

THE TIME HAS COME FOR ENTERPRISE TRANSACTIONAL CONTENT MANAGEMENT

A BancTec White Paper



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New platform enables organizations to improve audit trails, eliminate information silos, and leverage TCM resources across departments.

Transactions are the lifeblood of any business. After all, transactions bring in the money to keep businesses alive. Fulfilling a customer order is an example of a transaction. Issuing a mortgage loan is a transaction. Receiving goods at a warehouse is a transaction. Answering customer correspondence, processing insurance claims, signing up someone for a magazine subscription – these are all examples of transactions.

What do all transactions have in common? Information, or content, is needed to initiate them. For example, for an order to be placed, information is required on the customer, the goods being ordered, the quantity, the date, etc. Transactional content can enter an organization through a variety of avenues. These include paper or electronic forms, call centers, and sales representatives. Once an organization receives transactional content, the information has to be entered into some sort of CRM, ERP, and/or line-of-business system. Only then can the transaction be processed.

All transactions go through similar cycles. Information related to invoicing, shipping, customer service, insurance claims, fund transfers, etc., must be received by an organization and transferred into the appropriate business application. Because of the similarities in how the content for various transactions is processed, managing transactional content through an enterprise-level system makes sense. It would enable organizations to better leverage transactional content management (TCM) resources, such as data entry and BPM systems and personnel, across multiple departments. Also, in a business world increasingly rife with financial regulations, enterprise-level TCM offers a single reference point for tracking the flow of transactions into an organization.

Unfortunately, TCM has historically been deployed almost exclusively at a departmental level. The sales department has been responsible for processing order content; the claims departments, claims content; the accounts payable (AP) department, invoice content; the customer service department, correspondence, etc.

THERE ARE THREE PRIMARY REASONS WHY DEPARTMENTAL SILOS OF TCM HAVE EMERGED:

1. Different TCM requirements for different transaction types: An AP department needs a different data set from an invoice than a customer service department requires from a customer complaint. While in both instances, it's important to know who the information is from, the AP department needs only select information like the date, vendor, amount, and related PO number, to post an invoice to a financial management or ERP application. In contrast, the customer service department requires a contextual understanding of the nature of a complaint, so it can respond.
2. Different back-end systems are related to different transaction types: Data from a healthcare claim, for example, is typically entered into a claims adjudication system, which determines the payout amount. Data from an invoice is entered into an ERP or accounting system. Customer service information is entered into a CRM system....
3. Different transaction types enter an organization through different avenues: Customer orders might be generated through a combination of online forms and paperwork submitted by branch offices. In contrast, receiving documents would likely show up first at the warehouse. Invoices might be sent directly to AP, through a combination of EDI and paper mail. Claims might have a similar mix of paper and EDI, but be sent to the claims department.

Clearly, creating a single platform for enterprise TCM is no simple task. First of all, this platform would have to be able to receive content from diverse sources, such as e-mail, electronic forms, document imaging systems, and even call centers. Second, the platform would have to be flexible enough to create and manage multiple business processes. It also must be able to connect with multiple back-end systems. Third, an enterprise TCM platform requires an enterprise-class management console for monitoring the progress of multiple processes – ensuring that resources are being allocated efficiently, so that all transaction-related service-level agreements (SLAs) are met.

THE SOLUTION: CENTERVISION

BancTec has introduced just such a platform. Its new CenterVision software offers organizations true enterprise TCM – through a combination of an advanced BPM (business process management) component, a Web services architecture, the ability to create “virtual batches” from a multitude of input streams, and a dashboard for proactively monitoring multiple TCM processes.

FLEXIBILITY ENABLES MULTIPLE PROCESSES

An easy to use BPM component is key to enabling multiple TCM processes in a single enterprise application. With CenterVision, BancTec provides a fully featured BPM software at the very core of the solution, enabling all business processes to be easily designed and optimized. CenterVision also has a Web services framework that enables these processes to incorporate third-party applications through standards-based integration. CenterVision can both submit information to, and receive information from, these third-party applications.

