



## Digital transformation: Bridging the paper and digital gap

---

*How digitisation and business process automation are enablers for digital transformation*

**April 2016**

Recent Quocirca research highlights that the top business imperatives are focused on strengthening customer relationships, improving productivity and driving down costs. With the increasing adoption of new mobile and collaborative technologies, along with flexible delivery models such as the cloud, the strategy for organisations wanting to meet their business objectives and ensure efficient business process delivery, is becoming increasingly complex.

Many organisations are taking steps to accelerate their digital transformation journey through a combination of digitisation, better information management and business process automation. Yet they face a range of challenges, with many citing that their biggest challenges are gaining employee commitment, change management and justifying investment.

Leading managed print service providers are well positioned to enable digital transformation through a broad approach to analysing the complete information lifecycle – both paper and digital – and implementing workflow automation to drive business process efficiency. Organisations need to assess how they can leverage a managed service model, to optimise the value of investments and achieve their business objectives.

Those who are ahead in their digital transformation journey are already reaping the benefits. Quocirca's Digital Maturity Index distinguishes the leaders from the laggards, revealing that leaders outperform their peers when it comes to customer retention, productivity and employee engagement.

Louella Fernandes  
Quocirca Ltd  
Tel: +44 7786 331924  
Email: [Louella.Fernandes@Quocirca.com](mailto:Louella.Fernandes@Quocirca.com)

Rob Bamforth  
Quocirca Ltd  
Tel: +44 7802 175796  
Email: [Rob.Bamforth@Quocirca.com](mailto:Rob.Bamforth@Quocirca.com)

# Digital transformation: Bridging the paper and digital gap

## EXECUTIVE SUMMARY

Enterprises need to continuously innovate to remain competitive and reduce costs, drive customer satisfaction and loyalty, and improve process efficiency. To achieve this, there is a need for a two-pronged approach of proactively digitising paper-based processes and leveraging workflow automation technologies and platforms. Quocirca's Digital Maturity Index reveals that a strong focus on business process transformation is paying dividends in profitability and enhanced customer relationships. Enterprises are increasingly turning to traditional MPS providers who have the expertise, to improve process efficiency across both paper and digital information.

<b>Businesses remain reliant on paper-based business processes</b>	The majority of organisations depend on paper to support business critical processes. The key reasons for the continued use of paper are the perceived need for real signatures, the ongoing receipt of paper documents from suppliers and partners and, not least, a continued employee preference for working with paper documents.
<b>Business process efficiency, compliance and cost are top reasons for digitisation</b>	A reliance on paper-based processes is inefficient, hampers productivity and increases cost. Over 80% of respondents cited increasing business process efficiency as a very important factor in driving digitisation, followed closely by ensuring regulatory compliance and reducing operational costs. Consequently, almost two-thirds indicated they have already digitised several business processes. Most common areas cited for digitisation are records management (41%), claims processing (32%) and accounts payable/receivable (30%).
<b>Digitisation is a key element of an information management strategy</b>	Almost 70% recognise the importance of paper digitisation as part of their overall information strategy. Digitised documents enable faster access and collaboration with documents regardless of time or location. Yet there is still some way to go - while 44% have implemented organisation-wide policies to control and manage paper and digital information, just 15% report that paper and digital workflow integration is very effective.
<b>MPS is effectively driving paper to digital transition</b>	Organisations with the strongest digital maturity are most likely to have already invested in a managed print service (MPS). MPS has evolved beyond its traditional roots of print, to enable organisations to encompass broader business process automation that moves beyond isolated instances of paper digitisation. Over half of respondents already use an MPS provider for workflow automation, and are most likely to be classified as Digital Leaders in Quocirca's Digital Maturity Index.
<b>Leading MPS providers have developed broad and scalable business process solutions and services</b>	Quocirca's review of the market highlights Canon, HP, Konica Minolta, Lexmark, Ricoh and Xerox as leading MPS providers with broad software and services capability. Increased focus on information management, industry specialism and workflow automation highlights the need for careful assessment of provider's service portfolio, expertise and track-record. A key point of differentiation is the ability to offer full business process automation, rather than a siloed approach to digitisation.
<b>Digital leaders outperform their peers with respect to business process automation</b>	Businesses who are further along their digitisation journey are reaping the benefits across a range of business priorities. The key areas of success are increased profit, customer retention and improved employee engagement reflecting that digitisation can significantly boost business value, impact profitability and improve efficiencies for both customers and employees.



# Table of Contents

---

METHODOLOGY.....	4
INTRODUCTION .....	4
DIGITISATION MATURITY.....	5
THE ENDURING PAPER TRAIL .....	6
AN OPPORTUNITY FOR AUTOMATION .....	10
MPS – A KEY ENABLER FOR DIGITISATION.....	12
DIGITAL LEADERS OUTPERFORM THEIR PEERS .....	13
A ROADMAP TO DIGITAL TRANSFORMATION .....	15
FUTURE OUTLOOK .....	17
HP .....	18



# Methodology

---

## End-user analysis

Quocirca conducted an end-user survey amongst 200 companies with 500 or more employees across the UK, France, Germany, and the US. This survey was conducted online during February 2016 with the objective of understanding the progress organisations are making with digitisation and business process automation.

## Vendor analysis

This report highlights the growing trend of traditional MPS providers offering broader business process and workflow automations solutions and services. It also highlights the specific strategies and approaches of leading vendors including Canon, HP, Konica Minolta, Lexmark, Ricoh and Xerox.

For the purposes of this report, 'digitisation' is defined as the digitisation of paper-based processes (through scanning/capture technology). This is typically the starting point for broader business process automation that may require the complete re-engineering of a business process through workflow tools.

# Introduction

---

Most organisations recognise that digital transformation is key to gaining business advantage in today's rapidly changing marketplace. By embracing digital transformation, companies can capitalise on new opportunities and optimise existing operations to achieve significant business improvement.

To meet growing customer and employee expectations for a better digital experience, businesses must accelerate digitisation of their business processes. Digitisation of paper-based processes is certainly a starting point. By enabling more effective and simple information capture at the point of origin (through scanning technology), organisations can benefit from faster customer on-boarding and faster transactions.

Consider the benefits of automating information-intensive processes such as mortgage applications, loan-origination or new account opening. Costs are reduced while productivity and turnaround times are vastly improved. Also, replacing paper and manual processes with digital processes allows businesses to automatically collect data that can be analysed to better understand process performance, cost drivers, and causes of risk. Paper, as such, becomes part of the Big Data picture and can improve the speed of decision making, as well as ensuring faster access to information and improved collaboration.

This paper focuses on how organisations are tackling the digitisation of paper-based processes and business process automation; it considers digital maturity and how this impacts their ability to achieve the top business priorities of improving profitability, attracting new customers and improving customer retention.

MPS providers can play a critical role in supporting an organisation's digital transformation journey. They are well positioned to take a holistic view of paper and digital based processes to enable them to provide tools and solutions to improve workflow efficiency. The survey findings reveal that those using MPS are further advanced in their digitisation and business process automation strategy and are most likely to be capitalising on opportunities to reduce costs, improve profitability and drive better customer and employee engagement.



# Digitisation maturity

Quocirca’s Digitisation Maturity Index has been created to reflect levels of digitisation maturity. The index is based on an average indicator calculated from composite scores from responses to four questions - policy control for paper and digital information; importance placed on document digitisation in overall information management strategy; progress towards eliminating paper from business processes and reported effectiveness of paper and digital workflow integration.

Average scores were classified as follows:

- **Digital Beginners (25%):** based on an average score of less than 3.5, digital beginners possess a lower digitisation maturity having yet to formalise and develop a cohesive paper and digital information management strategy. By holding back, they are missing opportunities to maximise the benefits of digitisation.
- **Digital Expanders (51%):** based on an average score of 3.5 to 4.5, digital expanders are actively integrating paper and digital information and already have, or plan to have in place, policies to manage paper and digital information.
- **Digital Leaders (24%):** based on an average score of 4.5 or above, digital leaders possess high digitisation maturity and are gaining competitive advantage and higher profitability.

Overall, US organisations lead in their digital maturity; 40% of US organisations are classed as Digital Leaders compared to 16% of UK organisations. By industry vertical, the public sector stands out as lagging behind in their digitisation maturity. Overall, 35% of public sector respondents are digital beginners compared to around 20% in other sectors. Notably, smaller organisations are as advanced as larger counterparts, reflecting less reliance on paper and broader policies to manage and integrate paper and digital information.

