

Distributed Capture

Market Description (The Prospect):

ECM Moves Mainstream

Enterprise Content Management, including Document Imaging, the critical capture component, is moving mainstream as organizations, regardless of size, spanning every vertical sector, are embracing this technology to address a myriad of business needs.

Fueling this is a need to maximize core business competencies such as increasing productivity, efficiencies and performance.

Another catalyst is the need to decrease costs and increase profitability.

Government regulations such as Sarbanes-Oxley (SOX), the Health Insurance Portability and Accountability Act (HIPAA) and the new amendments to the Federal Rules of Civil Procedures known as eDiscovery are forcing organizations to seek Enterprise Content Management to help them manage all of their information assets.

Additionally, businesses today must face the reality that they are not immune to natural or man-caused disasters therefore another significant driver is business continuity.

For many organizations one or all of these needs have made Enterprise Content Management a strategic imperative.



Today's Decentralized Office Environment

For many organizations managing their information assets is more difficult due to their decentralized environment. This could be an organization such as an insurance company who has thousands of agents all over the United States working from their home offices. It could also be a company that has experienced growth through a series of mergers and acquisitions or a financial service organization with satellite offices strategically located throughout the country. Another example could be a healthcare facility that has numerous points of patient check in and registration.

The decentralized business environment adds another level of complexity to information management especially digitizing the paper component.

In the past, most organizations had all of their documents sent to a centralized location. At this centralized location the documents were scanned by highly skilled scanning operators using mid to high volume production scanners. This is referred to as a *centralized deployment*. Today, many organizations are realizing it is more beneficial to deploy workgroup, departmental or low volume production scanners to individuals or groups working in remote, field or even home offices. This is referred to as *distributed deployment*. There are a number of aliases such as decentralized, remote or internet capture. In this environment the documents are captured at the point of origin and the internet or intranet is used to transfer the documents to corporate to be processed.

In this white paper we will look at the drivers fueling distributed capture as well as the prospects, applications, benefits and significant return on the investment organizations are realizing from a *distributed capture deployment*.

Business Drivers:

- ▶ Many organizations have moved to a distributed capture deployment to *reduce the costs of transporting documents*. Today the cost to send 100 to 200 pages via an overnight courier service is an estimated nineteen dollars. This is a substantial increase from two years ago. Additionally, due to the rising cost of gasoline there is an additional fuel surcharge of \$4.50 for every package sent. Depending on the number of locations and the number of packages being sent this can be very expensive.
- ▶ For some organizations an alternative to courier service is to fax the documents to corporate for processing. *Faxing documents is expensive, time consuming, and usually results in poor quality images*. Another serious risk with faxing is the possibility of *confidential information being disclosed*.
- ▶ Another method for transporting documents is the mail system which has become affectionately known as snail mail. Standard mail delivery typically takes several days. *Mail float can delay receipt of actionable data and have a negative impact on time sensitive business processes*.
- ▶ Using mail or courier services also produces security risks. *Both of these transport methods could result in lost documents*. Some organizations to reduce this risk photocopy all documents prior to shipping.
- ▶ A minimal, but nonetheless, potential threat with a centralized deployment is that all the documents are at a central location. Some organizations find that keeping their documents at diversified locations *reduces the risks of a storage disaster and ensures business continuity*.

- ▶ Fueling the adoption of distributed capture are *lower cost workgroup and departmental scanners*. These are scanners ranging in price from under \$500 to less than \$7,000. These scanners offer a diverse range of features and functions including combination flatbed and document feeders, double feed detection and superior paper handling capabilities.
- ▶ Many of these scanners have *built in image enhancement functionality* to ensure the highest quality image is captured the first time.
- ▶ These scanners are *easy to use* and *designed for the knowledge worker* and do not require the expertise of dedicated scanning operator.

