



Composition Services Outsourcing

Outsourcing Composition Services at a Higher Level

Executive Summary

The concept of outsourcing has grown quite familiar to business professionals over the past five years. While it may be an increasingly hot political topic, more and more company executives in virtually every industry are researching the possibility of outsourcing some components of their operations. In fact, the Associated Press reported in July that the outsourcing market for software and back office services in India alone reached \$17.2 billion for the year ending in March 2005.

Of course, not all processes are fit for outsourcing. Core competencies, are usually not appropriate candidates for outsourcing. Processes that represent the heart of what a company is all about, that form and shape its very brand and corporate identity, are often best kept in-house. We shall focus on one area that is seeing great success: the composition of rigidly stylized documents that, once established, can support automated publishing with little or no manual intervention.

The sheer volume of composition outsourcing services demonstrates why this is the case. In some report the U.S. market for off-site creative and input services at \$2.8 billion in 2004, and this market is expected to demonstrate a CAGR (compound annual growth rate) of 7% through 2009. Outsourced composition services for the trade book, STM, and education publishing markets surpassed \$300 million in 2004, inclusive of onshore and offshore services. If the market for outsourced composition follows the same trend line as off-site creative and input services with a 7% CAGR, the market size could exceed \$420 million by 2009. As composition outsourcing continues to extend its footprint into other publishing applications, other industry sources anticipate the market could approach \$1 billion before the end of the decade.

Some examples of documents that are well-suited for composition outsourcing include certain types of textbooks, journals, and trade books. They share some important qualities:

- ❖ *They are produced in high volumes*
- ❖ *They have styles that are consistent from document to document*
- ❖ *They often don't require extensive page-by-page intervention*

Why Outsource Composition?

Outsourcing offers a wide range of potential benefits, including cost savings, quality improvements, and the ability to focus core resources on other value-added services. To achieve those benefits, however, the business or publishing process must also be capable of being handed off relatively easily and with minimal disruption to the organization. Composition services definitely fit the bill, especially for scientific, technical, medical, and book publishers.

Those publications are content driven. Readers obtain the journals or books for the content they contain, not for the layout or the innovative publishing techniques. That is one reason why publishers of those materials prefer to use consistent styles throughout the publication and would consider the document composition role to be outside their core competency and suitable for outsourcing.

Historically, publishers have invested in a variety of composition engines to produce these documents. This can be costly because of technology acquisition and staffing costs. Experts in the composition engine as well as typographic experts are needed to ensure high-quality output. In-house production can also be a distraction for management, particularly IT personnel. It is clear that this is not an ideal solution, driving many to consider outsourcing.

There are a full range of documents that are candidates for outsourcing, including graphically rich documents such as magazines and marketing-driven brochures. Nevertheless, their variable design makes them more layout driven and they tend to require approvals on a page-by-page basis and extensive hands-on development by skilled people like graphic artists. As a result, outsourcing those documents, particularly offshore, becomes more expensive and complex.

The Benefits of Technology

Widely adopted network and prepress technologies and standards make composition outsourcing even more attractive. Most of these technologies are relatively inexpensive and user friendly, which means that outsourcing becomes an attractive option for the publishers of those documents, particularly documents with a consistent format that do not require page-level design or layout work. This section details three particularly important technologies for composition outsourcing.

PDF is a Widely Used Standard

The Portable Document Format (PDF) is nearly ubiquitous around the globe. It is supported across platforms and is a standard method of sharing and collaborating on documents. Adobe Acrobat offers many useful features for document development, such as:

- ❖ Enhanced collaboration capabilities, in the area of document commenting
- ❖ High page fidelity
- ❖ Strong support within the printer and device market

With these features, PDF eliminates the need to exchange printed page proofs for approval processes. That removes the obstacle of an outsource provider to be in close proximity to the publisher and the printer. PDF and Acrobat also provide the flexibility for the commenting process to be completed in a completely electronic manner, or in a mixed electronic and print environment where modifications and comments can be made on printed pages.

Use of XML as the Information Exchange Standard

Extensible markup language (XML) is another useful standard that is seeing growing adoption. XML enables information to be logically structured and expressed in a consistent manner. Since the documents that this report focuses on are highly structured, they are ideal for the use of XML in many ways:

- ❖ XML enables information to be automatically composed to documents with little involvement from users. It also enables organizations to capitalize on the investment made in XML editorial workflows by reducing the amount of human involvement in the publishing process.
- ❖ XML is independent of any proprietary development platform. Once information is in XML, it can be repurposed in any number of ways. This enables organizations to keep their templates and styles independent of the tool they were developed in, giving the organization added flexibility that can help keep costs low.
- ❖ XML allows for unambiguous interpretation of the intent of information as it moves between the publisher and outsourcer. For example, the outsourcer does not have to wonder whether the publisher meant for some text to be a secondary or third-level heading.