A REAL WORLD EXAMPLE

Let’s take a look at how an insurance company might use CenterVision. An insurance company processes multiple transactions, such as applications for new coverage, change of service forms, customer inquiries, and claims forms. Each goes through a different process. An application for new coverage requires that data be submitted to a software program that automatically determines eligibility and rates. An image-enabled workflow could be utilized to enable an underwriter to review the quote before it goes out to the customer. In contrast, a claim requires that data is submitted to an adjudication system which determines the amount that needs to be paid; claims which do not conform to a standard set of rules need to be kicked out to an exception workflow and looked at by an adjuster. Finally, both the claims and application forms need to be archived to meet legal, reference, and customer service requirements.

CenterVision would act as the gateway for receiving all the insurance company’s transactions. It could then utilize auto-classification technology, from either BancTec or a third party, to sort the transaction documents into the correct queues.

THE CLAIMS PROCESS MIGHT LOOK SOMETHING LIKE THIS:

- ❖ CenterVision logs the time the claim enters the system
- ❖ Automatic document classification submits the claim into a claims processing queue
- ❖ From there, if it's a paper claim, it is submitted to a third-party software application that specializes in automatic extraction of data from claims forms; the data is extracted and submitted to the adjudication system
- ❖ If it's an electronic claim, it is submitted straight into the adjudication system
- ❖ At the same time, CenterVision also submits an image of the paper claim, or a record of the electronic claim to an ECM system for archiving and reference
- ❖ Any exceptions are kicked out from the adjudication system back into CenterVision, which routes the information, along with a link to the corresponding record in the ECM system, to an exception handler
- ❖ Information from the adjudication system or exception processes is output to a system that creates payments and the transaction is completed

Within CenterVision, this claims processing workflow, along with workflows for processing new applications and change of service orders could all be designed through a GUI interface. A new step, such as an extra processing step to clean up data before it's submitted to the adjudication system, or an entire new process like managing customer correspondence, could be added by setting up Web services calls to additional applications and then enabling the administrator to link to these applications through the GUI.

BANC TEC OFFERS FLEXIBLE DELIVERY

CenterVision has the flexibility to be deployed internally or licensed as a service from BancTec. Hybrid licensing models are also available. This means that a user with occasional spikes in transaction volume can utilize BancTec to handle runover during heavy volume periods. On a more permanent level, there may be parts of a user's TCM processes that it wants to keep in-house, while having BancTec host CenterVision.

For example, CenterVision's SOA interface and workflow capabilities enable a user to integrate CenterVision with an in-house call center. This way, when CenterVision processes a service cancellation form, it could forward a notice to the call center that a service representative needs to follow-up. Once a call to the customer is completed, the result could be transferred back into the CenterVision workflow for further processing.

This "on call" capability of CenterVision is aligned with the current trend of enterprise IT toward SOA, which makes applications available on-demand through Web services calls.

CenterVision's process flexibility is valuable to any organization dealing with multiple transaction types. In the financial services world, for example, CenterVision could be used for multiple processes like mortgage loan applications, change of service forms, funds transfers, etc. In the manufacturing world, it could be used for processing invoices, human resources documents, shipping and receiving documents, maintenance manuals, and more.

BEYOND THE DIGITAL MAILROOM

CenterVision's ability to execute multiple business processes received from multiple input sources is based on a concept known as "virtual batching". Virtual batching means that wherever, or whenever a transaction enters an organization, it can be immediately classified and put into an electronic queue for processing. Let's take a look at how this works in an AP application for example.

In addition to paper invoices being sent to their corporate AP departments, many organizations receive invoices at branch or remote offices. An organization may also receive EDI or electronic invoice submissions from its larger vendors. A business could be using multiple systems to process these invoices: the EDI transactions may be processed through one system, the paper invoices from the branches through another, and the paper invoices received at corporate AP through yet another.

