
OUTSOURCING PRINTING SERVICES IN BULGARIA – PART OF THE GLOBAL OUTSOURCING MARKET

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Abstract: The new conditions and the globalization of the business environment in which the management of commercial enterprises operates today require innovative, flexible and adaptive management tools, one of which is outsourcing. It improves the operational efficiency of the enterprises involved in this process and enables the service providers to expand and maintain their market shares. Moreover, it optimizes their resource allocation and improves the profitability of their operations.

Keywords: outsourcing, trade, printing services.

JEL: D21, D22, D23, L2, L21, L24, L29

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The **aim** of this paper is to review the status and the trends of the global outsourcing market as well as Bulgaria's share in it. Special **emphasis** is placed on the characteristics and opportunities for outsourcing printing services to Bulgarian enterprises. The analysis is based on data collected by the author.

This study defends the **thesis** that as part of the global outsourcing market, outsourcing of printing services is an attractive business niche, which is still underdeveloped and yet has a great potential of development in Bulgaria.

The study is based mainly on data from Eurostat, surveys conducted by leading companies, specialist publications, a survey conducted in the period May - September 2014 and other publicly available sources. Some of the data was collected through personal and informal contacts with representatives of providers of outsourced printing services, who required the author's confidentiality in respect of certain aspects of the information received. Certain issues such related to the various forms and applications of the outsourcing, the risk management of outsourcing-related business processes and the optimization of printing services were not included in the scope of the study.

1. Conceptual aspects of modern outsourcing

The term "outsourcing" is defined as "obtaining goods or services by contract from an outside supplier (provider)". Thus, under certain conditions, it may be substituted with the terms "subcontracting" and "facility management" since outsourcing implies adding value and a facility management agreement transfers the responsibilities for the management of staff and equipment to another enterprise.¹ Today outsourcing has gone well beyond this definition and its nature and characteristics have become the subject of discussions and analyses conducted by a wide range of authors. Each of them places different emphasis on its definition according to the scientific field he/she belongs to and thus there is not a universally accepted definition of outsourcing.

Some of the main emphases highlighted by various authors are the: transfer of non-core functions to an external specialized provider², establishment of long-term relations³, concentration on core competences⁴, enhancement of the efficiency of the outsourced function⁵ and the overall performance of the enterprise and thus providing the outsourcer with a competitive advantage.⁶

Based on these aspects of outsourcing, we may define it as **a long-term contractual relationship through which the client (a business enterprise, a central or municipal administration, and NGO or another economic agent) transfers the responsibilities and risks related to the management of one or more of its non-core functions to an external specialist**

¹ See **Филиппа, Ф.** Аутсорсинг бизнес-процессов, проблемы и решения. ГроссМедиа РОБУХ, Москва, 2006, pp. 3 – 5.

² For more details see **Kremic, T., O. Tukul**, Assisting public organizations in their outsourcing endeavors: a decision support model, working paper, Cleveland State University, Cleveland, OH, 2003, p. 467; **Power, M., K. Desouza, C. Bonrfazi**, Outsourcing handbook how to implement a successful outsourcing process, Kogan JWil, London, 2006, p. 2; Цит. **Варамезов, Л.** Аутсорсингът. АИ Ценов, Свищов, 2012, p. 12; **Върбанов, Р.** Аутсорсингът – един нов модел за управление на информационните ресурси. // *Бизнес управление*, №1, Свищов, 2007, p. 85.

³ For more details see **Jones, P.** Handbook of Hospitality Operations and IT, Routledge, 2008, p. 187.

⁴ For more details see **Котляров, И.** Формы аутсорсинга в международной торговле. // *Экономика и управление*, № 4 (24), 2010, с.66; **Lock, D.** The gower handbook of management, Gower Publishing Company, 1998, p. 149; **Kovacich, G., E. Halibozek**, The manager's handbook for corporate security: establishing and managing a successful assets protection program, Butterworth-Heinemann, 2003, p. 209, etc.

⁵ For more details see **Стоянов, М.** Аутсорсингът и трансферирането на риска в търговията. // *Известия*, №4, Варна, 2006, p. 44.

⁶ For more details see **Аникин, Б.** Аутсорсинг: создание высокоэффективных и конкурентоспособных организаций. Инфа-М, 2003, p. 6; **Черемисин, Д.** Аутсорсинг как элемент современного хозяйственного механизма: теоретический аспект. Дис. д-р по икон., Москва, 2005, p. 11, etc.

provider (business enterprise) in order to improve the efficiency of its core functions and/or gain a competitive advantage.

