

White Paper

# The future of intelligent document capture



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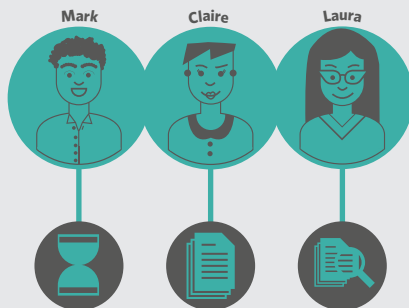
# Information: the lifeblood of any organization

## The battle for information

Information is the lifeblood of a business. It enables employees, from front-line customer service reps to chief executives, to take action and make good decisions. Often times important information already exists somewhere in the organization but the lack of a holistic document management strategy stops it from getting where it's needed. Although there are technologies that could help address these issues, they have yet to be fully utilized by most organizations.

### A classic story

Meet: Mark the customer, Claire the insurance agent, and Laura the claims adjustor. These three first met following Mark's accident. All three were unhappy with the claims process - and for good reasons. Mark did not receive his settlement check for what seemed like an eternity. Claire felt like a filing clerk. Laura was constantly searching for information, as well as waiting for police reports and damage estimates.



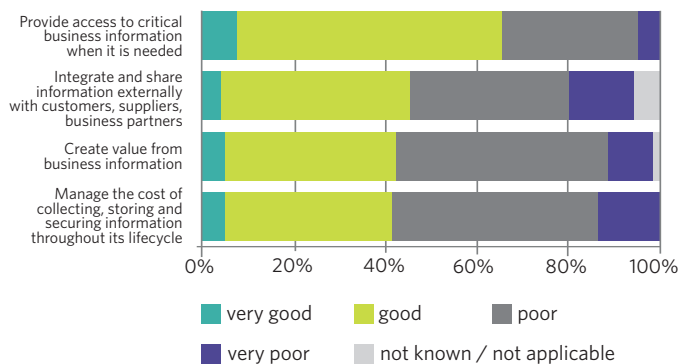
Document Imaging and Content Management technologies, which can make important business information available, have been around for decades. Most large and medium size businesses have implemented document management solutions. Yet there are still scores of employees who rely on ad-hoc processes to get the information they need. That is because information is often siloed or processes require manual interaction.

A paper published last year by the International Journal of Information Systems and Project Management showed that the struggle of deriving value from information still exists on a worldwide scale. When asked to rate a series of their company's information management capabilities, businesses indicated they were failing to realize the following key benefits:

- Providing access to critical business information
- Sharing information with customers, suppliers and other stakeholders
- Creating value from business information
- Managing the costs of storing and securing information

So what's holding back effective, efficient document capture?

## Current information management capability



(Managing enterprise information: meeting performance and conformance objectives in a changing information environment, International Journal of Information Systems and Project Management. 2014)

## The paper war continues

For over 30 years<sup>1</sup> we've been on the edge of the paperless office. Today there are some processes that are becoming paperless, but for all intents and purposes we are still dealing with a deluge of paper. Few organizations have reached their goal in reducing it, and even less have embraced a fully digital process. Without digitization paper remains a bottleneck.

The 2014 AIIM Paper Wars<sup>2</sup> survey disclosed that 44% of businesses are only 10% of the way towards the goal of going paperless. This includes 14% of businesses who haven't even started thinking about reducing paper processes – large organizations included.

Paper continues to be the largest hindrance for unlocking the power of documents. Paper documents are difficult for staff to access, and extracting content is cumbersome and time consuming.

While 68%<sup>2</sup> of respondents in the AIIM study agreed that business-at-the-speed-of-paper would be 'unacceptable in just a few years' time,' for many, that time is now.

Fortunately, today's scanning technologies are even more sophisticated. They enable the capture of paper documents wherever they may enter the organization. However, simply scanning is not enough. Organizations often fail to implement their paper-free initiatives because documents are placed in electronic archives as PDFs and in other forms. These digital archives are about as beneficial as a filing cabinet filled with paper files. No metadata is captured and no information is extracted.

Taking the information from a document and onboarding it into an organization as an indexed archive, or directly into the business process, ensures that the information is not trapped in the electronic world as it is on paper.

## Accident-prone

Mark has yet another accident (he swears it was the tree's fault!). This time he fills in a handy claims form, which he keeps in great supply in the car's glove box. He takes it to Claire, fully expecting to empty at least one pot of coffee while she's entering the data. However, Mark's insurer Dionysos has recently implemented a new intelligent capture solution. Claire scans the form and the data is uploaded to the system almost instantly. After clearing up some questions about the tree, Mark is on his way much faster than he anticipated and has to buy his own coffee.



