



Podcast

How to Succeed in a “Less Paper” World: Recommendations on How to Manage Documents in all their Changing Forms Document Management

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Julie: Right now, every organization is caught up in a powerful change that affects almost every area of enterprise. It's the trend toward digital documents and the paperless office of the future. But just as I am staring at piles of it on my desk, if you look around your organization, you will still see paper documents in constant use. And let's not forget all about those legacy hard copy documents stored in filing cabinets and archives; they still hold important information as well.

So how do you deal with this situation? How do you improve the way you work with documents and all of their changing forms, and what innovations are on the horizon that will help us work better with both paper and digital documents? Today, we're going to get some practical recommendations from the author of the popular blog "The Future of Documents".

Hello everyone, this is Julie Meyers from Xerox Global Services, and I'm pleased to be here with Francois Ragnet, a managing principal of technology information and one of the leading experts on document management innovation and the innovation of the document. Bonjour, Francois—welcome. Thanks for joining us today.

Francois: Bonjour, Julie. It's really a pleasure to be here.

Julie: Well, in my introduction I talked about the trend toward digitization. Do you believe it's a matter of time before the paperless office becomes a reality?

Francois: That's a very interesting question, you know, because we're moving rapidly in that direction. In fact, people have been talking about the paperless office since the '70s—but guess what? It's still a long way off. As a result, organizations have to find better ways to work with paper and digital documents because both of these forms will be around for the foreseeable future, and they are both still evolving—that's why you have to develop competency in managing all forms of documents, because they have a significant impact on every aspect of your business.

Julie: So you're saying it's too early for the last rites on the paper document.

Francois: It's definitely too early. Some people even question whether we will ever get there because paper documents have some natural advantages or affordances in many applications. They also have some clear disadvantages that make business processes time-consuming and inefficient.

Julie: Can you elaborate on that? What are the pros and cons of paper documents?

Francois: Well, think about it. Paper documents are easy to use, easy to carry, and easy to store. It's a universally accepted format and you can access the information as long as you know the language. So access to the information is not dependent on changing technology. Some people also think that paper documents facilitate certain kinds of cognitive work. For example, a lot of people like to study hard copy documents and make notes in the margins and jot down ideas. That was a point the influential thinker Malcolm Gladwell, the famous author of The Tipping Point, made a few years ago in an article published in The New Yorker called "The Social Life of Paper".

Julie: Okay. But when it comes to business processes, paper documents can cause problems, right? That's what you were getting at before.

Francois: That's right. Paper documents slow down cycle times because they have to be handled by hand at some point. Those manual steps are time-consuming and labor-intensive. They really represent a bottleneck in terms of maximum efficiency.

Julie: Bottlenecks—can you give us some examples where paper documents create those bottlenecks?

Francois: Oh, there are a lot of them. Mortgage application processes, litigation discovery, medical records—I could go on and on and on. All these areas still rely on paper documents and they are ripe for automation and digitization.

Julie: And sustainability. What about the environmental impact? More and more organizations today are concerned about that.

Francois: You're absolutely right. On a worldwide basis, did you know we're producing anywhere from 10 to 50 trillion printed pages every year?

Julie: Wow.

Francois: That's a lot of trees. So obviously to replace some of those pages with digital documents, you're saving trees and making a valuable contribution to the environment. And here's something else to remember: Even though it's easy to use, paper isn't a very good archival medium because it takes a lot of space to store printed information—and it's very hard to access that information, too. So if you add it all up, there are a lot of valid reasons to reduce the use of paper, and if you look at global trends, that's exactly what's happening. Paper use is declining in most countries, and actually our challenging economic client is accelerating that trend.

Julie: So isn't that exactly why so many people are talking about the paperless office?

Francois: Yes, exactly. But at the present time, that's more of a visionary goal than a practical reality because when you really take a close look at how organizations work with documents, you find that many of their prophecies still revolve around paper documents and manual workflows—so paper documents are not going away, at least not in the immediate future. That's why I really think we should be talking about the less-paper office rather than the paper-less office; it's a much more accurate depiction of where we are today and we're going to be for the next several years.

Julie: The less-paper world—okay. So how do organizations succeed in that world? Should they be focused on speeding up the adoption of digital documents and automating business processes?

Francois: Yes, that's an important part of the solution. But to succeed in this less-paper world, you have to optimize the way you work with documents in all their changing forms—paper, digital, but also an emerging hybrid form you could call 'intelligent paper documents' because they include digital codes and metadata that facilitates automation and protects important information. It's also important to note that there are some exciting innovations in development that will help us work with all of these evolving document formats as well as the information they contain; I hope we'll have time to discuss some of those innovations later.

