

# Document Imaging Report

Business Trends on Converting Paper Processes to Electronic Format

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## THIS JUST IN!

### EDITORIAL

#### *Industry Similarities and Changes*



I'm quickly realizing that the capture/ECM space is both identical to when I took a sideways step away six years ago and very different. We're still talking about removing paper from

business processes and streamlining those processes. On June 9, **DocuWare** introduced DocuWare 7.3 by showing an automated invoicing demo. Businesses continue to see shiny new tech and believe they've found the Holy Grail to solve their business challenges. 1994 called and wants its trends back.

Under the surface of this sameness are tremendously exciting changes. RPA is oversold, but is pushing automation in interesting directions. **Kodak Alaris** isn't talking about speeds and feeds, but about scanning as a business application, or even as a service. COVID-19, as horrible and

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## DocuWare Tackles COVID, Virtually

*"And somehow, it's worked."*

**DocuWare Corporation** President Jim Roberts sums up, I think, the experience of many who were new to the work from home experience triggered by the coronavirus in that sentence. Every company is grappling with a challenging work environment. *DIR* spoke with Roberts about how his company addressed the issues raised by COVID. We also provide updates on the company's direction from their virtual user conference, held the week of June 8.

Let's dismiss the obvious, DocuWare Corp. (which is based north of New York City in New Windsor) does use their own cloud-based product (as well as other cloud-based apps to run the business including CRM) and had a one-day-per-week work from home policy already established. From a technical standpoint, the company was already well-positioned to continue operations when New York State essentially shut down in March. More interesting was hearing about how it affected employees, and Jim, on a personal level.

### **Working Virtually Since March 11**

DocuWare decided to be as safe as possible after learning one of their employees had contact with someone who had tested positive for COVID-19. That day they decided to shut the office at 2 pm because it was the safest possible action.

Coincidentally, Roberts had just been in California. How to address COVID was a topic of in-depth conversations during the group's free time. After sending everyone home, the office was sanitized and the company had begun a limited reopening when the state required businesses to shut down completely.

On the sales side, notes Roberts, with Salesforce and frequent travel "our team have been

operating like this for years and it's just normal, at least the working outside of the office piece."

Like every company, the response to enforced work from home has been mixed – some people love it, some can't wait to return to the office. The employees with long commutes are enjoying having that time back in their day; people are enjoying more family time. But there is something missing that you can only get from in-person interaction. Roberts misses that element, and he's heard others do as well.

### ***A Finger on the Company's Pulse***

Roberts points to the serendipity of having had an HR leader implement software that "routinely surveys the team to collect feedback about their moods and what's affecting their moods and are they generally net positive or negative today compared to yesterday."

Roberts continues, "Company leadership can work to understand how our employees are getting along during this change that is thrust upon us. It also gives an opportunity for anybody who chooses to anonymously give feedback on any topic and this has provided useful insights for us on what we should do more of and how we should communicate in order to address concerns."

DocuWare is using the feedback as a way to step through the minefield of reopenings and partial reopenings. Some employees are ready to return to work immediately; others aren't. Says Roberts, "We were able to collect feedback from our employees about what was concerning them about potentially working from the office again, and it enhanced our intention to communicate specifics about exactly what we're going to do in the office to make it safer than ever and also to meet New York State guidelines, which are also very strict. For instance, you don't have to wear a mask at your desk, but you do when you move around the office."

Throughout our conversation, Roberts returned to two themes: what's in the best interest of employee safety and what an amazing team he gets to work with, which has been reinforced over these past three months. He hears stories of team members giving their time to volunteer and become more vocal in their communities. One of their research and development managers is using DocuWare 3D printers and plastic, plus his own printers to print the small plastic bands that hold protective face shields in place. While not new to the company, the continuation of these community efforts during this time was personally gratifying for Roberts.

### ***A Future With and Beyond COVID***

There's no certainty around COVID, so Roberts expects the next half-year to a year to remain in flux. He suspects that the corporate work from home policy will

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*DIR* is the leading executive report on managing documents for e-business.