Internet Access

One of the biggest technology advances during the last quarter-century has been the proliferation of the Internet. Its effects on businesses in general have been widely noted. The widespread availability of the Internet as a communications and e-commerce platform has eased the outsourcing of composition in a number of ways:

- ❖ It enables standards like PDF and XML to be used more widely
- ❖ It gives organizations the ability to send and receive electronic data and page comps inexpensively and instantly
- ❖ It has facilitated a boom in Web-based project tracking and status capabilities, which provides a critical vehicle for customers to stay on top of their outsourcing projects

These standards and technologies make offshore outsourcing of document composition even more feasible and effective. Nevertheless, challenges remain in developing these consistent style documents in an efficient and cost-effective manner.

The Importance of Style

Automated/structured composition is already a standard practice for many types of the documents mentioned in this report. The challenge for these documents remains the initial style development and ongoing maintenance.

There are a number of well-established and respected technologies on the market to aid in the composition of structured documents, such as:

- ❖ Adobe's FrameMaker
- ❖ Adobe's InDesign
- ❖ QuarkXpress

Even the desktop publishing tools that are very well suited to graphically rich documents, including QuarkXPress and Adobe InDesign, are enhancing their ability to support structured content. At the same time, however, all of these solutions have different languages for style specification, pagination rules, and text processing. Organizations using one or more of these technologies generally invest significant time and resources up front to develop document styles with the promise of automating composition of the actual documents, with little to no human intervention later in the process.

Overall, this is a rational approach. The initial investment in style development provides significant long term value to the company. Style directly influences how the document is interpreted by the audience and reflects the image and branding of the company itself. Thus, the document styles themselves, and the investment in their development, should be viewed as company's intellectual assets.

In addition, developing and maintaining new styles and rules faces some inherent difficulties. For example, the process requires a wide range of skill sets, from the relatively basic effort needed to establish style sheets, to higher-level proficiency in areas such as macro languages and scripting for rules development. It also demands that the outsourcer understand not only XML, but the DTD or schema being used by the publisher. This requires an intimacy with the document types being published.

Communication is extremely important in coordinating these resources and developing styles. Any document style requires direct approval, even input, from the publisher. This approval process can involve many steps, and many different people in the organization. There will often be feedback and changes that need to be communicated. Once the style and rules are approved, a company must ensure that all pages after that fact follow the newly established rules. It can also require making changes to the DTD or schema to accommodate necessary style information, and modification of styles to accommodate changes to the DTD or schema for editorial or content management reasons.

The dual tasks of finding and managing resources with many different skill sets and maintaining effective and timely communication between publisher and outsourcing service provider for style approval can be daunting. The challenges assume even more importance when you consider the large initial investment required for style development. Ultimately, any outsourced composition service for documents that requires style changes – that is to say virtually any document – must provide style development and maintenance services as an intrinsic part of the offering.

Managing Composition Outsourcing

As mentioned, outsourcing overseas is ideal for automated documents that do not require intensive manual input. For other types of style sheet development, it may be more productive to outsource close to home or keep it in-house.

Document creation involves design, editing, and other work, as well as resources from the customer, offshore outsourcers, and onshore outsourcers. Keeping track of project status is not easy, and requires a solution. A system that uses Web-based project tracking has built-in workflow functionality to manage development tasks, reviews, and exception handling. Since it is Web-based, it is accessible to anyone with an Internet connection and the correct security clearance.

Most of the service providers and onshore resources provide the interface to the customer, and possess a deep understanding of XML, style requirements, and composition technologies. These resources work with the customer directly, while utilizing offshore resources spread across

India for the hands-on style changes and composition services. In this model, higher-priced resources are used to ensure client satisfaction while less-expensive resources are used to ensure successful composition.

Service provider's approach goes a long way towards eliminating many of the batch composition issues faced by publishers. This complex technical problem does always lend itself to an in-house solution. In fact, the attempted development, programming, testing, and maintenance of such an in-house solution is some time more time consuming than the problems it was designed to solve. At the very least, therefore, publishers need to investigate a solution from a service provider, with expertise in the critical areas of outsourcing (offshore and onshore), technology standards and tools, and document publishing and management.

Conclusion

In the constantly changing global business environment, outsourcing business processes to offshore providers is increasingly being viewed as a viable and necessary option, even by traditional industries such as Printing and Publishing services. They are looking at new ways of conducting business; to be more agile and adaptive to change; invest in core processes and streamline non-core processes; mitigate risk while adhering to complex regulatory environments; and to surpass customer expectations for technical excellence and advanced products and services. Business process outsourcing can help organizations achieve these goals.

Make no mistake; the process of high-volume document publishing can be an enormous challenge. The tasks involved, from style development and maintenance to document composition and approval, are not core competencies for many companies. This makes them perfect candidates for outsourcing.

A composition solution that provides these critical capabilities is an attractive way to move towards treating styles and templates as assets and getting the most out of document layout outsourcing. This adds up to dramatic cost savings, more efficient document composition, and more successful composition outsourcing.

And, ultimately, that's when managing value in the outsourcing relationship opens the door to lasting value for the publisher.