



## XEROX EMEA REDUCES COSTS, INCREASES RESOURCES THROUGH BEST SHORE®

### XEROX CORPORATION

/// BUSINESS VALUE CASE STUDY



When Xerox EMEA set out to cut costs and increase the resources available to support its legacy environment, it looked to IT partner EDS, an HP company. EDS relied on onshore and offshore resources to help Xerox centralize support for 96 business-critical applications and transition to a new eSAP-based business application.

#### CLIENT PROFILE

<http://www.xerox.com>

Xerox is a \$15.7 billion technology and services enterprise that helps businesses deploy Smarter Document Management™ strategies and find better ways to work. Its intent is to constantly lead with innovative technologies, products and services that customers can depend on to improve business results.

**Industry:** Manufacturing

**Headquarters:** Stamford, CT, USA

**European Headquarters:**  
Uxbridge, United Kingdom

**Revenue:** \$15.7 billion

**Employees:**  
53,000 across 160 countries

**Business Needs Addressed:**  
Productivity

#### Highlights

##### Goal

To reduce support costs for sunset legacy applications and better utilize resources in support of migration to and implementation of new application systems.

##### Solution

Consolidate onshore and offshore resources using EDS' Best Shore approach to provide a robust support structure for critical legacy applications while simultaneously increasing the resources available for the new deployment.

##### Results

Xerox achieved cost savings for legacy support that could be redirected toward business transformation activities and migration to a new eSAP application.



## EXECUTIVE SUMMARY

Using the EDS Best Shore model, Xerox EMEA significantly reduced its costs and increased the resources available for legacy applications support. This framework freed Xerox to focus on other business transformation activities.

The combination of onshore and offshore resources helped Xerox centralize support for 96 business-critical applications. Now, Xerox enjoys a broader span of resource availability, and its local support teams can focus on the smooth transition to and implementation of Xerox's new eSAP-based business transformation activities.

Xerox gained these tremendous benefits with absolutely no negative impact to business. Xerox also increased the efficiency of core business functions, such as supply chain and logistics, across the UK, Holland, France and Italy.

## The Challenge: Transfer Application Support From Local to Offshore Resources Without Any Impact to Xerox's Business

Prior to this implementation, Xerox's application support had been housed with EDS Europe, and EDS maintained very high service level standards while supporting key business applications. However, Xerox was preparing to implement a new, more productive application system (eSAP) and needed to maximize resource utilization to ensure a smooth transition while supporting the sunset applications. Xerox understood the significant risk associated with moving support from local resources. For instance, there could be organizational knowledge loss, which might result in less responsive or fragmented support.

### What Xerox Wanted

Xerox wanted to ensure the application support structure remained strong and responsive, providing comparable or better support to the legacy application while lowering the overall cost. Specifically, Xerox strived to reduce selling, general and administrative expenses to improve profitability and provide additional funding for business transformation activities.

### Xerox Chooses EDS

Xerox chose EDS because it possessed knowledge and resources that were critical to the success of this initiative. EDS' comprehensive and collaborative approach, built through a work migration project team, ensured that there would be no impact to support as operations were transitioned to the Best Shore model. In addition, Xerox felt that its long-term relationship with EDS minimized the service delivery risk.

*"We would have implemented the Best Shore solution for our legacy applications sooner had we realized there would be no negative fallout. Rather it's been seamless and easy, with improved response in some areas."*

**Guy Hunt**  
Chief Technology Officer  
Xerox EMEA

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## The Bottom Line for Xerox

Xerox EMEA runs a multi-million dollar manufacturing and operations business in a highly competitive marketplace where customer satisfaction is the primary concern. Legacy systems, even though being phased out, remain a critical component of the operation, allowing Xerox to efficiently and smoothly support its customers with equipment, parts and services. Any change made to an already superior support structure represented great risk, and Xerox needed to find the best way to mitigate that risk. In addition, employee satisfaction is a high priority within Xerox, and the ability to train employees on new, critical business applications with a minimal learning curve proved integral to the acceptance of the offshore solution.

In order to simultaneously support the legacy applications and implement the new eSAP program, Xerox required a 30 percent savings over the life of the agreement. Those savings would be reallocated to business transformation activities with the Best Shore solution affecting nearly 50 legacy applications slated for retirement.