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3. RPA
4. ECM
5. Records Management
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expand, but isn't yet able to say how much. Personally, he misses in-person meetings and the internal culture in the office. The company is also starting to hear feedback from employees about "the need to be together from time to time."



*Jim Roberts, President,  
DocuWare Corp.*

Roberts points out the company has built a culture in part through company events that employees generally enjoy. They also, by and large, like working together. Going forward, he thinks they need to find the blend "Where we can somehow have the best of both worlds where we

maintain our culture and our togetherness and our ability to create results as one team, but on the flip side, to have added flexibility in folks, you know, work from home lives which further enhance their appreciation for their work and for the company; that would be the ideal I think."

One positive he noted is the company's maxed-out usage of online meetings and remote technologies. While he misses the personal interaction, Roberts also thinks there might be even more communication than before, "In some ways we may even take more time to communicate because we aren't traveling and we aren't spending time in airports and that time on the road which is often an efficiency drain on the organization can be filled with often high quality communication."

### ***Is COVID a Tipping Point for This Industry?***

Businesses need access to their documents and information; this industry makes that happen. As the conversation turned from culture to the business side of COVID, Roberts points out that DocuWare's increased focus on the cloud, which was evident in their conference keynote, is great business timing in a horrible time.

He has noticed a decrease in the sales cycle. As the company shifts to cloud-based, pre-configured solutions, customer familiarity with the cloud and the absolute need of businesses to be able to access their information from anywhere could be a lucky confluence that boosts sales. DocuWare's sales team is seeing "sales cycles" of a day or two for pre-configured solutions instead of a few months and discovery, comparison, review, and then decision.

COVID has created urgency for many businesses. As Roberts said, "Companies went from thinking about an implementation 'one-day in the future' to 'How am I going to access my paper documents with the office closed?' There are a dozen of these cases I know of and there are certainly many more, as well." DocuWare is now able to take advantage of the flexibility a cloud app provides businesses and the fact that they need something immediately. Roberts adds that because the product is feature rich, companies can "expand and automate more later."

Businesses now know what this industry has known for decades: you can't work without your documents. There's an urgency when processes grind to a halt. Roberts provided *DIR* anecdotal evidence that indicates an increase in interest, "In the last 60 days, there's been an 41% increase in landing page views; 114% increase in submissions for information, and an 88% increase in the number of clicks and openings from the information that we proactively send."

While some people read *DIR* for fun, these statistics can't be because people have more time on their hands to read about invoice processing, digital transformation, and document management, "people need these tools to access their information and it's great to be in a position to deliver solutions to address those needs; and do so rapidly."

### ***Paper Is a Big Risk***

Max Ertl, Co-President responsible for DocuWare globally, observed that "paper is now seen as a big risk" in his (and Co-President Dr Michael Berger's) keynote, *Digital Transformation and DocuWare*. When *DIR* asked Roberts about the overlooked security issues around paper documents (they can easily be lost, stolen, or lifted from printer output trays – when we're all back in the office, etc.), he acknowledged that those are issues, but aren't really driving decisions.

The risk DocuWare emphasizes is what we covered above, the inability to get work done when you can't access documents.

### ***Customer-Centricity and the Cloud: Two Themes from the Conference***

"This Year Is a Little Different" is how Ertl kicked off DocuWare's Online User Conference.

There were a few themes in the keynote, the two *DIR* found most interesting are DocuWare

leaning fully into the cloud and their continued focus on the customer.

Berger said the company will focus on continuous delivery in the cloud as well as a transformation in development. Functionality will roll out as it becomes available, rather than bundled into a “release” (this is for their cloud-based offerings).



*Dr Michael Berger,  
Co-President,  
DocuWare Corp.*

Pre-configured solutions are available for invoice processing and employee management (in the US, France, and Germany). They'll roll additional capabilities out as they become available. The reason: reduce the sales cycle. As mentioned above, it's not always going to be

two days, but two weeks and sales over the phone are both possible. The cloud obviously enables faster implementation of two to five days. A company could have a sales conversation on Monday and have a pre-configured cloud solution operational by Friday (maybe sooner).

