IDC VENDOR SPOTLIGHT

Workstyle Innovation with Mobile/Cloud, and Fuji Xerox Next Generation Managed Print Services

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This research report discusses the impact of the increasing popularity of 3rd Platform technology, such as mobile and cloud computing, on client companies' advanced workstyle, especially their print and document environment, as well as the measures that client companies must take for workstyle innovation. As a leading provider of Managed Print Services (MPS) in Japan and the Asia/Pacific region, Fuji Xerox's latest innovation, Next Generation MPS, addresses the challenges and demonstrates real value benefits to client companies.

IDC Opinion

The 3rd Platform centered on mobile and cloud computing has recently become more popular among offices. IDC believes that those mobile/cloud-related technologies, which used to be in the stage of solving issues, have now started to be used in offices. How to revolutionize their workstyle with such 3rd Platform technologies will be the challenge from now on for client companies.

■ The use of paper for office operations has not changed despite the growing popularity of mobile/cloud solutions. About 300 billion pages in total were printed in Japan by laser printers/MFPs in 2013 (a 1.6% YoY increase). A print and document environment that supports the current work process needs to be optimized together with effective use of the 3rd Platform for client companies to consider any workstyle revolution.

■ IDC conducted research on the maturity of print and document management for client companies in Japan. As a result, it was found that most major companies (46.5%) are categorized as level 2 in IDC MaturityScape (refer to Opportunistic row in Table 1: Maturity Definition of Print and Document Management).

■ Client companies at the lower rank of IDC MaturityScape should be introduced to MPS as the first step. For those who are in the higher rank and have adopted MPS, a transformation in print and document management through workflow automation is highly recommended.

■ As a leader in Managed Print Services, Fuji Xerox announced its latest offering, Next Generation MPS, which goes beyond conventional device management of MPS. Offered in 3 stages (Assess and Optimize, Secure and Integrate, Automate and Simplify), Next Generation MPS benefits client companies with increased efficiency through digitization and workflow automation and more cost-effective and sustainable printing.

3rd Platform and Workstyle Innovation

The IT environment is changing significantly with the increasing adoption of 3rd Platform technology centered on mobile/cloud computing. An overview of the 3rd Platform as proposed by IDC is shown on the right side of Figure 1. IDC defines the IT environment centered on

mainframe computers as the 1st Platform, the IT environment based on clients/servers as the 2nd Platform; and the new IT environment that is centered on mobility, cloud, big data/analytics, and social networks as the 3rd Platform. The popularity of public clouds and mobile devices for businesses in Japan is shown on the left side of Figure 1. Figure 1 shows that among the 3rd Platform technologies, higher growth is expected in the future especially for mobile and cloud. It is obvious that these technologies were used for business during the promotion stage; now, they have transitioned to the stage where efficiency issues are being addressed. Use of mobile/cloud frees employees of the client companies from time and place restrictions, and thus the companies are able to forecast significant changes in business implementation methods. IDC believes it is time for client companies to incorporate 3rd Platform technology in their workstyles.

