

# TRANSACTION NEWS

For the Remittance and Item Processing Industries

*A Publication of Directory.com, Inc.*

Welcome to the third issue of *Transaction News*, a monthly publication designed to give you the news you need to get ahead in our competitive marketplace.

This issue's emphasis is on **Outsourcing** — a growing trend in the industry. Send us your news or a topic you would like us to cover in our newsletter by calling our editor, *Reggie Bennett*, at 336-996-4528 or via email at: [reggie@remittancedirectory.com](mailto:reggie@remittancedirectory.com)

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## Insight From Top Technology Execs Will Headline Xplor 2002

Senior executives from **Adobe Systems, Heidelberg Digital/NexPress, Hewlett-Packard Commercial Printing Systems, IBM Printing Systems, Nipson Digital Printing Systems USA Inc., Scitex Digital Printing, and Xerox Corp.** will offer key insights into their company strategies and electronic document systems (EDS) solutions at Xplor 2002. The conference will be held October 27-30, at the Orange County Convention Center in Anaheim, CA.

The top level executives, all members of **Xplor International's** Joint Technology Council (JTC), will discuss the latest product innovations and offer industry intelligence at a user forum on the first day of the conference. All eight of the companies also will announce new solutions at the show.

The executives will be joined by **The Delphi Group's** Co-Founder, *Carl Frappaolo*, who will present a keynote session on what the word 'document' now means, and the challenges and opportunities within document management. Xplor pegs the document systems industry at \$125 billion.

The JTC program offers a forum for technology users and suppliers to debate the state of the EDS industry and discuss industry trends and the latest vendor product offerings, Xplor says.



"The JTC forum is a great chance for end users to become directly involved in future EDS technology developments," says *Geri Del Priore*, vice chairman of Xplor International. Priore added that forum members develop a better sense of customer requirements and can forge new partnerships.

Xplor 2002 also will feature more than 100 information sessions and over 100 exhibitors. Information tracks include document processing lifecycle; document creation and management; color; Web solutions; and output architecture.

More than 5,700 attendees, representing 40 countries, are expected to attend (*Therese Seidel-Friedman, Xplor Int'l, 301-474-2575, therese.seidel@verizon.net*).

## Six-Step Approach to Managing Outsourcing Risks

Offshore outsourcing can help organizations improve productivity, increase efficiency, lower operations costs, and focus on their core competencies. But along with those benefits can come issues of quality, flexibility, communication, security and control.

India-based **Vital Link Corp.**, an offshore service bureau specializing in electronic data and document conversion, says the key to a successful outsourcing relationship is implementing a plan early-on for identifying and managing potential project risks. Vital Link recommends and uses the

following six-step approach for dealing with risks:

### 1. Identify Possible Risks.

Irrespective of the location, identifying the possible risks associated with an outsourcing project is one of the most important steps in ensuring the success of the project, says Vital Link CEO *P. Venkat*. Possible risks might include: lack of resources; tight project schedules; communication gaps between the offshore and on-site team; (continued on next page)

## New CSC Unit Offers Assistance in Offshore IT Outsourcing



**Computer Sciences Corp. (CSC)** created a *Global Offshore Office* to provide expertise on offshore IT initiatives and strategies for CSC and its clients. The office defines and implements a series of offshore best practices, including the identification of suitable work, project and change management, knowledge transfer, project life cycles, staffing, technology infrastructure, and general principles of engagement.

Cost savings and faster time-to-market have driven the trend of offshore outsourcing as a means for transferring work to a lower-cost region. The **Gartner Group**, of Stamford, CT, estimates that more than 200 of the Fortune 500 companies include an offshore capability as an integral part of their IT development. Furthermore, the wealth of new technology skills in countries like India and Russia are enabling companies to offload more sophisticated applications and infrastructure work, in addition to coding and testing. El Segundo, CA-based CSC

offers its clients offshore and near-shore capabilities through a combination of its own operations and a small group of third-party organizations. Geographic regions include: Australia, Belarus, Bulgaria, Canada, India, Ireland, Malaysia, Mexico, Russia, Singapore, and South Africa. *Kate Rouse*, CSC's director of global offshore strategies, said that achieving the desired results with offshore projects depends on many factors, including the ability to map out the best offshore location.

However, the promise of reducing costs and achieving faster delivery is attractive. "Productivity improvements only decrease the cost to a certain extent. Offshore outsourcing will continue to grow due to the ongoing demand to operate at a lower cost," Rouse commented (*Charlie Greenwald, Computer Sciences Corp., 703-641-2557*).



## Six-Step Approach to Managing Outsourcing Risks (cont'd)

*Individual risks should be tracked and reprioritized throughout a project's lifecycle.*

*P. Venkat*

*Vital Link Corp.*



Vital Link CEO P. Venkat

and cultural or language issues. To identify possible risks, Venkat recommends using some combination of checklists, questionnaires, assumption analysis, and experience from previous projects.

### 2. Analyze and Quantify Each Risk.

Once risks are identified, it is important to analyze and quantify the probability and the impact of each, and assign an "overall risk" to each potential issue. Vital Link qualitatively categorizes the probability of each risk as "very low," "medium," "high," and "very high." The potential impact is determined by estimating how each risk would affect the project's cost, performance, schedule and support. Based on these estimates, the risks are categorized as either "negligible," "marginal," "critical," or "catastrophic." The "overall risk" to the project is determined by combining the probability and impact estimates of each risk. Vital Link created an impact/probability matrix for this purpose.

