Vendor Snapshot 2015: HP on Managed Workflow Services

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IN THIS FLASH

This IDC Flash provides a summary of HP's recent briefing with IDC on current market trends impacting the managed workflow services (MWS) market and HP's strategy to capitalize on those trends. This document provides a snapshot of how HP is positioning itself for continued growth in the MWS market globally.

SITUATION OVERVIEW

Offering Strategy

HP's key theme associated with the company's managed workflow services offering strategy revolves around the changing expectations of users in a shifting IT world. The rise of 3rd Platform technologies (cloud, mobile, big data, and social) has changed user requirements with regard to the functionality of IT, which center on omnidevice security, many-to-many communication, mobile and remote management of documents and information, and collaboration. One of the main implications of these new requirements for HP is to provide infrastructure, services, and solutions that drive the evolution from the management of print and content to the management of workflows and business collaboration. HP's intent is to support the company's clients in the transition from managing hardware systems and infrastructure to managing workflows and holistic business processes in an integrated effort, with a strict focus on the interaction of the user, the system, and the client's business.

HP's offerings are founded on three layers – hardware, software, and services. With increasing document complexity (i.e., increasing security requirements, and mobility), HP continuously invests in IP for all layers, including a focus on integration across the software layers and with hardware.

HP recently introduced a new brand, HP JetAdvantage, to exploit the full functionality of devices and bridge devices to workflows. The JetAdvantage portfolio consists of HP-provided as well as partner-enabled solutions from four key categories focusing on management (including cloud capabilities), security, mobility, and workflow:

- **Management solutions:** HP Web Jetadmin, HP Universal Print Driver, and HP JetAdvantage Security Manager
- **Security Advantage:** HP Access Control, HP Printing Security Advisory Services, Nuance SafeCom and Equitrac, and TROY
- **Mobile solutions:** HP ePrint Enterprise, touch-to-print and touch-to-authenticate via NFC, Wi-Fi Direct, and Google Cloud Print 2.0
- **Workflow Advantage:** HP Embedded Capture, HP Digital Sending Software, HP Capture and Route, Hyland, HP Software (including HP IDOL, HP ControlPoint, HP Process Automation,

HP TeleForm, and HP Marketing Optimization) and software from a number of partners participating in the JetAdvantage Solutions Partner program

Overall, these solutions are intended to help clients manage costs, achieve compliance, improve productivity, and optimize business processes. HP's future offerings will continue to expand these solutions to a cloud offering in order to be able to bring workflow services to the SMB sector.

HP further elaborated on the portfolio of solutions developed by HP Software. (HP Inc. will maintain a partnership with HP Enterprise after HP splits into the two companies; that offers HP Inc. full access to these tools.) The HP Document Management Solutions suite was redesigned to integrate a set of solutions for capture and digitization, automation of processes, management of digital assets, and Web-based presentment into one workflow system with a single interface for any functional department, with universal access from any device or platform, and with universal content integration and enterprise search.

HP continues to invest in its delivery infrastructure, support services, and field deployment tools. The HP Smart Decision Suite is increasingly cloud based. Further, during the briefing, HP exemplified its Value Management Office (VMO) program, which combines people, processes, and technology to help clients "anticipate, track, and optimize the business impact of managed print services" (MPS) and thereby identify the business outcomes and resulting implications to achieve the next level of improvements – whether in security, mobile printing, or basic or full workflow deployments. Moreover, HP has specially trained consultants for its Security Advisory Services and Workflow Advisory Service, which help clients in assessing their requirements in security and workflow management, respectively.

HP believes that its competitive advantage stems from the largest installed base of devices, the most used management platform, security solutions, and the most versatile mobile print portfolio and industry-leading amount of qualifications and strategic partnerships. The company's target vertical industries include financial services and insurance, healthcare, manufacturing and distribution, communications/media and entertainment, and public sector.

Go-to-Market Strategy

HP uses both its direct and its indirect channels to sell and deliver its services. For its enterprise clients, HP strives to increase win rates with its enhanced solutions portfolio and expand share into existing accounts –via both its direct sales force and consultants and an expanded partner network (i.e., via partner managed print services programs). The company further focuses to expand both direct and partner coverage of public sector clients and increase its client base with cost and portfolio enhancements. For the SMB sector, HP's key route to market is through the channel, in which HP is investing heavily with infrastructure and programs.

HP also has a defined approach for working with systems integrator partners to serve systems integrator clients and to be able to work with any partner to provide the right solution to the client. As noted previously, HP Enterprise will function as a "platinum partner" to HP Inc., providing access to services, software, and solutions that remain on the HP Enterprise side.

HP's MPS and MWS businesses will be part of a planned third business unit that will cover services and solutions to address the "everything as a service" opportunity for personal systems, printing, and mobility. HP plans to expand the channel across both businesses and is developing solutions – and a value proposition – based on this converged services organization.

FUTURE OUTLOOK

HP told IDC that HP's future competitive advantage lies within the synergies between the three business units of the new HP Inc.:

- **Personal Systems:** Engineering multi-OS devices and immersive computing experiences for business and consumers
- **Services and Solutions:** Delivering client experiences for optimal results and value
- **Printing Systems:** Engineering ink- and laser-based solutions that provide a faster, more affordable way to print, manage, and realize content

HP believes that its competitive differentiation lies in:

- **Strategic partnerships:** Clients view HP as a strategic partner, partly due to its dedicated account teams and regular strategic business reviews based on data-proven analysis.
- **Global consistency and execution:** Methodologies, management, and tools are consistent globally with a common portfolio and delivery capabilities around the globe and have global execution/one global contract.
- **Innovation:** HP is improving existing hardware, moving into new technologies (e.g., 3D print) and developing the solutions portfolio with vertical focus.
- **Solutions:** HP's holistic solutions portfolio builds on HP-provided and partner-enabled solutions.

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