Figure 1

Popularization of the 3rd Platform and Mobile and Cloud Services
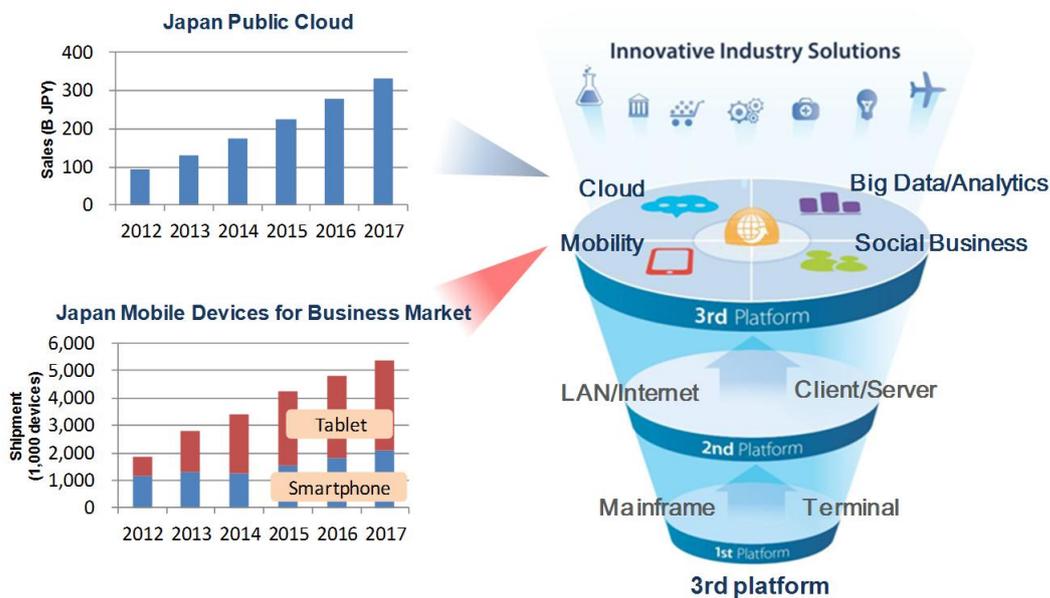
Source: IDC Directions 2014 (May 2014)

Maturity Level of Print and Document Management

IDC MaturityScape: Maturity Level Assessment of Print and Document Management

As mentioned earlier, the 3rd Platform has started to significantly affect the typical workstyle. Meanwhile, it is also true that "paper" remains widely used for office work. According to IDC research, about 8.2 million laser printers/MFPs (multifunctional printers) are operational in Japan as of 2013, and about 300 billion pages have been printed in total using those printers/MFPs (an increase of 1.6% YoY). Most of these pages are assumed to be printed out from office printers indicating that printed documents are still favorable in the organizations. In other words, when client companies consider a change in workstyle, aiming for effective use of the 3rd Platform, and improving efficiency and optimization of the print and document environment need to be

considered simultaneously. Any workstyle must be changed while efficiently linking the 3rd Platform and the print and document environment.

It is recommended for client companies that seek to change their workstyle to one incorporating the 3rd Platform to use IDC MaturityScape as a barometer to assess their maturity level for the introduction of such IT technologies/environment. IDC MaturityScape is a method of objectively assessing client companies' maturity levels for IT environment using the five levels set as described in Table 1. IDC defines the maturity level for print and document management based on this IDC MaturityScape.

TABLE 1

Maturity Definition of Print and Document Management

Level	Type	Maturity Definition of IDC MaturityScape	Maturity Definition of Print and Document Management
1	Ad Hoc	Few processes are defined and are occasionally even chaotic; success depends on individual effort	**Fragmented Print Management:** Activities are implemented individually per division. No specific target has been specified, and projects are operated based on efforts per person or group.
2	Opportunistic	Basic project management processes are established to track cost, schedule, and functionality. The necessary process discipline is in place to repeat earlier successes on similar initiatives.	**Device and Print Volume Tracking:** Technologies to manage device statuses have been introduced based on specific targets, and repair and maintenance are implemented proactively. Print volume is also defined and understood.
3	Repeatable	The process for both management and technical activities is documented, standardized, and integrated into a standard software process for the organization.	**Print Workflow Optimization:** Devices are arranged in an optimal way based on end-user requests. "Change Management" is also implemented, and improvement activity has continuously been implemented based on various analysis results.
4	Managed	Detailed measures of the process/initiative are collected. Process/initiative is quantitatively understood and controlled.	**Holistic Print Workflow Optimization:** Print and document management is widely deployed. Business support in the remote environment, handling of mobile devices, and management of a centralized printing facility are implemented as needed.
5	Optimized	Continuous process improvement is enabled by quantitative feedback from the process and from piloting innovative ideas and technologies.	**Transform Document-Intensive Business Process:** Print and document management is implemented as part of the reform activities of the business division. Integrated into mission-critical systems as well, and support for various workflows is also provided.

