



Paper Purge

Document management systems cut costs while building productivity.

Every organization manages documents. Some do it more successfully than others.

Those that have implemented organized systems to deal with their documents have found savings. In addition, they have discovered benefits related to making their operations more effective, secure and compliant.

Tom Codd, director of enterprise marketing for worldwide sales and services for HP, says that simply optimizing one aspect of the document management process can yield, "20-to-30 percent savings immediately."

However, take the time to look at the bigger picture. It's necessary to understand what makes up the technology of document management and where your firm could benefit.

Managing Documents

It may be possible to define document management as "the act of moving a document from one place to another." However, using that definition is not likely to lead to any kind of efficiencies in the enterprise.

A true electronic Document Management System, or DMS, puts documents in locations that are easily and securely accessed. It then lets users find and use those documents seamlessly, as part of their larger business operation.

Turning the promise of these simple statements into reality requires each component of the DMS to be in place. The typical document management system consists of the following processes:

Data Capture (Input)

While the business world continues to become more digitized, not every aspect of every operation exists natively in digital form. Even highly automated systems, designed from the ground up to be completely digital, will need a way to process data on paper.

That means paper documents need to be converted to digital documents and added to the set of transactions. This can be accomplished in a number of ways including via multifunction printers, digital senders and even digital cameras. However, most offices rely on freestanding scanners.

Vendor software offerings designed to assist with document capture include: EMC Captiva, Kodak Capture Pro and Kofax Capture.

Content Management

Once a document has been scanned and captured as an image, that image needs to be indexed so that it becomes part of the transaction, and available for retrieval when needed. At the same time, some document images need to be converted to data so that the contents can be acted upon.

Once the image contents are available, either in the form of text or data, further actions can be taken as needed. These may include routing the document, triggering the execution of applications or business process integration.

Content management software offerings include Archive Studio (DocuLex), Documentum and ApplicationXtender (both from EMC), and FileBound (Marex Group).

Storage

Processed documents need to be stored for later access or processing. Some document types exist as large files, requiring scalable and flexible storage systems.

Today, firms are turning to more affordable and easier-to-use network storage solutions. A Storage Area Network (SAN), Network Attached Storage (NAS) or disk array offers high availability, resiliency and redundancy while contributing to regulation compliance along with disaster-recovery efforts.

Output

DMS output can be digital or print. While printed output is one of the targets a DMS aims to reduce, the use of paper is still an important part of many business processes. Developing a comprehensive approach to managing print devices and their use can result in significant savings for an enterprise.

Considering Document Management

Reducing operational costs has always been an important component of managing a business. Finding an area that shows promise to not only reduce expenses, but also to improve processes is likely the best of all possible approaches.

Document management systems offer a realistic promise of achieving quick ROI as well as streamlining operations. When implemented properly, a DMS can address multiple areas. These include:

- Reducing physical storage space for storage and retention of paper documents
- Improving the efficiency of routing and sharing documents and information
- Providing a more secure environment for document storage
- Addressing business-continuity and disaster-recovery issues
- Helping with regulatory compliance with regard to document retention and availability

Covering the Basics

According to industry insiders, the implementation of a DMS boils down to the basics. "Today, firms are looking for ways to reduce their cost of doing business and operate more efficiently," says Todd Johnson, sales manager of the Managed Print Team at CDW.

"A well-designed document-management solution greatly reduces the amount of time employees spend locating and handling documents and other critical business information," he says. "Organizations we've worked with report they now have the ability to do much more with the same or even fewer resources, and the return on their investment is rapid."

"Document management systems make sense in areas where the business needs dictate," says Leonor Ciarlone, senior analyst with the Gilbane Group tech analyst and consulting firm.

"Good candidates to address might include areas where the volume and velocity of information traveling through the organization are approaching overflow," she adds. "Other areas are those requiring the need to comply with regulatory mandates or the ability to easily access and retrieve the right document at the right time."

Departmental units may be the most likely starting point for a DMS project. "Departments, like human resources and customer service, may be the first to identify the problems," says Ciarlone. "And by identifying a DMS as a solution, you may be able to get the attention of the CIO and find a budget for a pilot project."

The starting point is to identify the solution to the problem and develop a set of metrics that can serve to measure the project's ROI.

Real-World Application

Brad Niemiec, director, Centralized Accounts Payable (CAP) for Oakwood Worldwide, the temporary housing giant, found that implementing a solution from Kofax made a difference in the company's customer-satisfaction ratings, as well as in the size of his accounts-payable staff.

"We process approximately 80,000 expense and utility bills each month," he says. "Each invoice is coded to a specific apartment." This workload required a full-time staff of 36, prior to the implementation of the electronic document management solution.

Niemiec's staff was each processing between 125 and 150 invoices per day. "We wanted to be conservative and decided to base our ROI calculations on a 50 percent increase," he says. One year after the DMS implementation, the staff is processing 250 invoices per day.

Based on the increased productivity, Oakwood has met its ROI target in 14 months. In addition to reducing headcount from 36 to 15, Niemiec says the company has virtually eliminated all payment issues, an important driver of customer satisfaction.

