# Xerox Services: Demanding Innovation through Technology Enablement

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# Discussion Topics

- About Xerox Services – Finance Accounting and Procurement Services
- Research Studies: What do Senior Finance Executives need to Focus on?
- Challenges Facing Accounting & Finance Executives
- How Can Technology Solve some of these Challenges
  - Enabling Processing Platforms (short video)
  - Simplification Tools & Technology
  - Reporting & Analytics

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# About Xerox Services – Finance Accounting and Procurement

## We are the world's largest enterprise for document and business process management.

- Over **$23B in revenue, 140,000** employees, 160 countries
- Today more than $12B in Revenue comes from Services
- Providing managed print and document services to organizations in Canada since 1994
- Over 400 services contracts in Canada with **300 customers**
- Xerox acquired Affiliated Computer Services (ACS) in 2009 to strengthen its Services capabilities worldwide: **F&A, Call Centre, HR, Specialized Services**

## Finance, Accounting and Procurement Services

- Recognized by Gartner: **Magic Quadrant Leadership 2012, 2013**
- **39,000 FTE** in 92 Delivery Centres Globally
- 7200+ FTE in **17 FAP Centres of Excellence** Globally
- **200 Clients** delivering services in Procure to Pay, Order to Cash, Record to Report and Corporate Decision Support.
- Benefits include:
  - 30-50% cost reduction, scalability of operations globally, tools and technology enablement, increased control, accuracy and speed of reporting,

# What do Senior Finance Professionals need to focus on?

Research Studies show that the Senior Finance Executive needs to focus on / support strategic initiatives such as:

- Growth Initiatives, (Global and National)
- Improvement in Competitive Position
- Mergers, Acquisition, Joint Ventures/Partnerships
- Striving to envision the future of the organization and prepare for that future

Other Key Accounting and Finance Activities relate to:

- Developing people within the finance organization
- Mitigate Enterprise Risk
- Drive Integration Across the Enterprise

When there are so many challenges in an Accounting and Finance organization, How can Finance Executives focus on these Strategic Initiatives?

# Challenges Facing Finance & Accounting Organizations

**Streamlining Processes and improving Productivity** is the single most important Challenge facing Accounting and Finance Organizations

Achieving **Enterprise real time visibility** across the organization

Also of critical importance the **ability of the CFO to be the Transformation Leader** and influencer of change

Table 1. Importance of Challenges Facing Accounting and Finance Organizations

| | Of Critical Importance | Very Important | Important | Slightly Important | Not Important at All | Percentage Responding at Least "Very Important" |
|---|---|---|---|---|---|---|
| Streamlining processes and improving productivity | 35.7% | 42.2% | 19.5% | 1.6% | 1.1% | 77.8% |
| Improving the management reporting cycle | 15.6% | 44.1% | 26.3% | 12.9% | 1.1% | 59.7% |
| Achieving real-time visibility across your organization | 17.5% | 39.3% | 31.7% | 8.7% | 2.7% | 56.8% |
| Becoming the Transformational CFO—being an influencer of change across your organization | 11.8% | 40.4% | 32.9% | 9.9% | 5.0% | 52.2% |
| Running a global business efficiently | 25.6% | 26.4% | 27.1% | 12.4% | 8.5% | 51.9% |
| Handling financial consolidation efficiently | 14.4% | 32.7% | 34.6% | 12.4% | 5.9% | 47.1% |
| Upgrading your company's ERP/ business systems | 11.7% | 32.2% | 29.2% | 15.2% | 11.7% | 43.9% |
| Spending fewer cycles on the period close | 8.4% | 32.4% | 34.1% | 16.8% | 8.4% | 40.8% |
| Improving collaboration in the disparate finance organization | 6.3% | 32.1% | 32.7% | 18.9% | 10.1% | 38.4% |
| Accelerating the invoicing processes | 9.2% | 25.4% | 35.3% | 19.7% | 10.4% | 34.7% |
| Connecting the finance team with the front office | 5.6% | 28.7% | 39.9% | 21.9% | 3.9% | 34.3% |
| Automating order management | 5.8% | 18.8% | 36.4% | 25.3% | 13.6% | 24.7% |