Here we should distinguish between **the terms "outsourcing provider" and "service provider"**, which are often used interchangeably. Both terms refer to a provider of external services for the client, i.e. the outsourcing provider is a kind of external service provider.

The difference between the outsourcing provider and the service provider is that:

- The outsourcing is related to **long-term relationship and continuity of the rendered service**;
- The provider of outsourced services carries out a **preliminary research and assessment of the potential customers**;
- **All costs related to the acquisition of the necessary equipment and its maintenance are covered by the outsourcing provider**, which enables the client to free some financial resources;
- **The outsourcing provider undertakes the overall management of the outsourced function or process**, including the supplies of consumables, maintenance, training of the client's employees, etc.;
- **The outsourcing provider provides opportunities for optimization of client's costs** related to the outsourced function or service;
- Most of the **risks related to the outsourced service are borne by the outsourcing provider**.

Although some of the above characteristics apply to some of the traditional service providers as well, we must note that **outsourcing provider's activities include all of them at a higher quality and lower prices.**

2. Trends in the development of global outsourcing

Outsourcing is one of the few business segments that have achieved a nearly 100% growth in the last decade and the global market size of outsourced services (according to the data for 2012 published at Statista.com) amounted to 99.1 billion U.S. dollars⁷. The estimation of Plunkett Research is considerably higher – according to their data, the global outsourcing revenues in 2013 amounted to over 483 billion U.S. dollars.⁸

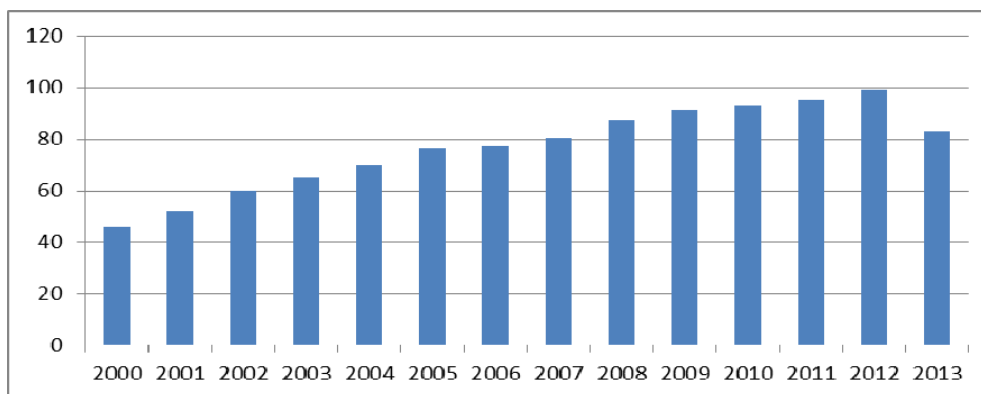
Note that despite the negative economic effects of the global financial crisis, the global market share of outsourcing keeps growing (see Figure 1). To a certain extent, this may be explained by the growing need for enterprises to look for alternative opportunities for reducing and optimizing their operat-

⁷ www.statista.com/statistics/189788/global-outsourcing-market-size/ (last accessed 15 Sept 2014)

⁸ www.plunkettresearch.com/outsourcing-offshoring-bpo-market-research/industry-statistics (last accessed 15 Sept 2014)

ing costs, i.e. the crisis has served as a catalyst for the outsourcing of business processes worldwide.

Figure 1. Global outsourcing market size (2000-2013, in billions of U.S. dollars)



Source: www.statista.com/statistics/189788/global-outsourcing-market-size/

The biggest source countries for new contracts in Bulgaria are Germany, the USA and the UK. In 2012, they accounted for 28% (Germany), 20% (the USA) and 20% (the UK)⁹ of all new outsourcing contracts, 82% of which amounted to ca. 75 mln U.S. dollars.¹⁰

Most of the outsourcing contracts signed in 2012 are for periods of over 5 years (74%), regardless of the type of outsourced activity. This trend is due to the fact that, in general, the benefits of outsourcing are more significant over longer periods, while short-term outsourcing is not expected to achieve a significant optimization of a client's operating expenses.

The most frequently outsourced functions and services are information technologies (76%), manufacturing (42%), financial services (37%), human resource management (30%), legal services (40%), real estate (32%), logistics (24%) and sales, and marketing (11%).¹¹ In recent years, a growing number of companies have become interested in outsourcing activities such as business accounting services, office cleaning, protection and security, catering area management, etc.

