

# The Importance of Document and Image Processing to ILM

**Dave DeWalt**, President of EMC Software Group, EMC Corporation

**P**aper is not going away. The goal of the paperless office is still a dream to most businesses. The reality is that most organizations are still dependent on paper-based transactions. Bid proposals, purchase orders, invoices, printed and hand-written forms and legal documents continue to consume reams upon reams of paper. Consider the examples of mortgage applications or insurance claim files which contain hundreds of pages each.

Many organizational and operational issues originate from our continued dependence on paper, including the high cost of paper storage and the costly inefficiencies which go along with manually handling paper. Difficulty locating information, manual retrieval and re-creation of documents all contribute to a lack of productivity and costly inefficiencies. Finally, the legal risks and costs associated with responding to litigation or a regulatory request skyrocket when the required information is in paper form—often archived in a warehouse.

Because eliminating paper-based transactions is unrealistic, companies must find ways to convert paper into digitized information that can be analyzed, indexed, attributed, processed, filed and stored securely. They need an information lifecycle management (ILM) strategy that includes content capture functionality, enterprise content management and a storage infrastructure capable of enterprise archiving.

## Capturing Paper-based Information is Crucial

While enterprise content management and archiving solutions by themselves can save an organization enormous time and costs, integrating input management software is crucial to ensuring that all of an organization's content is available for use as a valuable business asset.

First, automated document capture provides immediate cost savings because data enters the process management of the enterprise content management system faster and less expensively than through manual entry. The quality and usability of the information is

improved because mistakes associated with manual entry are avoided. Through automatic classification, indexing, extraction and routing, inaccessible paper records are transformed into instantly usable electronic business information, resulting in faster business processes and more accurate and timely response to customer service, compliance requirements and daily business situations. As a result, organizations gain a richer understanding of their information and become better equipped to classify it, create policy-based process management and automate ILM.

## Integrating Content with BPM

Once captured appropriately, transactional content can be made available to the business process management (BPM) system. Many of the processes where transactional content can be found are highly repetitive processes that are good candidates for this, such as loan origination, invoice processing, claims processing, case management and new account setup.

Once this content is made available to the process management system, an organization can look forward to: efficient reuse of standard content; better decision-making because more relevant information is available; reduced risk; and improved agility through increased responsiveness to business and



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David DeWalt is president of the EMC Software Group at EMC Corporation. With 2005 revenues of \$9.7 billion and nearly 27,000 employees worldwide, EMC is a leader in products, services and solutions for

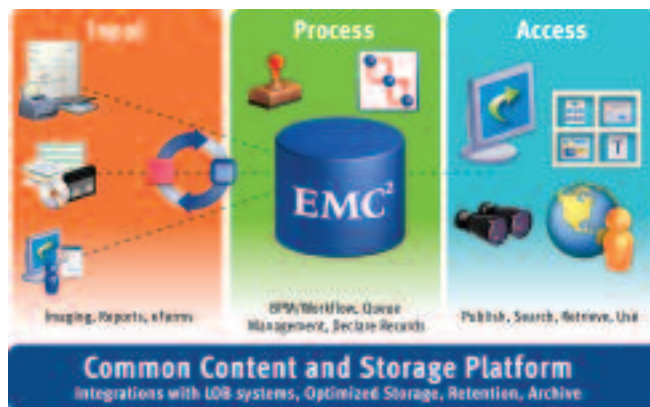
information storage and management, helping organizations extract the maximum value from their information at the lowest total cost across every point in the information lifecycle. EMC also ranks as one of the world's 10 largest software providers as measured by software revenue.

DeWalt reports to EMC president and CEO Joe Tucci. He joined EMC in 2003 through the acquisition of Documentum, a global leader in enterprise content management, where he served as president and CEO.

competitive factors. While these benefits are inherent with highly automated processes, gains in efficiency and control also extend to other types of content.

## Providing Access with Appropriate Controls

Global, on-demand access to digital content provides employees with a 360-degree view of customer data and business transactions. Critical data can be easily extracted to quickly access and intelligently process a customer's request. Employees can search, view and annotate documents. Information retrieval occurs more quickly with powerful metadata search capabilities or by browsing through the folders and categories that organize the repository. Access also facilitates collaboration, which can be triggered automatically to improve the speed and quality of decisions and service.



Document and image processing solutions enable capture, processing and access of electronic images of documents.