CenterVision can act as a gateway to consolidate the processing of all three invoice streams. A rule could be set up within CenterVision that says that any invoice submitted before noon, no matter what the origin, would be included in a virtual batch that needs to be posted by noon the following day – unless there is a dispute, in which case, the invoice would be kicked out to a dispute resolution workflow within CenterVision. Document imaging could be used by corporate AP and remote branches to submit their paper invoices, while electronic invoices could be routed to CenterVision directly upon their submission. CenterVision would keep a record of when each invoice was captured and also offer an administrator the ability to track progress being made toward processing and posting them.

DETAILED VIEW ENABLES ENTERPRISE ADMINISTRATION

The tracking and management of these virtual batches is done through CenterVision's dashboard. The dashboard offers unique tools for the administration of multiple transaction streams being processed simultaneously. These include real-time reports on batch status or even the status of an individual transaction; the ability to compare transaction processing progress to deadlines related to service level agreements (SLAs); and reports on the performance of recognition engines and data entry operators. This information can be used to help an administrator reprioritize and redistribute work to more efficiently meet multiple SLAs.

For example, a number of data entry operators for an insurance company may be keying data from a batch of forms with an SLA that calls for a 48-hour turnaround time, which doesn't expire for another 24 hours. In the meantime, a batch of change of service applications may be submitted that have an SLA calling for a six-hour turnaround time. The CenterVision dashboard would inform the administrator of the relative status of these two streams of work, as well as let him know which keyers are authorized to work on change of service orders. This would enable him to instruct the appropriate data entry staff to draw from the queue with the change of service orders until it is empty.

The dashboard also provides historical statistics like the success rate of automatic recognition engines and document classification tools. It provides insights into the performance of manual keyers. These statistics can be tabulated on a very granular level, right down to how successfully a recognition engine is reading a specific field, and how many keystrokes an individual keyer is responsible for. This information can be leveraged to make process improvements and alleviate future bottlenecks.

SNIPPET-BASED SECURITY

As a security measure, CenterVision has the ability to send only snippets of documents to various workflow queues for processing. This means that a data entry operator might only receive an image of a small section of a document showing one or two fields. This helps protect the identity of a person associated with a form and hide the nature and details of a transaction. This type of privacy and security is especially valuable for complying with HIPAA regulations and guarding against fraud and identity theft in the financial services sector.

Historical statistics can also be shown on the success rate of meeting SLAs. This ability to track performance related to various individual SLAs is valuable to third-party service providers that deal with multiple customers – each with its own SLAs. Service bureau fees are often dependent on meeting these SLAs. As enterprises look to transition to enterprise-centric TCM, meeting internal SLAs will play an increasingly important role.

MEETING THE NEEDS OF ENTERPRISE TCM

Now that we've explained what CenterVision is, let's take a look at how it addresses the three factors we listed earlier as reasons why centralized TCM has not been widely implemented to date:

1. Different TCM requirements for different transaction types: CenterVision's flexible workflow design and Web Services interface (for integration with third-party applications) enable it to effectively manage multiple TCM models.
2. Different back-end systems are related to different transaction types: the Web services interface simplifies integration with applications in areas like ERP, CRM, and ECM.
3. Different transaction types enter an enterprise through different avenues: CenterVision's ability to create virtual batches from a variety of on-ramps addresses this issue. Its auto-classification technology can automatically sort the documents into the proper batches.

REDUCING THE IMPACT OF ELECTRONIC TRANSACTIONS

Electronic transactions increase the number of channels through which transactions enter an organizations, which compounds the administrative challenges of managing multiple TCM operations. In addition, they also can drive up the per transaction cost of processing paper transactions. That's because, as electronic transactions replace paper, the sunk costs associated with a paper-focused TCM operation, such as scanning hardware and software, are written off against a lower volume of paper transactions.

Moving to an enterprise TCM platform like CenterVision enables more flexibility for managing processing costs. For example, as more invoices move to electronic billing systems, CenterVision resources can be redeployed to handle scanning and workflow for other types of paper transactions, such as customer correspondence. If the invoice TCM system was run exclusively within the AP department, this redeployment would not be an option. And a TCM implementation focused solely on correspondence, with its own sunk costs, may not be able to be cost justified on its own.

WHAT'S THE PAYOFF?