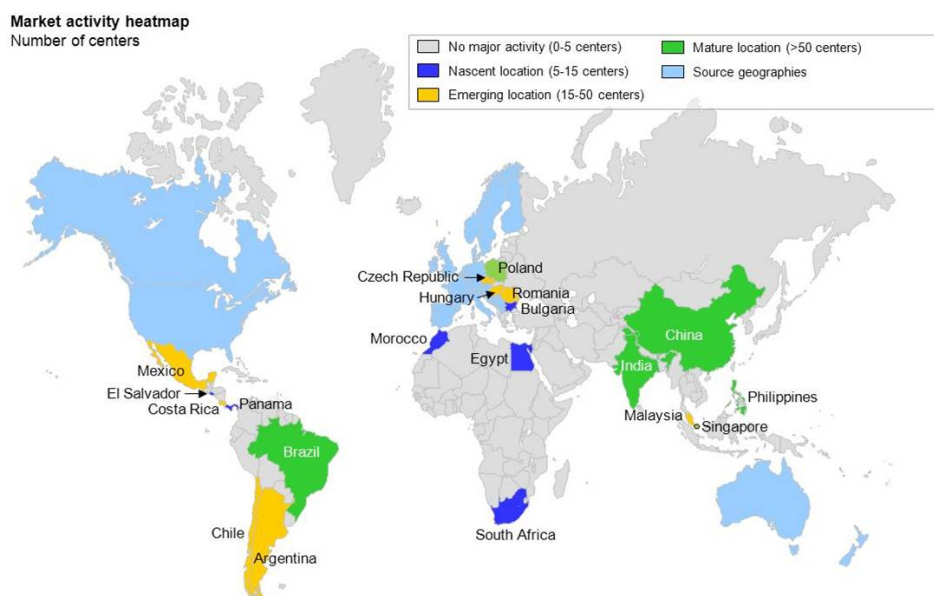
⁹ For more details see <http://www.investbg.government.bg/bg/sectors/facts-20.html> (last accessed 15 Sept 2014)

¹⁰ Deloitte Consulting LLP - 2012 Global Outsourcing and Insourcing Survey Executive Summary

¹¹ Deloitte Consulting LLP, Outsourcing, today and tomorrow Insights from Deloitte's 2012 global outsourcing and insourcing survey, p. 4.

According to data published by *The Countries* and *Statistic Brain*, the leading outsourcing sectors are manufacturing (53%), information technologies (43%), research and development – R&D (38%), distribution (26%), and specialist call- and help-desk centres (12%).¹² The main factors that motivate them are the reduction and control of job costs (45%), access to new markets (36.5%), strategic decisions for the future development of the company (35.6%), and, last but not least, the reduction of operating costs (30.7%).¹³ This, in turn, quite often determines the choice of outsourcing destination (see Figure 2), which is most often made in terms of minimizing costs for the enterprise.

Figure 2. Top-rated outsourcing destinations worldwide



Source: Srivastava, A., Singh, A. Increasing Globalization of Global Services: Next Global Sourcing Frontier – Africa? Sherpas in Blue Shirts. <http://www.everestgrp.com/2011-09-increasing-globalization-of-global-services-next-global-sourcing-frontier-africa-sherpas-in-blue-shirts-7536.html> (last accessed 15.09.2014)

In the last decade, the economies of Asia have invariably been preferred as source destinations because of their attractive possibilities for the reduction of costs related to outsourced activities combined with their specialization in the field of high technologies. For example, according to

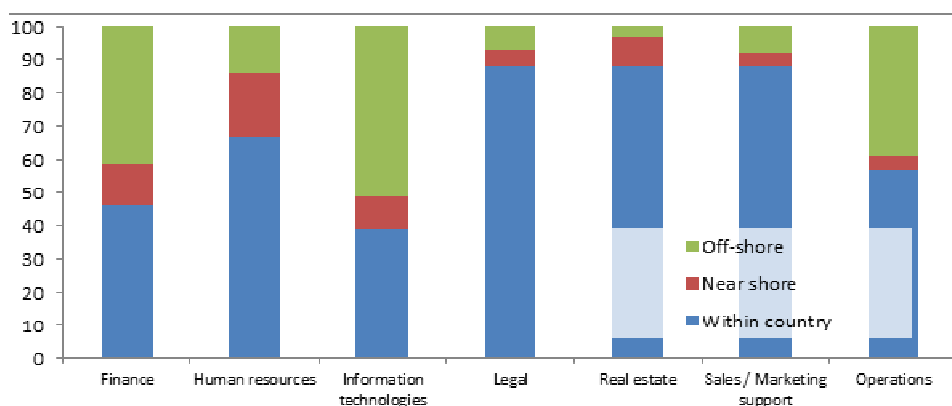
¹² www.thecountriesof.com/job-outsourcing-statistics/ (last accessed 15 Sept 2014).
<http://www.statisticbrain.com/outsourcing-statistics-by-country/> (last accessed 15 Sept 2014)

