DOCUMENT SCANNING AND DIGITIZATION BEST PRACTICES

5 STEPS TO IMPROVE EFFICIENCY AND REDUCE COSTS

At one of our clients, a major U.S. bank, employees work a hybrid schedule that includes two days from home and three days in the office. The bank needed Canon to help provide employees with quick, flexible access to the data, documents, information, and tools they need to work efficiently. To meet the challenge, our team implemented a range of services designed to advance the employee experience and streamline the flow of information.

1. Digitize processes for incoming documents such as claims, applications, contracts, customer inquiries, client and employee communications and others
2. Leverage analytics and improved reporting to better understand volumes and costs related to manually processing paper documents
3. Adhere to document retention and destruction policies
4. Identify regulatory/compliance requirements to mitigate risk
5. Consider a managed services provider to jumpstart and execute these strategies

A key point to keep in mind is that manual, paper-based processes could be costing you significantly in terms of reduced efficiency and higher costs. Additionally, document management and digitization can help improve your company's productivity, customer service and employee satisfaction rates. Let's examine each of the five steps.

STEP 1 — Digitize the Mailroom to Improve Efficiency

Every day, companies are flooded with thousands of physical documents and emails, which are processed in separate workflows. This approach comprises
a wide assortment of claims, applications, contracts, customer inquiries, client and employee communications, and other documents. These can pour in, soaking up hours of valuable administrative time that could be better spent on higher- value tasks.

Why focus on the mailroom? Paper-based mailroom processes are particularly inefficient, as employees have to sort, classify, repackage, track, and ship mail.

It's not simply that such practices are labor-intensive. They also cost businesses indirectly in several ways:

- Reduced productivity, with employees spending hours on nonessential mail
- Security and compliance issues due to delays, lack of visibility, and poor tracking
- Slow response times to clients and prospects, damaging brands and reputations
- Misdirected mail that causes delays and a loss of customer confidence

Digital intake centers are hybrid mailroom and scanning operations that convert physical mail into digital information as soon as it's received. This enables the information to be delivered more efficiently to the right employee or routed to the correct business workflow. This system can also help track and audit mail, which in turn can enable the organization to respond to customers and clients in a timelier fashion. The full benefits of digitizing your mailroom potentially include:

- Reduced costs associated with mail sorting and distribution
- Enhanced operational efficiency with quick delivery to the intended recipient or business process
- Stronger document security and privacy
- Reduced risks and greater compliance
- Better customer service through faster response times
- Improved visibility and control

For these reasons and more, it may make sense to consider digitizing your mailroom as part of your overall digital transformation, and as a key step toward implementing a paperless office. One example of how this approach can work is a financial services firm that engaged Canon to help cut costs for processing hundreds of loans each day. The key to achieving this goal was deploying the latest technologies to connect the company's front-end document intake process with imaging, file management, printing, and mail production functions. Employees now spend less time on paperwork, and more customers pay their bills on time.

STEP 2 — Leverage Analytics to Uncover Continuous Improvement Opportunities

In the digital age of big data, advanced analytics and artificial intelligence (AI), moving toward a paperless office can give you faster access to a lot of highly valuable data.

Take something as simple as returned mail, which in our experience can cost businesses a significant amount of money every year. It is now possible to scan QR codes and barcodes on the outside of envelopes to find out what's inside, who the envelope was addressed to, and which department needs to receive it. The department can then update its mailing lists with the goal of improving marketing and customer service.

Among the technological advances that are helping businesses today are optical character recognition (OCR) and intelligent capture recognition (ICR), both of which can be integrated with AI-enabled software. OCR can convert images into editable text and ICR "reads" handwriting, so you can digitize more types of documents than ever before. AI-enabled software can then classify documents, pushing them into the right channel for analysis, storage, or other uses.

An additional example of how you can put this to use is when a customer submits a written formal complaint. At a digital intake center, the letter can be automatically digitized, classified and routed to the appropriate department. An employee can read the document and respond promptly, potentially saving the relationship and meeting your regulatory obligations. Because the letter is digitized, it can be analyzed along with other letters to identify potential areas of concern for the company.

A case in point for this strategy is a manufacturing company that first digitized its mailroom and then used analytics to fine-tune the company's transition toward a paperless office. By scanning received mail and studying which mail was delivered electronically versus physically (by employee request),

the company could see — by individual, group, or department — where digital adoption was popular and where it was resisted. That gave the company valuable insight into change management and how to focus its future efforts toward reducing paper usage.

