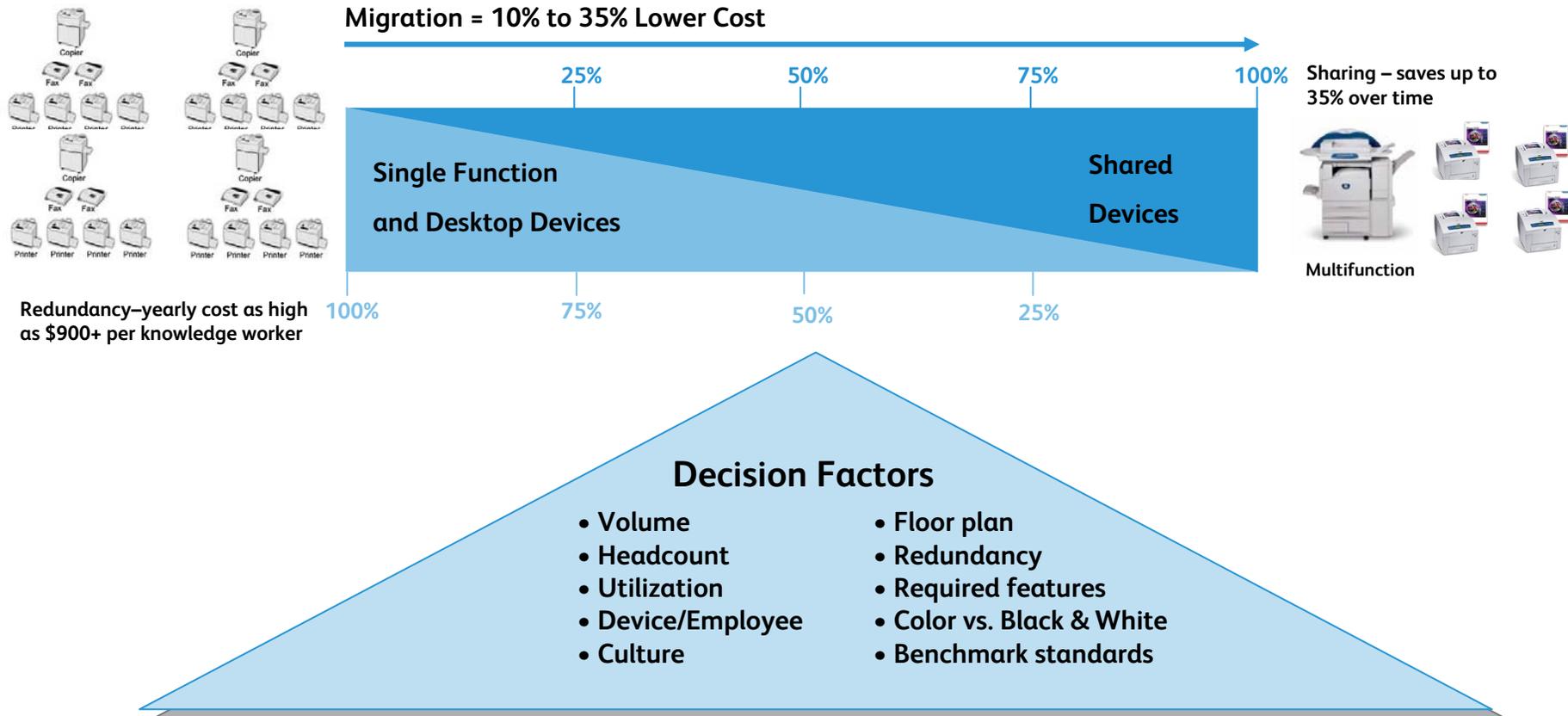


Core Metrics



# Cost Savings and Improved Efficiency

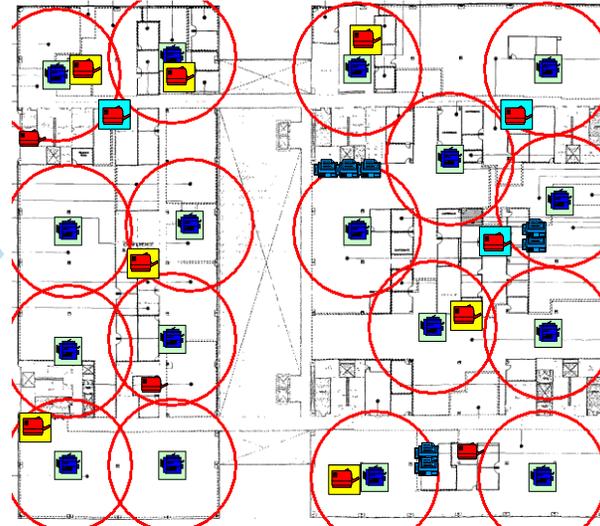
## Optimizing Office Document Output



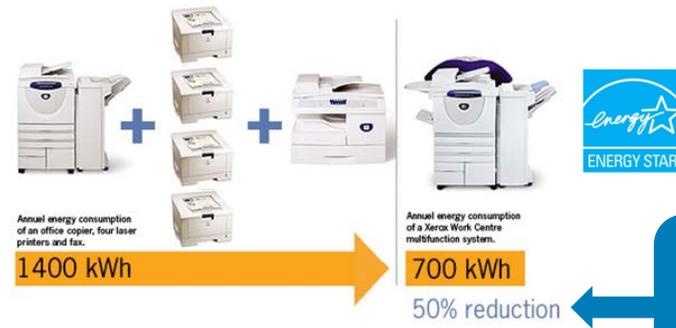
# Sustainability: Optimization — Floor Mapping Example

## Current State

## Desired State



- Overabundant/underutilized assets
- Energy inefficiency
- Wasted manufacturing and materials
- Inefficient maintenance



Improves device utilization!

**Before: User to Device Ratio: 2.2**

**After: User to Device Ratio: 8.5**

# How We Do It: Enterprise Print Services — Formula for Success

## Five Key Building Blocks

- Right-sizing the output infrastructure
