The Document Outsourcing Evolution - A Vertical Market Analysis

The dynamics of the document outsourcing market are changing dramatically. Service providers are disrupting longtime business models by blending environments and expanding offerings. They are becoming savvier business partners capable of delivering a broad range of services beyond print.

The missing ingredient that outsourcing providers desperately seek is an in-depth view of how clients are responding to these changes. This multi-client study will assess the effectiveness of the outsourcing market changes by probing decision makers within major vertical industries.

This study will:

- Investigate and quantify the vertical markets and corporate functions that are outsourcing document services.

- Gain an understanding of consumer behavior and preferences, identifying requirements, expectations, outsourcing trends, and purchase plans for outsourcing.

- Identify whom clients buy from (by vertical and business function) and the criteria used for selecting these providers.
Prospectus

Who Should Subscribe?
Senior Executives, Services Planners, and Marketing Executives at:
- Equipment Manufacturers who serve the printing industry and maintain robust service organizations
- Facilities Management companies
- Quick Printers/Franchises
- Office Supplies Superstores
- Commercial Printers / Specialty Printers
- Statement Printers
- Document Services providers
- Print Brokers
- Data Service Bureaus
- Document Process Outsourcing (DPO) providers

Corporate Executives, Document Owners, and Print Buyers who are:
- Seeking information on the opportunities presented from outsourcing critical documents and document-intensive workflows
- Looking to understand what peers are doing within the industry

Introduction

Across the document outsourcing market, seismic changes are occurring in the way that service providers go to market. Many providers have evolved from being viewed simply as “vendors” or “print providers” into savvier, business-process-focused partners capable of delivering a broad range of services beyond print. They have cultivated a comprehensive knowledge of their customers’ business challenges and understand how to leverage that knowledge to enable greater ROI for their customers.

Core to this understanding is vertical market expertise, with specific focus on the clients’ documents and document-intensive workflows. Industry expertise forms the foundation for outsourcing providers to move up the evolving document services spectrum – from the highly competitive (and commoditized) “spec and bid” provider to one that delivers value-added services and document process outsourcing capabilities.

For service providers, the key message from the marketplace is “integrate!”—but the challenge is how to implement it. Service providers must offer value-added services and best-of-breed solutions that seamlessly integrate with the customer’s business. The challenge is determining what services are required within each industry and how these services should be structured.

From the clients’ perspective, the challenges are equally complex. Organizations are increasingly looking at document outsourcing as a strategic opportunity to reduce costs and become more efficient. The savings and efficiencies delivered through traditional document services, however, are no longer sufficient. Clients find they lack the fundamental knowledge and insight required to make informed decisions about what to outsource, how to outsource, what providers they should consider, and how to make informed decisions.

The Document Outsourcing Evolution - A Vertical Market Analysis looks beyond market size and growth potential to understand the “who, what, when, how, and why” of the Document Outsourcing business within the major vertical industries. This study will survey corporate executives, outsourcing decision makers, document owners, and print buyers across multiple vertical industries in North America to create a detailed profile of document outsourcing within in each market.
Project Objectives

This study will profile the document outsourcing requirements and trends within the specific vertical industries. The results of this effort will answer planning and positioning questions required by document outsourcing providers and corporate clients alike. The objectives of this study are the following:

**Investigate and quantify the vertical markets and corporate functions that are outsourcing document services.**

**Vertical industries that will be covered include:**

- Financial Services
- Insurance
- Healthcare
- Manufacturing
- Retail/Wholesale
- Telecom and Utilities
- Legal

**Gain an understanding of consumer behavior and preferences, identifying requirements, expectations, and purchase plans for outsourcing.**

- What industries are most likely to outsource?
- What functional departments within corporations are outsourcing?
- What are the key document applications and processes being outsourced today? What will they not outsource?
- What are primary selection criteria for outsourcing service providers? What specific domain expertise is valued?
- Who are the corporate and functional decision makers?
- What size of organization (revenue) is most likely to outsource?
- How are contracts being structured today? What levels of shared risks are included?
- What is the typical annual value of a document outsourcing contract?
- What are the top reasons for outsourcing? What are the reasons for not renewing a contract or relationship?
- What are some of the major successes within each industry?
- What technologies and tools do clients view as critical to measure, monitor, and manage outsourcing performance?
- How much are companies planning on spending on document outsourcing? In what areas?
Identify whom clients buy from (by vertical and business function) and the criteria used for selecting these providers.