Source: IDC Japan, December 2014

When assessing client companies' maturity levels using IDC MaturityScape, first specify the evaluation criteria per target IT area. Then create a number of questions per evaluation criteria, assess/aggregate the resultant answers of each client company to the created questions, and
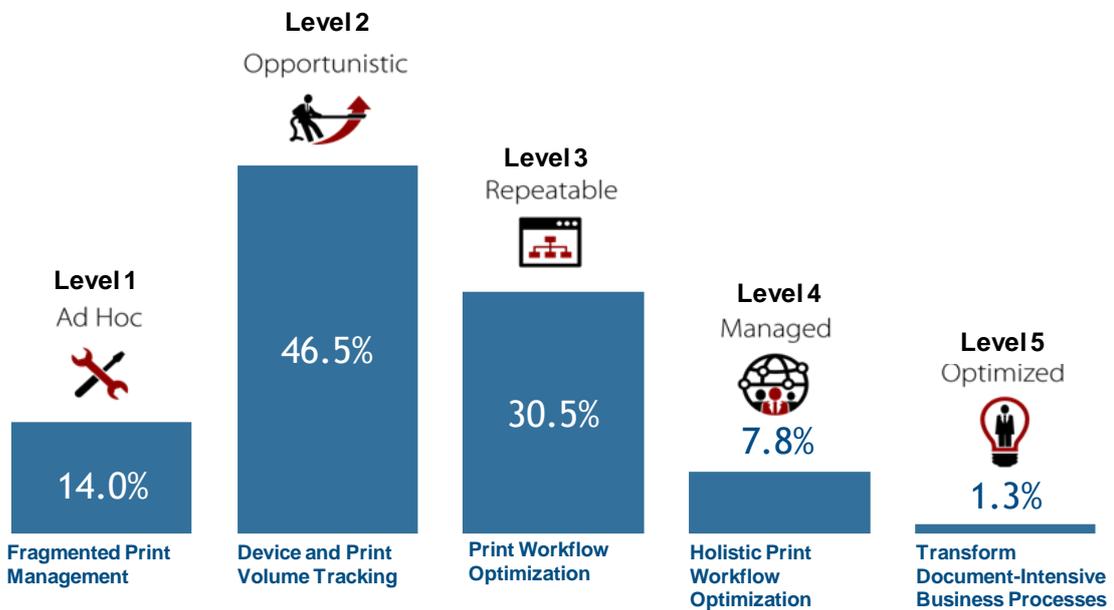
determine the maturity level per client company. The following four elements are specified as evaluation criteria for the print and document management area.

- **Intent:** Integration of company strategy, support from the executive/management layer, and company-wide value standards

- **Technology:** Introduction of print and document management technology, use of management technology/software, and appropriate function provision for end users

- **People:** Enlightenment and governance of employees, organizational culture change, optimization of organizational structure

- **Process:** Acquisition of information for printing environment, tracking of output equipment, analysis of collected information, decision-making based on analysis results

IDC conducted an Internet survey in Japan regarding the maturity of print and document management in October 2014, based on this evaluation criteria. This section is focused on major companies with 1,000 employees or more (number of respondents = 400), and the maturity levels of these companies' print and document management are analyzed. Many client companies (46.5%) in Japan are ranked as level 2 (Opportunistic) in terms of their comprehensive maturity level, as shown in Figure 2. The proportion of client companies that reached level 3 (Repeatable) is only 30.5%, and those that reached level 4 or higher (Managed, Optimized) account for less than 10% of the total.

F i g u r e 2

Japan Print and Document Management Maturity Level (Number of Employees: 1,000+)

Level 2
Opportunistic

Level 3
Repeatable

Level 1
Ad Hoc

Level 4
Managed

Level 5
Optimized

46.5%

30.5%

14.0%

7.8%

1.3%

Fragmented Print Management

Device and Print Volume Tracking

Print Workflow Optimization

Holistic Print Workflow Optimization

**Transform Document-Intensive Business Processes**

n = 400

Source: IDC Japan, December 2014

Figure 3 shows the analysis details per evaluation criteria based on the survey result. According to this graph, there are many companies with a high maturity level only in terms of Technology. It

has become clear that many client companies have introduced print-related technology, but standardization of the company-wide intention to use this technology, providing awareness and governance to employees, and standardization of various processes have been delayed.