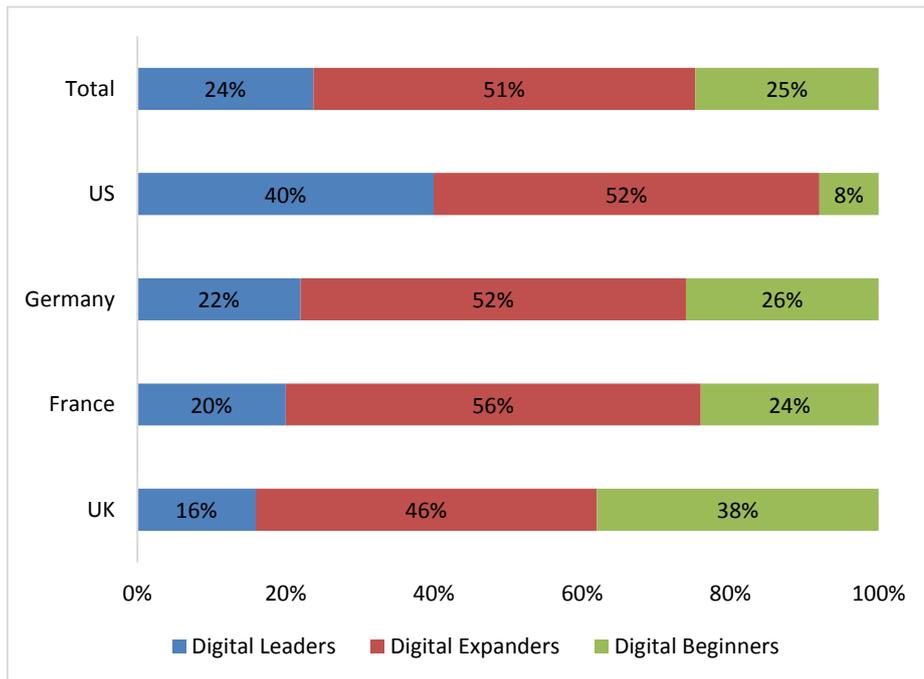


Figure 1. Quocirca’s Digitisation Maturity Index



# The enduring paper trail

The amount of information entering and being processed by a business shows no signs of abating, and paper remains a crucial element of many business processes. This paper culture prevails due to industry needs, technology maturity, legislation and employee habits. Quocirca’s survey revealed that organisations remain reliant on paper-based processes, with almost 60% of organisations indicating that up to 30% of business processes use paper. The top cited reason for the continued use of paper was the need for physical signatures (55%). This was followed by 48% that indicate that suppliers/customers continue to send paper and 41% indicating that staff prefer paper. Germany appears to have the strongest requirement for physical signatures with 70% indicating this as the top factor while the UK were more likely to indicate a staff preference for paper – 54% compared to 30% in France (Figure 2).

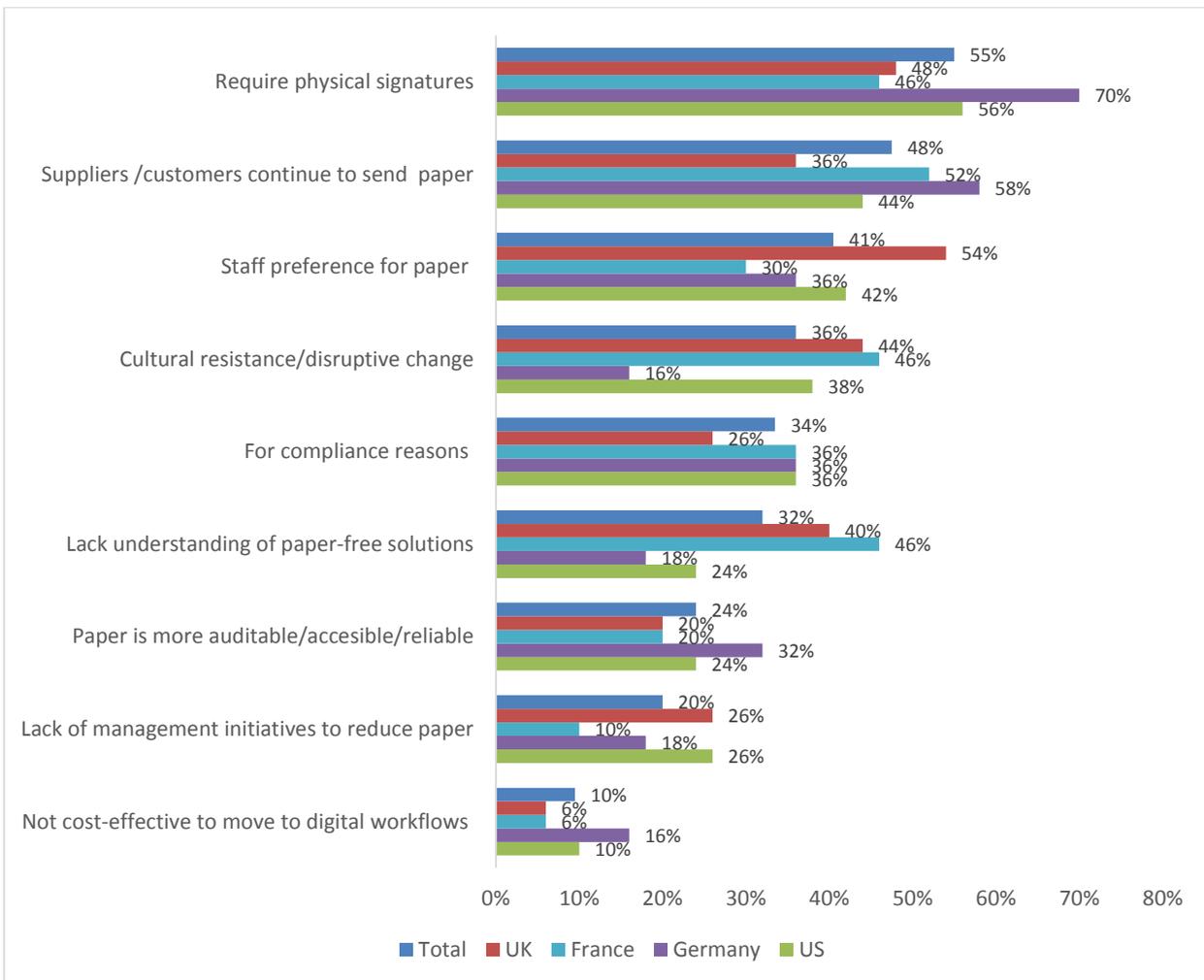


Figure 2: Reasons why business processes include the use of paper



There were some strong industry variations. Paper signatures were most commonplace in financial service organisations with 75% indicating this was a top driver for paper use, compared to 40% of public sector organisations. The situation was reversed when it came to staff preference for paper, with 53% of public sector respondents agreeing this was a key factor, compared to 30% in financial services. Consequently 50% in the public sector said there was cultural resistance to minimising paper usage, compared to 28% in the financial sector.

This dependence on paper poses a range of challenges – for example, manual data entry with its potential for errors, high paper printing and storage costs, inefficient processes, information security vulnerabilities and compliance issues. Through digitisation, organisations can benefit from easier and faster access to information - regardless of time and location – for example, with reduced costs through lower administration and storage costs, and better collaboration across employees, customers and partners. Increasing business efficiency was rated as the most important reason for digitising paper-based processes, receiving an average score of 4.11 (of a possible 5). This was followed by ensuring regulatory compliance and reducing operational costs (Figure 3).