## Two Market Use-case Stories

### **End-to-end solution increases efficiency at retail and commercial bank.**

In the competitive retail and commercial banking marketplace, improving operational efficiency has become essential for survival. That's why one of Europe's leading private sector banks, with consolidated assets of nearly 400 billion euros, chose to streamline its corporate credit lending process using EMC Documentum content management software. When the system was first implemented, the bank had some 100,000 pages of documentation related to the previous year's business, growing at a rate of approximately 150 pages per day (or one file cabinet per month). Today, the need to retain paper has been virtually eliminated.

Business rules are now modeled within a new automated system and all documentation (including the loan application form, risk analysis, return on investment spreadsheets, presentations, correspondence, annual reports, meeting agendas and minutes) is stored electronically in a central repository. Client-generated correspondence and other documents originating in paper form are acquired by scanning. Loan applications, meeting minutes and all supporting credit documentation are entered using XML-based online forms. With a central repository, groups can work in tandem on a credit application—resulting in greater efficiency and faster time to final approval. The bank's internal audit rating has also dramatically improved due to better business policies for capturing an audit trail and for avoiding the potential for lost or misplaced documents.

### **Automating the deal lifecycle in the affordable housing market.**

In the field of affordable housing, the process of putting deals together is highly transactional and generates large volumes of paper, with individual documents that include hundreds of pages. One pioneer in the affordable housing field, which underwrites and acquires 80 to 100 multifamily properties each year, turned to EMC to boost productivity and profitability. The company implemented a central repository for managing its deal documents based on EMC Documentum content management integrated with EMC Captiva InputAccel for document acquisition. The new system provides a single access point for all content necessitated by a deal, streamlines search and retrieval and allows users to electronically route documents into the electronic workflow.

According to the company's director of information technology, "Our direct costs for onsite and offsite document storage as well as the administrative costs for filing and photocopying all of that paper were growing rapidly. And our indirect costs were also increasing proportionally—from the time it took to search for a document to the time wasted working on incorrect versions.

"Today," he continues, "acquisition and asset management teams spend less time searching for documents and more time managing their deals. Likewise, our tax department has significantly reduced the amount of paperwork that accumulates each tax season; they now review tax returns via an electronic workflow in conjunction with our external CPA firms. There's no question that this platform has become an integral part of our business, and is essential to our day-to-day operations."

But access must also be controlled to protect customer confidentiality and ensure the integrity of records. Managing transactional data must include security measures to determine who can access each document and how often, as well as annotation capabilities that include information about who commented on documents and when, among others.

### **Archiving and Storing**

Generally there is a time in content processing where a document is no longer active, at which point it can be checked in and out, but, if it is altered in any way, a new record will be made including metadata that describes who made the change and when. This ensures the record is protected in compliance with regulatory and business rules. It also sets into play any retention policies as to how long it is stored and eventual disposition.

The choice of a storage strategy is important with transactional content because of the sheer volume of documents. An organization can realize significant savings by moving archived documents from "primary," high-

performance storage devices to "secondary" devices for less frequent access.

### **Reaping the Rewards of an End-to-end Solution**

Transforming paper-based content into usable, digitized information delivers significant business benefits to organizations utilizing enterprise content management and enterprise archiving as part of an ILM solution:

- ◆ Manage all types of business information such as high-volume scanned originals, digital pictures, application documents and email in a common format with validation of content;
- ◆ Provide a consistent and integrated approach for archiving and retrieval for all of an organization's information;
- ◆ Eliminate the costs and risks of misplaced documents;
- ◆ Respond quickly and accurately to legal or regulatory requests;
- ◆ Improve customer service with better, faster, more complete response; and

- ◆ Enhance your market position relative to competitors who still struggle with manual processes and paper documents. ■

When EMC acquired Captiva Software in late 2005, it did so to provide customers with an expanded range of capabilities in information lifecycle management (ILM). With the EMC Documentum® enterprise content management platform and Centera™ enterprise archiving system already in place, Captiva's input management software provides a solution for the front end of ILM: information capture, digitization and categorization.

Input management software—which provides for the conversion of paper-based information to digital formats—has become increasingly strategic as companies electronically capture, digitize and categorize more of their information. EMC Captiva® software products digitally capture, classify and index paper and electronic documents and extract the business-critical information within them. Business rules and decision processes are then automatically applied to ensure accuracy, and the results are exported transparently into information systems for ERP, accounting, credit, documents and content management.

Now, with the combination of EMC Captiva, Documentum and Centera, organizations can leverage a portfolio of products to completely streamline their content processes—from input to archive.