  - Driving utilization and productivity up; driving cost down
- Compliance to regulatory standards and information security
  - The threats are real and the stakes are high
- Proactive Support
  - More uptime, less stress
- Continuous Improvement
  - It keeps getting better
- Business Process Integration
  - Enables new and better ways of working

+

## Three Fundamental Principles

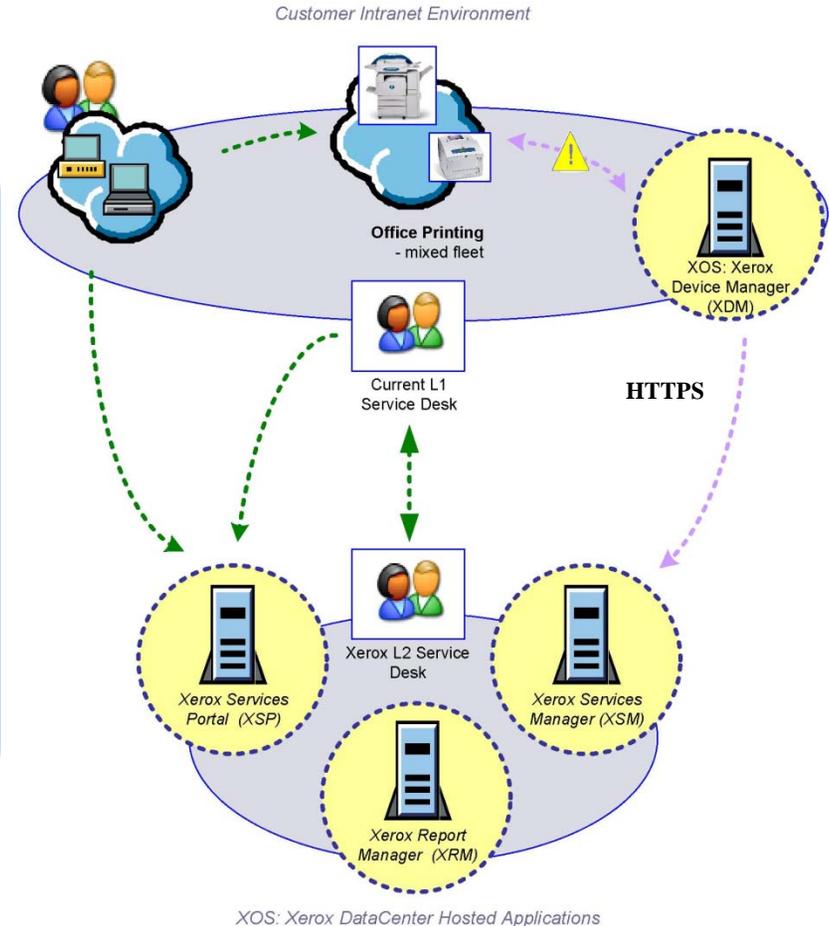
- Change Management
  - Thorough planning and flawless execution to overcome the resistance to change
- Enterprise Scope
  - Ability to service the needs of the business wherever it operates
- Sustainability
  - Ensure the long-term viability of the business from a human, natural and economic resource standpoint