"Rising Challenge" research conducted by the IMA and study authored by Raef Lawson VP Research for the IMA

# Major Transformational Levers

*To achieve significant transformation our teams need to focus on the major leverage points.*

## Service Delivery Models

- Global Business Services
- Shared Services
- Insourcing / Outsourcing
- Rightshoring

## Policy

- Best Practices
- Support Compliance
- Flexibility for Customers, Employees & Vendors

## Process

- Global Standardization
- End-to-End Management
- Best Practices
- Touchless processing

## Technology

- Platform Upgrade & Enhancements (ERP & wrapper platforms)
- Automation Technology
- Reporting & Analytical Tools
- Process Management Tools

## Data / Analytics

- Master Data Standards
- Benchmarking
- Standard Reporting Dashboards
- Analytics Portals/Tools (e.g., spend analytics)

## People/Talent

- Skills Alignment
- Skills Enhancement
- Change Management



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# Gartner 2012 Prediction related to Technology Enablement:

*In 2012, Gartner predicted that existing ERP systems will gradually be augmented by cloud-based business process as a service (BPaaS) offerings - automated, remote services accessed via the internet that are designed to meet specific business needs, such as payroll, A/R, A/P or procurement.*

*These BPaaS offerings are also called "PETS" or "Process Enhancement Technologies and Services.*

*These are called BPaaS add-ons or "PETS" (Process Enhancement Technologies and Services) PETS can be grouped into three classes of technologies, serving increasingly complex business needs.*

- Level 1 PETS – Integrate data - i.e. Customer, Supplier employee information into an organizations core applications through digitization of documents
- Level 2 PETS – Enhance the core applications – i.e. credit & collections tools that improve on ERP functionality and providing enterprise visibility
- Level 3 PETS – Augment existing analytics capabilities

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# Key Technology Challenges

Optimizing provider and client technology strategies, investments and resources is always a balancing act.

### Technology Ownership

- Client or service provider ownership
- Prior & ongoing investment
- Loss of control concerns & challenges

### ERP vs. PETs

- Not an either/or situation
- Where PETs excel
  - Multiple ERPs
  - ERP functionality lags
  - Greater efficiency

