

Development  
Managing Solutions  
Integration



Digital  
Document Management

Market Realities and Practical Guidelines For Mid-Sized Companies



Reducing  
Paper Storage...

## Why Document Management Matters?

Documents are and always have been the lifeblood and connective tissue of business organizations of all sizes. From product blueprints to marketing collateral, to invoices, to employee and customer records, to government forms, documents first propel the process of doing business and then allow us to understand how it was done.

Documents have taken on new forms in the Internet Age, and even new functions. Paper is giving way to electronic formats, and thence to multi-purpose formats such as HTML and XML. A document accessed via the Web and linked to back-end systems such as order fulfillment applications can eliminate or at least dramatically streamline operations that once required a series of manual tasks. The price for this progress is increased technical complexity, and with this complexity comes the need for better management technology, when we talk about a document management system today, we mean a software platform that includes a document repository to store all the content, method to facilitate the capture of content into the repository, a metadata scheme to identify that stored content, a tracking mechanism to account for the history of each document, and tools for easy search and retrieval.

**Document management** therefore is no longer an isolated category in the information technology market, and must be viewed in the context of every other IT solutions that is in place if the ability to maximize the business value of any one of them is to exist. Viewing the existing infrastructure as a unified whole, and then ensuring each individual system interoperates with the others as needed, unlocks value by eliminating redundancy, automating tasks, and aiding collaboration. Recognizing this, vendors of document and content management, workflow, and process management software today are combining technologies to meet this holistic need. The downside of these "converged solutions" - from the point of view of a mid-sized company - is that they tend to be more complex and more costly.

All this mixing and matching can be confusing as the marketing hyperbolic files, but at the end of the day, the availability of more complete sets of functionality will accelerate the adoption of enterprise software in general, and document management system in particular.

## What's So Special About Mid-sized Companies?

Large enterprises tend to garner most of the attention surrounding the adoption of document management and other technologies. But document management can be highly effective for mid-sized companies as well. For the purpose of this discussion we will define mid-sized as having between 100 and 1,000 employees. Because the market as a whole often overlooks these organizations, many industry discussions concerning the 'value' of document management do not resonate with buyers at this level, who are left to their own devices to cut through the marketing noise.

A mid-sized company needs to "do more with less" in a far more compelling way than a Fortune 500-class organizations. It may have the same document issue as its larger brethren regulatory compliance, for example. In fact, the business consequences associated with improperly or incompletely grappling with those issues may be even more serious than they are at the high end of the market because of the lack of a similarly deep 'safety net' of financial and technical resources.

In the mid-market, budget and IT staffing levels simply do not support an all-embracing content management initiative that might cost hundreds of dollars and take months to implement. Nor is there necessarily an immediate need for other content management capabilities that are often built into high-end systems such as collaboration tools or Web site management. Further, employees of a mid-sized company tend to handle multiple tasks and possess widely different computer skills, making efficient training and maintenance more problematic.

A major reason many of the marketing messages around document management fail to resonate with the mid-market is that mid-sized companies typically are looking to implement direct and business-focused and usually can be summarized as follows

1. Improve customer service by accessing documents faster;
2. Reduce the space devoted to archiving printed documents;
3. Make employees more productive by eliminating rote manual tasks, and
4. Ensure that the company is complying with government regulations.

Now let us analyze the essential features of a document management system.

## Essential Elements Of Document Management System

Document Management solution can be a significant investment, which you have to justify to your organization management. Here are a few key points to remember while going through the solutions from different vendors.

**Integration:** One of the most important things to look for in a prospective solution is to see whether it will fit in with the current system or process that you have in place. What will be the effort involved in migration and would be a replacement of the old one or just an add-on to it?

**Scalability:** Any good document management system should be scalable i.e. should have the ability to grow with your expanding needs. What happens when your current setup is near saturation? What would be the impact of adding more clients to the system? How easy or difficult it would be to put in more servers or other hardware in the future?

**Easy to use:** The system should not be intimidating for the end users. No use spending big bucks to come up with technically superior solutions if the end users are not comfortable with it. Because if that is the case, you can be sure that the system won't be put to proper use. Please keep this in mind that this system is for your users, who are already comfortable working the way they have been working. How well would the document management solution integrate in their lives all depends upon its ease of use.

**Web based:** Lookout for a solution that allows close integration with the web so that it allows you to integrate your document management system with your intranet. This would also allow you to provide remote access.

**Vendor support:** How standard based is the solution you are implementing? Does it require constant user training and customization? If so then you will be investing lot of time interacting with the vendor support team. So to minimize that look for a solution that uses standard components, and reliance on vendor for everything is minimal. This is a long-term solution you are implementing, and chances are you would be integrating with some other solution in the future. Ensure you ask your vendor for all this information.

**Cost:** What is your budget? Very important, because a document management solution could start at a few thousand dollars (very basic implementation) to several million dollars, for more sophisticated ones. Here again, you need to see how much would it affect your existing systems. Do you need to rip and replace a part of your existing infrastructure, or will it be able to integrate with it? In that case you would need to account for the extra costs associated with replacing existing systems, both hardware and software. Besides the cost of the package, what other equipment do you need? Like scanner, storage devices, etc. You need to account for the cost for those as well. Also, what would be the consultation and support charges for implementing it?

