

Document-Centric Process Automation

Meeting the Challenge: Making
Documents and Processes Work
Together

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“Organizations need to integrate their ECM [enterprise content management] and BPM [business process management] systems in order to streamline the handoffs that must occur and make content a first-order participant in operational processes.”

Craig Roth

VP and Service Director, Collaboration and Content Strategies

Burton Group

Process Automation, Document Management and Successful Business Operations

Efficiently tuned processes that include automation of transactions, management of associated documents and enhanced communications between people can translate to competitive advantage and higher profits. This is true in many parts of the organization ranging from finance (invoice processing), to human resources (resume routing and performance reviews), to sales (contract management) and many other functions.

So why is this efficiency so difficult to achieve? On a broad scale, the impediments to successful business operations and maximizing profits are usually the inefficient application of people, processes and content. Specifically, most organizations' documents exist everywhere, and many of these documents go through a process that includes review, editing, approval and, sometimes, the addition of information. Everyone relies on e-mail for routing documents, scrambles to “manage exceptions” and battles the always-growing pile of paper.

Most companies attempt to overcome these challenges by implementing a series of processes. But many of these processes are manual and require a series of burdensome human interventions. Many others are ad hoc and poorly tuned. Paper is copied repeatedly and moved from individual to individual or from e-mail inbox to inbox. Instead of business enablement, this environment actually results in business obstruction.

The obvious answer to improve the situation is automating and optimizing documents and processes. But to get there, the organization must implement and integrate two highly work-intensive applications: enterprise content management (ECM) to manage the documents and business process management (BPM) to automate the processes. When executed properly, this combination of technologies can add tremendous value and give your organization a strong competitive advantage.



Many organizations implement technology to coordinate people and processes. But neglecting content leaves a vital piece of the puzzle out of the equation.

Traditionally, this type of project has meant hundreds of thousands of dollars and months of planning with no guarantee of a successful outcome. But due to recent advances in business-related technologies, process optimization is now available to organizations with limited budgets and resources.

Managing effective processes encompasses all decisions, documents (prepared and gathered) and communication that complete business transactions. When a particular manual transaction culminates in an executed document like a contract, loan agreement or insurance policy, the process is often long-lived and can involve multiple decision points, making efficiency and competitive advantage unattainable.

This report reviews the challenges of marrying document management with process automation and illustrates the importance of a document-centric process automation (DCPA) approach. It also explains how BPM and ECM can be delivered using a Software-as-a-Service (SaaS) model to deliver high efficiency at low cost and minimal risk.

Major Challenges and Failure Points for Traditional BPM and Content Management Implementations

“Documents are critical to many business processes, both in public and private sector industries. Processes provide the context in which information is collected, updated, referenced, correlated and audited. Treating documents as independent from the processes that create and consume them leads to poor information quality; degrades the overall quality of work; increases time to accurate, effective decisions; and lowers process performance outcomes.”

Janelle Hill
VP, Business Process Management Research
Gartner, Inc.

Once an enterprise acknowledges the importance of treating documents and processes as equal citizens in competitive business advantage, management naturally reaches the conclusion that implementing both process (BPM) and document management (ECM) systems is the answer. However, for many organizations, implementing independent BPM and ECM is fraught with obstacles. Some of the most common pitfalls include:

- In all but the most sophisticated suites, these components are not easily compatible, leading to large expenses in selecting, licensing and integrating the two systems.
- Reduced user satisfaction and additional training expenses due to a lack of similar functionality and inconsistency in the look and feel at the user interface level.
- The installation of two complex systems requires enormous investments of capital, hardware, software and personnel.
- Two separate systems require too many ad hoc steps and manual handoffs between the processes of the BPM system and the documents in the ECM system.
- Change management is always an issue when introducing new technology. Users confronted with new ECM and BPM systems can display tremendous resistance to replacing traditional manual steps with automation. This resistance is particularly true because of the unknowns — the unknown cost and the unknown effect of giving up control to automated processes.