¹³ **Alajaasko, P.**, International Sourcing in Europe. *Industry, trade and services*, EUROSTAT Statistics in focus, 4/2009.

A.T.Kearney¹⁴, Asia was the preeminent destination for business process outsourcing in 2011 (the top-ranking countries are India, China, Malaysia, Indonesia, Thailand, Vietnam and the Philippines.) Almost identical results are found in the report by Gartner¹⁵, which, together with the above countries includes the lucrative outsourcing destinations of Shri Lanka and Bangladesh. Similar results can be found in the ratings of *Sourcingline*¹⁶, *The Countries*¹⁷ and *Statistic Brain*¹⁸.

Despite the popularity of the Asian economics, most enterprises prefer to outsource within their countries or to neighbouring geographic locations (see Figure 3), especially when it comes to functions such as legal services, real estate management, sales and marketing and human resource management.¹⁹ Usually, the functions that are outsourced near-shore or offshore are information technologies, finance, operations and procurement.

Figure 3. Preferred outsourcing destinations (by function and geographic proximity of the source destination)



Source: Deloitte Consulting LLP, *Outsourcing, today and tomorrow - Insights from Deloitte's 2012 global outsourcing and insourcing survey*, p. 10.

¹⁴ A.T.Kearney Global Services Location Index™, 2011, http://www.atkearney.com/gbpc/global-services-location-index/full-report/-/asset_publisher/BfF4luBmAV5G/content/offshoring-opportunities-amid-economic-turbulence-%E2%80%94-the-a-t-%C2%A0kearney-global-services-location-index%E2%84%A2-2011/10192 (last accessed 15 Sept 2014)

¹⁵ Gartner Identifies Top 30 Countries for Offshore Services in 2010-2011 (<http://www.gartner.com/newsroom/id/1500514>) (last accessed 15 Sept 2014)

¹⁶ <http://www.sourcingline.com/top-outsourcing-countries> (last accessed 15 Sept 2014)

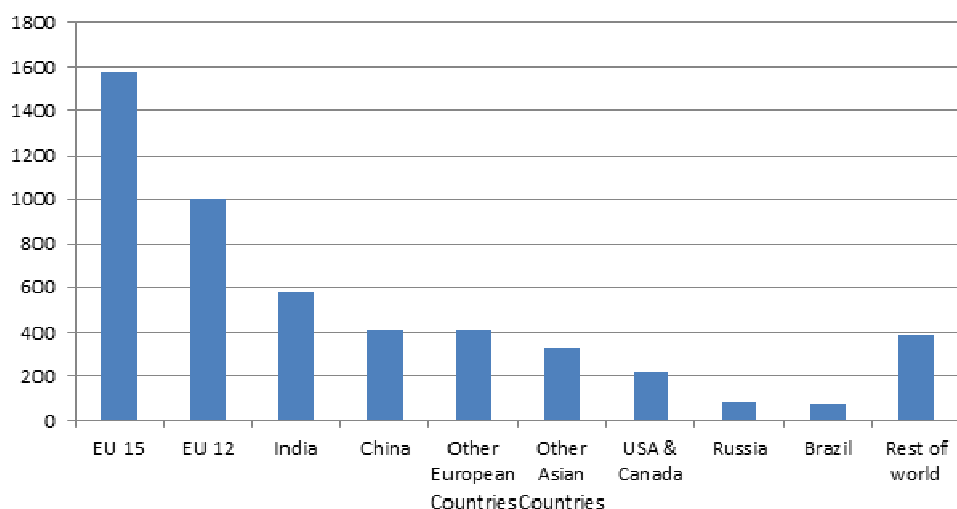
¹⁷ <http://www.thecountriesof.com/job-outsourcing-statistics/> (last accessed 15 Sept 2014)

¹⁸ <http://www.statisticbrain.com/outsourcing-statistics-by-country/> (last accessed 15 Sept 2014)

¹⁹ Deloitte Consulting LLP, *Outsourcing, today and tomorrow Insights from Deloitte's 2012 global outsourcing and insourcing survey*, p. 10.