F i g u r e   3

Maturity Level for Japan Print and Document Management per Evaluation Criteria (Number of employees: 1,000+)
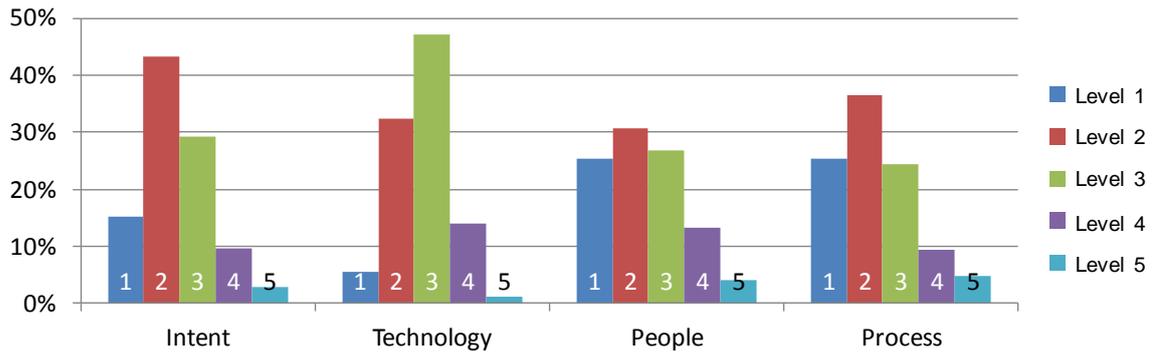
n = 400

Source: IDC Japan, December 2014

## Challenges in Print and Document Management and How MPS Could Help

As mentioned earlier, the issue with print and document management is that the technical elements, that is the technological introduction, has advanced while the administrative elements, such as standardization of internal intentions, governance of employees and process management, has been neglected. In order to resolve these problems, the introduction of MPS is optimal.

MPS provides a holistic approach of managing print and document environment for an entire organization. It is recommended for many client companies that are evaluated as level 2 to introduce MPS at first.

Many client companies have started to introduce MPS in Japan and the Asia/Pacific region. The graph on the left of Figure 4 shows 2009–2013 sales results for the Japan MPS market, while the graph on the right shows the 2011–2013 sales results for the MPS market in the Asia/Pacific region.

MPS Sales in Japan (2009–2013) and in the Asia/Pacific Region (2011–2013)
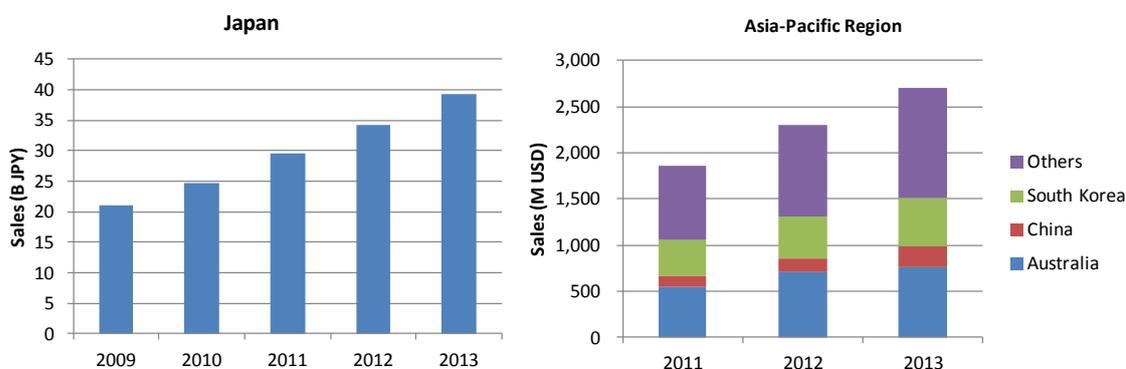
Source: IDC Japan, December 2014

The Japan MPS market scale for 2013 was 39.32 billion JPY (YoY growth rate: 14.8%), while the MPS market in the Asia/Pacific region (Australia, Hong Kong, Indonesia, South Korea, Malaysia, New Zealand, the Philippines, China, Singapore, Taiwan, Thailand, and Vietnam) for the same year was about US$2.7 billion (YoY growth rate: 17.3%). From this number, about US$770 million was for Australia (YoY growth: 7.9%), about US$220 million for China (46.4%), and about US$520 million for South Korea (15.8%).