DocuWare continues to focus on partners, increasingly, those partners need to be interested in a cloud-based business, at least in part. After listening to Berger's comments in his portion of the keynote, I jotted down, “if you want to be a partner, you better understand the cloud or you're going to be left behind.”

Roberts was more diplomatic while noting that between 60% and 70% of new customers are opting for cloud solutions. “If you want to participate in the growth story, you're going to be selling a lot of cloud solutions. If you have a commitment and the desire to have a business in this space, we can teach and enable you to build a business selling DocuWare in the cloud.”

To be clear, DocuWare is in no way abandoning on-premise implementations, but Roberts added that DocuWare's increasing cloud capabilities opens the door to a wider range of partners.

Their customers are also interested in the cloud. A quick survey in the keynote had 67% already invested in the cloud/planning now, 9% were planning to invest after the crisis, 10% not in the next year, and 10% had no plans to invest in the cloud.

### **Customer-Centricity**

According to DocuWare, they have a 94% customer retention rate. That indicates that their focus on the customer isn't a fad. It's an everyday commitment and embedded in the culture, in one of the corporate values as Roberts pointed out. Roberts also echoed the theme of the customer journey mentioned by Berger in his keynote. That focus begins with the initial touch of a Web visitor or conference attendee, providing useful information at every step of the customer journey from warm body to evangelist.

As the seriousness of COVID-19 set in, Roberts provided an example of how they do this. They surveyed their customers so see what information they need – pain points, areas of concern, remote working culture and tips, etc. and developed a series of webinars to answer those questions.

They also measure aspects of the customer journey. Interestingly, I noted that the onboarding experience is positive, though just before and after was slightly less so (I suspect as the reality of change before and after hits users; positivity trended upwards over time). The willingness to measure and invest resources in answering customer questions are the signs of a customer-focused company.

The company also is increasing its investment in user-centered design. There will be goals and metrics to measure success, including using structured industry standard System Usability Scale. This will allow DocuWare to test over time for better/worse. The company is also basing product development with a User Experience Questionnaire, another industry standard that provides a holistic measure of the user experience. The new workflow designer was developed entirely with UCD, creating a minimally viable product and improving on it with user feedback.

### **QUICK NOTES**

A few quick announcements from their event to wrap up:

■ DocuWare is working to extend support from 9x5 to 24x5 to 24x7 in selected languages (English and German, of course, will be first).

■ An increase in Web-based training and self-help for customers with a new learning management system will improve onboarding. This will also help lower their support volume if done well.

■ In 2019, the company had 1,895 new customers, the biggest ever growth in a single year spurred by the cloud, 48% growth in the cloud.

■ Customers will be able to have a dedicated cloud update date beginning in August. This gives their customers the ability to control when the system will be unavailable for minimal disruption.

■ DocuWare 7.3 was announced. *DIR* will cover in the future.

For more information,

<https://www.documentimagingreport.com/?p=6970>

## Process Mining and RPA: ABBYY Research Insights

Identifying, improving, and automating business processes bedevils every organization. From the lazy reason of “we’ve always done it that way” to the “black belt” implementers of Six Sigma, streamlining to-be processes has always been hard enough. Trying to identify as-is processes has historically been a nightmare, if not impossible.

Process mining (defined as “the use of analysis software to discover and analyze processes using a business’ data”) tantalizes with the possibility of allowing companies to analyze data to reveal how their processes are working now while providing data to create better processes in the future. Recently commissioned research (conducted by Opinium Research) by **ABBYY**, *State of Process Mining and Robotic Process Automation*, reveals a few insights into where organizations stand now relative to process mining and RPA.