The same trend was reported for the EU, where the preferred source destination for European enterprises is the EU itself (see Figure 4) followed by the Asian economies (India and China) and to a considerably lower degree by other destinations worldwide. European enterprises are especially attracted to new destinations in the new member-states – while until 2005 only 0.5%²⁰ of them outsourced to Central and Eastern Europe, today Bulgaria and Romania are the top outsourcing destinations in Europe.²¹

Figure 4. Main outsourcing destinations for the European enterprises



Source: <http://www.cros-portal.eu/sites/default/files/D57a%20SE%20article%20on%20International%20Sourcing.pdf> (last accessed 18.08.2014 r.)

The propensity of EU enterprises to outsource within the European Union may be explained by the proximity of the source locations (reduced transportation and other related costs), the relatively high economic stability in the region and the harmonized legislation (there are possibilities for legal protection on a national and European level). Most of the EU-15 countries prefer to outsource nationally because their main objective is to minimize their operating costs rather than expand their business abroad and penetrate new markets.

²⁰ Geishecker, I. Assessing the extent and development of international outsourcing in the euro area. Georg-August-Universität Göttingen, November 2007.

²¹ http://www.atkearney.com/gbpc/global-services-location-index/full-report/-/asset_publisher/BfF4luBmAV5G/content/offshoring-opportunities-amid-economic-turbulence%E2%80%94the-a-t-%C2%A0kearney-global-services-location-index%E2%84%A2-2011/10192 (last accessed 15 Sept 2014)

The analysis of the trends on the global outsourcing market shows that in the last few years that not only the volume of outsourced services worldwide is growing but also there is a change in the preferences for source locations, which has raised the rankings of many Eastern European countries, including Bulgaria.

3. The status of the outsourcing of printing services in Bulgaria

It is extremely difficult to analyse and assess the status and trends of the development of outsourced services in our country because the available information regarding this type of business is very scarce: the NSI does not provide such statistics and the Bulgarian Outsourcing Association (established in 2013) has conducted only one survey regarding Bulgaria's attractiveness as an outsourcing destination.²²

It was not until the last 10 years that our country was included in the rankings of the outsourcing destinations, but is already coming into its own. According to *Statistic Brain*²³ and *The Countries*²⁴, Bulgaria was ranked fourth in 2013 in terms of its attractiveness (with a score of 6.4% following the leader with 7.1%) and was bettered only by India, Indonesia and China. This is an exceptionally good achievement taking into account the fact that, in the 2011 rankings by A.T.Kearney²⁵ and Gartner,²⁶ Bulgaria was ranked 17th

²² http://www.atkearney.com/gbpc/global-services-location-index/full-report/-/asset_publisher/BfF4luBmAV5G/content/offshoring-opportunities-amid-economic-turbulence-%E2%80%94-the-a-t-%C2%A0kearney-global-services-location-index%E2%84%A22011/10192 (last accessed 15 Sept 2014)

Note: This is why some of the data regarding the outsourcing in our country was collected mainly from public sources, publications in specialized economic journals (incl. newspapers and websites), materials and presentations given at meetings and roundtables on related topics and advertisements published by outsourcing providers regarding successful projects. Some of the information is unofficial and is collected through personal and, in some cases, informal contacts with representatives of providers of outsourced printing services, in which the author has undertaken to keep certain aspects of it confidential (especially information regarding successful outsourcing projects) and not to disclose the trade secrets of their companies, business partners and clients.

²³ www.statisticbrain.com/outsourcing-statistics-by-country/ (last accessed 15 Sept 2014)

²⁴ www.thecountriesof.com/job-outsourcing-statistics/ (last accessed 15 Sept 2014)

²⁵ http://www.atkearney.com/gbpc/global-services-location-index/full-report/-/asset_publisher/BfF4luBmAV5G/content/offshoring-opportunities-amid-economic-turbulence-%E2%80%94-the-a-t-%C2%A0kearney-global-services-location-index%E2%84%A22011/10192 (last accessed 15 Sept 2014)

²⁶ Gartner Identifies Top 30 Countries for Offshore Services in 2010-2011 (<http://www.gartner.com/newsroom/id/1500514>)

and 23rd respectively. **The increased outsourcing attractiveness of our country is due mainly to its geographic proximity to Europe, the availability of highly qualified specialists, the low labour costs and its macro-economic environment.**²⁷

