



## Choosing Outsourcing Partner

### Publishing Outsourcing Service Partner of different Level

#### Executive Summary

In the publishing services industry, razor-thin margins for many product offerings are compelling firms to improve their bottom line. Moreover, in a competitive marketplace where offerings and features are often quite similar publishing companies are increasingly beginning to view their operations as a source of competitive advantage.

To stay ahead, publishing services firms are constantly seeking new and structured efficient ways to cut costs, improve response time and speed time to market. As a result, they are turning to a wide array of potential remedies, which include outsourcing entire business processes to third party providers. Hundreds of offshore providers – from long-established global consulting firms to small boutique service organizations – have set up shop to exploit the burgeoning demand for this business.

However, choosing the right partner is not an easy task. In fact, organizations need to address a host of business issues that go far beyond just cost. Among them are such factors as service quality, data security and metrics for measuring whether the partnership is achieving its goals.

While the scope of business process outsourcing is vast and rapidly expanding, this white paper focuses on application or forms processing, the point of capture for incoming information that ultimately help publishing services firms shape future relationships with customers. Companies that capture this information more efficiently often reduce costs and improve response times dramatically.

This white paper serves as a primer into the world of outsourcing by providing the challenges of business process outsourcing for publishing services firms, identifies key processes that are good candidates for outsourcing, and helps organizations decide on a coherent strategy for setting up an outsourcing relationship with a trusted partner.

- ❖ *What would be the Business Process Focus Areas?*
- ❖ *How to Choose the Right Outsourcing Partner?*
- ❖ *Benefits of a well-planned and well-executed business process outsourcing strategy.*

## Business Process Focus Areas

In the competitive and sensitive world of typesetting processes, certain touchstones can mark the difference between a successful outsourcing strategy and a failed one. Three of the most important are the *skills* of the employees designing the new business processes and tasks, an established *quality methodology* to set goals and measure performance against them, and ultra-reliable *security policies*.

### *Process Specialists*

When a publisher decides to outsource business processes, they want to be sure that the outsourcing partner will provide services that are of the highest quality at a cost effective rate. Therefore, the outsourcing partner must have experience in working with a client to define business requirements, understand current processes and interfaces, and understand goals and metrics.

At this point, the typesetting services firm must decide whether to redesign the overall business process or simply look for a way to do the existing job more cost-effectively. In making this decision, they need to determine how best to improve their flexibility and operational agility so they can respond quickly and adapt to varying workloads.

To that end, the outsourcing partner can either design a new process that meets the client's business and performance goals, or simply integrate their team into the existing process to improve overall business operations. They must also provide employees to execute those processes accurately, quickly and skillfully. The process knowledge and skills of the partner are indispensable in creating a successful outsourced business component.

### *Quality Assurance Methodology*

Measuring success is often a multi-step undertaking. First, a process must incorporate appropriate quality procedures and checkpoints. A strong outsourcing partner will embed quality methodologies into their DNA. In other words, not only will they define the appropriate quality policies, they will also go out of their way to make sure they are implemented.

For example, they will establish metrics based on the client's stated business goals – such as data accuracy guaranteed at 99% or greater or a 24-hour turnaround time. At regular intervals, they will check progress on those metrics and report appropriately. Criteria to consider include adherence to industry standards, quality certifications (such as ISO), use of latest tools and technologies appropriate to the process at hand, and appropriate reviews or audits.

### *Data Security Standards and Processes*

Within the past few months, several news stories about potential identity theft have illustrated just how important security is to major typesetting enterprises. Publishing services firms will always be a tempting target for individuals or groups seeking to commit fraudulent activity. Therefore, any outsourcing project must adopt and follow stringent security procedures at every step. An outsourcing provider that offers publishing services must be experienced with advanced security technologies and multiple security factors.

A comprehensive security strategy includes physical security of facilities, strict password and access control measures, sophisticated data encryption techniques, and routine measures to scrub sensitive data. Offshore providers should also be expected to provide these stringent security measures. Ultimately, typesetting with the financial information of individuals or corporations must adhere to multi-step security standards and processes.

## Choosing the Right Outsourcing Partner

Choosing the right partner is a critical step in building a successful outsourcing relationship. First, not every outsourcing partner is capable of providing a wide range of services. The company needs to have an established infrastructure, a competent and highly skilled workforce, and strong leadership by a management team that understands and works to achieve the goals of the client.