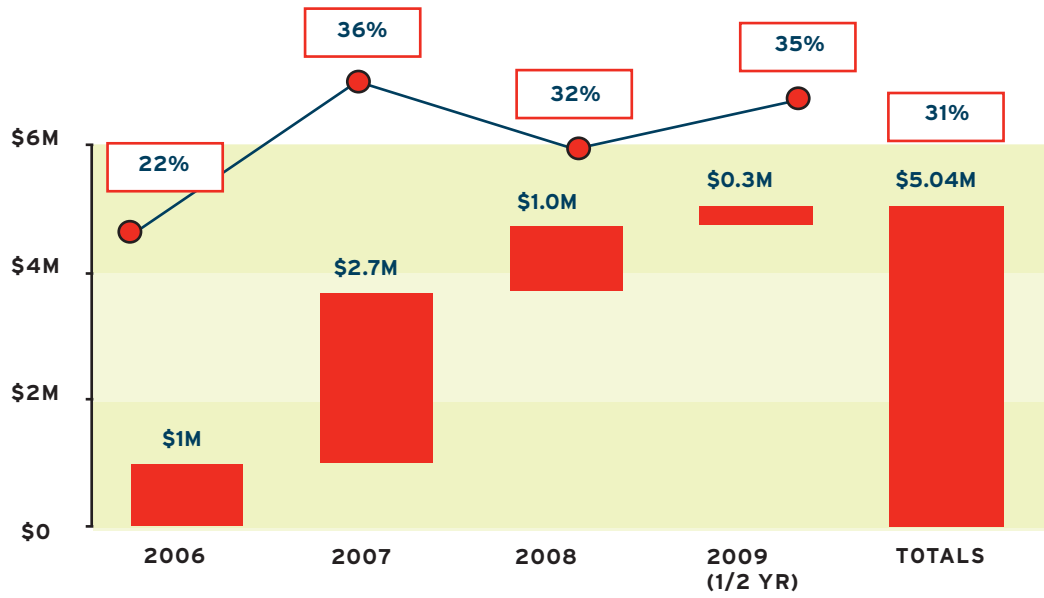
EDS' approach allowed for a smooth transition, ensuring the new support staff was well versed in Xerox's requirements, and that the change in personnel responding to system issues would be transparent to application users.

Demonstrating a clear understanding of Xerox's business goals, EDS delivered both the partnership and agility the document management leader envisioned. The phased transition illustrated the partnership's strength as Xerox and EDS teamed up to ensure a smooth knowledge transfer. This began with the current support group training the new team on existing applications and Xerox's support needs. The three-month process ensured that once cutover to the new organization occurred there would be no impact to business efficiency or processes.

### **Xerox' Bottom Line for the Project:**

A more than 30 percent savings from legacy support, allowing Xerox to reallocate funds for more business-critical application development and implementation.

Figure 1: Four-Year NPV of \$3.98 Million on 31 Percent Total Savings of \$5.04 Million



*“EDS had the capability to manage critical applications in an offshore manner at reduced costs, freeing up funding Xerox could focus in other areas.”*

**John Gibbs**  
Finance Director  
Xerox EMEA

**Figure 2: Service Plan**

- EDS consistently maintains at least 98 percent availability for Xerox’s 96 applications
- Resolution times for varying priority level incidents have remained consistent or improved

SEVERITY LEVEL	RESOURCE RESPONSE TIME	INCIDENT RESOLUTION TIME
Severity 1	Within 30 min, at any time	Within 4 hrs. at any time
Severity 2	Within 2 business hours	Within 4 business hours
Severity 3	Within 1 business day	By close of next business day
Severity 4	Within 1 business day	Within 5 business days

**Figure 3: Benefits**

OBJECTIVES	BENEFITS ACHIEVED
Reallocate support fees from legacy applications to new application development and implementation	Able to support the aggressive rollout of the new eSAP business process implementation by enjoying a projected 30+ percent savings over the four-year timeframe since implementation
Prevent any degradation of service support during transition to Best Shore solution	Service level support remained consistently high while accessibility increased with a greater range of support hours and broader range of applications knowledge
Continue to provide world-class customer service levels	Xerox was able to consistently meet its own stringent standards of internal and external customer satisfaction without any proficiency loss as it migrated to new business support applications
Minimize loss of organizational knowledge when transitioning support to Best Shore infrastructure	Xerox was able to keep employees engaged and maximize company knowledge toward new business process application development. The savings recognized from offshoring allowed valuable intellectual capital to remain within the organization

## **Xerox Looks to the Future**

As Xerox moves toward retiring legacy applications over the next few years, consideration will be given to identifying the best support infrastructure to cover the wide variety of business applications, users and geography. As Xerox EMEA continues to grow and function within a burgeoning European Union, it becomes more critical that resources are flexible, responsive and cost-effective.

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## About EDS

EDS, an HP company, is a leading global technology services provider, delivering business solutions to its customers. EDS founded the information technology outsourcing industry more than 46 years ago. Today, EDS delivers a broad portfolio of information technology and business process outsourcing services to customers in the manufacturing, financial services, healthcare, communications, energy, transportation, and consumer and retail industries, and to governments around the world.

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