

Business Process Outsourcing in Document Management

About the trend of large organizations to outsource
their document management process

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Abstract

This paper aims at giving an overview of how an Enterprise Content Management system was chosen to support and steer production processes for the European Institutions. The ultimate aim is to include all of the company's production processes under the EMC Documentum hood (not only institutional). A pilot will be presented which has been running for over two years now for the European Parliament. It processes multilingual documents that come with very high turnaround times and feature a highly specialized language. The solution under scrutiny here is called *escæpe* (short for euroscript advanced production environment for document processing).

1. Introduction

Outsourcing Document processing is an evolution in the market that is more and more noticeable. Where in the past, translation agencies were asked to virtually do everything, larger organizations understand that these requests are increasingly unfair. Especially those with a very strict or well-organized hierarchy start realizing the problems that come with managing large document management projects. It is really about the very managing of the documents: from authoring to managing the whole production chain, to disseminating (publishing online or on paper, using for other purposes, re-using), archiving and destroying the data: they have understood that it is not as easy as meets the eye.

In many organizations, the translation process is just considered a 'necessary evil'; something a secretary can do, and if (s)he cannot do, let her/him call a translation agency! The document that took months to write but *only* counts ten pages can be translated *in a day*. No? Well... this probably sounds familiar, and it is still true for many organizations. And even those companies that outsource their document related processes believe this, so how does one manage?

The more we are involved in the very fabric of the process, the more we see things coming: imagine a process where authoring is done in a controlled environment with translation memories and validated vocabulary to match. What stops our translators from starting work right away? What they do is never lost and the fact that authoring takes place in a controlled environment, can only mean that the end *product* will not be far from what is being written.

But how or why would an organization entrust a translation agency with the whole process? Well, that is easy: it would not. Unless said agency/company does not specialize in translations per se, but in the whole process that comes with it. This company hires technical writers who work very closely with the customer (most of the time onsite). They work exclusively in a controlled environment with a clear definition of validation. They have access to terminology and translation memories. They work in a

system that supports content, rather than documents. Documents are created on a need-to basis and always reflect the most recent version, *when the provider manages said content*. It is a long way to go, but present-day technology allows for such an evolution. And if the supplier has his say in the process, then things are less error prone. We do use the term 'Mess error prone' because as we all know, perfection is not part of the equation.

2. Where to start

Obviously, processes need to be looked at. Though it is easy to understand where to change the process, the difficult bit is to convince the *process owners* that it can be done better - especially if they have to hand over the task. The idea is not so much to take over the responsibility, but to prove to the customer that he can trust you. How do you build trust? With proven expertise and ... a lot of patience.

Most of the time, process outsourcing takes years to be done: either the customer hands over part of the process (for instance, translations) and then, gradually, lets the provider take over other parts: dissemination, version control, authoring, you name it.

Theoretically, document management features the following stages:

- Content building (information mapping, for instance)
- (controlled) Authoring
- Dissemination
 - o Translation
 - o DTP
 - o Paper publishing
 - o Online publishing
 - o Database
 - o
- End of the lifecycle

And it is in the very end that we see an interesting aspect of document management: a document becomes an entity with a *lifecycle*. That means that we determine what part of the information can be used for how long. Kind of a 'best by' date. How often have we translated documents, only to find out that part of it was obsolete and that the client had forgotten to tell us! And if content is validated, it will be re-used at some point in time.

The interesting bit about working in a controlled environment is that categories are assigned to content. Hence, the right people can be assigned to managing the relevance of this information as time moves on and changes are made in the organization. In an ideal world, this information is updated as and when the change occurs. With a outsourcing company taking care of that and being, by definition, *out* of the company, information gets lost.

So it stands to reason that the outsourced company must be very close to its client. Regular meetings, involvement in key stages, consultation, access to the intranet, staff working onsite: all of these are prime elements to a successful collaboration.