To that end, publishing enterprises need to look for seven things as they manage value in a business process outsourcing relationship:

### **1) A partner who shares their commitment to deliver quality**

In this focused market, quality and accuracy of data is of fundamental importance. If the outsourcing partner cannot demonstrate quality processes, methodologies, and metrics, a publishing enterprise risks failure in this venture. The partner must be able to create or add value at every step of the transaction process.

### **2) A partner who has the expertise and communication skills to help the enterprise transition to the new model**

Employees of the typesetting enterprise must be aware of the benefits of the outsourcing project to their company and to themselves. In addition, the partner must have the geographical presence to provide an understanding of local issues, requirements and standards.

### **3) A company with a record of accomplishment of building the tools and business processes to deliver a quality product and validate the success of their efforts**

Has the company handled similar business processes for clients? Do they know what it takes to adapt and improve upon existing business procedures?

### **4) A company with right data security policies**

Data security is paramount, especially in the wake of the recent problems plaguing third-party service providers in the United States. The partner should have a foolproof system for securing data as well as a system of checks and balances to ensure that any potential exposures are quickly remedied.

### **5) A company that can scale rapidly and effectively to meet new client demands**

In the 21st century, success will favor companies agile enough to respond to changing business demands. A perceptive outsourcing partner works with the enterprise to anticipate change, scaling and adapting appropriately.

### **6) A company on sound financial footing**

A potential outsourcing partner should be on sound financial footing and have the wherewithal to cope with the long lead times required to prepare a cogent outsourcing strategy as well as handle cyclical up- or down-turns in volumes and time pressures.

### **7) A company with a solid management team and change management expertise**

This factor cannot be overlooked. Any potential outsourcing partner should have a management team with sufficient training and change management skills to ensure that the hand-over of this key activity goes as smoothly as possible. A key step is to ensure that the firm's staff shares critical knowledge and insights with the outsourcing partner's team.

## Benefits of Business Process Outsourcing Strategy

Some of the earliest processes, to be outsourced were small, relatively inefficient processes such as transcribing information from hand-written claims forms into an electronic system or capturing data obtained by telephone. Financial service companies are now realizing benefits from outsourcing even more processes, including mortgage applications and processing, loan processing, insurance claims processing, litigation coding, and account enrollments.

What then, are some of the characteristics that will help firms realize these benefits while avoiding costly missteps? Across the board, strong outsourcing partners typically share these qualities:

❖ ***High quality service delivery***

The partner demonstrates a shared commitment to delivering quality output.

❖ ***Deep industry and process knowledge***

The partner has a competent, highly skilled workforce that offers a swift transition to the new business model.

❖ ***Strong market reputation***

The partner is known for its experience in the target processes, adherence to trusted methodologies and standards, and use of the latest digital technologies with a secure infrastructure.

❖ ***Strong financial footing***

The partner has a stable financial future and strong cash flow.

❖ ***Secured facilities and bullet-proof procedures for ensuring data security***

The partner embraces multi-level security standards and policies.

❖ ***Ability to Scale***

The partner has a robust IT infrastructure and a flexible work force that enables it to expand operations quickly in response to changing demands.

The benefits for firms that settle on the right outsourcing strategy – and the right partner – can be dramatic. They routinely improve efficiency and the output of routine activities such as data entry or forms processing, realizing significant savings in the process. By converting data from paper to electronic documents, they can also begin to transform their entire business process for collecting data about customers – and for adding value to the relationship with that customer.

## Conclusion

In the constantly changing global business environment, outsourcing business processes to offshore providers is increasingly being viewed as a viable and necessary option. They also want to ensure that they select a partner with skilled employees, established quality methodologies, and strong security policies. The right business process outsourcing partner can help a company become more agile and responsive to changing market demands, giving them greater flexibility to launch new campaigns or absorb new customers through mergers and acquisitions. Business process outsourcing can help organizations achieve these goals.

However, as publishing services outsourcing embark on this new business model, they need to follow a precise and rigorous methodology in choosing a partner; one that considers all options, risks as well as benefits. Companies want to avoid the misstep of choosing the wrong partner, as the resulting delays and cost overruns could leave them at a severe competitive disadvantage.

A successful outsourcing strategy can have significant revenue implications as well. A firm that develops procedure that is more efficient will speed the cycle time of setting up new accounts, ensuring that customers start using their products and services even faster.

As publishing services firms continue to improve operating performance, it's increasingly evident that business process outsourcing will become an accepted strategy that all organizations pursue to some degree. The end results are clear: the freedom to focus on driving higher organic growth through more innovative products and marketing strategies.