Innovate Workstyle: Automation of Document Workflow

Automation of document workflow is important for client companies whose maturity levels are at a certain level or higher to further increase the maturity level of their print and document management to enable them to change their workstyles. If the document workflow efficiency can be improved or automated under an environment where mobile/cloud computing can be used, time and place constraints will be minimized, which may lead to significantly improved operational efficiency.

In September 2014, IDC conducted a comprehensive survey into document workflow with the people involved in the introduction of the print and document environment in Japan. According to the research results, 69.3% of major client companies with 1,000 employees or more have introduced automated workflow systems, indicating a clear majority of those companies. A high percentage of services introduced are for accounts (51.4%), human resources (42.6%), and information system applications (41.6%). However, most (71.5%) of these systems had been introduced in 2011 or earlier, and reacting to changes in the new workstyle, such as mobile/cloud, is difficult. There are other issues, such as incompatibility with operations due to the lack of knowledge about the workflow. Speed improvements, visualization of status, personal information protection, print volume reduction, improved compliance, and so on are requirements for any system to be introduced in the near future as illustrated in Figure 5. This shows that an automated document workflow system that supports quick and secure operation using mobile/cloud services is demanded. The aforementioned maturity analysis also indicates that improving sufficiency of the administrative elements, including governance and process management, is important to change workflow while defining the whole service rather than simply introducing an automated workflow system as a technology.

F i g u r e 5

Purpose of Automated Document Workflow
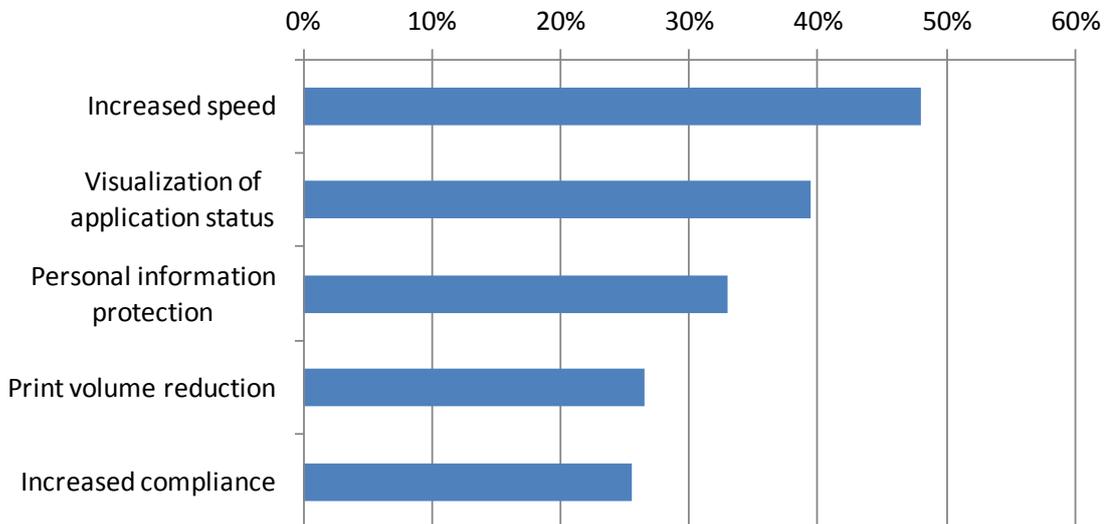
n = 200, Top 5 items only
Source: IDC Japan, December 2014

Steps for Workstyle Innovation

IDC recommends that client companies that aim to establish a new print and document environment in order to change their workstyle should gradually implement the following activities and bear in mind the aforementioned factors.