**= A renewable source of cost savings and improved efficiency**

# Xerox Tools for Managed Print Services

## Xerox Tools for Managed Print focuses on Delivering to the Full Value Continuum

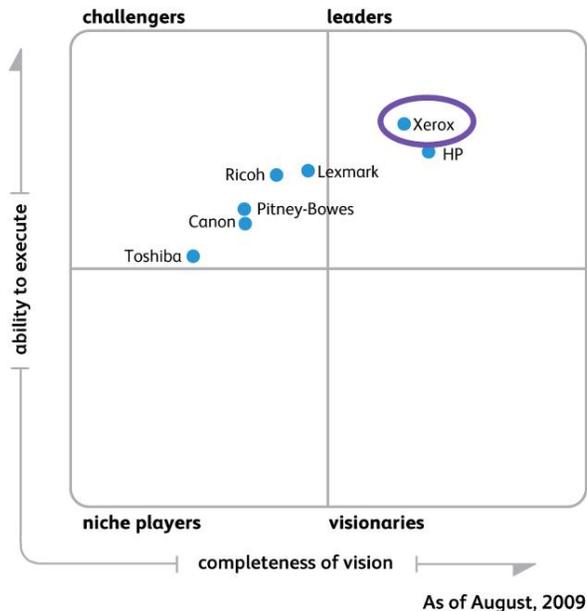
- ✓ **Xerox Device Manager:** Discover, monitor, and manage your network output devices. Collects usage information on a scheduled basis and enables Enterprise Job Tracking.
- ✓ **Xerox Services Manager :** Consolidated asset database for all financial information, device usage, supplies inventory management, cost tracking and reporting
- ✓ **Xerox Reporting Manager:** Data warehouse where customer and Xerox account operations can slice, dice and drill down to ensure services metrics are achieved
- ✓ **Xerox Services Portal:** Where the customer meets Xerox Office Services—an online resource for information, user feedback and to find printers and easily install print drivers
- ✓ **Help Desk:** End-to-end incident management system provides service level management and reporting



Xerox Hosted Site – Secure Channel to Webster, NY; ISO 27001 certification

# Xerox Positioned in the “Leaders” Quadrant in the Magic Quadrant for Managed Print Services Worldwide

Magic Quadrant for Managed Print Services Worldwide



- Worldwide expertise in consistently delivering customer value and environmentally friendly services

- Expanded offering capabilities makes Xerox a viable solution for all customers – small, medium, large and global

- Leads the market in innovative services that deliver sustainable savings and increased customer value

*The Magic Quadrants are copyrighted 2009 by Gartner, Inc. and are reused with permission. The Magic Quadrant is a graphical representation of a marketplace at and for a specific time period. It depicts Gartner's analysis of how certain vendors measure against criteria for that marketplace, as defined by Gartner. Gartner does not endorse any vendor, product or service depicted in the Magic Quadrant, and does not advise technology users to select only those vendors placed in the "Leaders" quadrant. The Magic Quadrant is intended solely as a research tool, and is not meant to be a specific guide to action. Gartner disclaims all warranties, express or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose. The Magic Quadrant graphic was published by Gartner, Inc. as part of a larger research note and should be evaluated in the context of the entire report. The Gartner report is available upon request from Xerox..*



# Case Example: State Health & Human Services



## Large State Health & Human Services Department

48,000 employees in 600 offices

### Client Challenges

- Create an integrated agency system focused on results & accountability
- Require “low-profile” partnership due to recent public outsourcing concerns
- Manage on-going document spend
- Improve document management services while decreasing overall costs
- Improve turnaround times

### Xerox Solution

- Xerox assessments conducted at all sites
- Xerox Sustainability Calculator
- XGS Office Services Tool Suite
- 2620 fully-connected Xerox Work Centres-600 offices
- 35 On-Site Account Associates
- Earned the first pass at future document management opportunities

### Measurable Results

- Reduced document output operating expenses by 26 %
- Consolidated 100+ redundant copier, printer, fax contracts
- Improved client’s ability to focus on more complex IT issues by fielding calls to XGS help desk
- Improved turnaround times
- Successfully migrated 81M+ prints & 2.5M+ faxes to MFDs by using XOS reporting manager software

# Case Example: University Medical Center



**Renowned US academic medical center**  
**Approx. 45,000 employees,**  
**19 hospitals & patient care sites**

## Client Challenges

- Massive volumes of clinical and administrative documents
  - Inconsistent work processes
- Multiple hospitals and patient care sites
  - Older equipment
  - Lack of controls and standards on office devices
- HIPAA security and compliance issues