### Access to Data

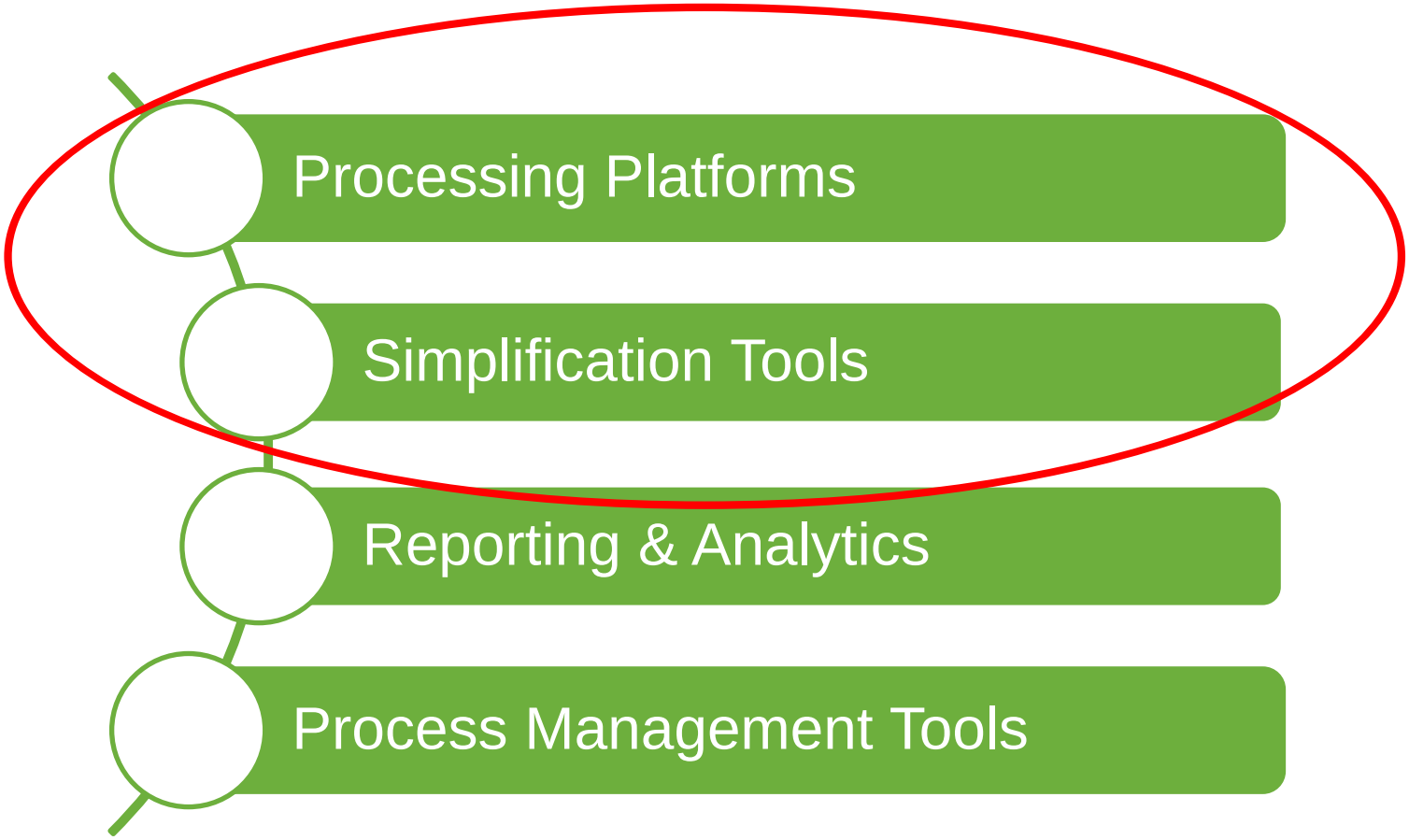
- ERP is the key source system
- Citrix environments
- Greater collaboration

### Other

- Integrating SMAC - Social, Mobile, Analytics, Cloud
- Migrate, Automate, Eliminate vs. Eliminate, Automate, Migrate
- Funding - Contractual frameworks need to carefully address transformation

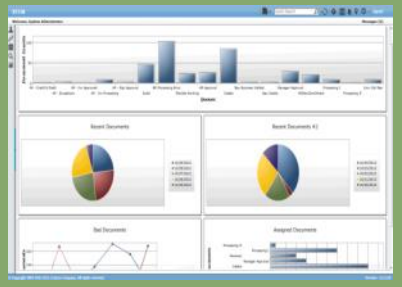
# Technology Strategy

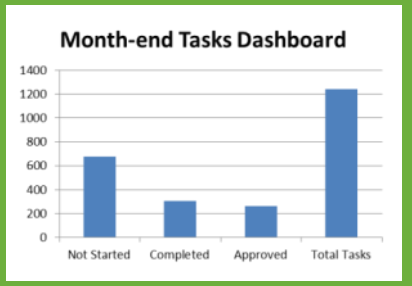
*To enable technology driven services and Finance & Accounting transformation  technology strategy should be focused on four key areas.*