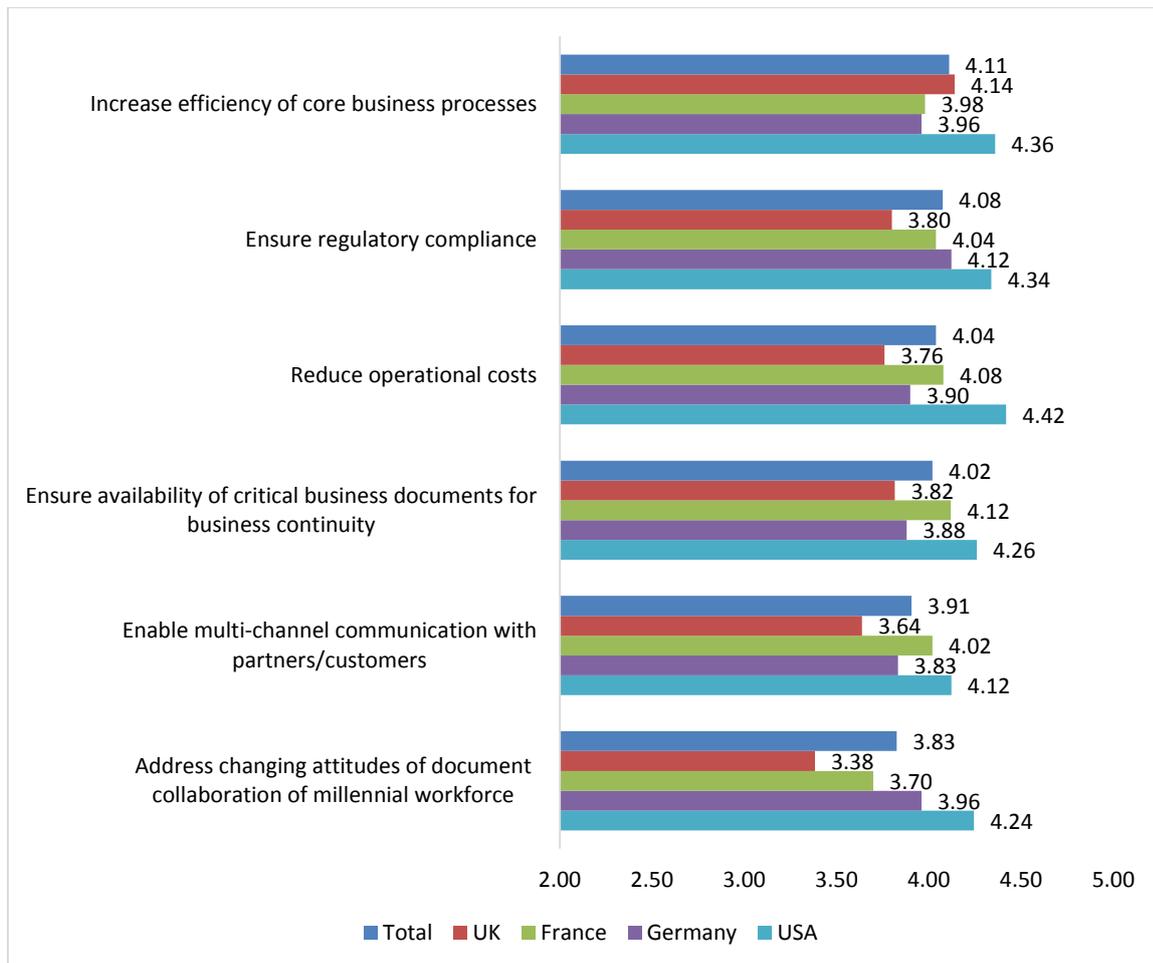


Figure 3: The importance of various drivers in motivating the digitisation of paper-based processes (rated from 1 – not important to 5 = extremely important)



Given the broad range of benefits, the majority of organisations are well along their digitisation journey, with 64% indicating that several business processes have already been digitised (Figure 4). The US leads, with 76% having already digitised several business processes compared to around 60% of European organisations.

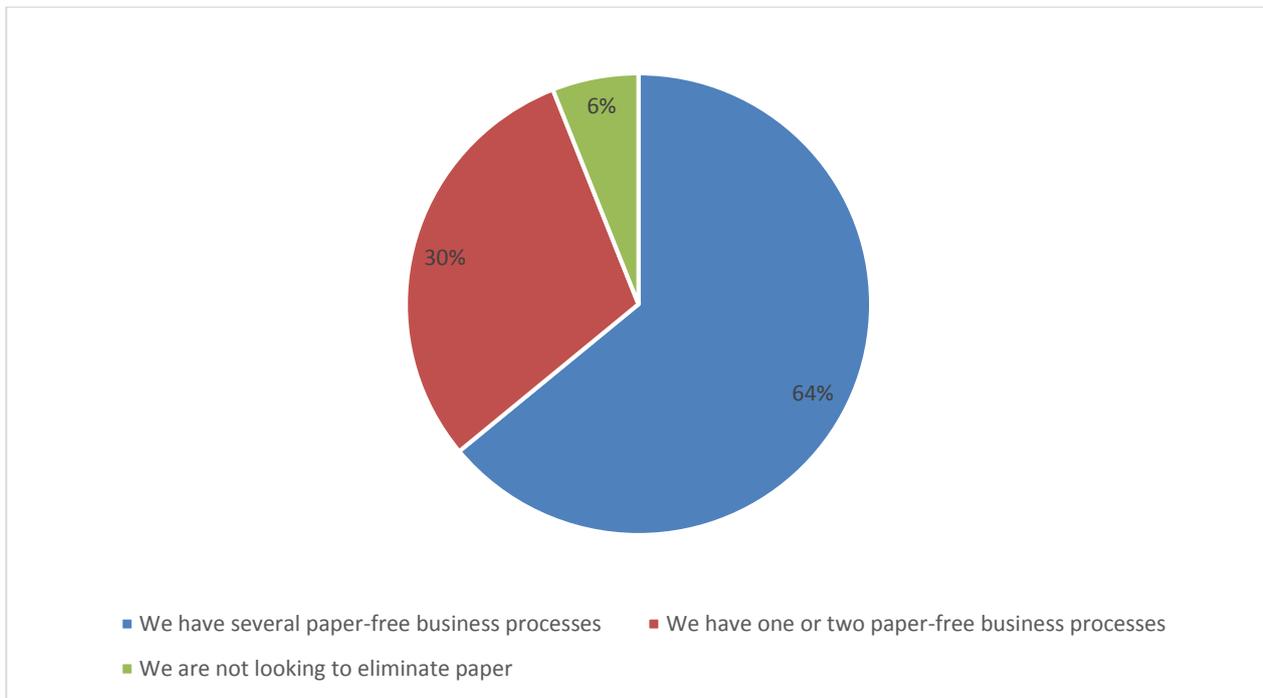


Figure 4: An organisation's progress towards eliminating paper from business processes

An effective digitisation strategy is much more than simply digitising paper documents. In the past, standalone digitisation projects may have been implemented purely for the sake of reducing paper: today, digitisation is a critical element in broader business process automation projects to transform customer service, employee productivity and improve information access and sharing. As such, to ensure paper documents are accessible in their digital form and can be shared for more effective collaboration and decision making, organisations must implement a combined information strategy for both paper and digital information. Overall, 69% indicated that the digitisation of paper documents was very or extremely important to their organisation's overall information management strategy. The US and Germany are ahead with 80% or more rating this as very or extremely important compared to 50% in the UK and 60% in France (Figure 5).



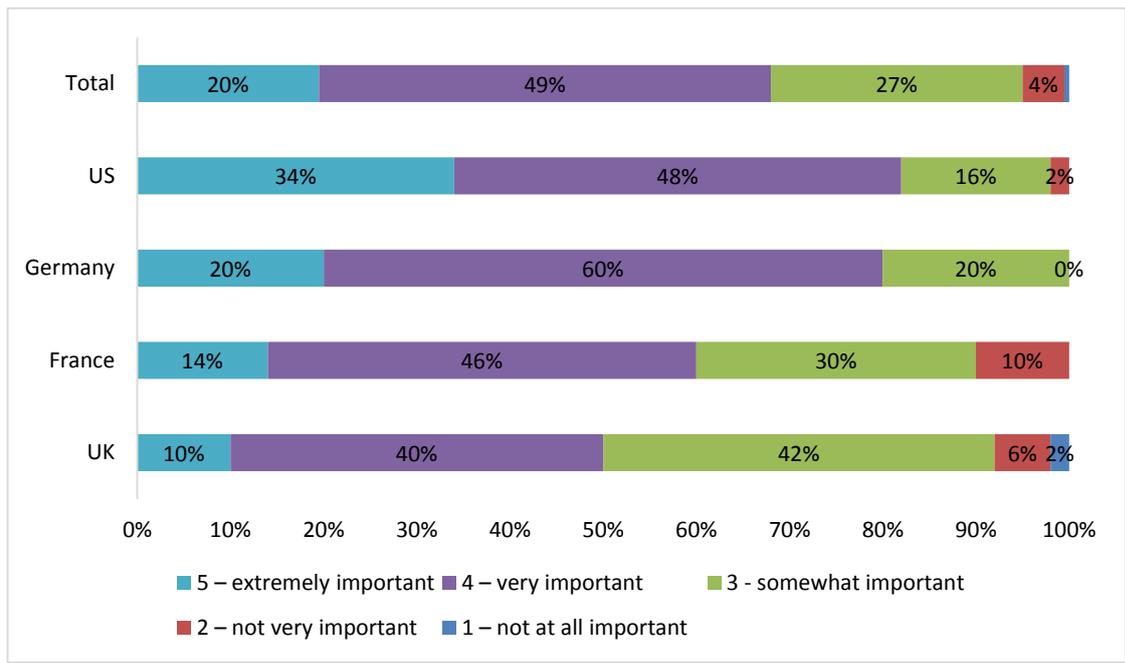


Figure 5. **The importance of digitisation of paper documents in relation to overall information management strategy**

Further, most organisations report that they have either already implemented or are planning to implement enterprise-wide policies for managing paper and digital information. Overall, 44% indicated that they have implemented policies across the organisation, with a further 32% indicating they plan to extend departmental policies across the organisation. US organisations are most advanced with 52% indicating that they have policies in place and a further 40% planning to extend departmental policies.