<sup>1</sup> www.wired.com/2014/01/paperless-office-30-year-old-pipe-dream/ | <sup>2</sup> Paper Wars 2014, AIIM, 2014

## Turn scanning into an asset

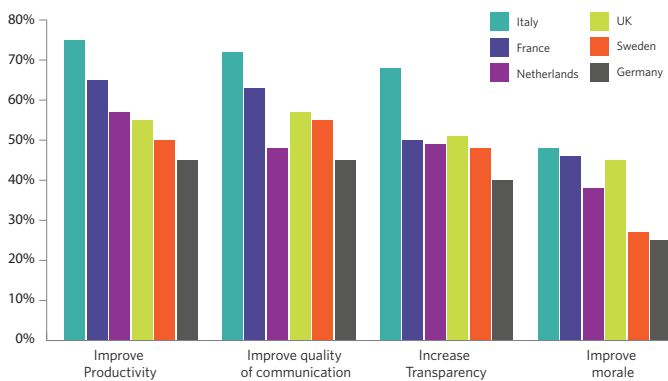
### Capture the advantage of digital documents

Information is a depreciating asset and often the data contained within documents to be input into business transactions has a finite shelf life. It is crucial that information from documents enters the organization quickly whether they arrive close to the point of service or otherwise. Promptly onboarding information calls for a range of scanning methodologies. The choice between centralized and distributed scanning often depends on what fits best with process design and current infrastructure.

Many organizations have adopted a centralized capture solution, like those having aligned their business processes to route mail directly to a centralized scan center. Incoming documents are routed to a mailroom, digitized and classified, and then forwarded directly to the relevant employee or business process.

On the other hand, banks and insurance companies, for example, have offices and agents dispersed globally. This makes transfers of physical documents difficult and expensive, if not impossible. Distributed scanning allows documents to be captured quickly and easily. It can also reduce storage cost and improve security by reducing the risk of unauthorized access to confidential paperwork.

### Proportion of respondents who agree that digital collaboration tools improve productivity, transparency, communication quality and morale



(Digital Collaboration, Deloitte, 2013)

A recent AIIM survey<sup>3</sup> revealed that for business processes such as loan origination or case management, distributed scanning is often a better fit. By placing capture devices on staff desktops or in departments, organizations are able to scan documents where the customer or document interaction takes place. This moves information into business processes sooner and can potentially reduce paper. While departmental and workgroup scanning has been possible for more than a decade, advanced scanning features on smaller scanners, improved software, and lower cost equipment make this option progressively more appealing.

Both methodologies - centralized and decentralized scanning - are often used simultaneously, depending on the business applications and volumes. Digital-mail delivery, Accounts Payable invoice capture and any other application in which paper documents need to be shared, are candidates for scanning automation. Digitization is one of the major dynamics of this age, with tangible benefits, which were highlighted in a research study by Deloitte<sup>4</sup>. This study proves that digitization increases productivity, quality of communication, transparency and even the morale of employees.

## Things speed up

Prior to implementing an automation solution, Claire spent much of her time manually collecting, filing, processing documents and inputting data. With the new solution, the police report was mailed to Dionysos, scanned in the mailroom, pertinent data was extracted and automatically updated Mark's case, and the file was placed in a case-management system. The damage estimate was faxed to Claire and she updated the system. Within a few minutes, all the information was available to Laura, who received an automatic notification of a status change. An email was also automatically sent to Mark. However, Claire also gave him a personal call to let him know the progress, as well as to ask him how his driving lessons were going.



<sup>3</sup> Over 50% of respondents use distributed capture as their "digital mailroom" solution. (Paper Wars 2014, AIIM, 2014) | <sup>4</sup> Digital Collaboration, Deloitte, 2013

## Web based capture to the rescue

To achieve the full benefits of distributed capture, browser-based applications can greatly simplify your infrastructure. Many browser applications have benefits that can apply to scanning software, allowing IT departments to maintain applications at the server level. Applications such as OCR can be centrally managed and even moved to 3rd-party cloud providers for more cost effective support, to reduce CPU and memory demands, in a hybrid or full cloud solution.

A browser-based interface allows every workstation in the office to be connected with the scanning solution, enabling every employee to capture documents, even those interacting with clients in the front office. Since the browser-based application is updated across every device, each person uses the same software version and training becomes straightforward as a result.