**Functions to consider:** Having looked at reasons for justifying a document management solution, you should also go through the features you need. Here are a few important ones:

- **Status reporting:** The system provides information on the current state of a document. It also includes provision for tracking the previous states of the document and storing information like when was the document created, who created it, when was it last modified and by whom etc. This information attached to the document helps the end user to identify the owner of the document and the various stakeholders in, it.
- **Access control:** Access control means not only controlling who can access the system as a whole and who can't, but also what are the permissions different users have on a particular document or specific sections of the system. Users may have full (add/ delete/ modify) rights or none or one or more of those permissions. A well-defined and implemented access control functionality is at the core of every document management system.
- **Version Control:** A document management system is capable of storing various versions of the same document. It keeps track of which is the most current version, which ones have expired, who created which version etc. This provides the user with a historical view of that document - how it has evolved over time.
- **Retention Management:** One of the most important functions of a document management system is to provide an archive of the documents for retention purposes. Having electronic copies of these documents allows companies to fulfill their legal and corporate requirements of preserving documents at minimum cost.
- **Disaster Recovery:** An electronic document management should provide disaster management and recovery capabilities. It should support taking regular backups and quick recovery in case of a breakdown with minimum downtime.

Given that these are overriding issues, let us look now at how a document management system would be effectively implemented in a mid-sized organization.

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## Keys to a successful implementation !

There are three major issues to be addressed to implementing it effectively. These are interoperability, ease of use and adoption, and 'future-proofing'. Lets examine them in order.

**Interoperability:** Mid-sized companies may not have vast infrastructure but they all have business applications of some kind - for example, industry-specific applications (such as insurance agency management or airline maintenance software), accounting programs, customer relationship management (CRM), technical software applications e-mails, etc. Document management technology is all but useless if it cannot work with all of these, since all of these are involved with document processing in some form. If an otherwise desirable vendor solution cannot support these business applications, then outside integration help or commercially available integration tools will be needed.

A good place to start to ensure interoperability is to ask what types of documents are involved in the department or departments where the software will be used. Invoices and purchase orders? CAD files? Legal case files? Employee records? Customer-service forms? Second, consider the different operations a document will touch during its lifecycle from creation to archiving. For example - will customer service records be used in completing employee performance evaluations?

Support for industry standard formats is a key to interoperability. At a minimum, a standard checklist should include DOC, XLS, PDF, HTML, BMP, GIF, JPEG, TIFF, etc, which are commonly used today and will be around for a long time to come.

**Ease of Use and Adoption:** Having purchased a software solution described as "out-of-the-box" or pre-configured, it is natural for managers to assume that employees will immediately begin using the software and seeing positive results. Many mid-sized companies pay dearly for that assumption, for training turns out to be one of the most important and yet least understood keys to document management success. Managers should plan for initial, structured, class-style instruction, plus on-the-job support for at least the first few weeks. Unexpected problem may crop up after that, and an email or intranet feedback loop to handle user issues will also help.

Complicating matters is the fact that employees may not be the only ones using the document management system. For example, when customer-facing forms and documents are changed or introduced - in print or online - managers must educate those customers about the new system and consider their technology requirements.

Company culture is another often-ignored facet of implementation. In organizations where processing paper documents has been standard operating procedure for years, or where creating and safeguarding paper documents has been associated with professional expertise as in the legal field it may be difficult for employees to let go their printed copies and file folders, or even open their minds to a new electronic sensibility. Managers need to be ready to explain how electronic document management actually will enhance professionalism through improved customer service and personal productivity, and return tangible business value as a result.

**Future Proofing:** Since change is the only certainty in the business as in life, document management implementations should anticipate future needs. One of these is likely to be the mandate to take a solution that is working well in one department and use it in another, preferably without requiring any but minor changes. Managers should develop implementation game plans, based on their initial experience. These can be rolled out when it's time for the follow-on departments to join the document management parade.

Enforced compliance also will continue to be a fact of life. Because mid-sized companies can't minimize their legal risk simply by throwing technology dollars at the problem (sometimes large companies should resist doing too), it is all the more important for managers to be up-to-the-minute on compliance issues, annoying and distracting as this may be.

In an environment where enterprise-wide adoption and compliance are both so important to an organization's future, archiving and records management are a necessity - no longer "nice-to-have" capability. No mid-sized company can claim to be "future-proofed" unless its business documents of all types and in all formats can be organized, stored, retrieved, shared and deleted - in a uniform and efficient manner.

## How to know if Document Management is working ?

Resource-conscious IT managers, CFO's and department heads can't indulge in lengthy experimentation: they need to know in the short term that a technology solution is generating real benefits, earning a robust return on investment, and allowing them to maximize the total value the solution can provide.

In general, it is clear that a document management system is providing maximum total value if:

- It has cut a double-digit percentage off its cost of acquisition by eliminating paper-based processes and facilities. Like shutting down the warehouse where paper records had been kept.
- Document-related processes deliver demonstrably more business value per hour spent; in other words, the company spends more time "doing work" and less time "doing work about work." Time spent searching for documents stored in a file cabinet or hidden in a colleague's email folder are more productively spent solving a customer's problem, delivering a proposal, or closing a sale.
- Employees, suppliers, and customers are interacting with far less difficulty than they could without document management. For many companies, web-based delivery of documents not only eliminates shipping costs but fosters effective collaboration in the same way that "just-in-time" inventory management streamlines product cycles in manufacturing: everyone gets just what they need just when they need it, which may be as succinct of 'value' as there ever may be!

## Summary

In order to maximize value at this level, mid-sized companies should be looking for a document management solution that can provide a strong combination of archiving, imaging and records-management capability. The vendor should be able to address immediate problems on the department or workgroup level, but they also should be able to help their customers strategize for a near future where document management will create value throughout the organization.

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