

White Paper

The Strategic Value of Information Capture

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Contents

Executive Summary	3
Information Capture’s Potential.....	4
Get the Beginning Right.....	4
Beyond Imaging.....	4
Understand What’s Possible.....	4
Improve Internal Service Levels.....	4
New Approaches to Customer Service.....	5
Deliver Information Capture as a Service.....	5
Workforce and Process Transformation.....	6
Leveraging Productivity Gains	6
Consolidation and Cost Management.....	6
Using Metrics to Improve Operations	7
The Compliance Impact.....	7
Measuring the Return.....	7
The Tangible Metrics	7
The Intangible Benefits.....	8
The Bigger Truth	8

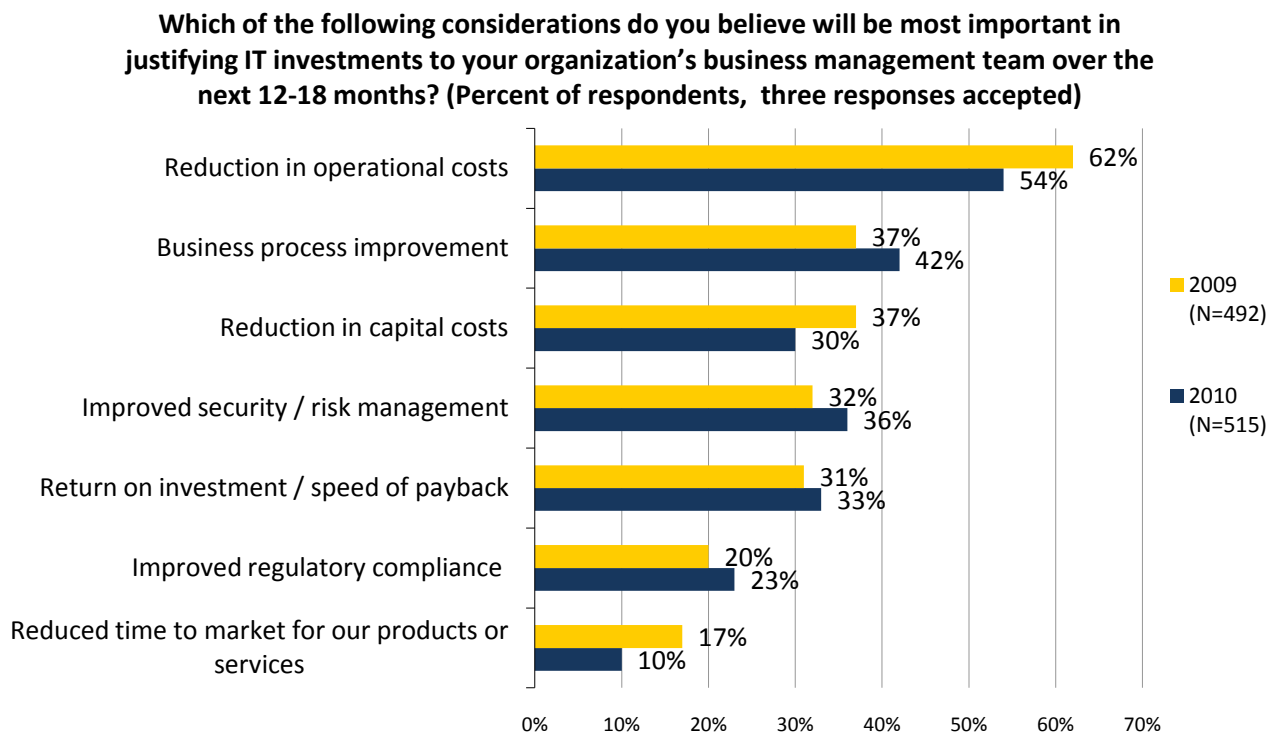
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Executive Summary

Line of business managers and business process owners are usually keenly aware of the obvious benefits, such as less paper to manage and reduced data entry requirements, an integrated information capture solution can provide. The good news is that most companies can generate enough savings via labor efficiencies and system consolidation—if using separate imaging and indexing/classification/routing products—to easily justify an investment in such a solution. The bad news is that companies only evaluate information capture solutions based on these superficial benefits and fail to consider the larger potential savings and other possible benefits. Those organizations looking to take advantage of even greater savings and broader benefits would do well to evaluate EMC’s Captiva information solution. Though the solution will require a more substantial upfront investment, its scalability, ease-of-use, and flexibility empower business process owners to achieve much greater paybacks than lower priced alternatives.