In 2011, the total revenue of the 100 top-ranking outsourcing companies in Bulgaria amounted to EUR 475 mln, with an average annual growth of 5.08%²⁸ and the leading outsourcing sector was the IT sector, followed by finance and the retail trade. The first successful international outsourcing projects realized in the country were implemented by companies such as Eroccor (2003), Sofica Group (2004), Coca-Cola HBC (2005), HP (2006), IBM (2007), Sutherland Global Services (2008)²⁹ and others. The most recent projects for the establishment of outsourcing centres are related to the acquisition of Sofica Group by the American corporation TELETECH, the implementation of an outsourcing project for the maintenance of MTel's building system by the Israeli company, Amdocs³⁰ and the outsourcing of some of the functions of Coca Cola Enterprises to Bulgaria.³¹

Outsourcing printing services is a business activity that includes analysing, optimizing and monitoring the printing environment, thus releasing the client from their obligations to manage the printing, update and optimize the hardware and integrate various software solutions for control and management, which are combined with professional services to achieve the maximum efficiency of the printing medium.³² **The leading outsourcing providers of printing services in our country are** HP, Xerox, Konica Minolta, Canon, Kyocera, Kontrax, Toshiba, Ricoh, Lexmark, Samsung, Epson, Brother, Copycommerce, Stemo and others.

According to IDG, the leading outsourcing providers of printing services in our country can be classified by three categories³³:

- *market leaders*, such as HP, Xerox, Ricoh and Lexmark, who offer the full range of services and balanced development strategies;

²⁷ The Outsourcing Journal CEE Central & Eastern Europe. A Colorful Outsourcing Landscape. Independent Publication for DACH and Global Markets Special Edition, Q 2/3 - 2013, p. 30-37

²⁸ Ibid.

²⁹ <http://www.investbg.government.bg/bg/sectors/facts-20.html> (последен достъп 15.9.2014)

³⁰ http://www.capital.bg/biznes/kompanii/2012/10/19/1929133_kakvo_stava_s_bilnaga_na_mtel/ (last accessed 18 July 2014)

³¹ http://www.capital.bg/biznes/kompanii/2012/09/28/1915764_alo_koka-kola_li_e/ (last accessed 18 July 2014)

³² IDG.bg – discussion on the transparency of the costs related to outsourcing of printing services

³³ http://cio.bg/5216_optimizaciya_na%20korporativniya_pechat_uroci_ot_praktikata (last accessed 15 Sept 2014)

- *main players* - Konica Minolta and Canon, who demonstrate a deep understanding of the market trends;
- *pretenders* - Océ, Kyocera and Toshiba, who are highly competitive.

Some of the most successful projects regarding outsourcing printing services in Bulgaria were implemented by Eurohold Bulgaria AD (2012, Konica Minolta) and Endesa (2008, HP). Following the optimization, Eurohold Bulgaria AD reduced their printing costs by 25%, including a 83% reduction in the number of printing devices, an over 60% reduction in printing consumables and an approximate 15% reduction in their overall print volume.³⁴ Endesa cut their overall printing costs by 42%, including a reduction in the number of printed pages (25%), total paper consumption (36%), the number of printing devices (19.4%) and the consumption of electricity for printing (39%)³⁵.

Examples of similarly good practice are Kyocera's outsourcing project with the Turkish brewery EFES, which achieved an reduction of their printing costs with 38%³⁶ as well as with HP's projects with the hotel chain Hilton Worldwide (over 1300 hotels) FedEx Office (over 1800 points of sale)³⁷. Although there are numerous other examples of good practice, the information for most of them is not publicly available due to requirements for confidentiality that bind both the suppliers and their clients.

A survey³⁸ conducted in the summer of 2014 among the 20 top suppliers³⁹ of outsourcing print services has outlined the status of this market in Bulgaria. It is worth noting that most of the respondents (50%) defined themselves as system integrators while the producers and distributors of printing equipment were 15% and 35% respectively. System integrators are companies

³⁴ http://computerworld.bg/42398_evrhold_ochakva_25_sakrashtenie-na%20razhodi-te_za_pechat_sled_ops_vnedryavane_na_konika_minolta (last accessed 15 Sept 2014)

³⁵ <http://www.economynews.bg/42-%D0%BF%D0%BE-%D0%BC%D0%B0%D0%BB%D0%BA%D0%BE%D1%82%D0%BE%D0%BA%D0%BF%D0%BE%D0%BB%D0%B7%D0%B2%D0%B0-endesa-news21891.html> (last accessed 15 Sept 2014)

³⁶ http://kontrax.bg/index.php?option=com_content&task=view&id=789&Itemid=290 (last accessed 15 Sept 2014)

³⁷ http://technews.bg/article-16932.html#.U2etM3oF_uVN (last accessed 15 Sept 2014)

³⁸ The survey was conducted by the author in the period May-September 2014 among the 20 top-ranking providers of outsourced printing services in the country. The survey was anonymous in order to maintain the confidentiality of the information regarding the respondents and their clients.

