

Going Paperless

Whether you call it scanning, imaging, capture, or digitization, there's been a sharp uptick in the number of organizations seeking to reduce the amount of paper in their business processes. The trend is particularly notable in the financial services industry, long a bastion of document-intensive processes and subject to stringent requirements for controlling documents.

Many organizations that undertake so-called "paperless" initiatives are seeking to reduce operational costs. In addition, imaging of critical business documents helps organizations ensure regulatory compliance, business continuity, and disaster recovery.

But organizations are also looking to imaging and capture technologies to improve the efficiency of core business processes. Capturing documents or data at the point of origin or receipt gets the information into the process quickly, enabling process workers to access this information far earlier in the process than otherwise. The result: faster processing, improved customer satisfaction, and, potentially, faster recognition of revenue.

Finally, many organizations are going paperless to pursue new ways of doing business and new opportunities to communicate across multiple channels and attract new partners, customers, and revenue. This is particularly significant for global organizations that are evolving toward centralized governance over distributed processes and workforces. Imaging of paper documents and their automation via workflow are prerequisites to the pursuit of a global, geographically-independent operating model and to achievement of the projected cost savings from outsourcing.

But whether processes are in-sourced or outsourced, the greatest hard-dollar benefit of imaging and capture technology is that it enables the streamlining and optimization of paper-intensive processes, and moves organizations closer to straight-through processing.

Why organizations are taking a second look

Many organizations deployed imaging and capture technologies in an effort to "go paperless," but the vast majority started small, deploying scanners to departmental or workgroup environments. Or they scanned documents in specialized or narrowly defined areas, such as check capture, agenda management, or bills of lading. Some organizations also began scanning their documents at the back end of processes –

just to reduce the volume of paper that would ultimately need to be stored. The result was an archive of the images of all the relevant documents, once the business process had been completed – but none of the benefits that are possible when those documents are made available as images at the start of the business process.

Finally, as more organizations implement workflow and business process management (BPM) technologies within their environments, they're looking for ways to get the most value from their investment and to more fully automate their business processes for straight-through processing.

The Centralized Model

In the centralized model, business operational mail items, meaning items addressed to departments or generic roles (e.g. "claims administrator") are all opened, prepped, and scanned at a single location (generally the central mailroom or mail center) and then are delivered electronically through either the capture system or the ECM solution. Originals are either filed or destroyed, depending on company policy for such items. This shared-services model is typically deployed in large-scale mail centers handling millions of pieces of mail per year. For organizations that receive large volumes of inbound documents, such as insurance companies, it may make sense to outsource the mail center scanning operation. Generally, actual employees of the organization take over for the indexing of images, which requires more business knowledge.

The Departmental Model

In this "moderately decentralized" model, individual business units act as centralized scanning centers for their own operations. Each department typically has one or two staff members who receive inbound mail and perform scanning, indexing, and distribution for all members of the department. This solution occupies a middle ground between centralized and distributed capture; as such, it presents higher hardware costs because it requires a larger number of scanners across the various business units. The advantage is greater quality control, as departments in general tend to index their own documents accurately if it's done at a group level.

The Distributed Model

In the distributed model, scanners are deployed to the end users, scanning mail at the point of use rather than centrally. In this model, imaging and indexing is fully distributed among individuals, who scan items according to their role.



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So which model is right for your application's needs? The key factors to consider are as follows:

- Scale of deployment (in terms of the number of contributors)
- Application complexity (simple vs. complex)
- Location of scanning capabilities (distributed vs. centralized)

The bottom line: The risks of undertaking a paperless initiative are far lower than they were even just five years ago. As a result, cost structures – particularly in the financial services sector – are starting to change, as more organizations adopt imaging and capture to digitize their processes and remain competitive.