Business Areas DCPA Can Improve

Document-centric process automation has many uses across the organization. Unlike those business processes that deal strictly with transactional data, DCPA works extremely well when documents (electronic or paper) constitute a core part of the processes.

Here are just a few business areas that lend themselves well to a DCPA solution:

- **Tax account preparation**
- **Architecture – project management**
- **Claims processing**
- **Construction – change-order management**
- **Contract management**
- **Customer support**
- **Employee on-boarding**
- **Engagement management**
- **Engineering**
- **Exceptions processing**
- **Field service management/support**
- **Human resources**
- **Insurance processing**
- **Invoice processing (accounts payable)**
- **Logistics/POD (proof of delivery)**
- **Marketing collateral creation and approval**
- **Mortgage processing**
- **Proposal management**
- **Sales tools creation and approval library**
- **Training and credential management**

Why Most Process Automation and BPM Initiatives Fail

When the BPM solution is targeted at a specific business problem with a specific business goal, over 70 percent of these projects succeed. But BPM vendors are actively marketing BPM as an enterprise infrastructure initiative.

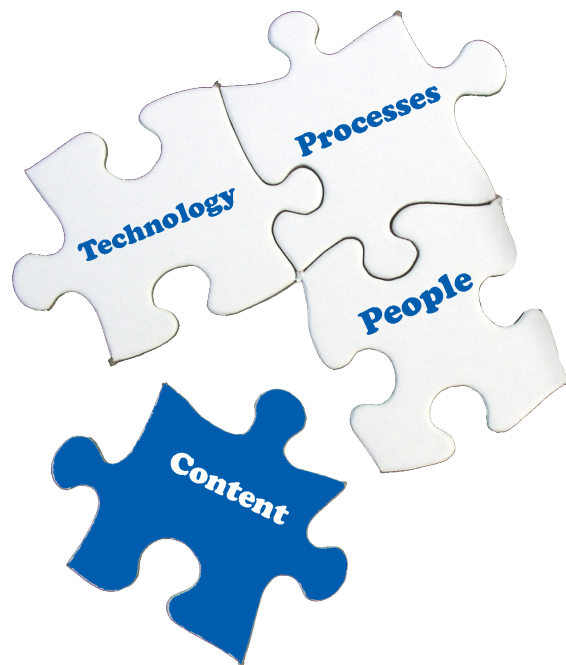
When BPM is initiated as an enterprise solution or transformation tool, it becomes a technology infrastructure tool rather than a business enabler. In almost half of these instances the business abandons involvement; the technologists then own the process as well as the technology. Under these circumstances, over 70 percent of the projects fail to enter actual production.

Other common reasons for project failure include:

- **High cost of implementation.** BPM enterprise initiatives often run into the millions of dollars for hardware, software and training. Successful programs can take many months (or years) before “going live.” This long implementation time comes with a high risk of losing focus or complete abandoning the process.
- **High startup costs.** The entry point for BPM requires a process engine. Even a simple, minimal process starts at no less than \$25,000 and can escalate to as much as \$250,000. Thus, most enterprises only fund the big processes and ignore the smaller ones.
- **Language barrier.** Businesspeople see process automation as a way to solve a business problem; IT personnel often see process automation as a part of the corporate information technology infrastructure. IT views automation as a long-term investment without measuring return on investment (ROI) in the short term, but businesspeople require an immediate solution with a measurable ROI.
- **ROI is exceedingly difficult to gauge** because most organizations have not calculated

the current cost for executing the process. The lack of true ROI information stops executive buy-in for large, expensive BPM initiatives.