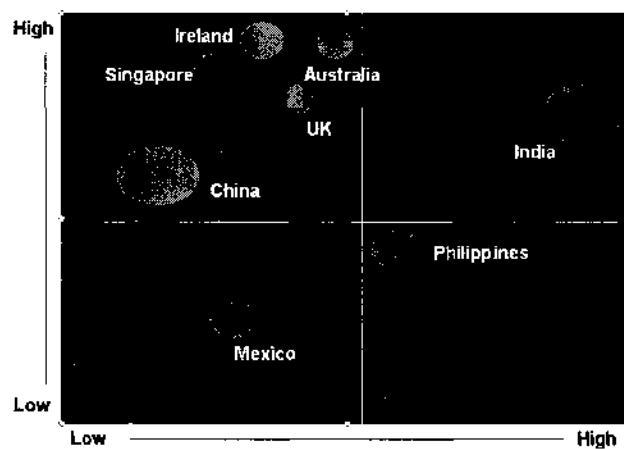
On top of that, many companies that offer outsourcing are located so far away that close collaboration is virtually impossible... whilst they offer the service at a very low rate, one that no European company can compete with.

Other considerations aside, the only way to offer outsourcing to a customer, is to have an ICT solution that links provider and customer. Many systems have come along, but we have witnessed the emergence of Enterprise Content Management solutions over the last years and though they still have

some maturing to do, they become more and more secure so as to offer reasonable quality and reliability.

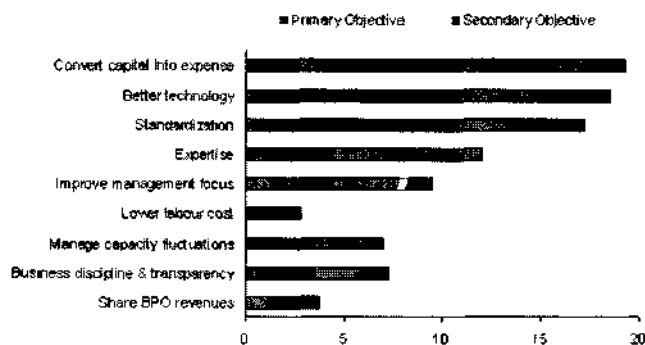
Prior to looking into what solution our company chose, we will look at what company related processes were put under the microscope. The main departments concerned are Finance (accounting, controlling), HR, Sales (including marketing) and production (where translation takes places). 'Legal' fell out of the scope at eurosript. What these departments have in common is *data administration*, which is creating and managing content that is being used by other departments in interaction. Key concept here is to determine who is entitled to creating, editing, deleting, viewing, and using the information. When these have been determined, duplication of efforts can be avoided. And if everybody agrees on the outcome, costs are cut and information management becomes more reliable (since it is more traceable and in the hands of fewer people).

BPO (short for Business Process Outsourcing) very rarely means *less* work. It means *different* work. The process is optimized, so that responsibilities and duties become clearer. And though the past years have witnessed the arrival of new players (India, Poland, China), the BPO-part outsourced is, most of the time, very specific (call centres, for instance).



1: Source McKinsey

What is striking is that the reasons for outsourcing have gone originally, from pure financial considerations, to a much more subtle balance of motivations. According to McKinsey, there are fundamental and 'side' reasons. The lowering of labour costs seems to be the only criterion that services as a primary objective. All the other ones serve as both primary and secondary objectives. The three leading objectives are converting capital into expense, allowing for better technology and standardization. That is a landslide shift from where outsourcing comes from!



2: Source McKinsey

Moving to BPO is most of the time, a top down approach. Solid process expertise in specialized domains combined with a good client-provider rapport allow to create services that are highly customized and industry specific. The fact that this spans over a number of years not only allows to tailor the service, but also yields a competitive edge. In addition, it is not uncommon for a BPO provider to rely on smaller companies for parts of the process.

