

Management Briefing

Document management



...r emoving the paper headache



Over 60% of all companies still process, store and retrieve documents manually

80%-95% of enterprise information is located within paper and electronic documents

25% of enterprise documents are misplaced and will never be located

It's all about paper...

You work with it all day, every day - your organisation, regardless of its size, generates memos, reports, procedure manuals, application and claim forms, purchase orders, customer invoices, etc. This paper is an integral and important aspect of any organisation. Managing it effectively is critical to business success by reducing overhead costs, improving staff efficiency, improving decision making, minimising risk and improving customer service. This month's *Management Briefing* attempts to help you get to grips with the paper mountain.*

Time is money and so is paper ...

If it is estimated that the average worker requiring information spends 20%-30% of their work time on document related tasks, just calculate that in salary terms and the cost of handling documents is enormous. It is estimated that:

- *The average document is copied, either physically or electronically, nine to 11 times, at a cost of about €18*
- *Documents cost, on average, €20 to file*
- *Retrieving a misfiled document could cost up to €120*

What Electronic Document Management Systems (EDMS) aim to do is automate a lot of those processes, thereby reducing costs and increasing productivity. Sounds great in theory, but how does it actually work?

EDMS, or document management, involves the capture and management of documents by scanning and the term has become an umbrella under which document imaging, workflow, text retrieval and multimedia fall. Software scans the documents for electronic storage and the trend has been toward designing information systems that are

document centric, where the document becomes the focus, not the application that created it.

Where the benefits come in to play are when document management systems support multiple versions of a document, combining text fragments written by different authors and incorporating a workflow component that routes documents to the appropriate users.

They are required because our research has shown 12-15% of corporate revenues are claimed annually by document mismanagement, along with:

- *40%-60% of office workers' time*
- *20%-45% of labour costs*

Implementing a solution - EDMS for the technophobe

Document Management is not just about technology - it is a discipline to ensure that an organisation has the right structures, processes and technologies to produce, manage and process paper well.

- *Problems of lost or misfiled documents are eliminated. Every document filed can be found by searching the key words assigned when the document was converted to electronic storage.*
- *Electronically storing documents speeds up delivery*
- *Document ownership rules can easily be enforced, ensuring "version control"*
- *Use authoring, approval and publishing workflows to minimise turn-around time on documents and reduce the document lifecycle*

Based on the information above, central to the EDMS is a dedicated and well-run scanning area responsible for opening and sorting incoming post and scanning the documents. Once documents have been scanned, they are assigned indexing information. This is used for electronic filing and future document retrieval. Advancements in technology have enabled automation of the capture, helping to maintain costs.

Additionally, a number of specialist document scanning companies have set up which allows you to outsource your scanning operation. Typically, these organisations take documents off-site for scanning and return electronic images in a specified format, to be uploaded to the EDMS.

Where document management can help

Savings on time to create and modify documents	50%-90%
Increase in productivity	20%-30%
Savings on document handling	20%-40%
Improvements in cycle time	20%-40%
Savings on desk space	30%-50%
Improvement in client satisfaction	30%-50%

Five elements of an EDMS:

Scanning

Scanning technology is much advanced. Paper document conversion is fast, inexpensive, and easy.

Storage

The storage system must provide long-term, reliable storage for documents, and accommodate changing documents, growing volumes and advancing technology.

Indexing

The index system is key to the search/retrieval system. It creates an organised document filing system.

Retrieval

The retrieval system uses information about the documents, including index (or meta data) and text, to find "images" stored in the system.

Access

Document viewing should be readily available to those who need it, with the flexibility to control access to system (ie version control, editing rights etc.).

Typical EDMS solutions

EDMS can be as basic or as complex as you require. The principle is the same: the electronic capture of data, through scanning, and the retrieval of same.

Storage

The simplest EDMS is to capture information, index it for search purposes and store it electronically on CD. Typical solutions on the market allow you to store the equivalent of a 5 drawer file cabinet on one disc. To retrieve a document, the user would place the CD into their computer's CD-ROM drive, launch the software and key in the index retrieval information, allowing the required document to be displayed, reviewed, printed, faxed or emailed, with no requirement for specialist hardware or software.

Web-based document repository

Similarly, documents are scanned, indexed and uploaded to a secure repository via a web interface. You access the information again, via the web interface.

In-house

Implementing an in house solution is the most involved, but offers the greater deal of customisation.

Culture change

Central to any new standards and procedures, be they automated or not, is the management of change. The success of any initiative can be measured by the effort given to implementing change within the organisation. New technology often causes cultural change in the workforce. Cultural transformation needs to be properly managed to increase the return on investment made in the new technology. New technology changes the rules by which people work.

Organisations should start by looking at the culture in which people currently work, and plan a strategy to manage the change that will be required in order to use the new technology.

To reduce user resistance, training needs to be addressed at various level e.g. technical training and job training. Technical training defines the steps at the level of "this is the button you press to accomplish this function". Job training explains how the job is accomplished on the system, as in "this menu choice allows you to do this".

Case study

Despite the reputation of the financial services sector as a heavy investor in web technology many business processes remain paper-based.

A major UK insurer recently installed a document management system to move paper-based administration online and save a predicted £500,000 on operating costs.

The document management system is used by the company's members services unit, which is responsible for back-office administration for its 16,000 underwriting members.

As a result, all of the unit's back-office functions have moved from a predominantly manual administrative system to a self-service web-based solution.

Previously, for instance, documents relating to the sale or transfer of members' share certificates were processed and filed manually and then microfilmed - a task that used to take more than 5,000 man-hours a year. Now documents are completed online and the information is held in the document management system, facilitating ease of retrieval by customer agents, negating the



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need for location and retrieval of a paper-based customer file.

The core operation of the unit is handling customer queries. Using the document management system, customer agents log on to a section of the company's website and submit or retrieve details online.

The document management system also facilitates monitoring internal performance targets, something that the management team saw as key to improving customer satisfaction.

Conclusion

In your hand you are holding a piece of paper, for example a memo from the CEO, a news report, computer printouts, or even this Management Briefing. Perhaps you had to revisit it once or twice already today thanks to interruptions, or the fact you misplaced it on a paper-laden desk. And let's just say there is a vital piece of information in it that you want to share with colleagues, or file away for future use: factor in a trip to the photocopier and this one important document has eaten up a sizable chunk of your time. And time is money.

Document management solutions take many shapes and sizes. It is important that organisations implement the solution that best suits their business needs regardless of their size.

Ensuring the success of the project involves getting a thorough understanding of the movement, handling and storage of paper within an organisation. Organisations often do not appreciate the scale of their issues because no one has taken time to analyse the movement of paper before.

*In an attempt to alleviate your paper mountain, we are making our monthly management briefings available electronically. If you would prefer to be removed from our hard copy mailing list and added to an electronic list, please email us at ie-inf@deloitte.ie stating your preference.

How we can help

At Deloitte & Touche we provide clients with quality independent advice with the full breadth of skills required to implement document management solutions - strategy, project management, business analysis, technical advice, integration, custom development, migrations, training, support, change management and process (re) engineering.

For further information please contact:

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