³⁹ The respondents were selected on the grounds of publicly available (in websites, brochures, advertisements, etc.) information about each provider's portfolio.

that buy the equipment from the producers and sell it to their clients as a part of an outsourced printing service (i.e. the system integrators act as mediators in the process of outsourcing of the printing services of their clients). Practice has shown that most of the producers of such equipment support both with price discounts and with know-how the business of the system integrators, which enables the distributors to sell equipment produced by different producers and thus achieve better optimization of their clients' printing services (the right model for the given department, less expensive consumables, etc.)

Many of the respondents replied that they still did not offer outsourcing of print services while others claimed that they were not familiar with this line of business. Although this line of business accounts for less than 20% of the overall business of the respondents, it is worth noting that, during the last year, more than 50% of their outsourcing in their overall business is growing. In 2014 these companies accounted for 11% of the market, which shows that the outsourcing of printing services is moving towards its potential as more and more companies become aware of the high profitability and the attractive perspectives of this type of business.

The respondents claim that in the last few years they have received enquiries for such solutions from almost $\frac{1}{4}$ of their clients, which shows that the end users of printing services also look for opportunities to optimize the related costs (70%) (see Figure 5), most often as integrated solutions (90%).

Figure 5. Client's motivation for outsourcing of printing services

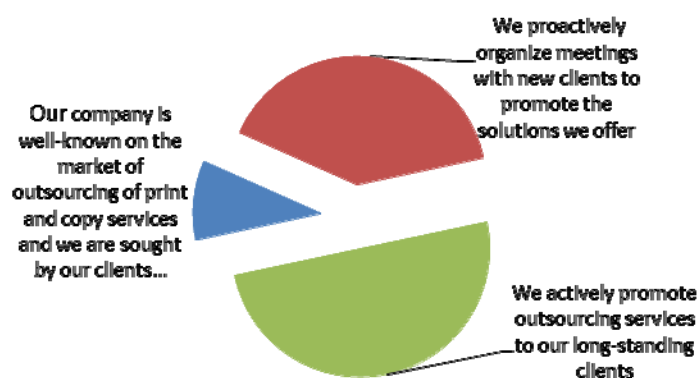


Source: Author's own survey, 2014.

The increased demand for such services can be explained to a certain extent by the new promotional approaches adopted by outsourcing service providers. Although many providers (50%) still rely on partnership with es-

tablished clients, in the last few years a growing number of companies (40%) have organized pro-active meetings⁴⁰ with new clients in order to communicate their solutions for print optimization. The growing competition stimulates the outsourcing providers to follow aggressive marketing strategies and now very few of them (a mere 10%) rely heavily on clients' initiative (see Figure 6).

Figure 6. Providers' approaches to raising their clients' interest in the outsourcing of printing services



Source: Author's own survey, 2014.

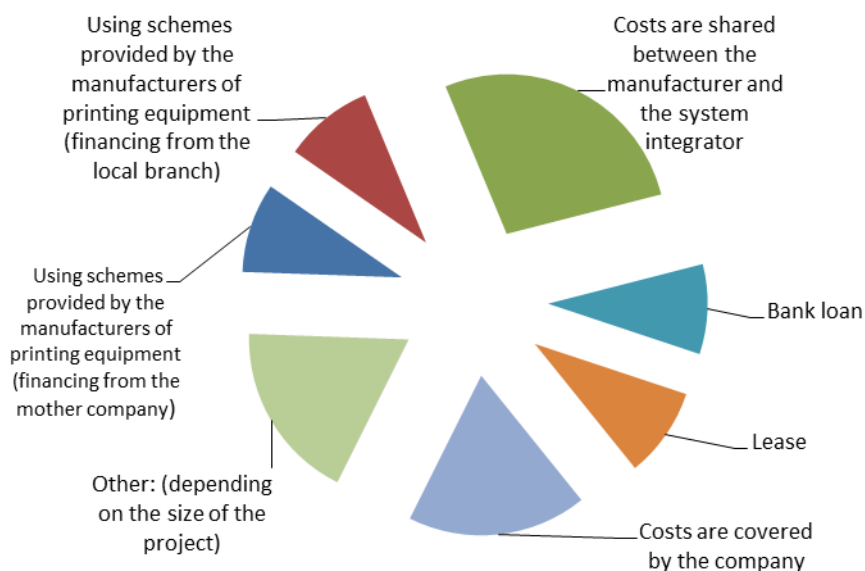
At the same time, providers conduct proactive campaigns that target mainly clients with large print volumes (60%) as well as clients they have established long-term relationships with (30%). The enterprises most interested in the outsourcing of printing services are mainly those with 150 to 400 employees (50%), followed by enterprises with more than 400 employees and public administration.