Areas where BPO typically occurs are:

- banking, financial services:
 - o transaction processing (claims, tax, checks, billing, mortgage, loans)
 - o credit card check
 - o collections administration

- Health care
 - o Billing
 - o Claims processing
 - o Medical transcription

- Insurance
 - o Insurance application
 - o Claims processing and allocation

- Sales and Marketing
 - o Call centres
 - o Order processing and collection follow-up
 - o Telesales - telemarketing
 - o Customer support
 - o Market analysis

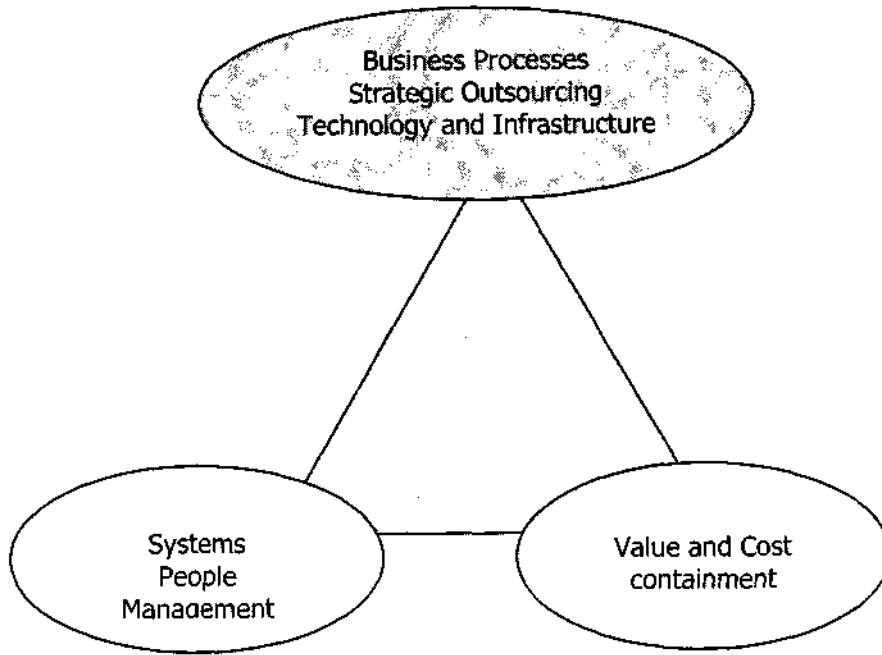
- Human Resources
 - o Payroll processing
 - o Benefits administration
 - o HR administration

- Finance and Accounting
 - o Travel and expense management
 - o Accounts payable and receivable
 - o Invoice processing
 - o Bank reconciliation
 - o Asset management
 - o General Accounting

Apart from all this, BPO typically handles **content creation** from *uneditable* and *non-structured* sources through data typing pools: data entry and data conversion.

There are fundamentally two ways of organizing the contact between customer and provider: through a *joint venture* (the two companies become one, either temporarily or permanently) or through a *service arrangement*, whereby the level of service is very strictly arranged (contractually), and penalties agreed upon.

The components that drive a BPO change are:



3. Real life examples

BPO is a fairly new experience in translations. Most of time, it originates from companies that are into something else (for instance document management) as core business and who have been increasingly called upon to handle translations. Such is the case of euroscript.