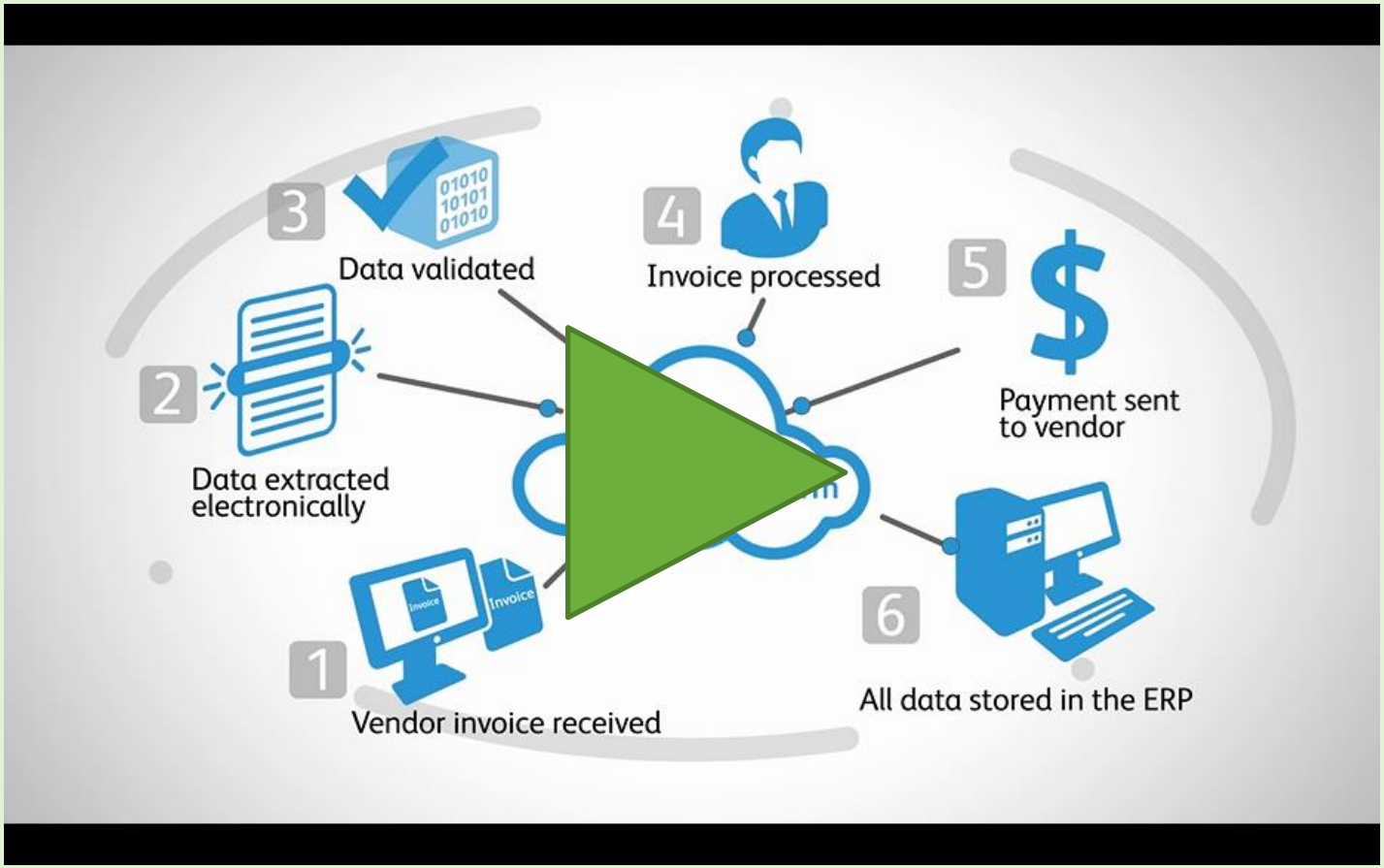
# Enabling Processing Platforms

| | Procure to Pay | Order to Cash | Record to Report |
|---|---|---|---|
| **Key Activities** | • Spend Analytics<br>• Sourcing<br>• Procurement<br>• Accounts Payable | • Customer segmentation<br>• Credit Mgmt.<br>• Cash Applications<br>• AR Mgmt.<br>• Disputes & Deductions<br>• Collections | • Consolidation Integrity<br>• Close Management<br>• Transaction matching<br>• Journal Entries<br>• Account Reconciliations<br>• Variance Analysis |
| **Business Benefits** | • Improves discount management<br>• Improves productivity<br>• Improves supplier management & compliance<br>• Payment rebates | • Improves working capital performance<br>• Lowers bad debt<br>• Increases productivity<br>• Greater transparency | • Mitigates risk of virtual team<br>• Improves productivity<br>• Greater transparency |