■ Client companies should objectively understand their own print and document management maturity levels, and strategies must be developed to improve the maturity level.

■ Client companies whose maturity levels are low should consider the introduction of MPS.

■ Client companies whose maturity levels have reached a certain level or higher should introduce mobile/cloud technology to integrate with the print and document environment. Furthermore, aim to establish an environment geared towards an automated document workflow.

Next Generation MPS Provided by Fuji Xerox

### *Fuji Xerox in the Japan and Asia/Pacific MPS Markets*

Fuji Xerox Co., Ltd. (hereinafter, referred to as "Fuji Xerox") is one of the leading multifunctional device and document outsourcing vendors in Japan and Asia/Pacific. Fuji Xerox has been leading the development of MPS in Japan and the Asia/Pacific region. According to the IDC survey report "*Japan Managed Print Services Vendor Analysis 2014*", the vendor share held by Fuji Xerox in 2013 in terms of MPS sales value is 56.0%, the highest in Japan (it has been ranked top for five consecutive years in terms of share in Japan). Fuji Xerox has been proactively promoting MPS in

the Asia/Pacific region as well. According to the IDC survey, "*Asia/Pacific Managed Print Services Tracker 2013* (issued in December 2014)", Fuji Xerox holds a 23.8% share in Australia, 34.7% share in South Korea, 45.8% share in China, and has been maintaining the top share in all these countries.

Fuji Xerox's MPS provides an assessment of the current status of the print and document environment, installation of optimal equipment for work processes, change management activities centered on training, remote detection of problems concerning output equipment, break-fix and delivery of consumables based on remote detection, and periodic reports (among others) for continuous improvements.

Next Generation MPS of Fuji Xerox

Fuji Xerox has developed a new offering, called "Next Generation MPS". Next Generation MPS supports not only client companies' printing environment but also operations in their entirety, in which mobile/cloud services have become more popular and the workstyle has been changing. Additionally, it not only reduces print-related costs, but also supports a reduction in the print volume itself. Next Generation MPS is provided in three stages as shown in Figure 6.

F i g u r e 6

Three Stages of the Next Generation MPS
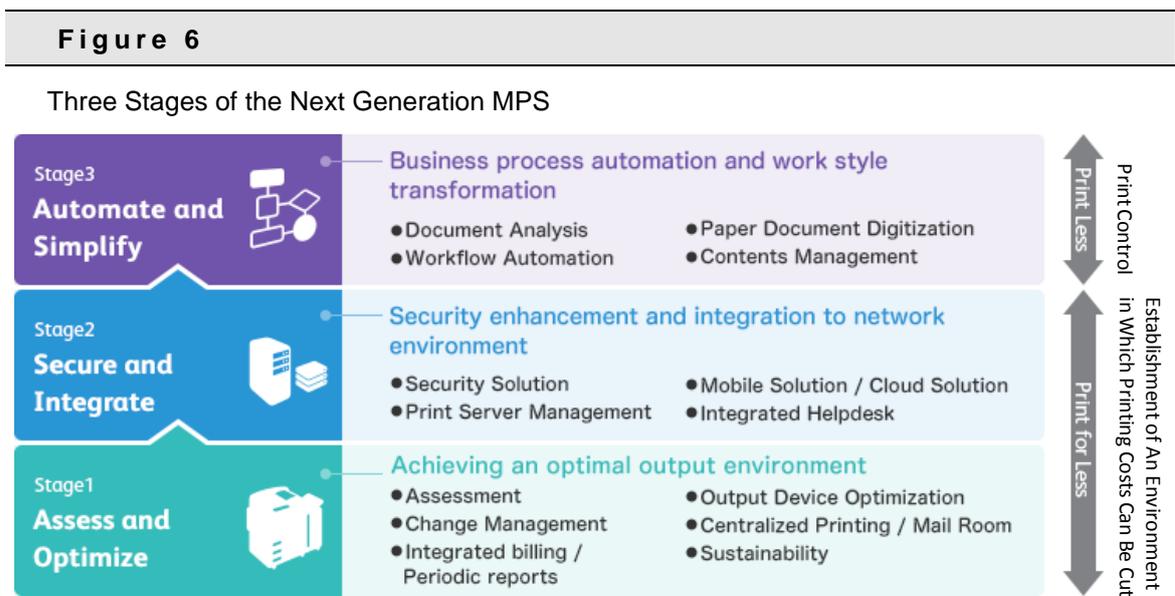
Source: Fuji Xerox Co., Ltd.