- Who are companies buying document outsourcing services from today?
- What selection criteria are most important within each vertical industry?
- Do clients prefer companies that specialize or have a broad range of services?
- How important are global capabilities in the decision making process?
- What benefits of outsourcing are being realized by clients in specific markets?

**Market Research**

**Web-based Surveys**

InfoTrends will conduct Web-based surveys of executives and decision makers within the major vertical industries to assess strategic direction for these operations relative to document outsourcing. Attitudes towards outsourcing, required provider capabilities, and planned investments will be covered in detail, as will strategies, purchasing trends, and perceptions on unmet market needs.

Corporate Decision Makers and Document Owners to be surveyed:

- Vice President/Director of Administrative Services
- Functional Owners of transactional documents, statement printing, and other key documents often managed by outsourcing providers
- Marketing Executives

**Personal Interviews with Leading End-Users**

An essential element of the project will be extensive primary research to address issues that previous industry analysis has not covered. The primary research will include a series of in-depth personal interviews with medium-sized and large companies that outsource document services. These discussions will cover current and future plans, key trends, and planned spending for document outsourcing. Of particular focus will be discussing who companies are buying from and why, as well as the outsourcing benefits being realized by clients in specific vertical industries.

**Desk Research**

Info Trends will also thoroughly examine existing market information, utilizing a variety of sources that include:

- Periodicals and trade articles
- Web sites
- White papers
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- Published industry reports
- Industry databases
- Vendor white papers
- U.S. Industrial Census data

InfoTrends will also review research it has previously published as part of its Continuous Consulting Services and Multi Client Studies. Relevant research reports include:

- Transpromo Multi-Client: Trans Meets Promo... Is It More Than Market Hype?
- The Future of Mail and Transaction Documents
- Document & Content Solutions: The Professional Services Opportunity
- The New Corporate Print Customer: A Profile of a Market in Transition
- The Evolving U.S. Digital Color on Demand Printing Opportunity

Analysis & Project Deliverables

InfoTrends will conduct extensive analysis of the desk research, personal interviews, and surveys to develop a comprehensive understanding of the opportunities and issues for document outsourcing providers and corporate executives/decision makers.

The specific deliverables from this project will include:

- An Executive Summary PowerPoint presentation that addresses key issues, findings, and overall recommendations.
- A detailed written report with text, charts, and graphs addressing the objectives of the study – with the discussions and interpretations defined above.
- Tabulated data with information representing the full set of data responses to the e-mail/Web surveys.

Document Outsourcing providers will receive:

- An understanding of where the best prospects and opportunities lie, including where decisions are being made and the criteria being used.
- Market segmentation and opportunities for outsourcing providers (by vertical industry and service category).
- A discussion of the key elements of a business plan for providers considering entry, or expansion of services within the document services spectrum. The services required today to successfully satisfy requirements within each industry will be a particular focus.
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Corporate Executives and Decision Makers will receive:

• Profiles of key providers and services relevant to the document outsourcing needs they have
• An understanding of the challenges and solutions being employed within each vertical market. Particular focus will be on the benefits and ROI being realized from outsourcing.
• A discussion of the key criteria for selecting the right service provider.

Project Schedule

InfoTrends intends to begin this project in September 2008. Based on the following schedule, the project will be completed with materials distributed by February 2009. Throughout this project, InfoTrends will issue regular updates on its status. Early study sponsors will have input into the development of the interview guides and will help shape the overall study.

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<thead>
<tr>
<th>Milestone</th>
<th>Timeline</th>
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<tr>
<td>Sponsor and early subscriber sign-up begins</td>
<td>September</td>
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<tr>
<td>Desk research and development of survey guides</td>
<td>September</td>
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<tr>
<td>Sponsor interviews and survey input</td>
<td>Late September/Early October</td>
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<tr>
<td>Field survey</td>
<td>October</td>
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<tr>
<td>In-depth interviews</td>
<td>October/Early November</td>
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<td>Data tabulation and data analysis work</td>
<td>November/December</td>
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<tr>
<td>Report development</td>
<td>December/Early January</td>
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<tr>
<td>Report delivery</td>
<td>February 2009</td>
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Timely Delivery

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

Terms

One half of fee upon initiation and one half upon report delivery.
Authorization Form

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