Everyone has processes that they follow, “60% frequently deviate from them to meet customer needs.” Half of survey respondents think processes are “mostly followed.” As *DIR* readers know, exceptions aren’t the exception. The top two reasons for not following processes were:

- To meet customer needs – 51%
- Too many processes to follow and they are too complex – 37%

To discover how work is actually getting done, “65% of companies are currently using or are in early stages of process mining.” Even more important than operational inefficiencies, companies understand the importance of

servicing their customers. There are four processes respondents thought process mining would be most beneficial:

- Financial planning – 45%
- Improving customer experience – 45%
- Improving logistics decision making – 42%
- IT service management – 41%

Similarly, 39% of organizations think RPA could help improve the customer experience. Automating administrative tasks was a close second benefit identified by respondents (35%). Unsurprisingly, the research showed that a key reason for successful RPA projects was a strong understanding of the processes which were automated. On the flip side, project complexity (38%) and not fully understanding the intended automated processes (31%) were cited as reasons for failure.

To follow up on the survey’s findings, we reached out to Bruce Orcutt, SVP of Product Marketing at ABBYY.

**DIR :** Did the research show anything unexpected or confirm where ABBYY thought companies were in the process?

**Orcutt:** Over the years we saw many stats about the high percentage of RPA project failures, and we wanted to understand why. We always believed there was a correlation between process knowledge and RPA success and were surprised to see how right we were. The two biggest factors for RPA failure were related to not understanding intended processes.

We also saw where many of the successful deployments of RPA utilized simple robots that automated routine tasks that were defined by users – making their jobs easier but not really evaluating what was the right thing to be automated that would benefit the end-to-end process or improved outcomes for customers.

**DIR:** What does the combination of structured process mining with understanding of unstructured content mean for businesses in the long-term? Where’s this going? What will they be able to achieve?

**Orcutt:** In the long-term it means organizations will have better digital intelligence. Understanding your process is the most important factor for automation or other digital transformation efforts. However, the logic as to how and why a process is executed can



only be truly understood by looking at the contents of the documents that are consumed and produced by processes.

Believe it or not even when we focus on content intelligence and capture, this capability is being applied to helping automate or accelerate a customer facing-process whether that process is claims, loan origination, benefits enrollment, onboarding, new account opening, or proof of delivery. There is a significant amount of process and transaction data locked within documents.

Digital intelligence is all about delivering the in-depth knowledge of how your processes work using all your data – including the unstructured data locked away in documents.

It is this comprehensive understanding of how the business operates that provides the actionable intelligence necessary to better allocate resources, optimize process rules, and identify opportunities for process automation.

**DIR:** How, or is it even possible, to use process data (wherever it's from) to "create a process for deviating to meet customer needs." If memory serves, it's the exceptions that 1) cost time/money and 2) provide the most value from a customer-facing standpoint. I hate this phrase, but how do you square that circle?

**Orcutt:** Bryant, you are hitting on an important theme. While most processes strive to be very routine and structured, reality is they often take ad hoc turns and have various exceptions that need to be understood and evaluated.

That's the magic of ABBYY Timeline. Organizations can apply ABBYY Timeline to their current processes and mine process events across multiple systems, and it automatically reconstructs all process instances exactly as they were performed – even the deviations. It will see where, when, and why there were process deviations and the variants that caused them. From there you can measure time and cost, analyzing the impact of automating.

**DIR:** There's a unifying theme of RPA/PI and improving the customer experience it seems like. Are companies actually actively attempting to improve the customer experience? That's a concept that has bled into marketing as well, LOTS of noise around it, but . . .

**Orcutt:** Using tech to improve the customer

experience has been around for years. Whether it was adding mobile capture capabilities, intelligent chatbots, or other self-service capabilities the goal was to make doing business with a company easier – and RPA and process intelligence are being used to enable the same. The difference here is those technologies were siloed from other business processes causing customer data to sit in disparate systems, yet those systems are usually reliant on each other and impact customers' experiences. Process intelligence and RPA combined with Content IQ skills are used more strategically than in years past when they were used tactically for simple screen scrapping, manual task automation, data capture, and process evaluation. With content and process intelligence, customer data is accessible, consumable, and can be used to tell you how processes work today, where there are opportunities to make improvements, what returns you can expect from those improvements, and once you have taken action, confirm you are getting the expected results.