In this paper, ESG will share its perspectives on why organizations should take a more strategic view when considering an information capture solution rather than adopting a tactical technology stance to address a “paper” problem. This rationale is backed by ESG’s 2010 IT spending research, which highlights the growing importance business process improvements have in determining how organizations plan to rationalize technology investments over the next 12-18 months (see Figure 1).¹

Figure 1. Most Important Considerations for Justifying 2010 IT Investments, 2009 vs. 2010



Source: Enterprise Strategy Group, 2010.

EMC Captiva is an ideal solution to address many large scale business process challenges ranging from labor optimization to proactive client satisfaction improvement initiatives. This thesis is supported by two interviews with EMC Captiva customers, CUNA Mutual Group (CUNA Mutual) and Standard Life plc (Standard Life). Discussions with these organizations centered on some of the less obvious benefits experienced as a result of selecting EMC Captiva. ESG believes that readers can easily see the potential cost savings achieved by introducing an information capture solution; this paper intends to highlight how these savings translate into extremely valuable business process enhancements and how readers can look for similar opportunities.

¹ Source: ESG Research Report, [2010 IT Spending Intentions Survey](#), January 2010.

Information Capture's Potential

Get the Beginning Right

The value of an information capture solution is that it automates the initial, traditionally manual, tasks of several business processes. Any company that receives vital information via mail or fax knows how cumbersome and expensive it is to take paper and move it into the appropriate business system. It is critical, however, that this content is managed appropriately because it usually contains correspondence with clients, business partners, and other constituents that impact revenue.

The search for ways to reduce costs while improving business processes should start simply by focusing on the beginning of these workflows. Information capture solutions are designed to remove the bottleneck paper creates at the onset of many business processes today. Getting it right immediately results in downstream workflow tasks being completed quicker and more efficiently.

Beyond Imaging

When talking about “information capture,” ESG is referring to the initial transitioning of paper documents into digital format as well the subsequent management actions—including indexing, classifying, and routing the content to the next step within a business process workflow.

Using optical character recognition (OCR) software, a capture solution identifies key fields and text within documents based on predefined business rules. These fields are indexed and entered into downstream business systems, avoiding manual data entry processes. Of course, when used to automate data entry, an image capture solution must be extremely accurate or downstream systems risk being filled with inaccurate data. Worse, knowledge workers relying on those systems are going to make ill-advised decisions using that information.

Whether it is sorting, routing, classifying, or entering data into business systems, image capture solutions now offer far more than simply digitizing documents. The key is choosing an information capture system that:

- Supports multiple inputs (sources of paper content).
- Facilitates configuration and optimization of several business rules.
- Indexes data based on predefined classification to automate data entry.
- Routes and delivers information to a variety of systems accurately.
- Scales to meet large volumes of content.

Understand What's Possible

Improve Internal Service Levels

One primary motivation behind an investment in an information capture solution is to improve service levels. For some, these commitments are between a central technology service and the lines of business it supports. Standard Life, a large investment and asset management company based in the U.K., handles pensions, insurance products, and other banking needs for over 6.5 million customers across nine countries. The internal Document Services group committed to having each line of business's mail processed and into the various systems by 13:00 each day—a difficult task when receiving 5,000 documents (40,000 pages) daily. Many of these mail items included instructions on deposits and other banking data, so delays mean that money is not transferred to the appropriate investment vehicle in a timely manner. With EMC Captiva, the Document Services group easily meets the agreed upon service level with an hour to spare and with 30% less staff. The extra hour enables the Document Services team to address issues that may arise during the capture and sorting process so that resolutions are reached before the final deadline.