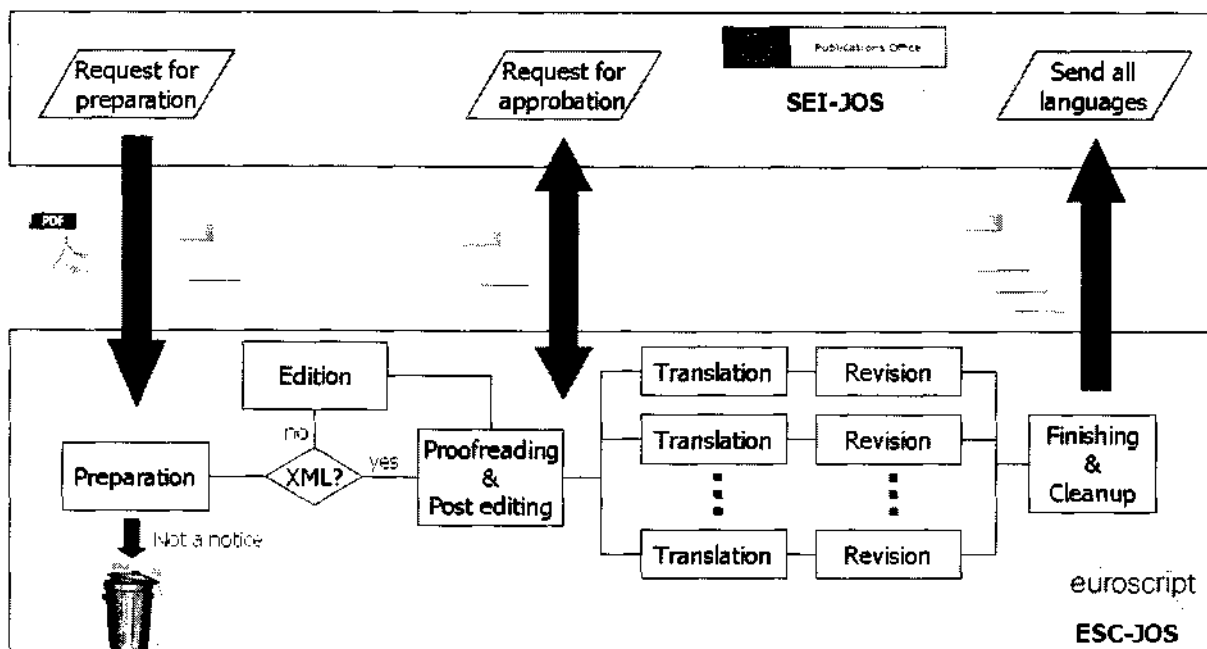
Two real-life examples will be presented at the London Aslib conference: one that deals with Calls for Tenders from the Office for Publications (for the European Commission), and one for the European Parliament. These are pilots; the underlying idea being the logic that eventually all company processes will run through the application. The acronym chosen for the system is *escæpe*, short for *euroscript advanced production environment* for document processing).

Paramount to understanding the paradigm that comes with BPO (why does an organization outsource a complete process?) is the emergence of XML. XML has allowed for STP (straight-through-processing) whereby data is created once and re-used as and where required. This allows for unequivocal usage, version control, single sourcing, fast and reliable turnaround and for the emergence of the content lifecycle principle. To the translation professionals (both offer and demand), this sounds like music to the ears.

