Growth Opportunities: Services

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Today’s Discussion

Services

- Market Opportunity
- Lines of Business
- Building Momentum
Global Services Expands the Large Enterprise Opportunity

Xerox Competitive Advantage / Growth

Customer Value-Add / ROI

Hardware Centric $26B

Deliver industry leading output devices

Source: Xerox Internal Analysis: 2004 Large Enterprise / Public Sector Market Size
Global Services Expands the Large Enterprise Opportunity…

Xerox Competitive Advantage / Growth

- Re-engineer workflow / business process
- Enhance document efficiency and effectiveness
- Create savings through output infrastructure optimization
- Deliver industry leading output devices

Hardware Centric $26B

Value Added Services $20B

Customer Value-Add / ROI

Source: Xerox Internal Analysis: 2004 Large Enterprise / Public Sector Market Size

...to $46 billion
Xerox Global Services Today...

Q3 2005 YTD Total Revenue
$11.5 Billion

Managed Services
$2,279M

XOS
Xerox Office Services

DOCS
Document Outsourcing and Communication Services

BPS
Business Process Services

Value-Added Services
$168M

...drives 22% of total revenue
From Office Products...

...to Office Services (XOS)

- Consulting and Assessments
- Device Management and Outsourcing
- IT Support and Help Desk
Assess  ➔  Optimize  ➔  Control  ➔  Improve

- Immediate savings of 8-12%
- Target end state savings of 20-30%
- 2 million third-party devices under contract

“Most companies could reduce their printing costs by 10-30%.”
- Gartner
Xerox Office Services – Customer Success

Financial Services Institution

“\textit{I wanted certainty of service, lower cost and didn’t feel we were well equipped to manage the technology.}”
Financial Services Customer - UK

**Xerox Solution**
- Xerox Office Assessment
- On-site management of output infrastructure
- Migration to Xerox multi-function devices
- Asset management software
- Dublin-based help desk

**Customer Results**
- Streamlined 40,000 devices to 28,000
- Increased employee-to-device ratio by 3X
- Reduced cost per print by 60%
- Improved service / reduced downtime
- Cost savings of $10 million
From Production Printing...

...to Document Outsourcing & Communication Services (DOCS)

- Production Optimization
- Managed Services
- Transactional / Personalized Communications
For Every $1 Spent on Print...

Print costs are the tip of the iceberg

• Warehousing / archiving
• Administrative
• Internal document prep / review
• Obsolescence
• Creative
• Fulfillment / distribution

...another $6 is spent on content and fulfillment

Source: InfoTrends / Cap Ventures' Cost of Business Communications: A Look at the Business Document Lifecycle
“The new service produces much better looking documents and makes it much easier for our customers to do business with us. We really believe this gives us a 12 to 18 month lead on our competition.”

Financial Services Institution

Xerox Solution

- Document Advisor Office
- Identified $200M baseline document spend
- Initial implementation in Group Marketing
- End-to-end process delivery by division

Customer Results

- 18% savings in Group Marketing department
- $12 million cost reduction in first division
- State-of-the-art color facility (6 iGen3’s)
- Increased response rates / market share

More to come!
From Paper-based to Digital Workflow...

...Business Process Services (BPS)

- Digitize and Image Paper Documents
- Hosting and Offsite Document Services
- Business Process Improvements
  - Enterprise Records
  - Corporate Litigation
  - Client Account Lifecycle
  - Finance & Accounting
  - Maintenance & Repair Operations
The Power of Smarter Document Management...

**Maintenance and Repair Operations**
- Immediate access to accurate, version controlled information
- Improved efficiency and reduced costs
  - Reduced labor and facility downtime
  - Improved service diagnosis and fix rate
  - Reduced safety issues and risk

**Mortgage Loan Processing**
- Shorten loan origination cycles
- Better loan servicing
- Easier transfer to secondary market
- Reduced cycle times, increased accuracy and scalability

**Corporate Litigation and Regulatory Compliance**
- Timely and accurate access to critical information
- Proven discovery process infrastructure
- Sophisticated search and retrieval
- Reduced discovery process costs, risks and inefficiencies

...create ...capture ...manage ...deliver
Business Process Services – Customer Success

“Xerox integrates our document management processes from the output devices in the office right through to our print shops. In addition to this, they digitize our mission critical content.”

Sunoco Corporate Spokesperson

Xerox Solution

- Onsite & Offsite Imaging – 10 million+ documents
- Enterprise Records Management
  - Back file and day forward
- Maintenance and Repair Operations
  - Re-engineer operational documents
- 10+ new / renewed contracts in the last 2 years

Customer Results

- Real-time access to compliance documents
- Management and version control of safety and maintenance procedures for 8 plants
Expanding Customer Value...

Source: Actual Xerox billings for the featured customer

...grows Xerox revenue over time
Enabling Growth Through Integrated Account Management

- Leveraging existing assets
  - Largest global sales and service
  - Strategic alliances and partnerships
  - Industry specific applications

- Document Services expertise
  - Business process knowledge
  - Lean Six Sigma expertise
  - Global implementation experience

Building momentum!
Xerox is Strongly Advantaged

- Traditional competitors are limited in their ability to offer full solutions and support
- High-end solutions and services vendors need document domain expertise

Only Xerox delivers complete integrated solutions!
Recent Customer Wins

- EMC²
- MARSH Canada LTD
- TOYOTA
- The City of Newark, NJ
- Telecom Egypt
- KeyBank
- VHA
- Dow
- Ducati

Xerox Office Services
Document Outsourcing & Communication Services
Business Process Services
Partnering with Xerox Global Services allows us to concentrate on our core business. In an increasingly competitive market, it is imperative that we stay ahead of our rivals. By better managing documents and the key business processes they support, we are continuously improving not only our customer service and competitiveness, but also, ultimately, our profitability.

Ron Whatford
Managing Director, Scottish Widows