Julie: Okay—well, we'll save time for that. But for right now, let's get to the main course we promised listeners earlier: Practical recommendations for succeeding in a less-paper world.

Francois: I think that's a very important discussion—and you're right bringing me back to it. Organizations really need to develop competence in managing all their document formats.

Julie: Okay—so what's the first step?

Francois: It really depends on where you are on the path to paperless processes, but in general the first step is to make sure you can work effectively with paper and digital documents by breaking down the barriers between them.

Julie: And how do you do that?

Francois: The best way is to make sure that you're leveraging state of the art scanning, OCR—optical character recognition, and intelligent document recognition technology throughout the enterprise. That's a fundamental step in the process of moving toward a less-paper operating environment because it gives you the capability to bring paper documents into an efficient digital workflow. The advanced multifunction systems that are available today often combine OCR and scanning with efficient printing capabilities so you can create a network of onramps and offramps connected to the digital workflow by using multifunction systems as the core component of your document management strategy; then you can turn digital documents into paper and vice versa throughout the enterprise. It's really an essential infrastructure for working with documents that are constantly changing form. If you need more than casual scanning to support your business processes, you can bring in high-volume or scanning technology, or outsource the entire imaging operation even.

Julie: So speaking of those business processes, you mentioned earlier that many organizations still rely heavily on paper documents. This has to be a focus for improvement.

Francois: You're right. If you think about it, paper documents are often an indicator species for inefficiency in a business process. So in environmental terms, for example, the decline in the population of a particular kind of fish may indicate global warming. In a key business process, the use of paper documents often indicate that there are unnecessary manual steps in the workflow for the reason I mentioned earlier—paper documents typically have to be handled by hand at some point in the process, but if you replace those paper documents with digital documents, you can often automate those steps in the workflow, and that will increase efficiency and cycle times. In some cases, it even reduces error rates.

Julie: Okay, so can you give us an example of a process like that?

Francois: There are so many of them. I mentioned mortgages earlier. The traditional process is extremely paper intensive, as we know. When the borrower completes an application, it's printed, copied, and shipped to various offices for review, underwriting, approval, storage, and so on. Every time those documents are shipped somewhere, you're adding time and cost to the process. But if you change the paradigm from paper documents to digital, not only do you eliminate those inefficiencies—you transform the whole process and all the parties involved—lenders, originators, and investors—can access the same set of documents at the same time. So instead of having a sequential, redundant, step-by-step process for review and approval, you collapse the process and handle multiple steps simultaneously, and that can dramatically shorten the cycle time from weeks to just a few days. And this isn't a theoretical discussion, either—innovations like the BlitzDocs Collaborative Suite and e-Mortgage Suite from Xerox are really making this happen today.

- Julie: Okay, but isn't one of the sticking points still the signature issue? The problem of validating signatures on all those documents?
- Francois: You're right. We're making great strides toward gaining acceptance of e-signature technology, and that will help financial services companies as well, healthcare organizations, and many others bring traditional document-driven business processes into the 21st century.
- Julie: Okay. Now we've talked about processes that revolve around documents—what about the documents themselves? For example, in my field—marketing—there's a lot of concern about documents that don't really move the needle, and that's true for both paper and digital documents.
- Francois: That's an interesting point. Actually, I've even heard about a blogger who says there should be an award for marketing ineffectiveness.
- Julie: Okay; I think the attendance for that award ceremony will be on the small side.
- Francois: Right, yes. Sorry. That's one award I don't want and I don't think you want in your trophy case—and of course, you wouldn't deserve it. Anyway, the good news is that there are a number of ways to make documents more effective. For example, research shows that personalization and one-to-one marketing techniques can have a dramatic impact on response rates. I've seen case studies that claim up to a 10x improvement. Of course, color has a big impact, too, and Xerox has been working on a way to use behavioral science insight to guide the development of content creation and design. The goal for all these developments is to make documents more effective and the results more predictable.
- Julie: Hmm—interesting. Okay. Now earlier you mentioned another interesting idea that I want to follow up on: Intelligent paper documents. What does that mean? And how will it help people work more efficiently?
- Francois: Right, yes. So a very good question. So far, we've been talking about the duality of paper and digital documents—but the real story is more complex than that. There are shades of gray because documents are always evolving. Intelligent paper documents is a perfect example of that. Using innovative technology from the Xerox Innovation Group, for example, we can add digital information like 2D barcodes, DataGlyphs, glossmarks, microprinting, UV printing to paper documents to increase information security and help automate processes. For example, you add intelligence to a paper document, then you scan it into the system; it can automatically route, archive, and even index itself while creating its own audit trail. Some of these advancements are ready today; some are still in development. That is definitely a very exciting area of research.
- Julie: That is very exciting...and very interesting. So what other suggestions do you have for our listeners today?
- Francois: Let me think—well, one is since paper documents are still an important part of the equation, most organizations can benefit by optimizing their approach to enterprise printing. Today, printing costs around \$3,400 per employee, but that figure can substantially be reduced by rationalizing the document device infrastructure, which usually means that you replace hundreds of printers, copiers, fax machines, and scanners with a much smaller number of advanced, energy-efficient multifunction systems. Right now, did you know that a lot of organizations operate one document device for about two workers? The actual statistic is 2.2 but you know, I don't really like to divide real people into fractions.
- So anyway, after an effective optimization effort, some organizations end up with one device for 12 workers; that can reduce overall operating costs by as much as 30 %.
- Julie: Wow. And I bet there're significant environmental impacts as well.