STEP 3 — Streamline Document Retention and Destruction to Meet Your Legal Requirements

We have worked with a variety of companies that struggle with the time, hassle, and cost of records management. Sorting, classifying, and securely storing different documents in different ways, across multiple locations, is a legal requirement and practical necessity for many businesses. But the complexities can be overwhelming, including:

- Managing files that are spread across numerous locations
- Determining which files are inactive and which are open or active
- Locating and identifying missing files quickly
- Tracking incoming, outgoing, and transferred files

Moving offices, redesigning office space to create a more agile workspace or dealing with a pending legal action are typical triggers for an organization to rethink its document retention strategy.

Addressing document retention and destruction processes, which can often be complex, requires more than a technological fix. Some files can be digitized, which is immensely helpful, but others may require physical storage for a specific period of time. A good first step is to assess current workflows and daily activities related to records management.

Then you can consider using the latest digitization technologies to address specific challenges. Attaching metadata to every file, for example, can enable you to more quickly identify inactive versus active files, and process, store, or destroy them to comply with various regulations. In addition, digitization can help with tracking and reporting. And, by reducing waste and storage requirements, your business can potentially trim costs.

One of our legal clients implemented a digital intake center at the firm's main offices. Every physical document received at the offices is now opened, scanned, and ingested into one workflow. We also worked with the firm to streamline its record management process, beginning with relocating all files to one centralized file room. The firm implemented new processes to help locate and identify missing files faster — from an average of four days to just 48 hours. And with the latest document retention and destruction capabilities, the firm was able to reduce waste and storage costs by eliminating thousands of boxes of files from an offsite storage location.

STEP 4 — Enhance Documentation Processes to Better Meet Industry Requirements

Today's digitization solutions offer a variety of security and privacy protections that can help you meet increasingly stringent regulatory and compliance requirements.

With a digital intake center, for example, your mail can be made more secure, not less. Physical communications that were once accessible by anyone can now be digitized and made accessible only to the intended recipients or business workflows. Once mail is received, it is quickly processed, time-stamped, and added to the desired workflow, and there is a clear audit trail that can give your security and compliance teams newfound peace of mind.

As regulations change — requiring longer document storage, for instance — you can use the metadata attached to your files to quickly update your processes. That's simply not possible with physical documentation. Likewise, if you need to store private information for years to meet compliance requirements, you can do so more safely through encryption and other digital security protections.

STEP 5 — Partner with an Expert to Jump Start Your Digital Transformation

Years ago you might have struggled to find a partner with solid experience in helping numerous businesses move toward a paperless office. But now, many businesses can work with an experienced, highly qualified partner who functions as a trusted advisor in launching and completing digital transformation projects. The challenge is finding the right partner for your organization.

Some managed services companies may emphasize technology as the solution to various business challenges. However, in our experience technology is only one important element of a successful digital transformation. Also critical is being able to tap a service provider's years of experience. As you look for a partner that can meet your requirements, consider the following:

- Can they deliver a level of customization, integrating tightly with your culture and technology, if needed, when implementing a solution?
- Do they have expertise in quality management methodologies and tools for monitoring outsourced document processes in order to eliminate waste and continuously improve performance?
- Are they knowledgeable about regulations in your industry and fully understand and appreciate what those compliance issues mean for your digitization initiatives?
- Do they offer a full range of services to meet your needs, which might span assessing, analyzing and designing your business processes as well as managing and continuously improving them?

When you find a managed services provider that offers the right combination of people, process, technology, and data analytics, you'll be able to start leveraging the advantages of a paperless office. And you'll have confidence that they are thinking about your business from your perspective.

Reap the Benefits Of Document Digitization

In today's digital age, you have the opportunity to reap the benefits of a paperless office. You can begin to end your organization's paper chase by digitizing your mailroom and achieving solid gains from reduced labor costs to improved customer service.

By taking advantage of today's advanced analytics and improved reporting capabilities, you can better understand volumes and costs related to manually processing paper documents. Developing document retention and destruction policies can help you reduce costs and risks, and meet regulatory and compliance requirements with standardized processes.

To help you execute these strategies and more, seek out a managed service provider with a proven track record of success. Make sure they can help you from the inside with change management issues and more, and that they'll serve as your trusted advisor from beginning to end. With the right support, you can move toward a paperless office with a smart, gradual approach, reaping enormous benefits every step of the way.