# An opportunity for automation

Any paper or information-intensive business process presents an opportunity for automation. Areas where respondents are considering business process automation and digitisation include records management (41%), claims processing (32%) and accounts receivable/payable (30%) (Figure 6). Consider invoicing, for example – invoices may be printed and be passed from department to department for physical signatures, leading to time delays and lost productivity. An automated approach would see paper invoices scanned into an enterprise content management (ECM) system, for instance, or created digitally. Invoices then go through an automated review process, with an audit trail leading to fewer paper invoices and faster processing time.

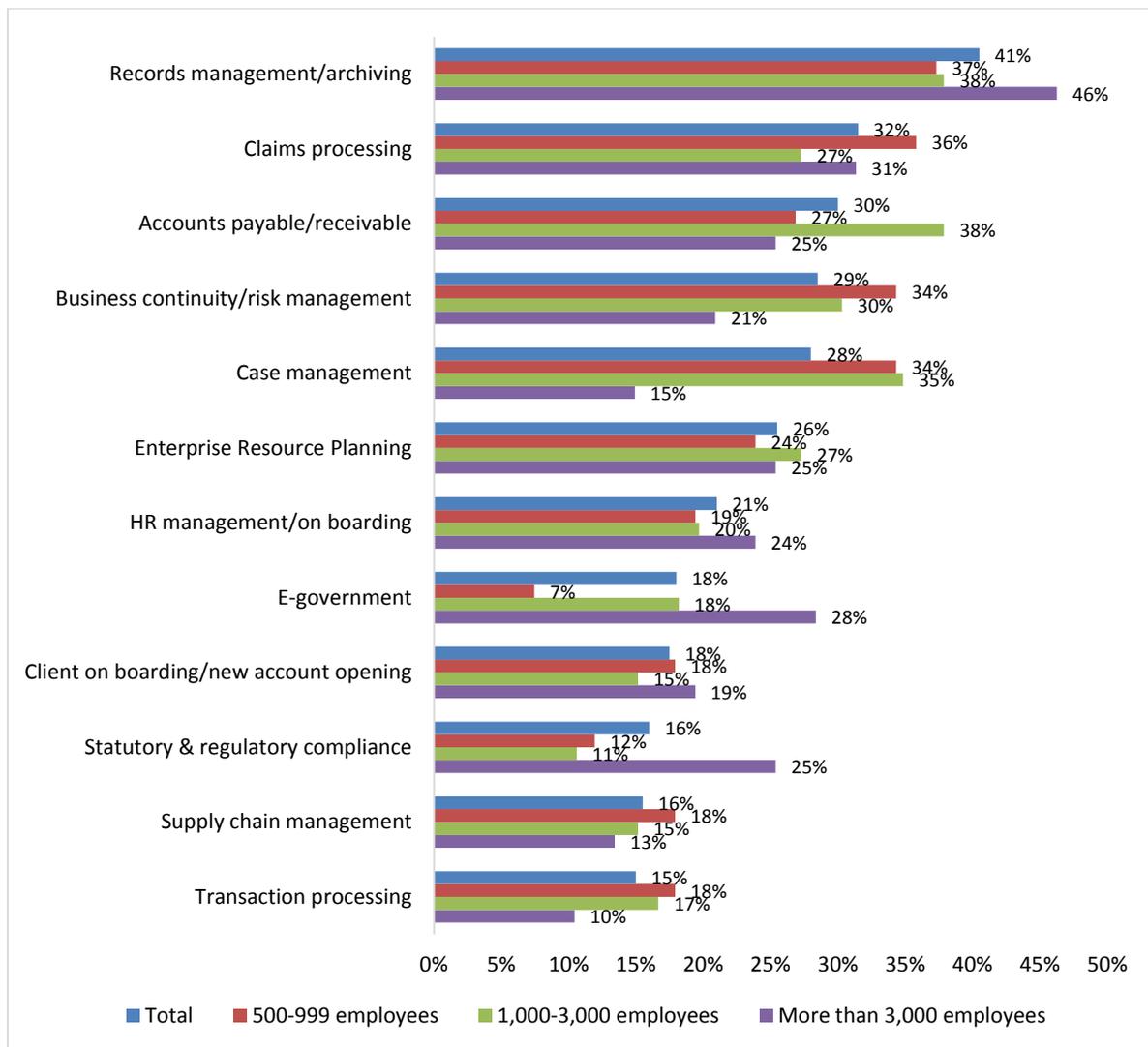


Figure 6. Business processes under consideration for digitisation

However, business process automation is not without its challenges and typically requires strong employee and executive commitment, supported by governance and change management. The most reported challenge was obtaining employee commitment, cited overall by 46% of respondents. The top challenge varied significantly by



vertical sector – most notable was 70% of public sector respondents citing employee commitment was the top challenge (Figure 7).

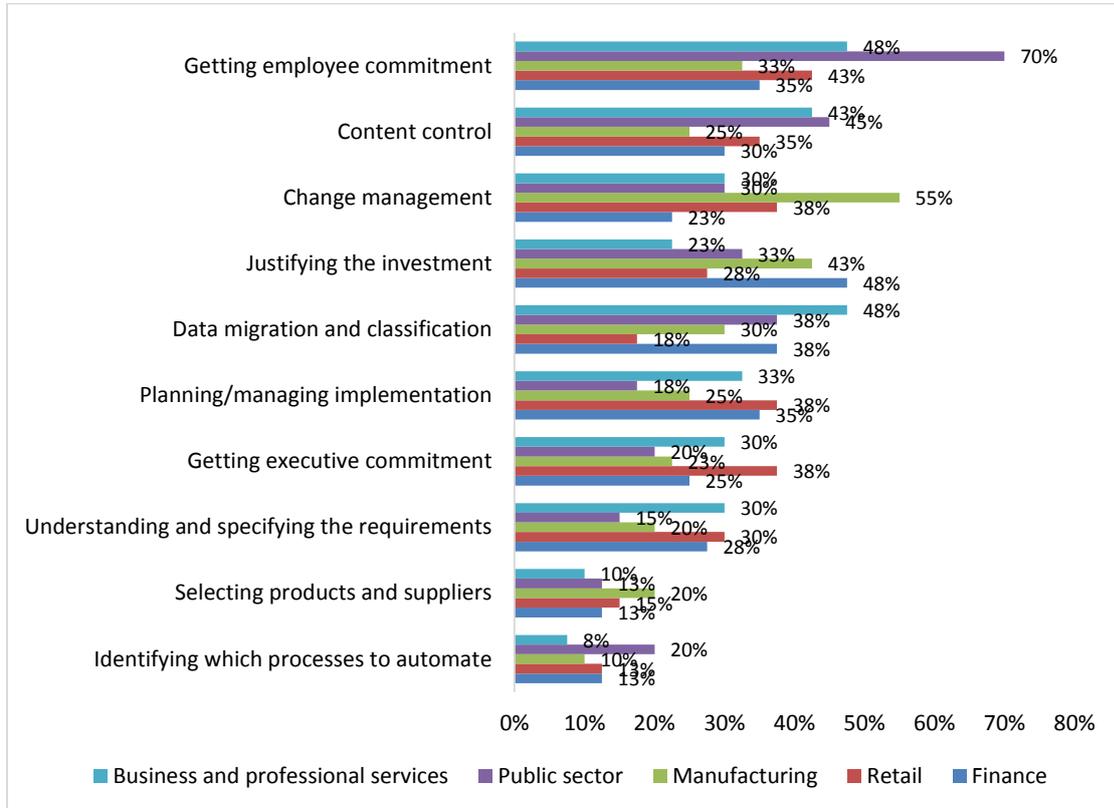


Figure 7. The most challenging aspects of business process automation

Business process automation projects may therefore, meet several roadblocks and the lack of employee commitment could be potentially related to the possible job losses as the result of automation. However, employee efficiency is a key benefit of business process automation. Removing the inefficient use of employee’s time on tasks that can be automated can lead to improvements in productivity and morale, and staff can apply their skills and time to more interesting, challenging and business critical functions. Therefore, employee engagement is essential in any digital transformation project and will help mitigate resistance to change.