The firm is using the Kofax software to process the scanned invoice documents, extract the billing information and amounts, and pass the invoice data to the company's internally developed accounting software.

The sequence begins with the scanning process. In Oakwood's case, that means using two Fujitsu scanners. Niemiec chose to install two scanners, even though a single unit could accommodate the company's volume. Having the additional unit means having a backup available, should there be problems with one of the scanners.

Putting It All Together

Electronic document management system implementation is likely to take on different forms in different environments. Even in similar businesses, the business processes and applications that interoperate with the DMS are likely to be specific to the company. However, even in widely diverse installations, the basic components exist in some form.

Document collection is the initial stage of the process. Documents are added to the DMS by scanning paper-based originals, by collecting both internal and externally created digital documents or through a combination of both.

As another option, applications that lack the ability to integrate with a DMS through programming interfaces can print their output to digital reports such as invoices or accounting reports. These digital documents can then be included in the DMS.

Content processing can take on many forms. These include Optical Character Reader (OCR) conversion of scanned documents, Optical Mark Recognition (OMR) of forms that move resulting data into databases, and even barcode and batch processing.

Each process is specific to the format and type of document being processed. In addition, each may include the execution of supporting applications that enable the business process associated with the document.

Document storage is an essential part of the process. It can include techniques ranging from simple file storage to automated migration of documents between tiers of storage appliances.

For example, Information Lifecycle Management (ILM) offers a hierarchical storage process where automated migration of content between storage tiers makes certain the most urgently needed documents are immediately available.

Content management is generally associated with the processes either initiated by the data contained in the documents, or in the use of the documents as part of the business objectives.

Advanced content management techniques can be aided by customized workflow applications that supplement or eliminate the manual processing steps involved in using the document for its intended purposes.

Output Control

For some enterprises, retrieving and extracting stored documents is as high a priority as storing them in digital form. For those organizations, the savings realized in digitizing and indexing can be eroded by using unmanaged output devices.

According to Omri Duek, senior research analyst with the market research and strategic consulting firm InfoTrends, "Research provided by an ALL Associates Group (a select team of multidisciplinary business professionals, researchers and statisticians) study shows that enterprises spend between 7-to-8 percent of total revenue on document output costs.

"Those costs include equipment and supplies normally associated with printing," he says. "These include consumables like toner and paper along with service contracts, electrical power, purchasing administration and technical support."

The typical enterprise has printers, multifunction devices and copiers from a variety of suppliers. These are often installed in non-strategic locations. Each device may require different software drivers, supplies and services, making management nearly impossible.

The key to managing the printer fleet is putting the right device in the right place. An expanding number of personal devices, not connected to the network and located next to high-volume multifunction printers, is the normal result of printer creep.

An optimized output system can improve workflow and improve turnaround times for the enterprise. "Businesses that use paper output as part of their revenue-generation process are quicker to embrace the concept of a managed printer fleet," HP's Codd points out. "This is because they become more efficient and lower expenses immediately."

Todd also notes that an optimized printer fleet can have an immediate savings impact of between 20-to-30 percent. Enterprises in this category include those in legal services, manufacturing and financial services where documents are distributed to customers or are required as part of external processes.

Every organization has inefficiencies in the way it manages its documents. Technologies needed to enhance the operations, reduce costs, increase customer satisfaction and reduce delays are available in a document management system.

"Become an investigative reporter in your own organization, and discover where improvements can be made," Gilbane Group's Ciarlone advises. Then apply the techniques and technologies that make up today's DMS.

Document Management System Benefits

An Electronic Document Management system (DMS) provides several different types of benefits; some obvious and some more subtle.

1. Cost savings

Working on paper files can be time and cost intensive. A DMS can help your staff save money, time and office space.

2. Security

Take security seriously. Threat from the competition as well as staff, disgruntled employees and identity thieves is real.

3. Disaster Recovery

A DMS protects paper documents by creating electronic copies that can be backed up in a variety of ways.

4. Access

Today's distributed organization (staffers working from home, on the road or in the office) requires the ubiquitous electronic data access provided by a DMS.

5. Process Consistency

A DMS can provide the degree of consistency required for added efficiency as well as productivity. This can result in greater customer satisfaction.

Document Management System Processes

An effective DMS will offer the following capabilities:

- Data Capture — The capture process includes making an electronic version of an existing paper document.
- Content Management — Document indexing makes access, future retrieval and use of information convenient.
- Storage — Businesses are turning to more affordable and easier-to-use network storage solutions.
- Retrieval — The system's data retrieval capabilities will be centered on the interface that is used to access the storage solution.
- Output — This often consists of a printed document. However, to contain costs, care must be taken to best utilize printing capabilities.
- Exchange — The DMS solution must be capable of integrating with other information systems within the firm.

CDW CAN DELIVER A DMS SOLUTION THAT INCLUDES THE RIGHT MIX OF HARDWARE, SOFTWARE AND SERVICES. CALL 800.800.4CDW TO TALK TO A SPECIALIST TODAY.

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