### 3. Take Steps to Track Potential Issues.

Once risks have been quantified, Venkat recommends prioritizing them based on their "overall risk" and developing mechanisms for tracking and controlling each risk. Tracking is essential because risks may have been identified based on "unknown" elements. Effective tracking mechanisms include pilots, simulations,

and benchmarks.

### 4. Develop A Plan To Address Each Risk.

With tracking mechanisms in place, it is important that users create an integrated risk management plan, including detailed actions for preventing and/or mitigating risks. This process typically includes one of more of the following for each risk: an action for avoiding or minimizing the likelihood of individual risks; an action plan for minimizing the impact of individual risks; and a plan for managing the risk, if it occurs.

### 5. Continuously Monitor Potential Risks.

Individual risks should be tracked and reprioritized throughout a project's lifecycle, Venkat says. Be sure to monitor and evaluate the actions taken if a problem occurs. Corrective measures should be implemented immediately for inappropriate actions.

### 6. Remember That Communication Is Key.

Potential risks need to be made clear to your offshore outsourcer, the outsourcer's employees responsible for your project, and to members of your project team, to ensure that all risk factors are clearly understood, appropriately tracked, and sufficiently planned for (*P. Venkat, Vital Link Corp., [venkat@vitallinkcorp.com](mailto:venkat@vitallinkcorp.com)*).

## PRODUCT NEWS

### Vital Link Announces the Launch of OVA

**Vital Link Corp.**, of Bombay, India, introduced its Offshore Outsourcing Value Analyzer (OVA), a business tool designed to help firms determine the business value of offshore outsourcing programs. OVA is based on Vital Link's 21 years of experience in providing offshore services to clients globally.

Many companies providing software development, call centers, service bureaus, and other technology-related processing, are under pressure to examine outsourcing programs. OVA includes a user-friendly desktop analyzer and best industry

practices to determine the value of outsourcing programs.

This tool captures the cost of home location, personnel and home infrastructure cost and compares it with the cost of offshore location, offshore personnel, and program management. Each analysis is customized to the individual organization's requirements before arriving at the business value report. OVA's framework can then be applied to run through the whole process from vendor identification to pilot to ongoing production (*Supriya Hardikar, Vital Link, 877-898-7488,*

### Viewpointe Offers Image Statements Through Partnership

**Viewpointe Archive Services, LLC**, which operates a national shared image archive for financial institutions, is extending its product suite to include check image statement capabilities through a partnership with **Payformance Corporation**, based in Jacksonville, FL.

Viewpointe is licensing the Payformance Data Transformation Engine software and services capable of processing over 500 images per second, operating in a Linux-based server cluster. Viewpointe will receive statement data from financial institutions, retrieve the appropriate check and document images from its shared national archive, insert them electronically into individual statements, and either return the statements to the financial institution for printing,

or store and render the statements on behalf of the institution. Charlotte, NC-based Viewpointe archives more than 1 billion check images each month.

"Combining our technologies will eliminate many inefficiencies and enable Viewpointe's customers to realize enhanced cost savings in the statement production process" said *Dwayne McAfee*, president and CEO of Payformance. Storing captured check images in Viewpointe's shared archive can reduce the costs associated with image statement production up to 30 percent, Viewpointe said (*Jennifer Lucas, Viewpointe Archive Services, LLC, 704-386-5079; Paul Bell, Payformance, 904-588-7050, paul\_bell@payformance.com.*

### Russian Offshore IT Companies Step Up Marketing Efforts

Look for Russian offshore software developers to roll out a range of aggressive marketing initiatives all designed to increase revenues in 2003 and establish the country as an emerging market for global information technology (IT) buyers, including financial services firms. On the drawing board: trade shows, association memberships, Web-based marketing and advertising, redesigned Web sites, revamped marketing collaterals, and increased visibility with market analysts, such as the **Aberdeen Group**. The Russian government also is supporting the second in a series of inter-governmental roundtables on IT issues, to be held in the U.S. in November.

Additionally, **Silicon Taiga**, the Russian national software developer alliance, has prepared the first edition of a Russian software developer directory targeted to potential foreign customers. "Although

technically a customer can find information on any company on the Web, it takes time and resources, and the language barrier exists," said *Yuri Ushakov*, of Silicon Taiga. Ushakov added that major international events, such as **COMDEX**, also are important to the association's members.

To a large extent, these marketing tools are aimed at improving the international visibility and brand recognition of Russian offshore IT firms. "We are focusing on emphasizing our competitive advantages more clearly," commented *Anatoly Gaverdovsky*, chairman of the board of **Vested Development, Inc.** Gaverdovsky admitted that potential customers currently know very little about the Russian IT market, or about the advantages of working with Russian software developers (*Outsourcing-Russia.com, info@outsourcing-russia.com*).



#### Parascript Offers New Software

**Parascript, LLC**, a recognition software developer based in Boulder, CO, is rolling out FormXtra, software that can process all types of forms.

FormXtra couples the power of Parascript's flagship recognition technology with unique form-definition software to help users identify all information on a form. FormXtra can capture any type of data-field entry, including address lines, Social Security numbers, amounts, and checkboxes.

Parascript's software engineers created FormXtra in response to the increasing recognition needs of high-volume forms industries, including financial services, insurance, government, mailing, and postal (*Stacy Kamigaki, Parascript, 303-381-4130, stacy.kamigaki@parascript.com*).

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*"Only the combined efforts of software developing companies can have an impact on the recognition of Russia as a significant player in the international software developing business," said Vera Kurochkina, marketing director at Luxoft, an offshore IT firm.*

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