Stage 1: Assess and Optimize

This is the basic stage to provide conventional MPS. At this stage, one must initially understand the total cost of ownership (TCO), output equipment usage status, power consumption, and greenhouse gas emissions (and others) by using an assessment service. Use various assessment tools held by Fuji Xerox to accurately analyze the current printing environment, understand the usage status dispersion and waste, and accordingly arrange output equipment in an optimal way. Also use "Change Management" to minimize failure due to shifting to a new printing environment. Various billing statements for the printing environment are integrated into a reduced number of invoice sheets, the printing environment status is periodically reported, and

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improvements are made continuously. A centralized printing and mail room may be managed simultaneously if necessary.

Stage 2: Secure and Integrate

The purpose of this stage is to reinforce the security and output control of end users. There are many usage scenarios, such as ordinary offices, centralized printing rooms, mobile environments, and cloud usage. At this stage, appropriate security is provided to cope with usage scenarios by connecting all equipment in accordance with the client companies' security policy and applying necessary security reinforcement measures. Also, security for printing is reinforced by introducing solutions that manage print servers and print queues. Additionally, it establishes printing rules for end users, and operates them with the user verification system to control access to output equipment and control usage permissions. Moreover, it introduces mobile print solutions and cloud solutions to realize printing from a mobile environment and improve work efficiency. The help desk is integrated with the IT help desk, and one-stop services are provided to end users.

Stage 3: Automate and Simplify

The purpose of this stage is to change the end users' way of working and drastically increase productivity in the optimal printing environment that has been established in Stages 1 and 2. Specifically, the workflow related to documents is analyzed in detail using unique tools. Then, the work processes involving paper will be digitalized, and processes are automated as far as possible. Also, content management that jointly manages digital documents created by using a variety of equipment, such as websites, desktop PCs, smartphones, tablets, and multifunctional devices, is provided. This enables digital documents to be easily acquired, saved, shared, and converted. The aim is to reduce the length of time for paper-related work, cut costs, and improve accuracy through these services. It is also said that life-cycle management of documents will be possible, which reinforces security as well as being advantageous from the perspective of legal compliance.

IDC Essential Guidance: Opportunities and Challenges of Fuji Xerox Next Generation MPS

Next Generation MPS is Fuji Xerox's recent offering, which goes beyond the consolidation of printers to a holistic business approach that streamlines and improves everyday work processes leveraging mobile/cloud services. Fuji Xerox helps clients in managing everyday concerns such as productivity and mobility while simplifying how work gets done in a secure and sustainable way through workflow automation. Next Generation MPS is able to address clients' needs and requirements depending on their maturity level defined in Print and Document Management MarketScape. IDC anticipates that Fuji Xerox Next Generation MPS will lead the MPS market in Japan and the Asia/Pacific region, providing services beyond managed print services to digital transformation supporting future workplace.

However, the following challenges might be faced by client companies adopting or planning to adopt Next generation MPS.

- **Accurately understand their print and document management maturity level and strategic planning:** It is important that client companies understand their current state in order to establish the ideal print and document environment. While collaborating with vendors, the client companies ultimately need to understand the importance of their print and document environment and decide their own strategies.

- **Integration of new print and document environment and existing workflow automation system:** According to IDC's research results, some kind of workflow automation systems have been introduced at most major companies. In order to change the workstyle by establishing a new print and document environment, it must be designed based on detailed operational analysis on how to integrate this conventional workflow automation system for innovative improvement/automation.