Meanwhile, issues around content control or justifying investment can lead to silos of automation which cannot be integrated. Organisations therefore need to select providers that can support the entire digital transformation journey and implement solutions that can be integrated with the existing infrastructure. Systems Integrators and MPS providers are particularly well positioned to take this type of holistic view. They typically have a breadth of industry, software and implementation expertise and can address business requirements through a best-of-breed approach.



# MPS – a key enabler for digitisation

MPS is an established approach to reducing the cost, complexity and risk associated with an unmanaged print infrastructure. With core services now relatively commoditised, leading providers have extended their capabilities to encompass broader business and workflow automation offerings. Such providers have established a credible reputation in workflow automation, but this remains a key point of differentiation between vendors.

MPS usage is therefore relatively mature - almost half of respondents in this survey indicated that they currently use an MPS provider for digitisation/workflow automation with a further 32% planning to use an MPS provider in the future. Those using MPS are more likely to be ahead of the curve when it comes to managing paper and digital workflows - 77% reported that they were effective in integrating paper and digital workflows compared to 56% of those not using MPS (Figure 8). Overall, industry sector differences showed those in financial services to be the most confident (73%) with the public sector lagging behind with just 46% agreeing they were effective in their paper and digital workflow integration.

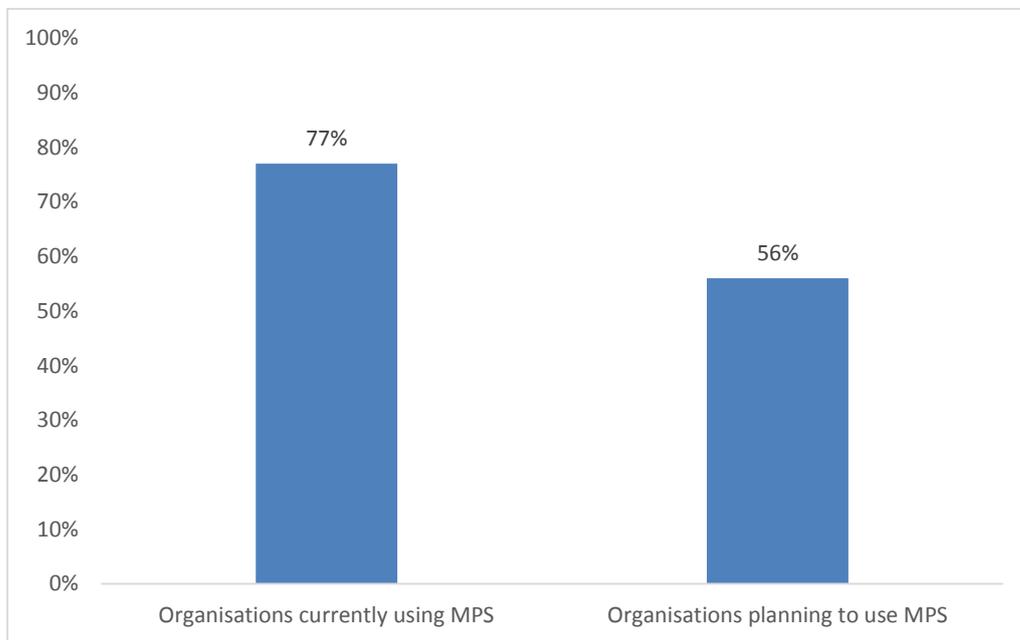


Figure 8: **The level of effectiveness in integrating paper-based information into digital workflows (Rated effective or very effective)**

Indeed, those using MPS are more likely to place a higher importance on digitisation - 79% amongst those using MPS indicated that the digitisation of paper documents was very or extremely important to their organisations compared to 53% of those not using MPS. Perhaps the most significant difference is in vision and strategy - 55% of those using MPS have implemented organisation-wide policies for managing both paper and digital information compared to 29% not using MPS. Furthermore, those using MPS are more likely to be using enterprise content management (ECM) solutions – 42% compared to 25% not using MPS. Mobile document capture is also more prevalent – 43% compared to 18% not using MPS. This is reflective of the organisations using MPS being typically more advanced in their adoption of workflow solutions as well as being able to take advantage of the broader capabilities of MPS providers to implement mobile capture integrated with their MFP (multifunction printer) technology.



MPS providers are continually expanding their information management service offerings, providing strategic assessments of the full information lifecycle and recommending opportunities for automation. As such, organisations should consider MPS providers as trusted and strategic partners that can support long-term digital transformation.

## Digital Leaders outperform their peers

Workflow solutions which enable more effective information sharing, collaboration and efficiency are critical in supporting any digitisation strategy. Those organisations further along their digital journey are most likely to have invested in a range of solutions such as e-invoicing, e-signatures and document capture. 80% of Digital Leaders have implemented digital documents and 69% are using e-signatures – this compares to just 44% and 25% of Digital Beginners (Figure 9).

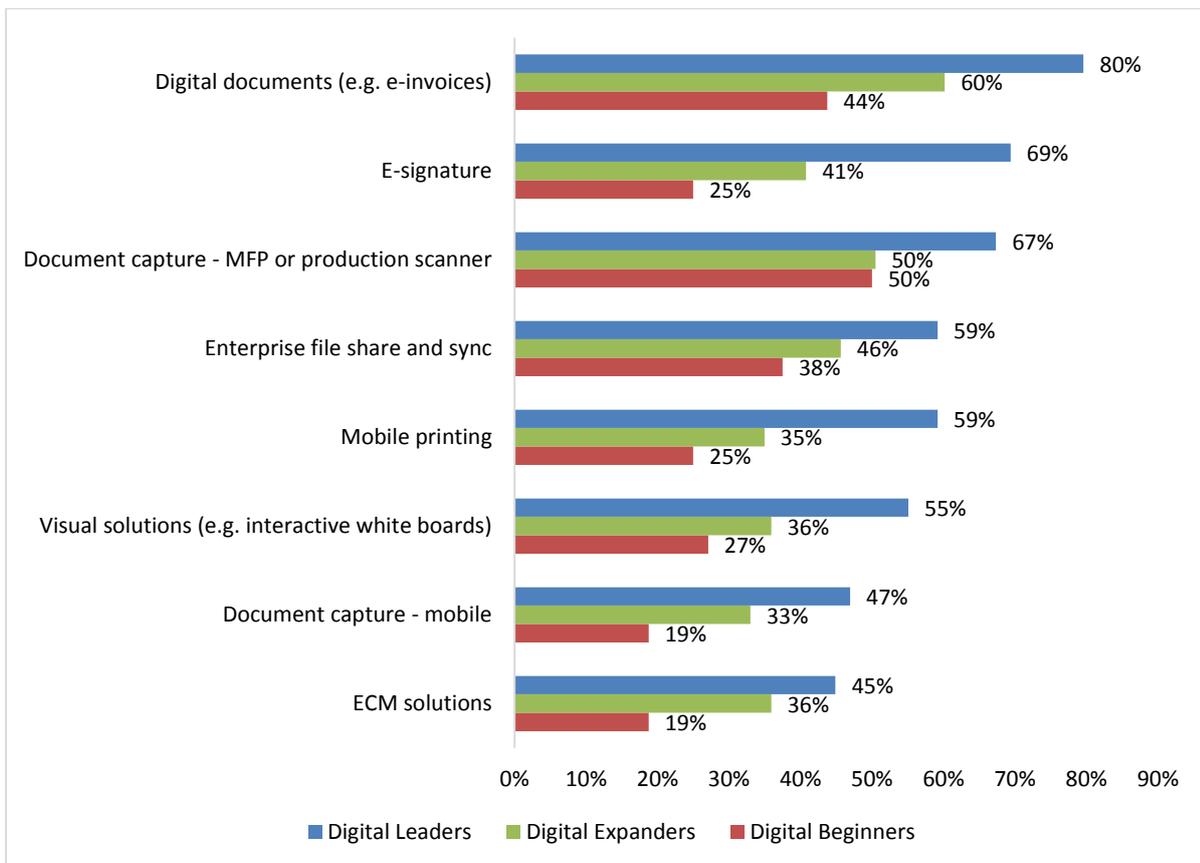


Figure 9. Digital workflow solutions being used (% deployed shown)

Such solutions are critical in accelerating digital transformation and improving business process efficiency. The investment in digital workflow tools and a clear strategy for digitisation and integrated information management is helping Digital Leaders outperform their peers.