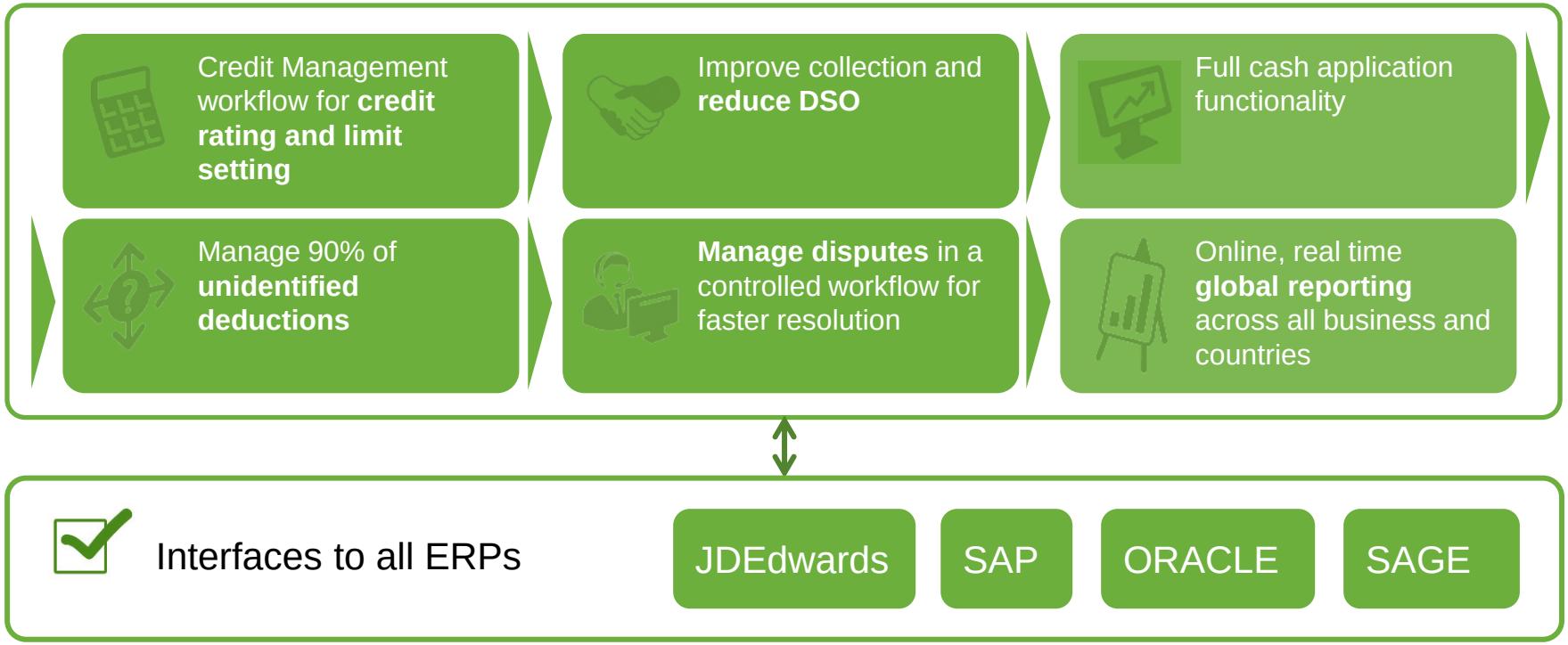


# AP Platform – Next Generation



# Credit Cash and Collections Platform
# CVG Value+: Functional Areas

THE CUSTOMER VALUE GROUP
A Xerox Company




- Global Services and Support Teams
- Manage Teams Remotely
- Local Pilot to Global Implementation



