



## The SharePoint Impact: Trends In Electronic Document Management

*Microsoft SharePoint, complemented by the toolsets that support it, does a better job of solving more business needs — and it does so more cost effectively than most.*

By Scott Swidersky, president, DocPoint Solutions

New trends dominate today's document capture space, prompted in part by technology maturation. Improved OCR reliability scores are driving development of "smarter" software applications that quite literally are transforming our ability to reliably extract information from structured, unstructured and semi-structured documents. Intelligent recognition will continue to be a major focus over the near term, not only changing our ability to search for and retrieve information but also spawning entirely new business lines. Out of necessity, businesses will focus more on the system of record—or electronic content management (ECM) solution—where their electronic documents reside. For years, a band of "traditional suspects" has dominated the ECM space, but newer offerings, especially Microsoft SharePoint, are becoming true players, assisted by third-party toolset development that augments the platform's basic features and functionality. As companies assess and reassess ECM decisions, factors such as flexibility, compatibility, familiarity, ease of implementation and cost are adding to the growing body of evidence that SharePoint is no longer just a collaborative device. It is a true document and records management platform.

On the hardware side of document capture, the industry is consolidating overall, prompted by a number of recent mergers and acquisitions. Commoditization also is well underway, making one vendor's hardware offering almost indistinguishable from another. Existing technology is at near peak performance relative to image quality, so future technological advancement opportunities are limited and the already saturated market likely will not support the introduction of new brands. That is not to say we haven't seen hardware innovations, such as new sorter trays that reduce document preparation requirements, or the new trend toward low-volume scanners that promote distributed or decentralized scanning. Collectively, though, the trend toward commoditization means that most companies, whether small, medium or large, can afford to purchase document capture devices at a reasonable price and vendor offerings are more alike than different.

Software capture applications hold the greatest potential for advancement. In particular, reliability, sometimes called intelligent capture or intelligent recognition, is driving this innovation. It encompasses the software used to establish the profile or the metadata needed to classify documents. In the past, a variety of manual techniques dominated ways to assemble the key attri-

butes or descriptors by which to manage and access documents. Today, applications can reliably find critical key attributes for the description and classification of materials. Software is literally becoming smarter daily.

IDR (intelligent document recognition) is the ability to classify, separate, extract and validate information automatically. IDR's enhanced reliability is transforming the way businesses function, replacing entire business units. For example, the combination of increased reliability and technological advancements in the imaging space is changing the way we process invoices. By scanning invoices, extracting information and feeding the acquired data into applications, systems can automatically formulate when and how to pay each invoice. Systems also can perform account reconciliation. In the healthcare arena, IDR is revolutionizing claims processing, while elsewhere IDR is playing a key role in the move toward digital mailrooms.

Beyond replacing manual lines of business within companies, there's been a shift in how we view document capture overall. Today, it is seen less as an archival tool and more as near-line business application. This change, in turn, makes an organization's ECM solution choice all the more critical.

### ECM SOLUTIONS: DECISION MAKING

Given that it is possible to reliably create data and then accurately populate information into forms and other documents, the questions then become: What do we do with the source data and the metadata? Where do we send it? And What is the most cost-effective implementation plan?

Some companies may be selecting an ECM solution for the first time, while others may be rethinking earlier decisions in light of rising operational costs associated not only with maintaining the system but also updating it to leverage the latest hardware and software innovations. Often, older ECM solutions are being underutilized simply because the cost to use these tools in a scalable, versatile environment is prohibitive. In particular, corporate changes requiring integration with enterprise applications such as Microsoft Outlook, PeopleSoft, or SAP may mean that the existing ECM solution no longer offers the same value proposition as it did when first implemented. Companies must redesign these solutions or identify a new one.

