

Presented by



## Reducing Costs and Streamlining Business Processes with Integrated Document Management:

*Solve complex business information challenges with an integrated document management solution.*

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Information is the lifeblood of organizations, helping them successfully navigate the competitive business world, stay ahead of the curve and gain market share in their respective industries. But information can also be their downfall, miring the companies in paper and electronic files that, over time, tend to become inaccessible, time-consuming and useless.

The job is especially onerous for CFOs, who over the last few years have been dealing with new rules and regulations like Sarbanes-Oxley, inundated with new compliance issues and forced to handle internal company audits. The good news is that these and other challenges can be easily overcome through cost-effective, simple integrated document management technology.

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## Executive Summary

Top of mind for today's CFOs is Sarbanes-Oxley, a set of complex regulations that is considered to be one of the most important business reform acts since 1934. Designed to enforce corporate accountability and responsibility, the bill was enacted to restore confidence in Corporate America, where a plunging stock market, increased corporate fraud and numerous accounting scandals (not to mention record-breaking bankruptcies) have had a negative impact on the economy.

Through Sarbanes-Oxley, the SEC has increased regulatory control, lengthened the statute of limitations and imposed greater criminal and compensatory punishment on executives and companies that do not comply. This has put a strain on CFOs, many of whom wade through paper-based files on a daily basis to ensure that their organizations stay in compliance and avoid such fines.

This white paper will review emerging trends in document management and examine the benefits of integrating document management technology to create a streamlined, efficient information filing, tracking and retrieval system across the entire enterprise. CFOs will come away with a good understanding of exactly how document management can help them tackle the complex regulatory environment in which they operate.

## Why Document Management Works

It wasn't long ago that companies were up to their ears in paper documents that ranged from tiny sticky notes to 6-inch-thick files. Residing in filing cabinets, boxes and storage rooms, these documents couldn't be discarded, but also couldn't be easily archived or accessed at a later date.

So they gathered dust. That was, until the Internet came on the scene and brought most companies into what has become known as the Information Age. Over time, email and Web-based content began to take over, and optical character recognition (OCR) took center stage as documents were scanned into electronic, searchable files.

But technology still didn't solve the problem of what to do with all of those archived files. Even though the information could be stored on a computer and/or server, there were still duplicate hard copies to contend with as companies continued their slow trek into the "paperless office" age.

Enter document management or, the classification and identification of documents by tagging them with vital information (i.e. – creation date, author, etc.) By integrating these systems across the entire enterprise, content can be housed in an electronic system accessible to employees, vendors, clients and other authorized users who can easily access and use the information, not just store it and forget it.

Over the last few years, business-centric consulting and technology-based systems integration have merged, providing solutions that are not only beneficial and cost effective, but can be replicated enterprise-wide. The "use and re-use again" perspective makes for a worthwhile investment, as the efficiencies and cost savings enjoyed by implementing the solution in one department can be leveraged into other parts of the company.

What separates the good solutions from the "not-so-good" solutions is that the former not only solve an inherent problem within an organization, but they are also aligned with the organization's goals and objectives. In short, the best solutions support the corporate vision.

While there is no "one size fits all" approach that can be taken, there are common technology components that can be configured to work in almost any environment. Mastery of these components is far from necessary, and often it's not the technology that ultimately serves the need. Rather, it's the streamlining and optimization of the organization's business processes that leads to the real success. The technology that's implemented is merely a transportation mechanism.

### **Why Your Firm Needs Integrated Document Management**

Today's companies face increasing challenges when attempting to stay abreast and comply with federal regulatory mandates. Initiatives such as Sarbanes-Oxley and HIPPA serve to make document security, control and audit a major priority for most CFO and CIO positions. Equally pressing is the desire to bring secure visibility to transactions and eliminate the costs attendant with the movement and distribution of paper. Add to the equation the pressure to streamline business processes and reduce cycle times and you have a very enticing case for document management.

Fortunately, technology's rapid advancement and innovation have spawned widespread acceptance of electronic documents and their use throughout the business environment. Once only reserved for large, high-end companies, mid-range and even small-sized companies are able to enjoy the benefits due primarily to lower costs of ownership and strategic returns on investment that are guaranteed to make a CFO smile. Imaging and document management-based solutions are no exception, as these storage and bandwidth-hungry solutions have now entered the mainstream.

Consider magnetic storage space, for example. The price has dropped to less than a dollar per gigabyte. If history is any indicator, the downward trend is likely to continue. Only five years ago, a gigabyte of storage space cost about \$7.50. Ten years ago, the cost was close to \$100 (and prior to that, we didn't even talk in gigabytes).

Yet many companies still insist on leaving a paper trail. According to Input Management Industry Statistics, there are over 4 trillion paper documents in the U.S. alone, growing at a rate of 22 percent annually. Managing all of that paper is expensive. PricewaterhouseCoopers reports that the typical organization makes 19 copies of each document, spends \$20 in labor to file each document and \$120 in labor to search for each misfiled document, loses one out of every 20 documents, and spends 25 hours recreating each lost document.

The good news is that companies today can store tremendous amounts of data at a fraction of the cost. When you add this to similar technical achievements in scanning throughput and capability versus cost of acquisition and the inherent bandwidth increases that are now commonplace across most local area networks (10 Megabit to 100 Megabit to 1 Gigabit, for example), you set the stage for highly capable, cost-effective document management solutions with one-to-two-second response times.