For more information: Download a copy of State of Process Mining and RPA - [https://bit.ly/Abbyy\\_study](https://bit.ly/Abbyy_study)

## Signature Validation Addresses Major Vote Counting Challenge

Over the past two to three months, **Panasonic** has put together a Voter Signature Validation solution to help the 3,200 counties in the US process the expected increase in absentee ballots. The scanning solution (a Panasonic scanner bundled with signature verification and related software) can integrate with any voting system to streamline the tedious, time-consuming, and error-prone process of validating signatures. Because of the finite audience Panasonic didn't do a traditional launch, but the solution has been available for roughly a month and is currently in use in a handful of counties (with more interested and in proof-of-concept stage).

*DIR* spoke with Frederick Scherman, National Sales Manager, who says he's learned more about the crazy quilt of voting system rules across the 50 states and the 3,200 counties within those states than he ever thought he would. While states and county all differ in exactly how they process ballots, the Panasonic solution focuses specifically on signature validation, which every state and county must do.

### ***Deluge of Mailed Ballots Expected***

Many counties handle roughly 10,000 mail-in ballots during an election. Counties expect the combination of higher-than-usual projections of voter turn out and safety fears from COVID-19 to balloon those numbers. In conversations with counties, Scherman notes, "They know they're going to get three to five to even 10 times as many mail-in ballots as they did in the 2016 election and manually aren't going to be able to process them on time. Manually they can do up to 50 per hour – a person touches each ballot and stamps it with the time and date received, has to physically move it, etc."

COVID-19 concerns also could prevent throwing more volunteers at the problem. People may not be willing to expose themselves. For those that do, social distancing, paper handling, etc. will slow down the process.

Most of the counties Scherman spoke with also understand the manual signature validation has issues [discussed in DIR 5-29-20, *Parascript Talks Voting*. Parascript is the signature verification component of this solution] and that digital signature validation is faster and more accurate. After all, volunteers aren't signature experts and even the most studious ones will get tired and make mistakes.

### ***How It Works***

The solution is third-party signature validation software bundled with on-site service and support and one (or more as needed) of Panasonic's higher volume scanners. The solution scans the ballots and the software pulls the signature from the ballot and compares it to a signature on file. Some states allow auto-verification. Each county or state can select a threshold of confidence and then only have a person examine the exceptions. The exceptions process is streamlined too. Scherman explains, "You place 1,000 ballots in the hopper. Each ballot is imprinted with the date and time that it was received plus a batch number."

The user will receive a report that says numbers 84, 145, and 811 may have an error or the signatures didn't match. The user can then find the batch and flip through the sequentially ordered images of ballots to manually compare the signature from the ballot with the signature on file on the same screen. It's faster and safer because there's no need to handle paper.

The Panasonic solution allows counties to improve from 50 ballots validated in an hour to 1,000 per hour (per station).

### ***Cost***

Per Scherman, "It's strictly by the number, so we are working with each county to do our best to project the number of ballots. If they just expect 30,000 this year, then they just need one station. That means one scanner and 30,000 signatures. If the projection is 200,000, then you're looking at three or four stations, depending on the timing of the incoming votes. It's a math problem. You're going to get 25,000 mail-in ballots the day of the election. We can do a thousand per hour on one machine. That's 8,000 to 9,000 a day. You're going to need three machines to be able to hit that 25,000 for that day and have it submitted it by your 7 PM cut-off time."

Price per station is roughly \$50,000, depending on the exact scanner used and the number of signatures to be verified. Beyond that, the cost depends on a combination of variables – the overall number of signatures and what percentage will need to be processed near election day. As Scherman says when I asked about ROI, "I guess the alternative is not being able to report votes until like three weeks later, which is not a good thing." [Congress has provided \$400 million in funding for election, for more, see DIR 4/17/20.]