- **Implementing as a technology rather than a business solution.** BPM initiatives necessitate a great deal of technology. Too much time (and money) is invested in technology implementation; solving the business problem becomes a secondary concern. Process management is much more than just automation or systems integration — it also manages the human interaction.
- **BPM as an enterprise solution rather than a process solution.** BPM is targeted as a “big problem solver” enterprise solution. Because of limited resources, only those large-scale critical processes are addressed.
- **Modeling becomes the be all and end all.** Traditional BPM implementations start with excessive modeling of the existing process, spotlighting the “as is” rather than the “to be.” Modeling complicates the process and raises implementation costs.
- **BPM assumes that most documents can be reduced to forms.** Pure-play BPM vendors downplay the importance of documents and unstructured content management, instead touting the simplicity of forms as a way to enhance collaboration. Forms leave the collaboration of document preparation outside a BPM implementation’s realm.
- **Documents persist and are often the center of most processes.** Despite the view of some IT professionals, a complete process solution must include document management. BPM solutions that do not include efficient document management will not meet the majority of enterprise needs.



Including content ensures BPM success.

Given this long, but by no means complete, list of issues, it is no wonder that organizations are looking to alternatives that can quickly and safely automate specific business processes.

Using Software-as-a-Service (SaaS) to Quickly and Safely Implement DCPA

To gain control and competitive advantage through efficient business processes and decisions, you must manage both the content and all associated processes. Today's market offers numerous individual solutions, but the enterprise bears the onus of installing and integrating these software pieces.

The best way to minimize all the associated software, hardware and network administration burdens of BPM is to use an on-demand SaaS solution. This way, you can focus on what you do best and let the SaaS provider take care of the rest.

SaaS is a more cost-effective way to implement document management and workflow solutions than on-premises models. Most integrated enterprise BPM/ECM solutions often exceed \$2 million, and the cost for an integrated departmental solution can also be prohibitive. Even when the software is advertised at an inexpensive cost per seat, these solutions often mushroom in investment requirements.

Additionally, departmental solutions often require new hardware and staffing investments because they are not usually housed in the corporate data center. The average departmental installation costs over \$200,000 in the course of two years. Fortunately, the economics are much more favorable with a pre-integrated SaaS solution for BPM and ECM. The initial cost is much lower, and adding hundreds of users and multiple processes does not bankrupt the organization.

The installation and integration overhead within the enterprise takes excessive mind share that could be better channeled into creating efficient DCPA. Implementing a SaaS solution that has already integrated the best of ECM and BPM without the heavy load of technology installation creates an environment focused on the business solution.

Why You Should Consider SaaS Over On-Premises Software: Nine Key Advantages

SaaS Advantage 1 – Extremely rapid deployment. With SaaS you can be up-and-running in days – not weeks or months like on-premises solutions. Users are quick to adopt SaaS applications so your time-to-value will be much faster with a SaaS solution.

SaaS Advantage 2 – No installation necessary. Unlike on-premises software, SaaS requires no hardware, no software and no additional network infrastructure. You only need a Web browser and an Internet connection to use a SaaS application.

SaaS Advantage 3 – Complete solutions. Typically, all necessary components of a SaaS solution (like document management and workflow) are pre-integrated. There is no need to pay for additional modules or expensive and time-consuming integration services.

SaaS Advantage 4 – Low cost. SaaS is delivered as a pay-as-you-go subscription. Combined with the savings in hardware, administration and professional services, the total cost of a SaaS implementation is typically only 20 to 35 percent of on-premises software.

SaaS Advantage 5 – Low risk. Simply choose not to renew the services agreement at the end of the initial term if a SaaS provider can't meet your needs. Most service agreements cover a one-year period. Additionally, SaaS providers will give you a free trial period, allowing you to configure your solution and try it before making the purchase commitment.

SaaS Advantage 6 – Easy to administer. SaaS solutions are usually administered by someone in the business unit, not by IT staff. Because there is no software to install or hardware to maintain, administering a SaaS solution usually consists of simple configuration and user-access management.

SaaS Advantage 7 – Easy to use. SaaS applications are always built with the mindset of getting users productive as soon as possible. Top-notch SaaS applications should include an intuitive Web

interface, easy configuration steps and a quick tutorial that gets users familiar with the system in minutes.

SaaS Advantage 8 – Easy to integrate. Thanks to robust Web services, SaaS solutions fit nicely into, or alongside, other business applications. Often, the document management and workflow features can be invoked from within a different application, meaning users aren't required to learn a new system to take advantage of the added capabilities.