The payoff for enterprise TCM comes primarily in two areas:

1. The ability to leverage a single set of technologies and personnel across multiple departments
2. The ability to consolidate audits related to transactional information

CenterVision enables organizations to leverage TCM hardware, software, and expertise across multiple departments. This becomes increasingly important as the adoption of TCM proliferates. According to analyst firm Harvey Spencer Associates, transactional document capture software sales grew 15% in 2007 and have a projected CAGR of more than 15% through 2011.

This growth is being driven by the increasing adoption of document management in general, as well as improvements in TCM, such as advanced technology for automatically capturing data from paper transaction forms. For example, according to PayStream Advisors, over the past five years, the percentage of U.S. companies with revenue over \$50 million using OCR to capture data from invoices has grown from practically zero to nearly 20%.

Falling prices on TCM-related hardware such as document scanners has also contributed to increasing adoption. Whereas 10 years ago, the median price for a document scanner was around \$20,000, today users can purchase 25 ppm, duplex, color document scanners with ultrasonic double-feed detection for less than \$1,000. And MFPs (multi-function peripherals), which were formerly known as digital copiers, now include scanning practically for free in many cases.

Even as the adoption of electronic transactions continues to increase, scanning is still an important element of TCM, as paper is still used quite often. For example, according to PayStream, even at Fortune 500 companies, where electronic transactions are the most prevalent, the volume of electronic invoices isn't predicted to overtake the volume of paper until 2011.

In addition, as people become accustomed to the speed with which electronic transactions are processed, they begin to expect paper transactions to be processed with the same efficiencies. TCM technologies can reduce the gap between the processing speed of paper and electronic transactions.

THE BOTTOM LINE

As TCM proliferates throughout an enterprise, without an enterprise application to manage it, more and more individual silos are being created. In a recent Gartner survey, 70% of respondents indicated they were using more than six content repositories. One large process manufacturer reportedly has more than 140 repositories.

CenterVision enables a user to leverage a single platform, a single workforce, and a single administrative staff to manage transactional content across all these implementations. Instead of having an AP manager train his accounting staff on how to do data entry and quality assurance for invoice capture, CenterVision virtually outsources that function to TCM experts. These TCM experts could be internal employees, or even data entry specialists located in geographies with the lowest manpower costs. And, when these TCM resources aren't busy with a beginning of the month invoice crunch, they can be used to process records, order forms, warranty forms or whatever sort of transaction may be in the queue.

SIMPLIFYING THE AUDIT TRAIL

From an auditing standpoint, instead of having to track transactions entering the organization through multiple systems, CenterVision provides a single audit trail for all incoming transactional documentation – both electronic and paper. CenterVision can provide information on the date and time a transactional document entered an organization, how long it took to process it, and identify any data capture operation and/or employee that touched it. This information is especially valuable in today's age of increasing worldwide government regulation in areas like financial and healthcare documentation.

In a real-time environment, instead of having to monitor different systems to see the progress being made toward multiple SLAs, CenterVision makes all SLA-related data available through a single interface. We've already discussed the advantages of being able to use this information to re-allocate resources to meet an organization's most immediate TCM needs.

STRENGTHENING THE WEAKEST LINK

Enterprise TCM is an application that's time has arrived. As TCM continues to spread across the enterprise, it needs to be managed like an enterprise application. Organizations have invested millions in ERP, CRM, and ECM systems. Maintaining departmental TCM applications to feed vital transactional information into these enterprise-level applications doesn't make a lot of sense. If it's true that an operation is only as good as its weakest component, then organizations are clearly doing themselves a disservice by not considering an industrial strength TCM platform like CenterVision.

FOR MORE INFORMATION

BancTec helps clients around the world simplify the process of managing their information. Founded in 1972, the company provides a wide range of solutions for automating complex, high-volume and data-intensive business processes for clients in the financial services, healthcare, manufacturing, government, and services and utilities industries. BancTec's offerings include business solutions, business process outsourcing, and infrastructure services. Headquartered in Dallas, BancTec serves clients in more than 50 countries. For more information on how BancTec can help you optimize information management, visit www.banctec.com or call 1-800-BANCTEC.