From ESG's perspective, EMC Captiva customers should expect to exceed existing service levels with internal business process owners. The real benefit is being able to do so with a smaller staff despite data volumes increases. It is important to highlight that information capture solution administrators can track all activities within EMC Captiva, so they know when tasks are complete. This helps prove that service levels are being met or exceeded if there are any concerns otherwise.

New Approaches to Customer Service

CUNA Mutual uses EMC Captiva to automate data entry tasks so that information captured from paper documents related to its Collateral Protection business are available in its client services system within a day of receiving content in the mail. Using manual data entry, it took a week from the time the documents were received to update the systems.

Rather than settling for simply giving its client services representatives more recent information, CUNA Mutual leveraged EMC Captiva's imaging accuracy and business rules to proactively address a set of issues that often spurs the need for customers to call these representatives. If a document comes in via fax or mail incomplete or with some parts illegible, EMC Captiva is designed (via document templates to create document classes) to at a minimum capture and index an account number. This initial problem triggers a workflow to notify client services teams that an incomplete document has been received while the account number is entered into the client services system. These actions enable a services representative to contact the client and resolve the issue. This proactive customer service approach is possible because the account number is captured rather than simply sending the document to a "corrections" specific workflow where it awaits examination by another data entry employee. For the Collateral Protection service line, these enhancements improve client satisfaction. It also makes life easier on client services representatives who, upon receiving calls regarding paperwork that hadn't been entered into the system yet, would have to track down the documents manually in order to determine the actual cause of delay.

CUNA Mutual's use of EMC Captiva exemplifies how companies can extend the simple benefits of automating a business process by using some of the solution's advanced capabilities—in this case, the ability to create business rules via a document template. This is precisely how organizations can use information capture more strategically, provided they invested in the right solution.

Deliver Information Capture as a Service

As IT and back office support transition to providing more "services" to lines of business, the easiest way to remain cost-effective is to standardize. Economies of scale do not exist when an internal service bureau purchases unique or different solutions for every line of business it supports. From an information capture perspective, this situation currently exists or has the potential to, given the number of business processes that start with paper-based content. One of the ways to prevent it is for IT and back office support groups to offer information capture as a service. This can involve consolidating all paper-based processing at one location on a few information solutions or, at a minimum, using the same information capture solution in different processing centers. The goal is to create economies of scale from a solution familiarity perspective, making it easy to add a new process to the solution or quickly configure a new implementation if the situation calls for it.

When identifying an information capture solution to support a service or standardization effort, scalability, ease-of-use, and flexibility take on a much more important meaning. As an example, the CUNA Mutual Collateral Protection process has handled over 160,000 pages per day—an increase of over 3,000 pages from when manual data entry was the norm. CUNA Mutual could not simply create classes of documents and business rules to identify the 90 or so fields that needed to be captured and inserted into downstream client services systems; the team had to figure out how many different document types they were dealing with in the first place. For the more common types, CUNA Mutual used document templates to "train" the EMC Captiva solution to find the right fields, such as client name and account number. More importantly, policies within EMC Captiva were set up to notify administrators when it processed a document that it did not recognize. This enables the team to set up a rule for this new document class relatively quickly. The training and exception handling provided the flexibility needed to

support this process as administrators never knew when they were going to receive a new document type and where critical information would be located on it.

For Standard Life, the Document Services group was able to handle so much more volume that it could offload imaging, processing, and routing from separate regional centers. The company refers to EMC Captiva as its information capture backbone; the platform is now fully embedded operationally, with Standard Life having further ambitious plans to migrate legacy tactical capture applications to the enterprise solution as more lines of business seek automation for their specific workflows.