a. Commission

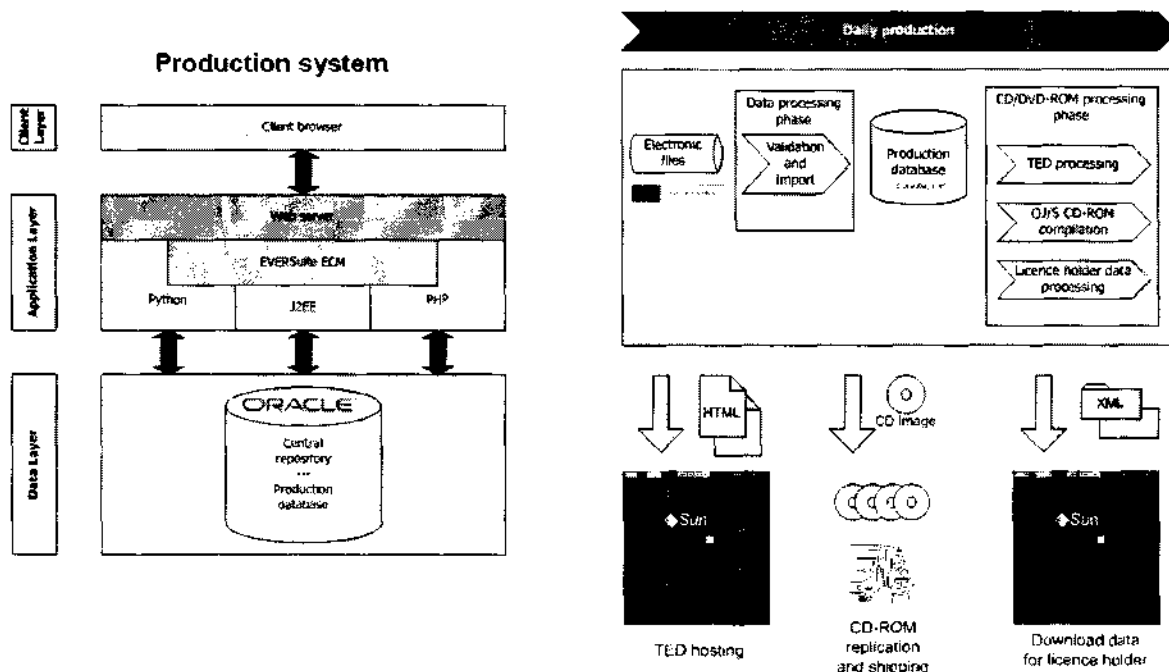
1. The process under scrutiny here schedules the dissemination of notices that relate to Calls for Tenders (pre-announcements, the actual Call for Tenders, cancellation, modifications ...). About 1000 documents are handled every day. They have to be made available in all 20 languages of the European Union. For reminders: the 'old' languages are Danish, Dutch, English, Finnish, French, German, Greek, Italian, Portuguese, Spanish, and Swedish. The 'new' languages (since 2004) are Czech, Estonian, Hungarian, Latvian, Lithuanian, Maltese, Polish, Slovak, and Slovenian.

At the conference, an extensive explanation of the work flow will be given.



3: handling of notices for the Commission

2. A second real life example is the handling of the same information for dissemination purposes, namely a website (TED) and a CD ROM that is sent out weekly to subscribers. This is where the beauty of XML lies. The data are already prepared in the previous process. They are approved ('approbation' in Commission jargon) and sent back to euroscript. Again, at the conference, the main stages of the work flow will be highlighted.



4: Production of the CD-ROM and the website

3. Another highlight of ICT supported production is the OJ/L (OJ stands for Official Journal, "L" for legal). This concerns the handling of incoming documents that need to be either converted (in case of manuscripts) prior to handling, or transferred directly into an XML process. The idea is for these documents to be edited for synoptic reasons. When this is done, the journal concerned is laid out and then disseminated (website and paper publication).