### ***Not Just a COVID Opportunity***

If absentee voting takes off and is successful, Scherman sees a huge opportunity for Panasonic. Once you start looking at US population distribution, about 80% of the counties in the US have a population under 500,000, which is who they are targeting. Politics could potentially cut into the number of counties interested in the solution, but Sherman estimates that leaves 1,700 or so opportunities. He notes that Panasonic has had "about 90 counties on a couple of webinars and another 70 registered for another round. I'm on two or three calls a day with counties and learning. We sold a couple of the solutions and we've got a couple that will be are in proof of concept right now where we've shipped them scanners."

There is competition for this audience, but Sherman notes many of the competitors offer a complete voting automation solution, which takes longer to implement and there's simply not enough time left to sell, test, and train people on a new system; especially as

primaries are already in process. The Voter Signature Validation solution addresses an immediate need and can go from order to installation in a week, two at the most.

Scherman doesn't expect to penetrate the entire market in the next two months, but he does believe this is a long-term opportunity for Panasonic, "Once people get comfortable now with voting by mail, they're just going to want to do it. I don't have to take time off work. I don't have to stand in line." He also notes that the Panasonic solution is a two-year package and while there will be an uptick for the general election in November, there are at least two elections in states and counties per year, giving Panasonic a good head start to keep in touch and enter this market.

For more information,  
[scannersalesteam@us.panasonic.com](mailto:scannersalesteam@us.panasonic.com).

## Kofax Announces Integration with Microsoft Print

**Kofax** recently announced a partnership involving the integration of its ControlSuite capture and print management with **Microsoft's** new Universal Print cloud platform. Universal Print, which is currently in preview, was announced in March as part of Office 365. It is designed to move the print functionality currently available in Windows Server to the cloud. ControlSuite is a combination of products that Kofax acquired with Nuance Document Imaging. It includes capture, as well as print and output management capabilities [see [DIR 5/3/19](#)].

Microsoft has discussed plans to work with all major printer vendors to create connections for their devices that can be run through Universal Print, which would eliminate the need for Office 365 users to install drivers. While connections that currently run on Windows Server will work, they require the deployment of a Universal Print Connector, which can be deployed on a hosted VM or a Windows desktop.

**Canon** has been announced as an early partner for Universal Print. This includes not only integrating its printers, but also its uniFLOW print management software. Like ControlSuite, uniFlow includes a capture component. It is available through Canon as either an on premises or cloud solution hosted on Microsoft Azure.

ControlSuite is currently only available as an on premises solution, and while Kofax and Microsoft were not ready to discuss details of their integration, you would think the partnership would lead to the eventual launch of a version of ControlSuite hosted on Azure. While Microsoft and Kofax have worked together in the past, specifically around the integration of ReadSoft Online with Microsoft Dynamics for invoice capture, this is the first time we remember Microsoft doing anything with the NDI side of the house since licensing OCR technology from Nuance, probably 20 years ago.

Moving its print management capabilities to the cloud seems to open up more opportunities for integration by Microsoft ISV partners, which is reflected in the uniFLOW and ControlSuite integrations. There also may be some opportunity to integrate network scanners with the new platform. If you remember, the TWAIN Working Group was originally working with Google Cloud Print as potential host for its technology, but unfortunately, Google has announced it will be end-of-living Cloud Print at the end of the year.

Stay tuned for more coverage on the evolving Microsoft Universal Print Platform.

For more information: <https://bit.ly/KofaxMSPrint>

*Reported by Ralph Gammon, Senior Analyst, InfoSource*

### EDITORIAL - CONTINUED FROM PAGE 1

destructive as it's been could be a boon to basic DM and capture as companies realize business grinds to a halt when employees can't access their documents and, surprise, the business world finds out about the many excellent companies who have enabled that for decades.

A final thing I've noticed is an emphasis on the customer. Six years ago, too many companies were focused on their technology and paid lip service to customers. The penny seems to have finally dropped that implementations fail when they aren't used. Aided by the ease-of-use (for end users at least) of the cloud, customer centricity is a nice change to see.

Thanks for reading,  
Bryant