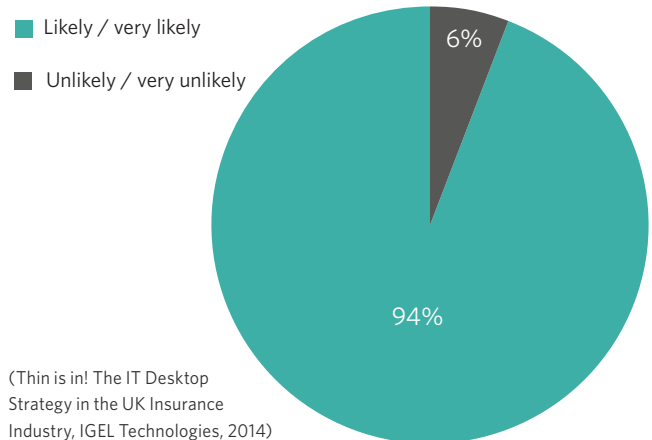
Browser-based scanning also facilitates process standardization, regulatory compliance and security by creating the same transactional audit trails and controlling access only to authorized personal.

Ideally, browser-based capture is integrated with your Line of Business (LOB) software with a simple 'scan button' embedded in your application. This way employees don't need to know anything about the capture software; the button simply allows documents and information to be scanned directly into the business application, saving both time and training costs. This type of thin client software application is on the rise, especially in the insurance industry. In fact the results from a study by the UK Insurance Industry<sup>5</sup> last year clearly demonstrate that there is an overwhelming commitment to increase usage of thin client software in this sector. On reflection, that is hardly surprising. The benefits of flexibility, security and ease of deployment make sound sense.

## The benefits of thin and zero clients well understood



## Industry committed to more use of thin and zero clients



## No time for coffee

Under the terms of his policy, Mark is reimbursed for the cost of a rental car while his car is being repaired. He decides to drop by Claire's office with the rental invoice and have a cup of coffee. Claire enters the invoice information into the system via a scanner near her desk. Mark is happy the claim has gone smoothly so far and thanks Claire for a job well done, but again, there's not enough time for coffee.



<sup>5</sup> Thin is in! The IT Desktop Strategy in the UK Insurance Industry, IGEL Technologies, 2014

## Smarter and automated workflows

### Integrating information channels

Of course, business information entering an organization solely on paper is a thing of the past. In addition to paper documents, most organizations use faxes and electronic documents attached to emails to share information.

The lack of integration across channels has both cost and usability implications. It can result in:

- Duplicate systems and IT redundancies
- Information siloed in local repositories
- Duplicate effort and multiple copies of the same document

Consumers now use various communication channels to contact companies. Adding new communication channels on top of legacy systems can wreak havoc on LOB methods designed for sequential steps of processing. To close the gaps, employees must collect data from these new sources and place it into the workflow. Or they have to manually route data to the person or department best suited to manage it.

## Better customer experience

In today's service economy the expectation is for accuracy and responsiveness. Consumers demand a better customer experience – or they go elsewhere.

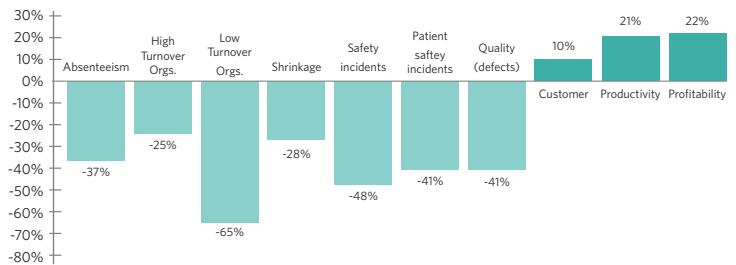
Integrating information arriving in paper form and through different digital channels allows customer service professionals to quickly find the information needed to react to customer requests accurately. Both are essential and cost effective in an age when it costs 6-7 times more to acquire a new customer than to keep an existing one<sup>6</sup>.

### Automating mundane tasks

Automating workflows allows companies to link documents to systems of records and engagement more intelligently. This leads to lower cost and faster processing times.

The first rung on the ladder of automation is on-ramping information into a business process. There are many examples, but often knowledge workers find themselves working around silos of information by manually entering data from one system to another, or by manually checking policy validity when processing a claim.

### Difference between top and bottom engagement quartile Meta-Analysis: Outcomes



(Engagement at work: its effect on performance continues in tough economic times, Gallup, 2013)

Removing these simple but repetitive manual tasks leaves employees more time to focus on more complex tasks and also serves to give employees a higher-level of engagement in their work. As the Gallup findings shown here illustrate, taking such action can result in an increase in business profitability of 22% and also a 10% increase in customer metrics – and that's a substantial benefit that can't be ignored.