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# Simplification Tools - Computerized Processors / Robots

## The Concept

Proprietary technology to automate manual rules-based activities

- Appears to be a 'really fast person'
- A tool that enables operational changes without system changes
- Interfaces through the User Interface (buttons, text fields, drop down lists, etc.,)
- Read/write data from external system(s)
- Makes complex decisions based on live data on the screen or passed into AutoBot

### Human vs. Machine (AutoBot)

**Human**

- Transcribe data from paper and/or images*
- Talk to other humans and transcribe data retrieved from conversation*
- Make true judgment-based decisions

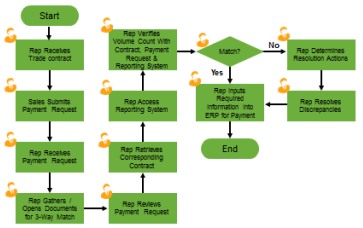
***If 2 different people look at the same data and come up with two different conclusions and both are right – judgment call***
***versus***
***If 2 different people look at the same data and come up with different conclusions and one is right and one is wrong – not a judgment call***

**Machine**

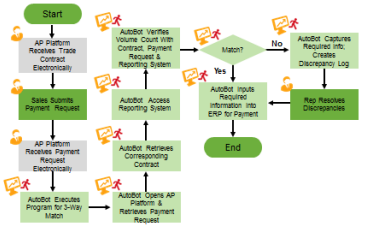
- Log-in and navigate Mainframe, Web, MS Office and Windows systems
- Retrieve data from systems
- Copy/paste data between systems
- Follow business rules
- Perform complex logic evaluation and follow pre-defined process flows
- Take human-transcribed data and "plug" into systems
- Easily cloned to provide additional production capacity

* A combination of technologies (e.g., OCR & Autobot) may reduce the level of manual effort

Illustrative Example – Highly Manual




Illustrative Example - AutoBot Opportunity




**Key Benefits: Reduces manual work, improved consistency & quality, reduces costs**

# Simplification Tools – Call Handling Automation (Call Simplicity)

## The Concept

Proprietary technology to automate manual steps associated with a call

- Interface platform
- Focus on major calls types
- Automates manual look ups, searches and navigation through multiple source system screens
- Highly intuitive
- Reps are prompted through scripts

### Takes What was Complicated…

- Multiple software programs layered window-over-window
- Need to access multiple screens to gather information
- Several database look ups to find information
- Manual cut-paste processes
- Months of training in systems and what-if scenarios

### Makes Simple.

- A single-prompted touchscreen interface
- Focuses on major call types
- Highly intuitive – reps can handled a live call with limited training
- It works for technical and business process oriented calls – any calls supported by data queries, scripts, and information sources

**Key Benefits: Improved quality & shorter call handling times - reduces manual work, improves consistency & quality, reduces training time and processing costs**

# Reporting & Analytics

## The Concept

Reporting & analytics are critical for process excellence and improving business performance

- Robust standard reporting with drill down capabilities – region, country, business units etc. and flexibility to create on demand reports
- Benchmarking insights and dashboard to help guide and integrate with process transformation
- Access to other types of spend analytics
- Linking structured and unstructured data to provide new insights

Key Benefits: Provides greater information transparency; reduces manual effort to prepare reports; increases focus on analytics & insights



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# Conclusion

Technology Enablement does solve some of the challenges facing Senior Finance Executives.

These technologies create significant process improvement result in:

- Streamlined Processes
- Standardized Processes
- Productivity
- Enterprise Visibility of Data
- Significant Cost Reduction
- Assist in Process Change – Transformation Leaders
- Free up F&A Executives' time to focus on "Strategic Initiatives"

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