The EMC Captiva interface is also a key enabler of information capture as a service. When configuring capture, indexing, and routing, an intuitive GUI is used to establish and visualize the workflow. This is how a small team of administrators and architectures like CUNA Mutual's has to implement information capture across various lines of business. As of the publication date of this paper, CUNA Mutual has configured over 100 processes to run on the EMC Captiva platform, managing the implementation with a team of 20—the number it started with when it first automated its Collateral Protection service line process.

Workforce and Process Transformation

Leveraging Productivity Gains

Any time an organization automates a process with an information capture solution, there are usually productivity gains. The opportunity is what companies do with those gains that determine how impactful this benefit really is.

As previously mentioned, Standard Life's Document Services group handled an exponential amount of volume with 30% less staff. And still, this staff had enough available resources to take on more back office support for business lines, including managing address and bank changes. Some of the "freed up" resources went to work for the business lines, directly helping them improve some other back office workflows.

The most obvious labor efficiencies were generated when image routing was automated. However, one of the unexpected benefits Standard Life realized was how precise EMC Captiva was in getting content where it needed to be. The company always needed resources to deal with manual routing errors, but now the back-scan queue (documents that need to be reimaged, rerouted, or both) is minimal. The Document Services groups keeps a close eye on the size of the back queue, but the queue rarely gets to a point of concern. EMC Captiva's accuracy, precision, and ability to identify issues early on in the capture process reduced staffing requirements.

Consolidation and Cost Management

Without an information capture solution in place, it is not uncommon for an organization to have separate data entry and correction processing workflows and support teams. Depending on the volume across the business process, a company may even have these two constituents housed in regional processing sites just to deal with the workload. It is pretty easy to understand how a scalable information capture solution can help consolidate facilities as a single site could deal with more volume given the automation and the elimination of data entry tasks.

Thanks in large part to EMC Captiva's indexing and automated data entry accuracy, CUNA Mutual took the consolidation opportunity to a new level. The company realized it did not need a sizeable data entry staff, but would still need a corrections and issues team to deal with incomplete forms and other issues that the EMC Captiva solution identified. CUNA Mutual split the actual facilities where these teams were located—keeping the processing center staffed with those responsible for managing the initial imaging and routing as well as running the EMC Captiva solution. The corrections teams were consolidated into fewer facilities and located in geographic areas that aligned with client time zones and offered a more abundant, accessible labor pool, making it easier to hire talent with the budget parameters.

Using Metrics to Improve Operations

EMC Captiva enables users to track how many documents have been captured and imaged over a certain period of time and, more importantly, alerts administrators if there is an error so the problem can be resolved earlier in the process. It has similar alerting functions in the event that there are any issues in the indexing and routing phases. CUNA Mutual uses its alerts and reporting to determine if a new document type has been processed so an associated business rule can be built, ensuring that the next time a similar piece of content is processed, it will be managed automatically.

The alerts help internal service bureaus, including the Standard Life Document Services team, prove that they are meeting internal service levels. For CUNA Mutual, project leaders were able to share with the business that content related to Collateral Protection service line were being processed within a day versus weeks. These figures, amongst others, led to other lines of business requesting process automation via the EMC Captiva platform.

Without all of these reporting and monitoring capabilities, a user would be left to assume everything is running smoothly and hoping to identify any problems before they create a negative downstream impact. Companies will find unique ways to use all of the reporting, monitoring, and altering capabilities within the EMC Captiva solution. CUNA Mutual uses the metrics to track the types of issues that came about during information processing and determining where to best route them for resolution. After tracking the common tasks, CUNA Mutual determined which issues—usually the ones requiring client interaction—could be handled by the domestic corrections team and which were simple enough to be resolved by offshore teams.

The Compliance Impact

Standard Life kicked off its information capture initiative when it became publicly traded in 2006. The company already had robust compliance practices in place, but wanted to proactively investigate how to make them more efficient to help control costs. Automating, monitoring, and tracking the capture and sorting processes enabled the Document Services group to easily respond to and address compliance audits with fewer resources, contributing to some of the aforementioned labor savings.