## Automatic checks

Previously Claire had to use a separate system to check if Mark's policy was up to date and valid for this type of accident. With the new solution, once the required data regarding the claim is entered the policy status is checked automatically.



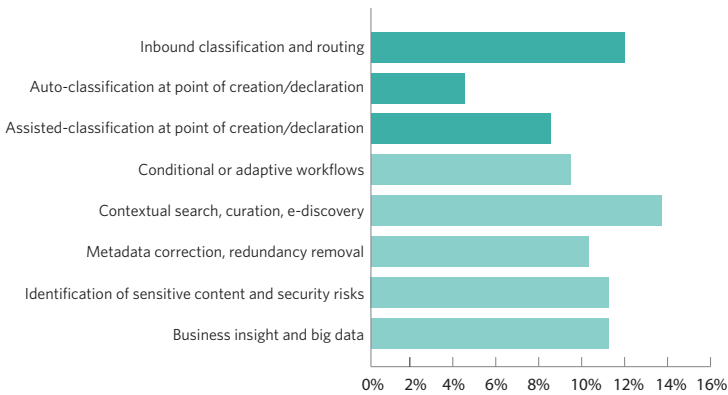
<sup>6</sup> 18 Customer Facts Marketers Can't Ignore, February 25, 2013, Bain and Company

### Smarter workflows with content analytics

Automating data from different channels offers significant opportunities to speed up workflows and reduce labor inefficiencies.

For example, getting documents that arrive in a central mailroom identified and inserted into the relevant workflow often causes major delays. Especially if this step is done by manually reviewing digital documents, or even worse, by physically sorting through papers preparing them to be transported to the relevant staff member or department.

The adoption of classification techniques is still in an early stage. According to AIIM's Information Management Industry Watch survey<sup>7</sup> conducted this year, 15% are using automated or assisted classification at the point of creation/declaration.



(AIIM, Information Management - State of the Industry 2016)

Once a document has been classified as a specific type, e.g. an application, claim, invoice, or address change request, this defines the business data required for the workflow.

Content analytics can also be used to make a workflow smarter beyond the inception to correct metadata, improve search and knowledge extraction. Just as importantly, it also can provide business insight. Not surprisingly, the AIIM survey<sup>7</sup> shows a similar early adoption for these types of analytics. 11% are using analytics for metadata and security correction as a post-process. 12% use content analytics for business insight. So it is an important and valuable move forward in smarter business efficiency.

### Status update

The new employee who estimated the repair cost on Mark's car missed some of the damage, so the garage faxed an updated estimate to Claire. Previously, faxes weren't integrated into the capture system and arrived at the mercy of those in the office. This time, the system automatically routed it to an OCR and classification process, and the information workflow then updated the system for Claire's review. Again, Laura was automatically notified of the status change.



<sup>7</sup> AIIM, Information Management - State of the Industry 2016



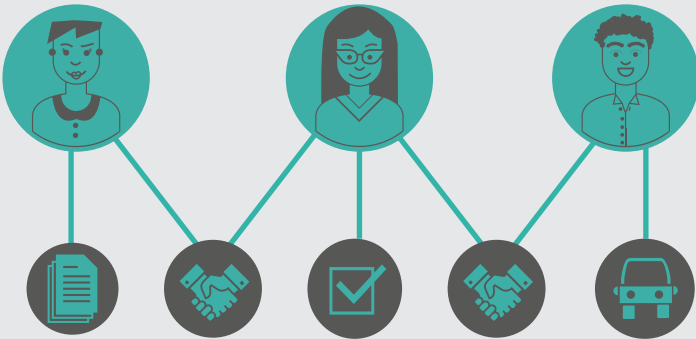
## A final thought

Automating workflows benefits every department in an organization to improve outcomes from top to bottom, including smarter decision making, workforce productivity, and of course, customer satisfaction and loyalty.

Adopting intelligent solutions for document capture unlocks the power of business information, which is the lifeblood of your organization. It's a journey that requires multiple steps, but successfully navigating it reaps significant rewards. There is a solution available to address the specific needs of each business, which vary based on company size, level of automation and market needs. Don't delay to investigate.

## What a result

In the end, Mark's case was processed much faster and without the stress levels associated with using the previous system. The payment from the insurance company arrived at the body shop soon after the repair was finished, Claire didn't have to worry about keeping any paper documents around for compliance purposes and Laura was able to quickly analyze information as it came in to make a decision rather than chasing it as she had before.



**Want to learn more?**

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