The Prospect:

- ▶ Any organization with paper-intensive business processes with disparate locations is a good potential prospect for a distributed capture deployment. The following is a sampling of those prospective customers:
 - Banks
 - Financial Services
 - Government Agencies
 - HealthCare
 - Insurance
 - Transportation and Logistics
 - Manufacturing
 - Education
 - Retail
 - Hospitality
 - Restaurant Chains

Applications:

- ▶ Some of the applications that distributed capture can help speed input and accelerate business processes include:
 - Transaction processing (mortgage and car loans)
 - Applications for new insurance
 - Insurance claims
 - Compliance documents
 - Patient records (registration, consultations, referrals)
 - Human resource records management (new hires and personnel actions)
 - Student records management (transcripts to higher education facilities)
 - New account applications
 - Accounts payable
 - Credit applications
 - Order processing
 - Customer records (customer care)
 - Proof of delivery
 - Expense reports

The Benefits:

- ▶ A distributed capture deployment can yield many benefits such as:
 - *Faster access to content resulting in accelerated business processes.*
 - *Faster access to content also enables decision makers to make more informed decisions.*
 - *Reduced risks of misplacing or losing critical business documents.*
 - *Reduce cycle time of business critical documents.*
 - *Distributed capture can expedite a transactional process as soon as a document is received.*
 - *Track access and manage information more efficiently to assist with regulatory compliance guidelines for protecting and ensure the privacy of information.*
 - *Leverage the internet to enable better business to business communication and better business to consumer communication.*
 - *Documents are more quickly available for information sharing and collaboration.*
 - *Captured documents, such as proof of delivery, made available on the web can significantly reduce customer service requirements.*

Return on the Investment:

- ▶ In addition to the business improvement benefits there are many tangible returns on the investment organizations can realize from a distributed capture deployment. These include the following:
 - *Reduce or completely eliminate courier costs* associated with shipping paper documents. A formula they may help estimate current shipping costs is: **\$19.00** (cost for 100 – 200 pages sent overnight via courier) x **255** (Avg. business days per year) x **Number of Remote Locations = Annual Shipping Costs**
Note: If the documents must be remote shipped back to the remote locations the cost would double.
Note: This formula does not take into consideration the current fuel surcharge.
 - If the remote location photocopies the documents prior to shipping to ensure no lost documents, *the cost of photocopying would be eliminated.*
 - Accounts payable processing via distributed capture could *significantly reduce duplicate payments and late fees.*
 - Accounts receivable processing via distributed capture would enable the organization to have *faster access to their revenue.*
 - Another major cost savings is associated with the *reduction of physical office space* by eliminating storing paper documents.

Scanners:

- ▶ A critical enabler for the distributed capture environment is the scanning component. Fujitsu desktop/workgroup scanners provide a solid foundation for the document management solution. They give users the ability to scan up to 1,000 pages per day and accommodate a wide variety of paper sizes, proving that you don't have to sacrifice performance for affordability.

- ▶ These scanners are designed with careful consideration of superior paper handling, advanced scanning features and ease of integration. These workgroup scanners fit the bill in distributed capture applications.
- ▶ For more information on our workgroup or higher volume scanners, visit our website at <http://www.fujitsu.com/us/services/computing/peripherals/scanners/>

Strategic Software Partners:

- ▶ Our document scanners are a critical component in addressing the myriad of distributed capture application needs. Complimenting our hardware to make a complete solution are a number of strategic software providers. Information on all our software partners can be accessed at our website at: http://cheetah.fcpa.fujitsu.com/isv_support/index.html

Supporting Case Study as reported at www.cardiff.com: Ruby Tuesday

In 2004, Glenn Leonard walked by the mailroom at the Ruby Tuesday Support Center in Maryville, Tennessee and saw FedEx boxes stacked to the rafters. “I asked, ‘What are you doing with all of the boxes?’” recalls the IT consultant for Infotek, a trusted provider of services and technology advice. The answer to that question ultimately kick-started a plan that dramatically reduces the amount Ruby Tuesday spends on shipping every year, accelerates important accounting processes and dramatically improves employee productivity.

Ruby Tuesday is an American casual dining classic. This powerhouse brand has grown rapidly since the first Ruby Tuesday restaurant open in 1972 in Knoxville, Tennessee.

- ▶ A publicly owned company
- ▶ Traded on the New York Stock Exchange (symbol: RI)
- ▶ 850+ company-owned and franchised restaurants
- ▶ More than 38,000 team members
- ▶ Operations throughout the U.S. and all over the world

Like many fast-growing companies with operations distributed across multiple locations, Ruby Tuesday faces a number of unique challenges — none more significant than the need to eliminate costly and inefficient paper-based processes. This case study illustrates how Ruby Tuesday overcame this challenge with a solution conceived by InfoTek and powered by Intelligent Document Processing technology from Cardiff.