All the above SaaS advantages culminate in happy end-users and administrators. In fact, an annual survey conducted by THINKstrategies and Cutter Consortium revealed a remarkable 100 percent satisfaction rate among companies that use on-demand software, particularly SaaS solutions.

SpringCM delivers each of these SaaS advantages. A completely Web-based solution translates to rapid deployment and no software or hardware installation. Cost is distributed among all users, and service agreements start at one year, ensuring reasonable prices and low risk for all subscribers. Our document management and workflow solutions range from contract management to accounts payable, all of which a single user can administer without earning a degree in computer science. Free training coupled with a user interface modeled after today's leading Windows-based software applications get users up-and-running quickly and smoothly. Integration with salesforce.com and other software systems provides flexibility for organizations to do business in the most efficient way possible.

Beyond the obvious cost implications

Beyond the obvious cost implications, the organization that chooses the path of SaaS-based DCPA reaps significant benefits including:

- The organization can own the process and documents without heavy dependence on the IT department.
- The organization can solve the automation problem and leave the technology pain to the SaaS provider.
- The organization can start small and expand, either

within a single process, group of processes or across processes.

- The enterprise can start with a single set of documents and expand as needed.
- The organization can integrate infrastructure as needed (and only at the points needed, resulting in no unnecessary over-engineering).
- The process can eliminate e-mails, sticky notes, Excel spreadsheets – individually or collectively – moving the information and work contained within these assorted documents into accessible corporate knowledge.
- Implementation streamlines the document preparation and archiving process, cutting days and cost of the process execution.
- The organization can automate the small functions of business while waiting for infrastructure projects to finish.

When is DCPA a Good Fit ... And when isn't it?

DCPA is a good fit when:

- Transactions can be described in terms of document collection, assembly and approvals. For example, loan approval (the business decision) is based upon collecting documents (credit ratings, appraisals, bank statements, etc ...); assembling loan documents (actual loan contract, state/federal disclosures, etc ...); and underwriting approvals.
- Business decisions take multiple days and steps that need to be streamlined as much as possible to create competitive advantage.
- Business processes involve the movement of documents across departments and outside organizations. For example, a contract management approval process.

DCPA and SaaS may not be the best fit when:

- Government policies and regulations decree that all documents and associated images must be stored on the premises.
- When transactions are single-threaded, single-step and reside within one management span of control.

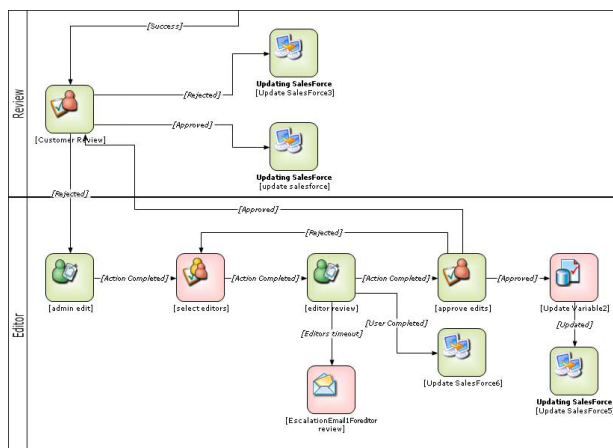
The Perfect Implementation: The Secrets of Successful DCPA

by Hollis Bischoff, Principal, BPM Strategy Partners

This report has covered the challenges of integrating BPM and content management systems and discussed the benefits of choosing a SaaS-based solution. Process automation done right can lead to competitive advantage, reduced costs and increased capacity (i.e. — doing more work with fewer people). But it is important to understand the best practices of organizations that implement process automation successfully:

- **Yes, technology is important, but even more important is selecting a solution that focuses on providing the tools needed for the business to own the business decisions directly.**
- **Model just enough process.** Many organizations start the modeling efforts with good intentions of implementing live processes; however, too many attempts end up stuck in analysis (and modeling) paralysis. All the answers to a specific process can't be discovered and modeled in the first instance.
- **Practice the "iterative" approach.** Successful organizations understand the importance of modeling the "imperfect" process and performing continuous improvement to fine tune the process into perfection. The hallmark of a successful implementation is not solving every problem the first time but rather creating an atmosphere of constant improvement.
- **Change has become a constant of business operations.** To create an atmosphere where you can model "just enough process" and practice the iterative approach, you must use BPM technology that allows you to make changes to specific business processes as fast as business conditions change.
- **Be prepared to make decisions.** As the processes are modeled, you will discover that many business decisions are made in an ad hoc, unmanaged way. As the processes become modeled, decisions must become a part of the knowledge base contained in the process.
- **Include human resources in the process.** Instantiating processes into models and automation often feels like it has been done "to" someone rather than "with" someone. One of the most important factors that leads to process automation success is to include the people involved at every stage in the implementation. Sensitivity to change and effective communication can go a long way toward ensuring ongoing success.

A Practical Example of DCPA



A BPM solution maps out the entire process and automates every step, including exceptions.

This simple example illustrates DCPA for contract management and approval via Advanced Workflow, SpringCM's completely Web-based BPM solution. This customer handles highly negotiated contracts and needed a system that would streamline the process of reviewing contracts while giving sales staff visibility into the process through status updates in salesforce.com.

The process starts with the customer review. If this customer accepts the contract with no edits, the process ends and the respective salesforce.com record is updated. If the customer wants to edit the contract, the process moves into a contract-review process. During contract review, editors are selected, and the edit process continues until the each editor has approved the contract. After the editors have approved the contract, it is routed to the customer.

The SpringCM Solution

SpringCM delivers the broadest set of content management functionality in one integrated platform, all delivered as an on-demand service.

From simple and complete capture methods, to comprehensive document management, to workflow and collaboration, and everything in between, we deliver enterprise-class functionality and scalability with no hardware to purchase or maintain. And all this functionality is available for a low monthly fee from the ECM industry's leading Software-as-a-Service (SaaS) company. SpringCM is used by world-class organizations such as General Electric, Avon, Cox Communications, Stratus Technologies, Comcast and HealthNet.

SpringCM's Advanced Workflow solution unifies BPM and ECM in a SaaS solution to provide comprehensive process automation. Beyond automating your document-centric process, Advanced Workflow offers insight into your process. The new-found efficiency gained from a clear "map" of all process steps coupled with fully automated exceptions-handling delivers the most complete DCPA solution available in the SaaS market.

We recognize that exceptions are unavoidable. Even the most "standard" process experiences the occasional hiccup or kink. An incomplete form, misdirected document or questionable answer in an application can hamper a process. But SpringCM's Advanced Workflow integrates every exception, often collecting the needed data without human intervention. Rectifying exceptions is finally streamlined, ensuring quicker processes and fewer service breakdowns.

Whether your BPM solution is designed for five or 500 users, Advanced Workflow can automate processes more effectively and efficiently than any other BPM provider.

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As-is Model: A graphic representation of the document-centric process as it exists today.

BPM (Business Process Management): The optimized integration of people, processes, content and data. BPM refers to the organization and to the systems used to automate processes.

DCPA (Document-Centric Process Automation): Fully integrated BPM and ECM functionality in a single technology solution.

ECM (Enterprise Content Management): The technologies used by organizations to capture, manage, store and control enterprise-wide content, including documents, images, e-mails, instant messages, video and more.

IT (Information Technology): In this paper, Information Technology refers to the department that maintains enterprise-class systems.

ROI (Return on Investment): The ratio of money gained or lost on an investment relative to the amount of money invested. ROI is most often stated as an annual or annualized rate of return, and it is most often stated for a calendar or fiscal year.

SaaS (Software-as-a-Service): The newest generation of hosted software delivered on a subscription basis. SaaS requires no hardware, no software and no additional network infrastructure. Due to their architectural design that delivers most functionality without custom programming, SaaS solutions generally deploy quicker than installed software.

To-be Model: A graphic representation of the process in its ideal form, usually a process in its optimized state.