The providers of outsourced services can lease equipment and finance the entire project for outsourcing of printing services using several financing schemes. The largest group (30%) of system integrators share the costs with the manufacturer. The second largest group finance their projects through various schemes offered by the manufacturer or with bank loans or leasing agreements and only 10% of the providers can afford to finance their projects with their own funds (see Figure 7). For most outsourcing projects, the fi-

⁴⁰ At the proactive meetings (presentations, conferences, discussions, round tables, etc.) the providers advertise the services they offer (usually by handing out flyers, product catalogues, leaflets, brochures, etc.) and try to stir the interest of potential clients to outsourcing of their printing process.

ancing scheme depends on the size of the project, its implementation period and the expected level of optimization. Over 60% of the providers prefer to finance their projects jointly with the manufacturer of the equipment.

Figure 7. Main financing schemes for projects for outsourcing of printing services



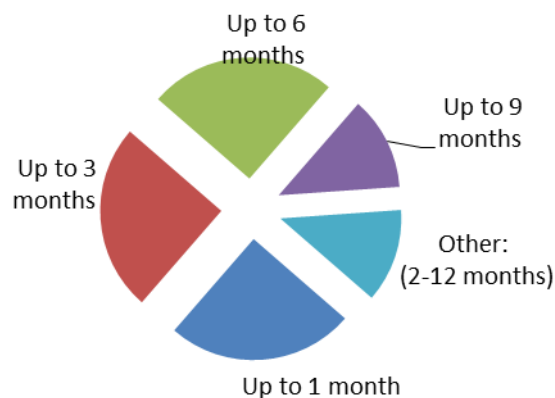
Source: Author's own survey, 2014.

Regarding the feasibility studies, practice has shown that they also may be conducted in several ways. In 45% of cases, the costs associated with an analysis of the current state and the opportunities for optimizing the client's printing services are covered by the outsourcing provider. This step is usually taken in two situations: either to finance large outsourcing projects where the additional investment made by the provider is compensated with larger profit margins, or to finance projects by small enterprises which cannot afford to finance them. The financing of all other projects is either by covered the client (22%), depends on the size of the project (22%) or is shared by the two parties (11%).

The average term of most outsourcing agreements is 36 months (80%) and the term for the implementation of projects (including an analysis of the client's infrastructure, the development of an optimization proposal, negotiations and the implementation of the solution) varies between 3 and 6 months (see Figure 8).

The results of our study show that the majority of clients were pleased with the services rendered and renewed their agreements for at least one additional period - only in 10% of all cases were agreements ended early.

Figure 8. Duration of the feasibility study conducted prior to signing the agreement for outsourcing of printing services



Source: Author's own survey, 2014.

To summarise the results of this study, we can draw the following conclusions:

First. The steady global trend for growth in outsourcing business processes as a method for the optimization of corporate operations is combined with changes to the preferred outsourcing destinations. Although the Asian economies are still leaders in this sector, the Eastern European and the Baltic countries (including Bulgaria) are steadily gaining popularity and are already among the top outsourcing destinations in the world.

Second. Although this type of business is still not popular enough in our country, the successful outsourcing projects implemented in recent years have proved that it can be successful and can lead to optimization of clients' costs and increase of providers' profitability. The outsourcing of printing services is still in its initial phase of penetration on the market in Bulgaria and has a significant potential for growth in the years to come.

Third. Our survey showed that, despite the small number of companies who offer printing services outsourcing, this type of business is gaining popularity and the number of successfully implemented outsourcing projects in our country is growing. The providers target mostly large enterprises by offering them integrated solutions (buyback of old equipment, lease of new one, supply of consumables, maintenance, proactive monitoring, etc.) and the

clients seek solutions for overall optimization of their print processes in order to minimize their costs.

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