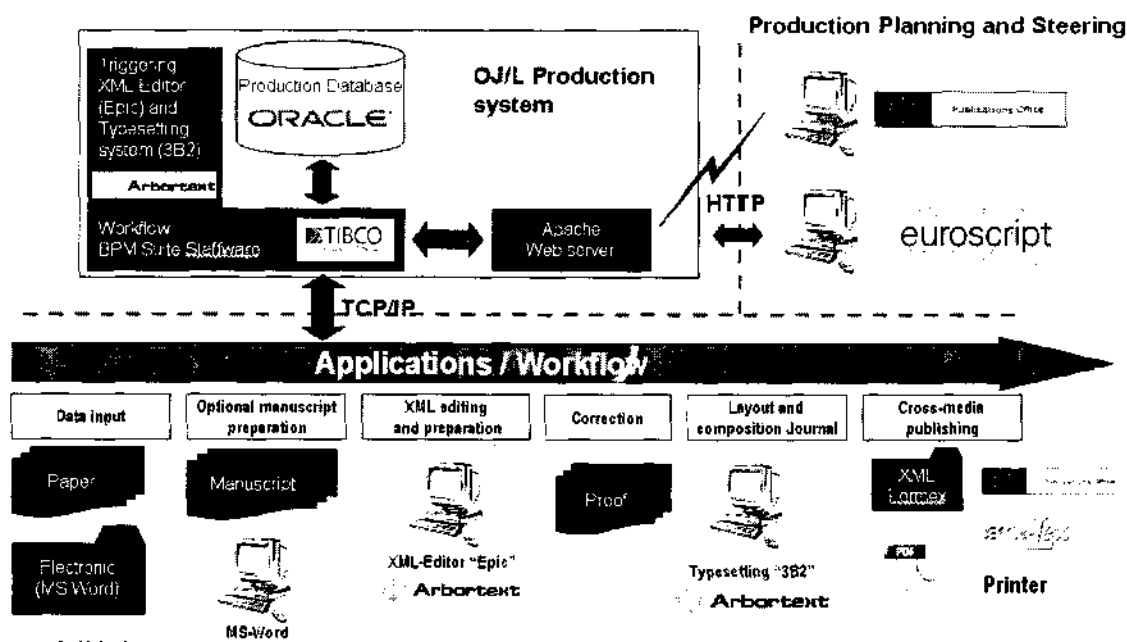
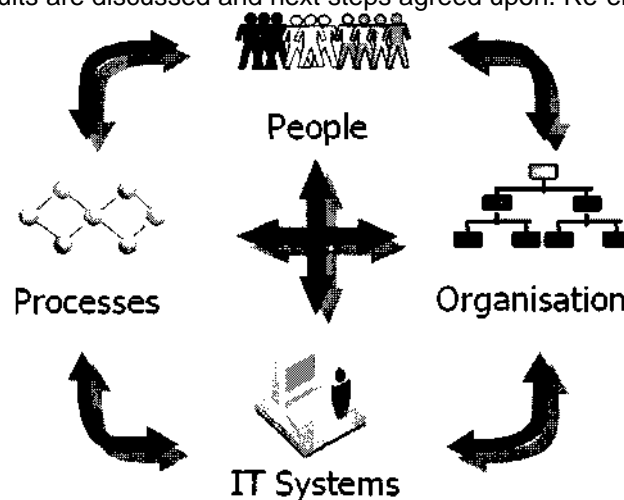


Figure 5: the OJ/L production

b. Multilingual translations for the Parliament: escæpe.

Previous production lines featured a proprietary system, albeit automated, escæpe is different: it features heavy automation and advanced document management, but it is meant to integrate with other company processes. Before going ahead with this, it was paramount to streamline the production logic throughout the company. Intensive talks and reorganisation preceded the actual writing of the specifications. When agreements were reached, pilot productions were chosen. The idea was to have 'simple' production lines: an agreed upon work flow (with the customer), a typical document type, limited languages combinations, a limited number of agents (translators, revisers, project managers ...), locations, a limited range of language subjects...

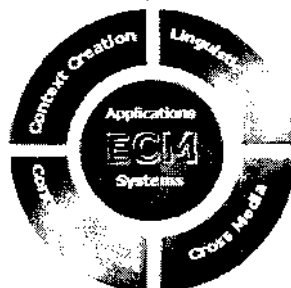
As fundamentally everybody in the company is involved at some point; process owners, sponsors and decision makers had to be appointed. Responsibilities and accountability are a big issue in BPO, so roles were identified and named. A steering committee was created. It convenes regularly and assesses progress. Results are discussed and next steps agreed upon. Re-engineering takes places.