Across the range of business priorities, Digital Leaders are enjoying significant advantages in profitability, customer loyalty and employee engagement (Figure 10). By holding back, the more conservative Digital Beginners are failing to maximise on these opportunities. Digital Expanders are on the right path, and with a stronger vision for digital transformation are well positioned to drive further business value.

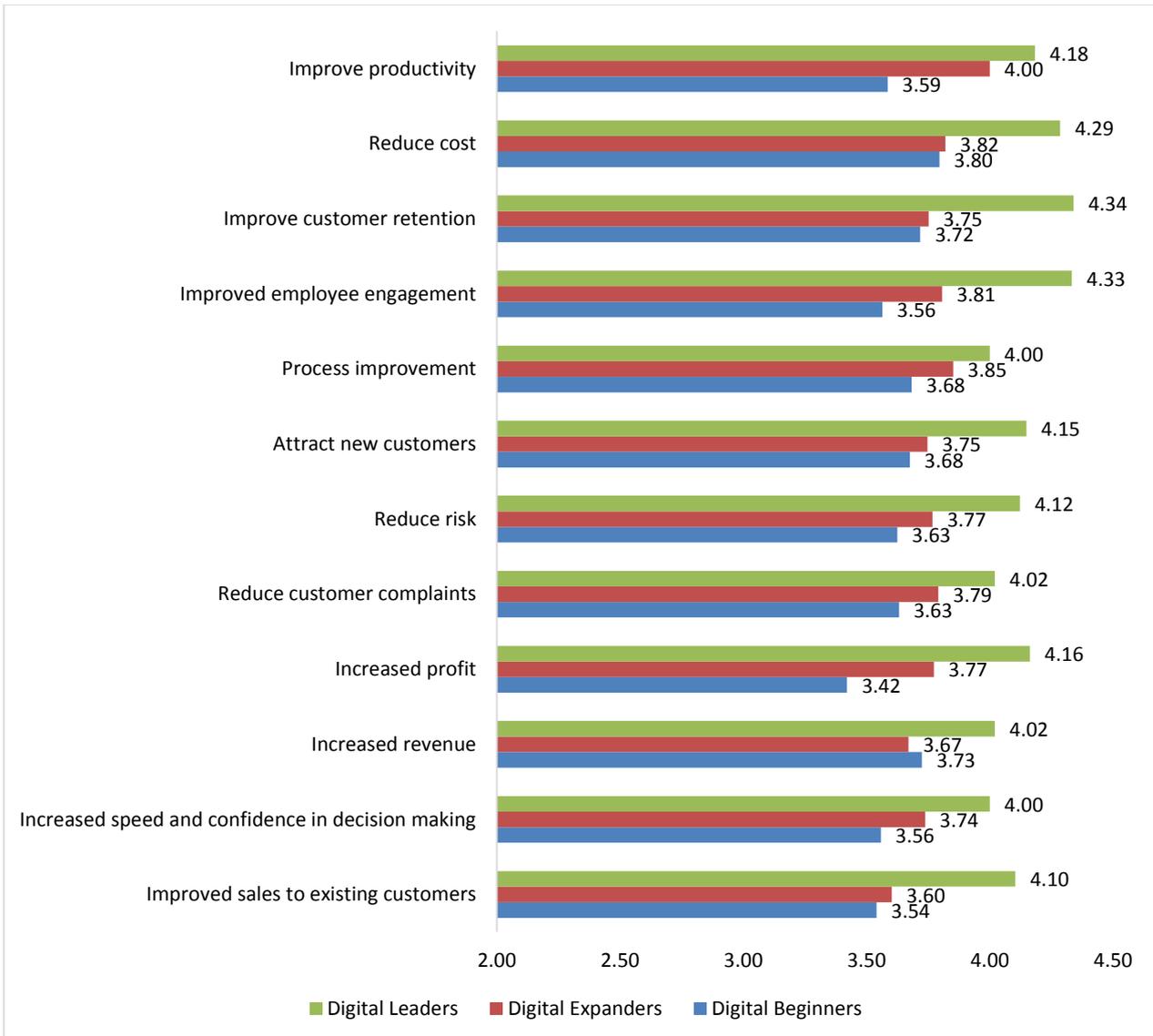


Figure 10. How well the benefits of business process automation/digitisation have been achieved (Relating to the better use of information as a result of digitisation)



# A roadmap to digital transformation

There is no ‘one size fits all’ approach for digital transformation and it requires significant cultural change for some. Each organisation must take action across a number of areas to maximise the opportunities from digitisation and workflow automation. Digital transformation represents a broad range of activities – including paper digitisation, automating back-office applications, information management and collaboration, and implementing new digital customer engagement models.

Enterprises are looking for providers to help drive more strategic capabilities and enable continuous innovation. Consequently, customer expectations for a provider are extensive. Most important requirements are implementation expertise, commitment to SLA quality and software expertise. Very large organisations place a higher importance on these criteria, although smaller organisations show higher expectations than mid-market organisations. Smaller organisations have a greater need for agility and business process efficiency in order to gain competitive advantage, and so are potentially more demanding of their service providers.

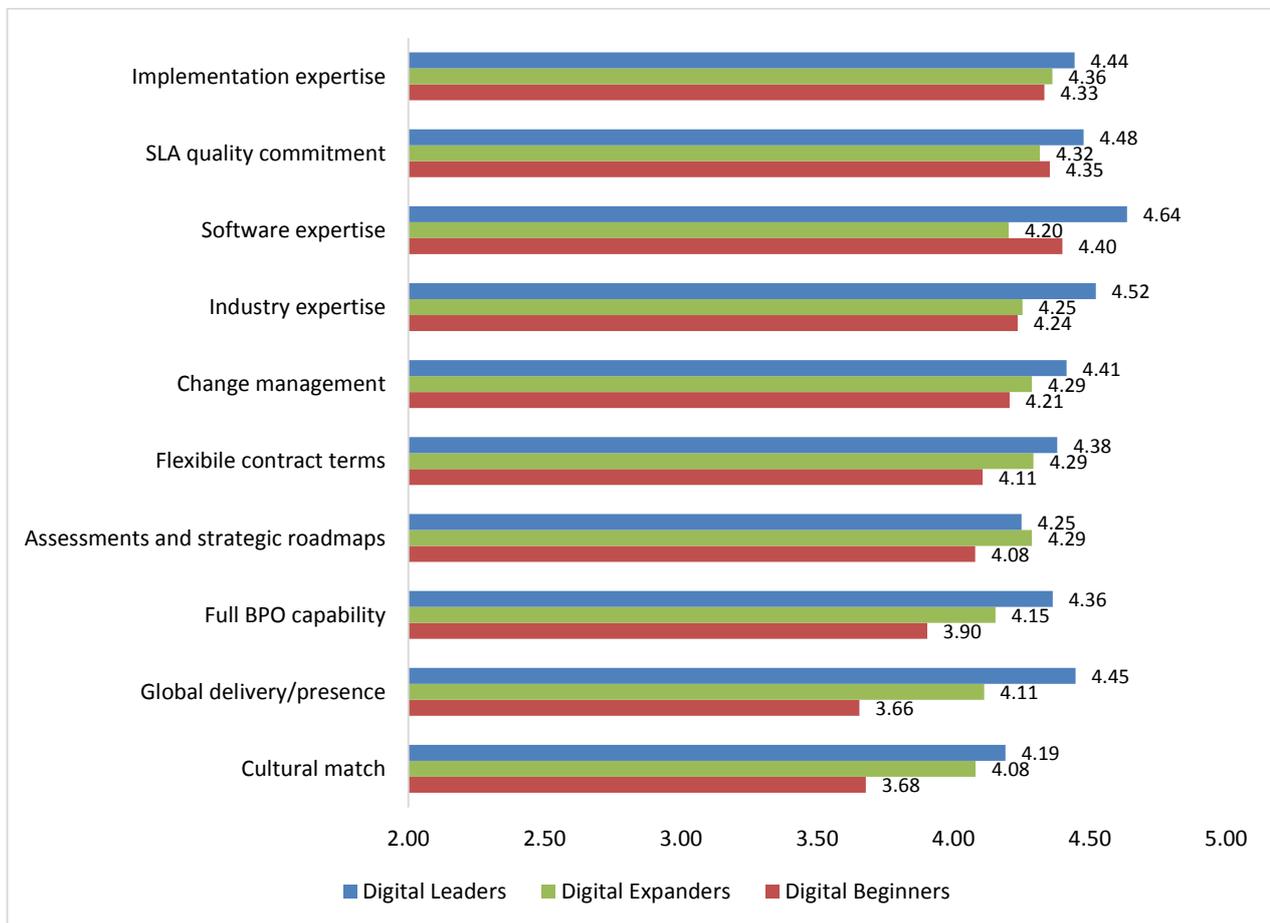


Figure 11: **The importance of capabilities in determining the selection of a business automation supplier (from 1 – unimportant to 5 – very important)**