These lower costs of ownership, coupled with higher performance, enable organizations to quickly obtain greater strategic returns on investment. This leads to a wider acceptance of the technology, which eventually brings about standardization, which in turn means that issues get resolved more quickly and enhancements become routine.

### Focusing on the Benefits

It's no secret that pushing paper causes bottlenecks and inefficiencies in an organization. Reducing response times, increasing productivity, enhancing customer service, lowering storage costs and easing compliance efforts are just a few of the benefits that organizations experience by integrating document management technology into their operations.

Additional benefits include:

- The elimination of lost data: You have already read how expensive lost documents can be for the average company. When a document is electronically captured and filed, it is always recoverable and useable. The misfiling of documents is virtually eliminated.
- Shortened retrieval times: No more sifting through filing cabinets all day looking for a specific document. Integrated document management significantly shortens the time needed to retrieve and use important information, thus improving staff productivity.
- Improved compliance: Producing a set of records for an audit requires just a few keystrokes, instead of hours and hours gathering the necessary materials. Companies can prove compliance with minimal effort and little or no business disruption.
- Better collaboration: When everyone has the information at their fingertips, the collaboration among managers, staff, vendors and customers can hit unprecedented levels.
- Higher levels of security: With integrated document management, it's much easier to keep tabs on the information and implement layers of security to keep the documents and stored information safe.
- Reduction in data entry: Document management cuts manual data entry tasks and greatly reduces the likelihood of lengthy processing times and human error.

And the list goes on. Using an interconnected integrated document management solution, companies improve their business success through better administration of information across all departments. All documents can be accessed online via a desktop or laptop, thus increasing productivity in excess of 100 percent on once paper-intensive tasks. Space savings come from the elimination of filing cabinets (each optical disk equals 14 or more four-drawer cabinets), and cost savings come from the elimination of thousands of photocopies and courier charges associated with the routing of hard copy documents annually. And, the increased speed of information flow from sales to production to delivery enhances both productivity and profitability.

### Document Management in Action

Financial executives working for companies across all industries are already reaping the rewards of integrated document management. Take the large company that recently "sailed through" a state audit for payroll withholding taxes and sales and use taxes with the help of Altec's *doc-link*™ system, which has been proven to significantly reduce the downtime and inconvenience of audits.

The company's audit period encompassed the dates from September 1, 1994 through August 31, 1997, and required an auditor review of over 500 documents that were part of the imaging system. When the auditor asked for files dated earlier than January 1996 (the date the company's imaging system went online), she was directed to a warehouse storage area filled with labeled and shrink-wrapped boxes.

One look and a few questions later, the auditor walked away, stating that she had enough information from the automated files to be able to complete a random sampling. The audit was finished in record time, with no exceptions. The company credits *doc-link* with creating a smooth process whereby the auditor's questions could be answered quickly and precisely. "It was a time-saver for all concerned."

While the list of companies that have benefited from integrated document management is long, it is also expanding by the day. In a survey of over 1,000 industry professionals in January 2007, AIIM found that scanning and capture technologies are stable and in widespread use. But the survey also suggests that scanning and capture are not yet "mature" industries, giving companies that forego paper in lieu of recognition, scanning automation and process integration solutions an edge in the competitive marketplace.

### The Altec Advantage

When reviewing document management solutions, consider the following advantages of Altec's integrated document management system, *doc-link*, which allows companies to create a working governance structure with visibility over their business processes:

- Corporate accountability and responsibility
  - Network access to all document transactions and supporting documentation shows who handled, routed, approved and processed transactions.
  - Ensures that business processes are followed.

- Audit and accounting
  - Document drill down through the accounting solution provides efficient 3-way reconciliation and annotation tools to make auditing efficient and instantaneous.
  - Ensures reports are available to perform self-auditing checks for compliance.
- Enhanced disclosure and reporting requirements
  - Provides increased visibility by allowing multiple people access to documents versus paper-based records retention.
- Internal procedures and controls
  - Track all vendor invoices at month-end allowing for non-purchase order transactions to accrue properly.
  - Replace manual processes and provide a documented audit trail for the flow of business documents.
  - Multiple indexing capabilities with auto-index to the accounting system databases provide easy search and retrieval of documents and transactions.

### About *doc-link*

*doc-link* is a document management and workflow solution developed by Altec Products, Inc. and is available through its network of accounting solution resellers or VARs. With tight integrations to ERP solutions such as Epicor, Microsoft Dynamics, Sage and SAP B1, *doc-link* provides for the automation of paper intensive processes such as Accounts Payable, Accounts Receivable and Sales Order Processing. Its integrations, affordability and scalability have made *doc-link* the document management solution of choice amongst many small to medium sized businesses across all verticals.

### About PositiveVision

PositiveVision is one of the leading providers of information technology software for manufacturing and distribution businesses in the greater Chicago area. Our expertise lies in streamlining systems and processes to maximize your business technology. We offer expert advice, project management, training, and technical support so that your business objectives can be met in the most effective manner possible.

PositiveVision's consultative approach recognizes that each organization is unique. The team at PositiveVision is well trained and experienced in learning each clients business to provide a tailored solution. We value honesty and integrity above all else, and at all times operate with your business objectives in sight.

**This whitepaper has been provided to you courtesy of:**

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