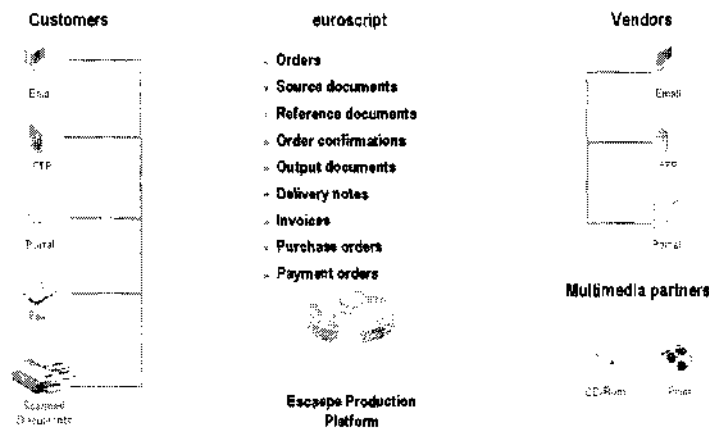
6: in BPO, People, processes, organisation and IT Systems are intimately linked

It was agreed that the following processing types had to be supported:

- Content creation and transformation
 - Authoring, scanning, data capture, expert transcription and precise document editing
- Context creation
 - Semantic structuring of documents
 - Data conversion and migration
- Linguistic services
 - Multilingual services including translation, terminology management, transcription, copywriting and localization
- Cross-media publishing
 - Layout and publication of documents on all possible media (printed products, CD/DVD, Internet/Intranet)

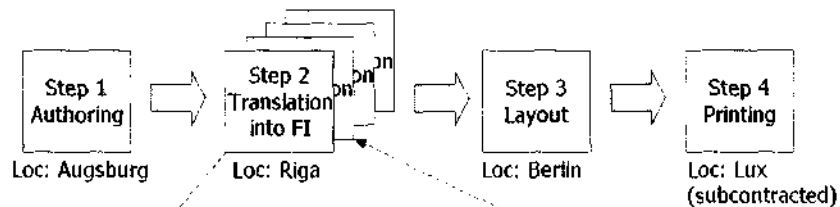


And this had to apply throughout the organisation (10 production centres) and with any freelancer or partner (China, Argentina ...). Documents that are typically linked with the translation process and that have to be managed by the system:

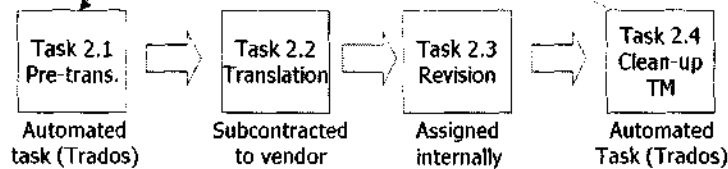


euroscript is currently defining all the processes and the first pilot has been running for some time now. In a not so distant future, a work flow as is shown beneath is scheduled:

Workflow layer 1 – Planning and allocating the production steps (managed by Project Mgr)



Workflow layer 2 – Planning and allocating the production tasks (managed by Team Leader)



7: work flow managed by escape

The really interesting part to this is the double layer: one for planning and allocation, and one for disseminating the tasks to the different competencies and language teams. Integrations that are currently in the scope and under scrutiny are: management of customer (imported in real time from a CRM module) and vendor data (already implemented), fees and conditions (already implemented), offer management, customer invoicing, purchase orders (in its final phase), vendor invoicing pre-calculation, accounting and time registration.

Some interesting terms in the BPO field

CRM — Customer Relationship management

Outsourcing — transferring of a business process to an external provider

Offshoring — outsourcing of an operation to a firm with principal base of operations outside the country

Insourcing — transfer of an outsourced activity to an internal department of a company to be run and managed by employees

Sole-sourcing — outsourcing all processes in the HR life cycle to a single provider

HRO — standard market term for the group HR related outsourced processes

BPO — standard market term for business processes outsourced be they HR or other business related

SLAs — contracted service level agreements outlining performance expected in terms of availability, cost and quality

Due diligence — the process of conveying the operational information to third parties and vice versa

Transition — moving from a current model to a new model

Transformation — transitioning from a current model with significant change in the new model, usually improved processes

Integrated outsourcing — combining vendors to achieve an outsourced solution using more than one vendor

RFI/RFP — request for information and request for proposal, first steps with vendors