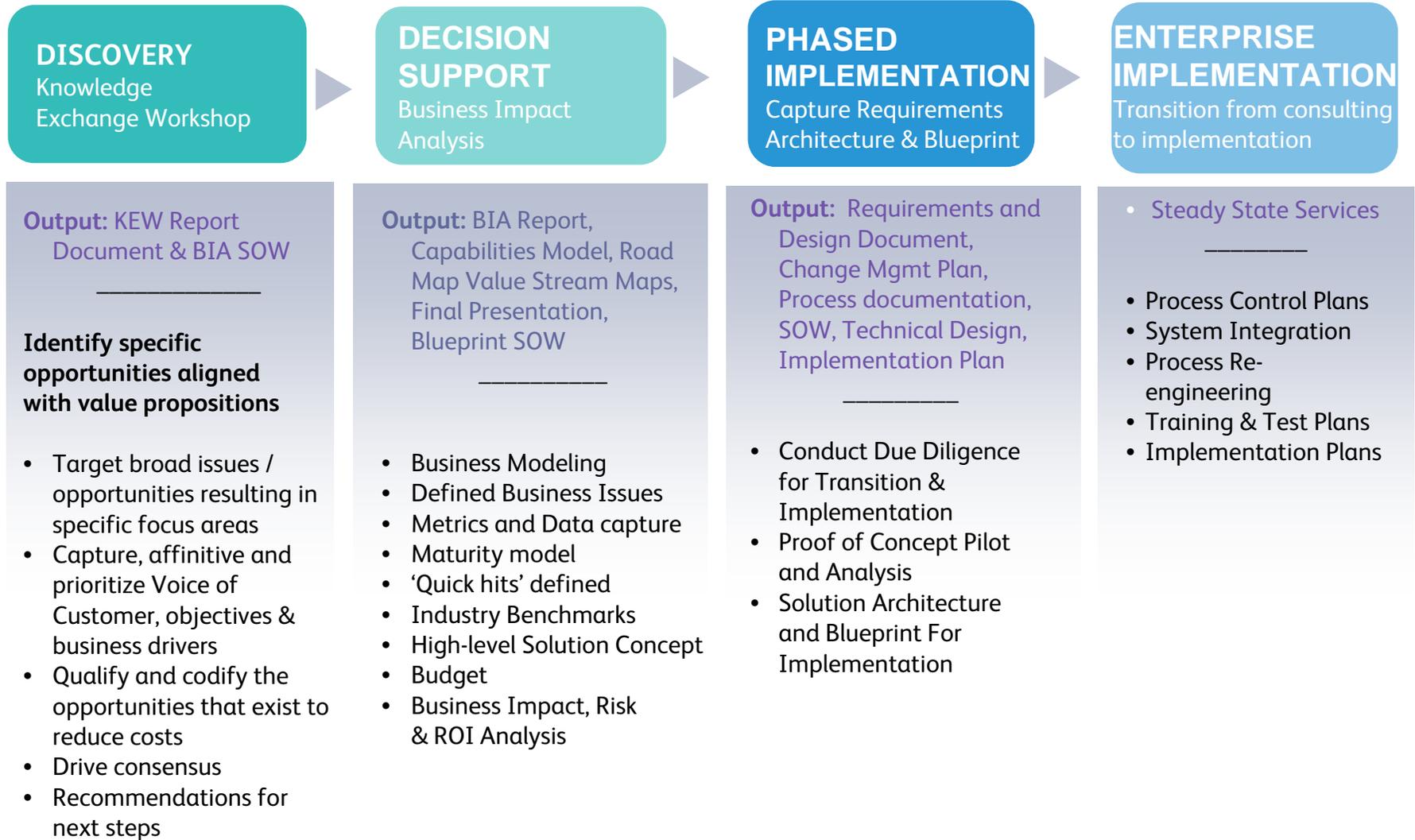
## Xerox Solution

- Xerox Office Services
  - Optimized office devices from 13,000 to approx. 3,000
  - Upgraded technology and services—subtracted devices and added productivity & efficiency
- Document Production and Publishing Services
  - High-volume digital equipment—high-quality, B&W, color
  - Print-on-demand—reducing inventory obsolescence
- Document Advisor Services
  - Managing production & printing of patient educational materials, forms & marketing collateral

## Measurable Results

- Reducing production printing costs
- Dramatic cost savings through standardized MFDs with more efficient features and functionality
- Patient data protected via electronic “shredding” by Xerox multifunction devices (MFDs)
- Improved patient communications—more accurate, timely and secure

# The Roadmap: Outsourcing Consulting Methodology



# Recommendations

Adopt the following for acceptance by the Streamlining Commission:

- ❑ Constituent Communications – Discuss the opportunity to outsource print and mail infrastructure across all agencies for cost certainty, security and scalability
- ❑ Business Process Outsourcing – Outsource imaging and content management services for ERP integration
- ❑ Managed Print Services - Optimize output infrastructure statewide to achieve cost savings
- ❑ Enable contracting methodology for value added **services** that transform the way employees work and improve constituent services
- ❑ Will require Executive Order or Legislation
- ❑ Target key agencies to conduct discovery

## In Closing

Xerox **understands** your call to action. We have **proven experience** in helping state & local government agencies transform critical business processes.

Xerox has identified several areas where our **core competencies** can provide an **immediate impact** to **accelerate your streamlining initiatives** and **realize optimal savings**.

We are poised to help the State of Louisiana **succeed**.



# Thank You