CUNA Mutual faced similar compliance challenges, with most of the requirements centering on privacy and security regulations. The company frequently has to prove document chain of custody, identifying who had access to and who interacted with a document. EMC Captiva's immediate impact was to reduce the number of people who actually interacted with the content, reducing the risk of a data breach. When an audit did arise, CUNA Mutual leveraged EMC Captiva's reporting capabilities to pinpoint what workflow it followed and which employees were part of that process. Prior to EMC Captiva, much of this tracking and audit fulfillment had to be done manually—not an easy task when a company is processing 3,000 documents in support of one service line (CUNA Mutual has processed up to 160,000 pages per day in its Collateral Protection business).

Given the prevalence of global regulations, companies cannot avoid audits and reporting requirements across all business processes, including those that currently begin with paper documents. Organizations that are manually sorting images and conducting data entry can, at a minimum, simplify compliance and audit requirements by automating these processes. When using EMC Captiva's reporting capabilities, responding to requests and proving document chain of custody is much easier.

Measuring the Return

The Tangible Metrics

As a result of labor efficiencies and consolidation of other capture systems (which eliminated various hardware, software, and associated maintenance costs), Standard Life estimated it saved £1.1M within the first year of deploying EMC Captiva and expects to realize similar cost reductions annually. In aggregate, these savings were in line with pre-project expectations and represented a healthy return on investment.

CUNA Mutual prepared a project plan with a business case analysis before selecting and implementing EMC Captiva (they compared a number of different vendors). After consolidating processing centers, optimizing data entry and “corrections” labor, and drastically reducing overall processing time, CUNA Mutual exceeded several of the expected benefits outlined in the business case. The success of the project within the Collateral Protection service line led to several other groups requesting a similar service deployment.

There is no reason to believe why other organizations cannot experience similar results when deploying an EMC Captiva information capture solution. But ESG recommends that companies strive for more. They should review some of the opportunities that EMC Captiva provided Standard Life and CUNA Mutual to expand upon the cost savings including:

- Implementing proactive client service problem resolution.
- Shifting labor resources to lines of business to help them manage discrete back office tasks.
- Consolidating processing centers.
- Optimizing labor efficiencies through business process transformation, targeted hiring, and off-shore resources.
- Minimizing compliance reporting and audit management, regardless of how regulatory and governance requirements impact business processes.
- Delivering information capture as a service so that all lines of business can automate their processes and realize some of these benefits.

The Intangible Benefits

There will always be benefits achieved by going through an information capture solution project. For Standard Life, the introduction of EMC Captiva energized the Document Services group. The facility went from being a standard mailroom to a technology showcase, motivating employees to continue their business process improvements. At CUNA Mutual, standardizing on EMC Captiva allowed the Implementation team to scale despite deploying an individual solution for each service line (the solution usually supported multiple processes). On the surface, it may seem like that discrete solution approach would be more expensive, but it allowed CUNA Mutual to keep each service line’s operations separate in case of divesture.

It is unlikely that your circumstances will be exactly the same as these two organizations’, but that is not the point. Sharing these experiences proves there is inherent value in utilizing a solution that provides an opportunity for these types of situations to arise in the first place.

The Bigger Truth

The question is not *whether* an information capture solution will provide an ROI; it’s *how big* it will be. It is very easy to try and maximize this return by buying the least expensive solution on the marketplace, but this can often limit many of the measurable and intangible benefits. In contrast, an organization that purchases an integrated, feature-rich information capture solution—complete with imaging, indexing, and routing capabilities—will have more opportunities to derive more value, boosting the overall return on a slightly greater investment.

The value that EMC Captiva can bring to organizations, beyond the obvious benefits, became extremely evident during ESG’s discussions with CUNA Mutual and Standard Life. These examples should help companies actually use some of the capabilities of this feature-rich platform to take labor efficiencies, information capture consolidation efforts, and business process transformation to a new level.



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