Digital Leaders have higher expectations of their potential provider – with software expertise, industry expertise and commitment to SLA quality the most important requirements for a potential provider (Figure 11). Consequently, when selecting a provider, an organisation must determine where they are on the digital maturity range and objectively



analyse their current needs, capabilities, skills, processes and technologies. This is fundamental to helping determine where they are today and where they need to be.

By selecting a leading managed print service partners, organisations can quickly add deep expertise, best practices, scale and flexibility, best-in-class service levels and technology capabilities to their businesses. Leading MPS providers offer a breadth and depth of experience supported by extensive solutions portfolios. Organisations should evaluate potential providers on the basis that they will become a strategic partner that can support ongoing digital transformation.

Organisations therefore need to evaluate a provider's strategy, vision, service delivery capabilities and scalability of offering. At the outset, a provider should offer benchmarking and maturity assessments in order to develop a strategic roadmap for transformation. This requires the detailed evaluation of business processes to prioritise business needs and the demonstration of mature processes, best practices and industry standards. Given the diverse and complex nature of business process automation, a managed service provider should have a broad spectrum of third-party partnerships with joint technology integration to ensure interoperability. To ensure continuous improvement, providers should use analytics to identify opportunities to drive further efficiency and cost savings.

Ultimately, building a strategic relationship with a managed service provider is critical to digital transformation. Managed service providers must therefore collaborate and align with a customer's business strategy. As customer expectations increase, providers must be able to help enterprises to deliver solutions and services that focus on their required business outcomes.



# Future outlook

---

In an ever-expanding connected mobile and digital workplace, the rapid access to timely, relevant information becomes critical to every part of an organisation. To be successful, organisations need to increase the operational efficiency of document intensive processes and optimise information management, across both paper and digital information. Digitisation is a key starting point in improving efficiency of core business processes through effective document capture, which can drive workflow automation enabling employees to access, process and share information faster. This can lead to improved productivity, lower costs and better customer satisfaction and retention.

Organisations that succeed in accelerating their digital transformation strategy will realise substantial benefits – both in employee productivity and engagement and customer retention. Digital transformation not only improves business process efficiency and information collaboration but also can drive a better multi-channel customer experience through personalised communications.

Through proprietary technology and strategic partnerships, managed print service providers are uniquely positioned to offer solutions and services that cover most areas of digital transformation – document capture, processing, workflow integration and automation, content management and customer communications.

As such, Quocirca recommends that managed print services providers take a more proactive role in supporting such digital transformation. Providers should build a strategic roadmap for organisations, which focuses on business outcomes and value delivered. This should be supported by developing flexible, modular and industry-focused portfolios of solutions that enable organisations to take a phased approach to digital transformation.

Ultimately, re-defining the paper and digital boundaries will be key to success in digital transformation. Forward-thinking organisations – the Digital Leaders – are already reaping the benefits and gaining competitive advantage, better employee engagement and improved customer retention.



# HP

---

In November 2015, HP started a new era as it split itself into two companies, Hewlett Packard Enterprise and HP Inc. Hewlett Packard Enterprise comprises enterprise technology infrastructure solutions, enterprise services, software and HP financial services. HP Inc. comprises the personal systems and printing business, including managed print service (MPS), a range of support services, and workflow solutions. Both companies aim to continue the legacy of innovation with their respective Labs (e.g., HP Labs).

Given the breadth and scale of its technology portfolio, HP has developed a broad and diverse set of ECM and workflow solutions. An integral component is its HP JetAdvantage range of solutions for workflow management, which aim to securely capture, store and manage information more efficiently. HP will continue to work with Hewlett Packard Enterprise to take advantage of their respective ECM and systems integration capabilities. In particular, HP has a comprehensive range of vertical solutions across financial services, insurance, media/communications/entertainment, healthcare, manufacturing and distribution, and public sector (government and education).

Its comprehensive range of solutions are augmented by its professional services capabilities, including HP's Workflow Analysis services. These deliver a customised workflow analysis of business-critical, paper-intensive manual processes and provide a roadmap for streamlining such processes, through implementation of printing and associated software and services. Beyond these, HP offers strategic consultations, workshops, assessment services and proof of concept (POC) engagements which take an industry-specific view of current and future-state business process improvements.

Quocirca identifies the following as main differentiators of HP's workflow solution business:

- From a go-to-market perspective, HP's leading position as MPS vendor confers on the company a clear advantage compared to many other players in the document workflow space. HP's regular MPS Strategic Business Reviews with customers, constitute a perfect framework to analyse workflow needs and propose tailored solutions. As part of the Strategic Business Reviews, HP has a unique set of expertise and tools that help identify areas of workflow focus, help model the financial impact of improvements, and set a roadmap for implementation.
- HP is expanding its strategic partnerships with key system integrators including Hewlett Packard Enterprise, Accenture, Capgemini and leading software partners from the HP JetAdvantage Partner programme. HP also has its own HP Software organisation with powerful capabilities around customer communications, web and social content management, and process automation. This enables the company to face customers with significant competence - offering a high degree of flexible choice and customisation to integrate solutions in a wide array of environments.
- HP has in place a competitive channel strategy to drive its indirect model business and better target SMBs. It provides channel partners with a range of tools and capabilities to support sales processes and deployment, inclusive of solutions. Going forward this will be instrumental, especially in light of the company's plans, to expanding its cloud-based solutions offering.
- From a technical point of view, HP currently brings to the content management table a wealth of capabilities accumulated through internal development, important alliances and extensive acquisition of various companies with proprietary technologies. A number of common engines are currently used across HP's portfolio to address traditional enterprise process automation as well as customer communication management, customer engagement and big data analytics.
- HP Inc. has made it clear that its printing business will continue to work closely with Hewlett Packard Enterprise Software and Hewlett Packard Enterprise Services divisions, in order to jointly deliver comprehensive ECM solutions, which will integrate in the company's document capture hardware and software go-to-market strategy. Going forward this will represent a strong differentiator for the company's document workflow offer. HP Inc. has an opportunity to leverage its strengths in both consumer and



commercial markets to bring greater value and innovation - especially as personal and professional needs continue to converge.

### Workflow Strategy

Today, HP's enterprise document workflow solutions are mainly marketed directly (direct sales accounting for 90% of total sales) as part of the company's MPS business, and HP continues to scale for the channel and SMBs. These solutions are mostly targeting large enterprises, who typically benefit from centralised enterprise-level content management platforms. In the last eight years HP has leveraged its wide print service customer base to deliver HP branded as well as third party document workflow software. To support this, the company has invested in dedicated professional services such as its in-house HP Managed Services experts, HP Software experts, Hewlett Packard Enterprise Software and Hewlett Packard Enterprise Services experts, as well as system integration specialists. Additionally, recognising the growth opportunities in the SMB space, the company has significantly invested in the channel network to better serve the Enterprise/SMB market that is not served by HP directly. Through 2014 and 2015 HP has invested in the roll out of its HP JetAdvantage Partner Program. Currently counting on 300 partners in 160 countries, the program aims at providing enterprise solutions for managed printing environments. It ranks its software partners based on scale of operations and capabilities. Most recent investments in the program were aimed at providing partners with sales and marketing support tools including:

- Workflow advisory services
- Specialised solutions consultants at regional and worldwide level
- Document workflow analysis tools to engage with customers and initiate workflow road maps

HP's MPS current customer base is made of 5,785 clients worldwide, 2,400 of which are based in Europe Middle East and Africa (EMEA). Customer engagement can start with optimisation of print infrastructure through managed services and then added value document solutions are offered as part of regular MPS Strategic Business Reviews in the form of Workshops, Strategic Consultancies, Workflow Advisory Services, Workflow Needs Analysis and Workflow Roadmaps. All workflow solutions are designed to enable initial testing, significant customisation and API for integration in customer environments supported by HP's solution architects.