The Challenge

Prior to 2004, restaurant managers at each of Ruby Tuesday's restaurants needed to package up a week's worth of paperwork and send it to corporate headquarters for processing and storage. In addition to the high cost of shipping, Ruby Tuesday also risked losing important paperwork every time a package was misplaced. The paperwork included invoices, various HR documents and payroll forms.

"The restaurants would send it one day and we would be inundated with more than 800 packages the next day," says Bret Sawinski, Ruby Tuesday Director of Financial Technology. "It was a scramble to get it all processed in a timely fashion."

Once the paperwork arrived at corporate headquarters, the documents were scanned into Ruby Tuesday's computer systems. Dozens of full-time auditors were then required to validate the information from the company's 850-plus restaurants before the data could be transferred to an ERP system for processing. The accounts payable process frequently took as long as six days to complete.

The Solution

Ruby Tuesday selected a solution that was recommended by Infotek after a thorough evaluation of available products on the market. Ruby Tuesday's solution includes offerings from leading technology vendors including:

- ▶ Cardiff TeleForm with the Web Capture Option
- ▶ ECM document management system
- ▶ Fujitsu Workgroup Scanners
- ▶ SmartStream accounting system

The selection of the Cardiff technology was key to the solution. TeleForm automatically captures, classifies and indexes any form or document including the 1500 paper invoices that need to be processed every day from Ruby Tuesday restaurants across the U.S. "We compared the TeleForm technology to other solutions," says Infotek's Leonard. "But, in the end, we all agreed that Cardiff's web capture option was more sophisticated and that TeleForm provided the best security and filtering capabilities available."

A few of the capabilities key to Ruby Tuesday include:

- ▶ Web Capture
The Web Capture option lets managers at Ruby Tuesday restaurants easily capture invoices from an intuitive browser-based Web interface before being fed to a TeleForm system for validation at corporate headquarters.
- ▶ Security
TeleForm provides Ruby Tuesday with a real-time and historical audit tracking of documents - from this point invoices get scanned in at a restaurant to the processing stage, through to the export of data and images into the company's back-end databases and applications.
- ▶ Accuracy
TeleForm is an industry leader in both hand and type-written character-recognition accuracy.

The product enables automated data validation and exception verification that further contributes to character-recognition accuracy.

“We’re extremely pleased with Cardiff,” says Sawinski. “The TeleForm solution has been embraced by restaurant managers and our verification team at our head office because it is so user-friendly and effective.”

The Benefits of Cardiff

Cardiff accelerated Ruby Tuesday's accounts payable process by an average of five days, dramatically reduced annual shipping costs and allowed the company to reduce or reassign about 50% of its staff. The total return on Ruby Tuesday's investment in Cardiff was reached within 18 months of the software's deployment.

“The Cardiff technology lets us process information at a fraction of the time it took us previously,” say Sherri Walker, Ruby Tuesday Accounting Manager. “We are no longer a week behind. Now, when an invoice is scanned, we can see it that day and process it that day.”

Even more remarkable is the fact that Ruby Tuesday accelerates the accounts payable process while relying on fewer people — thanks to Cardiff's accurate recognition capabilities. “Previously, each auditor could handle the validation and data entry responsibilities of only 20 restaurants,” says Walker. “Now a single auditor can support as many as 42 restaurants. This is a significant advantage for Ruby Tuesday thanks to Cardiff.”

Nick Ibrahim, Ruby Tuesday's Senior Vice President and Chief Technology Officer, says Cardiff contributed compelling employee productivity gains to the restaurant company. “TeleForm has simplified the jobs for employees across multiple departments who need to act on critical business documents,” he says. “Not only does the technology work well, but the Cardiff company is one our organization is proud to do business with. The Cardiff team has been receptive to our input on product enhancement requests and our desire to benefit from the most advanced Web Capture solution available.”

And with more than half a million pages of invoices and other corporate documents being sent to Ruby Tuesday's Support center at Maryville Tennessee for processing via TeleForm Web Capture Option, Ruby Tuesday estimates a significant saving in annual shipping costs.

“TeleForm has paid off for Ruby Tuesday in a number of ways,” say Sawinski. “For that reason, we look forward to expanding our use of the Cardiff technologies in other areas of our company in the near future.”

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