- Francois: You bet. Usually, organizations find that they save on energy and reduce the consumption of paper and supplies as well, and that can be important for businesses and institutions concerned about sustainability.
- Here's a really good example: The University of Calgary used to print 72 million pieces of paper a year, but after a successful printing optimization effort, they reduced paper consumption by more than 20 %, saving enough paper to make a mile-high stack in the process.
- I recently read a story on the steps universities are taking to reduce the environmental impact of their data centers; that optimization of their printing infrastructure can help them make progress on sustainability, too; so can green office practices like duplex printing, effective recycling programs. And like I said before, cost reduction is another important benefit of an optimization program.
- Julie: Obviously, cost reduction is on everyone's mind, especially in today's economy. But what are some of the other benefits people can achieve by following your recommendations?
- Francois: Well, when you improve the way you work with documents, you can achieve a lot of goals that support your overall organizational strategy. When you bring in automation and increase the use of digital documents, you create faster, more efficient business processes and workflows; that in turn increases productivity and efficiency. You also speed up the flow of information and improve your access to information which increases your organizational effectiveness.
- I've already talked about ways to make documents more powerful and effective so you can get a better return on investment from marketing communications efforts—and really, that's just the beginning.
- Julie: Francois, thank you. We've really focused on practical recommendations that will help our listeners work better with documents today—but I promised we'd save some time, and your blog is really focused on the future of documents. Can you give us a little behind-the-scenes peek at some coming attractions from R&D?
- Francois: Yeah—I'm glad you asked. There are some really exciting innovations on the horizon; in fact, some of them are already in use. So where should I start? There is a natural language processing technology from the Xerox Innovation Group that helps computers understand languages like your English, my French—did you notice I was French, by the way? By my accent, maybe. And that turns unstructured text into coded data so you can mine unstructured documents like a structured digital database. It could have powerful applications in litigation, medical research, risk management, and really just about every field.
- What could I mention also? Oh yes—the hybrid categorizer is another Xerox invention. It uses visual and textual clues to automatically sort and route documents and extract key information. This will make a huge contribution in the effort to fight information overload. Since research suggests it can take up to 15 days for a document to reach the right person in the age of overflowing e-mail inboxes. In fact, this innovation is already available for some of our major clients through our Xerox Global Services offerings.
- Word spotting technology is another groundbreaking development that will help us bring handwritten documents and information into a digital workflow in a way that the final frontier in terms of digitizing and analyzing legacy documents. And you know, I could talk about open standards like XML that combine with other technologies designed for legacy documents will help us continue the important effort to liberate content from their document containers and pave the way for automatic routing, updating, categorization, data extraction, archiving, and so on and so on. And of course, I always like to talk about reusable paper - e-paper, cloud-based documents, evergreen documents that automatically update themselves because these breakthroughs will have a big impact on the way we work in the future. I invite all of our listeners to visit my blog and learn more about these exciting technologies.
- Julie: Absolutely. Now you know what's really interesting to me about these, though, is that they're not all focused on digital documents; they cover everything: Handwriting, unstructured information, and other good content inside those digital documents as well.
- Francois: Yeah, that's right. The goal is really to improve the way we work with all kinds of documents and all the information and data they contain.

Julie: So paper documents aren't on the endangered species list.

Francois: Not yet, no. Probably not for years to come—that's why organizations need to develop competence in managing documents in all their changing forms. From my perspective, it's really a requirement for success.

Julie: Well, Francois, that sounds like a great last word, and I see that we're about out of time, so I do hope we can continue our discussion about game-changing innovations in a future podcast.

Francois: That would be great.

Julie: Okay, I want to thank Francois for joining me today. You can learn more about his fascinating take on the future of documents by visiting Xerox.com/ThoughtLeadership. And once again, I'm Julie Meyers. On behalf of Xerox Global Services, thanks for listening.

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