Customer wins include multinational organisations in verticals including manufacturing (i.e. L'Oréal), Finance (i.e. Mercury Insurance), Communications/Media and Entertainment (i.e. Disney, DreamWorks), Services (i.e. Wilson Sonsini Goodrich & Rosati, ISS) and Healthcare (i.e. Merck). Although the company does not disclose details on workflow solutions revenue, HP representatives have recently shared that the company expects this segment to have grown by approximately 20% in FY 2015. The Americas represents the biggest region in terms of revenue, followed by EMEA and Asia Pacific and Japan (APJ). The latter however, is the fastest growing region of the three.

### Sales and Delivery Model

Although the great majority of its deployments are currently server-based, the company recognises an increasing demand for both private as well as public cloud delivery models. HP Software products and solutions are available in cloud offerings including multi-tenant public cloud, private cloud, and/or hosted managed services. This includes options for Customer Communications, Rich Media Management, Digital Experience Management, Workforce Optimisation, and eForm/business process automation. HP is further developing and growing its entire solution set to provide additional cloud options and tools that facilitate channel partners' cloud deployment.

HP addresses enterprise mobility requirements, providing a range of mobile applications that enable mobile workers to capture content from handheld device and integrate it in the overall company workflow. In particular HP Page Lift processes mobile images to enhance readability and enable seamless input in the overall company workflow.

HP claims that cloud and mobility are among the most important focus elements for the company's future workflow development roadmap. Security is a primary focus as well, and provides unique differentiation in the value HP brings to workflow – to help ensure there are no gaps in horizontal and industry-specific workflow improvement planning and execution.



## Vertical Alignment

HP's go-to-market strategy is aligned to target the most important verticals. When building vertically aligned offerings, the company utilises a modular approach; single solutions are used as building blocks of vertical offers. Different vertical offers often feature common building blocks, as well as solutions specifically developed to address industry needs. Examples include HP Account Opening Accelerator, HP Loan Origination Accelerator, HP Distributed Workflow Solution for Healthcare, HP On boarding for Retail, etc.

Below are typical processes addressed in each of HP's most important vertical offers:

- **Finance:** Branch transformation (customer-critical processes originating in retail banking branches), loan processing, investment portfolio and transaction workflow, customer communication management, compliance and records management, legal support and e-discovery.
- **Manufacturing and distribution:** employee on boarding, order and invoice process automation (inbound/outbound), contract creation, customer communication management, logistics document processes (i.e. proof of delivery documents), records manager, marketing/production optimisation.
- **Healthcare:** admissions/clinical workflows, regulatory compliance, personalised patient communications, pharmacy prescriptions, mobile printing.
- **Communications/Media/Entertainment:** new account opening, customer communications management, employee on boarding and contracts and licensing workflows.
- **Public Sector:** forms and document automation, document capture for proof of identity, document redaction, contracts and procurement management, case processing, constituent communications.

Common core engines are used across verticals to address horizontal processes such as secure document capture, text recognition, document management and document composition.

## Workflow Solution Portfolio

HP markets a wide range of proprietary and third party solutions for the management of both structured and unstructured content. Solutions covering the automation of traditional enterprise internal processes (i.e. invoice automation, employee on-boarding, etc.) are typically marketed by HP Inc. as part of the printing division. HP Software, also part of the printing/solutions business, provides robust solutions for customer engagement, marketing, and knowledge worker efficiencies. Further, HP MPS works closely with Hewlett Packard Enterprise for solutions for information governance and big data analytics processes. HP and Hewlett Packard Enterprise will continue work closely to innovate and jointly serve customers, leveraging HP MPS as a base of engagement.

The most important solutions have been classified as follows below. (The segmentation is conceived for ease of reading - categories do have obvious overlaps.)

- Document and Data Capture
  - With this suite of solutions (including HP Page Lift, HP Embedded Capture, HP Digital Sending Software, HP Capture and Route, HP TeleForm) HP covers all typical document capture needs ranging from on-demand image capture and OCR to batch forms processing and data capture. These can also be delivered as hardware embedded solutions. Additionally, the company markets software development kits for the creation of personalised customer applications.
- Document and records management / Information Governance
  - Hewlett Packard Enterprise Records Manager is the main proprietary solution marketed in this space. Particularly addressing public sector workflow needs, it enables the secure management of key enterprise documents from composition to disposal, meeting regulatory compliance and organisation mandates.
  - Other third party solutions deployed by the company are iManage Work and Hyland OnBase.
- Web content management
  - HP TeamSite optimises customer experience through most common digital channels including web, mobile handheld devices, social networks, email etc. TeamSite's content management system helps to support single source of content for non-digital channels including print.
  - HP MediaBin provides an enterprise portal for the creation of rich media content in view of enhancing customer engagement through the web and other digital channels.
- Social content management



- HP Explore analyses provides real-time insight on customer trends by continuously tracking customer-generated social content.
- Process automation
  - HP enables automation of processes involving people, content, and information to improve efficiency and minimise risk by controlling capture and workflow activities. HP TeleForm enables automation of document capture, data extraction, validation, and export into other systems. HP LiquidOffice makes it easy to create web forms for document and data capture, design simple review and approval processes, and automate complex business processes that integrate with systems throughout the organisation. Working together, HP TeleForm and HP LiquidOffice enable solutions that bridge the paper and digital worlds.
- Content /document analytics / enterprise Search
  - Hewlett Packard Intelligent Data Operating Layer (IDOL) is a search engine used in various HP solutions like HP TeleForm and HP LiquidOffice. It enables conceptual understanding of a wide range of documents such as email, audio and videos in various languages.
  - Hewlett Packard Enterprise ControlPoint and Hewlett Packard Universal Search are both based on the IDOL engine. These solutions facilitate compliance and governance in large siloed organisations by accessing, understanding, classifying and controlling information at enterprise-level.
  - Third party solutions include iManage Insight, work product management software. iManage Insight helps users to quickly find relevant information buried within multiple systems throughout the enterprise, saving time and frustration.
- Document composition / customer communication management
  - HP Exstream is a leading multi-channel customer communication tool enabling automated document composition and personalised communication with clients. It enables users to centrally manage communication through all typical engagement channels i.e. print, email, web, social, etc.
- Electronic signature
  - HP partners with DocuSign and Silanis to integrate electronic signature tools in wider workflow systems.
- Audit / tracking tools
  - HP Access Control Job Accounting enables companies to monitor printing activity by device, user and department achieving direct control on print costs.
  - HP also partners with Nuance to deliver security and print job accounting solutions.
  - Other partners include JetMobile and Pharos.



## About Quocirca

Quocirca is a primary research and analysis company specialising in the business impact of information technology and communications (ITC). With worldwide, native language reach, Quocirca provides in-depth insights into the views of buyers and influencers in large, mid-sized and small organisations. Its analyst team is made up of real-world practitioners with first-hand experience of ITC delivery who continuously research and track the industry and its real usage in the markets.

Quocirca works with global and local providers of ITC products and services to help them deliver on the promise that ITC holds for business. Quocirca's clients include Oracle, Microsoft, IBM, O2, T-Mobile, HP, Xerox, EMC, Symantec and Cisco, along with other large and medium-sized vendors, service providers and more specialist firms.

For more information, visit [www.quocirca.com](http://www.quocirca.com)



### Disclaimer:

This report has been written independently by Quocirca Ltd. During the preparation of this report, Quocirca may have used a number of sources for the information and views provided. Although Quocirca has attempted wherever possible to validate the information received from each vendor, Quocirca cannot be held responsible for any errors in information received in this manner.

Although Quocirca has taken what steps it can to ensure that the information provided in this report is true and reflects real market conditions, Quocirca cannot take any responsibility for the ultimate reliability of the details presented. Therefore, Quocirca expressly disclaims all warranties and claims as to the validity of the data presented here, including any and all consequential losses incurred by any organisation or individual taking any action based on such data and advice.

All brand and product names are recognised and acknowledged as trademarks or service marks of their respective holders.