Four factors drive ECM solution decisions: compliance, ease of use, scalability and continuity. Each one holds a unique mean-

ing within the context of a particular organization. For example, scalability might mean that the inflow of information to headquarters is increasing and content is becoming more difficult to manage. For another, it may have acquired another company and is now seven times larger and confronted with compliance as well as volume issues. Or, maybe a firm has added ten new remote locations and needs to standardize records management for a certain document type in order to make processes more efficient. Perhaps, the business need is as simple as trying to avoid the efficiency loss arising from staff reliance on copiers and fax machines that create too much paper. Maybe, an organization needs greater accountability and audit trails to ascertain who did what last to a document in order to streamline the workflow process. Compliance can mean a lot of different things, too. There are retention schedules attached to certain document types, there are auditability concerns raised by third-party auditors, and, of course, verification issues.

The point is that a firm's unique business needs must drive its ECM solution decision making. But before alternatives can be contemplated, decision makers must understand completely the current process in use, the pros and cons of the current solution and the benefits and disadvantages associated with moving to each alternate solution within the context of compliance, ease of use, continuity and scalability (or some combination of these factors). It is essential that these considerations — as they are understood in the present and as they align with the future vision of where the organization hopes to be — play a role in organizational decision making.

Executives charged with oversight for content management have two options at their disposal to better understand business need and current processes: self-analysis or a feasibility study conducted by a certified ECM professional. Each choice carries pros and cons, but the process is mandatory as it alone provides an understanding of the status quo, insights on how to streamline or enhance processes and the benefits of implementing a new solution. One advantage to utilizing a certified ECM consultant is the firm's grasp of what the entire marketplace has to offer and its ability to implement a proof of concept or pilot project. Most individuals are visual, and it is easier to grasp a solution's effectiveness via a real-time demo drawing on a company's actual records and/or documents.

Of course, there is no denying the importance of cost in this equation. Beyond initial acquisition cost, there are operational

costs that must be considered. However, as regulatory requirements continue to expand, more and more companies are finding that an ECM solution is no longer an option; it is an essential business requirement.

The ECM market has undergone enormous changes in recent years, with mergers and acquisitions leading the way. The jockeying for market share has reduced the number of players in this space, and it has made many traditional ECM solutions cost prohibitive. Most enterprises, however, have an existing licensing structure with Microsoft, and Microsoft can and does make it easy for them to move toward SharePoint as their ECM platform.

## WHY SHAREPOINT?

The future is all about better automation and establishing a condition where, regardless of the information source, the ability exists to process it in a way that is both cost effective and reliable. SharePoint is familiar to many, as most organizations are already invested in Microsoft products. Plus, SharePoint is more cost effective than the offerings of the traditional ECM players. So, from a cultural perspective, transition to a Microsoft culture is easy to accomplish. Many firms have experienced the challenges of implementing large CRM systems, ERP applications, document management solutions and so forth. The high success rate for SharePoint installs, in terms of both ease and timeliness, adds to its attractiveness.

SharePoint's genesis as an information-sharing solution sometimes fuels criticisms about its ability to be a full-blown, mature, enterprise-wide ECM solution. While it is true that SharePoint didn't possess all the ECM features and functionality when it was launched, the 2010 version addresses many of those concerns. Plus, the marketplace has stepped up to solve other perceived shortcomings, allowing SharePoint customers to configure not customize — an all-important factor in these cost-conscious times.

For example, when it comes to bridging the capture process, most vendors today — Kofax, PSIGEN, KnowledgeLake and Kodak — have established relationships with Microsoft that ensure their products seamlessly integrate with the SharePoint ECM platform. Some are doing more than merely assuring images can be uploaded into a SharePoint library, they are enhancing scanning process features and, in some cases, offering scanning modules designed exclusively for the SharePoint environment. Other firms, such as AvePoint and Nintex, offer toolsets that make SharePoint not only a cost-effective option but also a comprehensive ECM solution fully addressing the compliance, ease of use, scalability and continuity factors.

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*Technology's evolution over time has shaped current trends and will undoubtedly impact future directions. However, the economy, growing regulatory requirements, the global marketplace and the reality that virtually every organization is trying to do more with less introduces elements of unpredictability into how these trends will play out. Even so, the proliferation of information and documentation means that every organization will need to evaluate content management within the framework of the business need they wish to solve and the driving factors of compliance, ease of use, scalability and continuity. Microsoft SharePoint, complemented by the toolsets that support it, does a better job of solving more business needs—and it does so more cost effectively than most.*

