

Going to the Source: The Business Case for Distributed Capture



Document capture technology is not new. In the 1990s, many organizations that were generating or taking in large volumes of inbound documents and costly complex processes (think of insurance claims processing and credit card application processing) invested in sophisticated centralized scanning and document handling operations to digitize and automate paper-based processes. While the benefits of document capture are many (faster processing, improved quality and accuracy, reduced paper storage and tighter organizational control over critical content), the costs associated with this centralized approach made it inappropriate for all but those with the greatest paper pain point. Today, however, new advances in this proven technology enable IT organizations to take a less costly and more efficient decentralized or “distributed” approach to document capture.



The value promise

Just as networked computing and the Internet forever changed how information is shared, innovations in bandwidth as well as advances in imaging hardware and software are similarly changing how, where, when and by whom information is captured. Today it is not uncommon for those who process an organization's most time-sensitive and business-critical documents to be located in satellite offices around the globe. In many cases, the expertise provided by these remote workers is applied while the information is ingested or captured. Distributed document capture hardware and software enables such workers to capture and process information directly, ensuring that valuable business information is handled quickly, cost-effectively, accurately and securely.

Doculabs' principal analyst, Richard Medina, ascribes the following benefits to distributed capture technology:

- **Reduced operational costs**

- Reducing the costs of centralized capture by offloading capture volumes
- Reducing document shipping and courier costs
- Minimizing the centralized storage of original paper backups

- **Improved efficiency of core business processes**

- Accelerating the initiation of document-centric business processes (which not only streamlines processes, but also can increase revenue and improve customer service)

- **Reduced exposure to risk**

- Near-immediate organizational control over inbound documents ensures the security of document retention, records management and compliance efforts¹



Practical applications

Distributed capture not only offers a wide range of capabilities, it does so for a wide range of organizational types.

Category	Applications for Distributed Capture
General business	<ul style="list-style-type: none"> • Functional areas include accounting (AP, AR); human resources; customer service; sales and marketing support; records management, compliance, and legal • Applications include those administrative processes that surround billing, invoicing, purchase orders, statements, reports, correspondence, expense reporting, procurement and contracting, and human resources
Financial services	<ul style="list-style-type: none"> • Inbound document processing applications (such as loan origination, account enrollment applications, and check processing) • Customer service applications (such as distributed document capture to enable future online access to documents by customer service representatives for issue resolution, online customer self-service, and customer correspondence) • Compliance and records management applications (such as capturing documents that may need to be retained per SEC, NASD, and other federal and state regulations)
Insurance	<ul style="list-style-type: none"> • Policy enrollment through distributed field agents (capturing enrollment forms and supporting documentation) • Claims processing (capture, management, and processing to eliminate data entry) • Compliance and records management applications (such as capturing and securing documents that may need to be retained per NAIC, HIPAA, and state regulations) • Sales and underwriting support (capturing documents to minimize data entry and paperwork)
Government	<ul style="list-style-type: none"> • Permits processing (such as building permits), law enforcement, courts, probation • Bid and contract management (such as contracts with social services providers, waste haulers, construction firms, etc.) • E-government initiatives
Healthcare	<ul style="list-style-type: none"> • Applications surrounding business applications and administrative applications, such as patient accounting, invoices and reimbursements from third parties, patient records (X-rays, charts, etc.) procurement, contract management, human resources, etc.

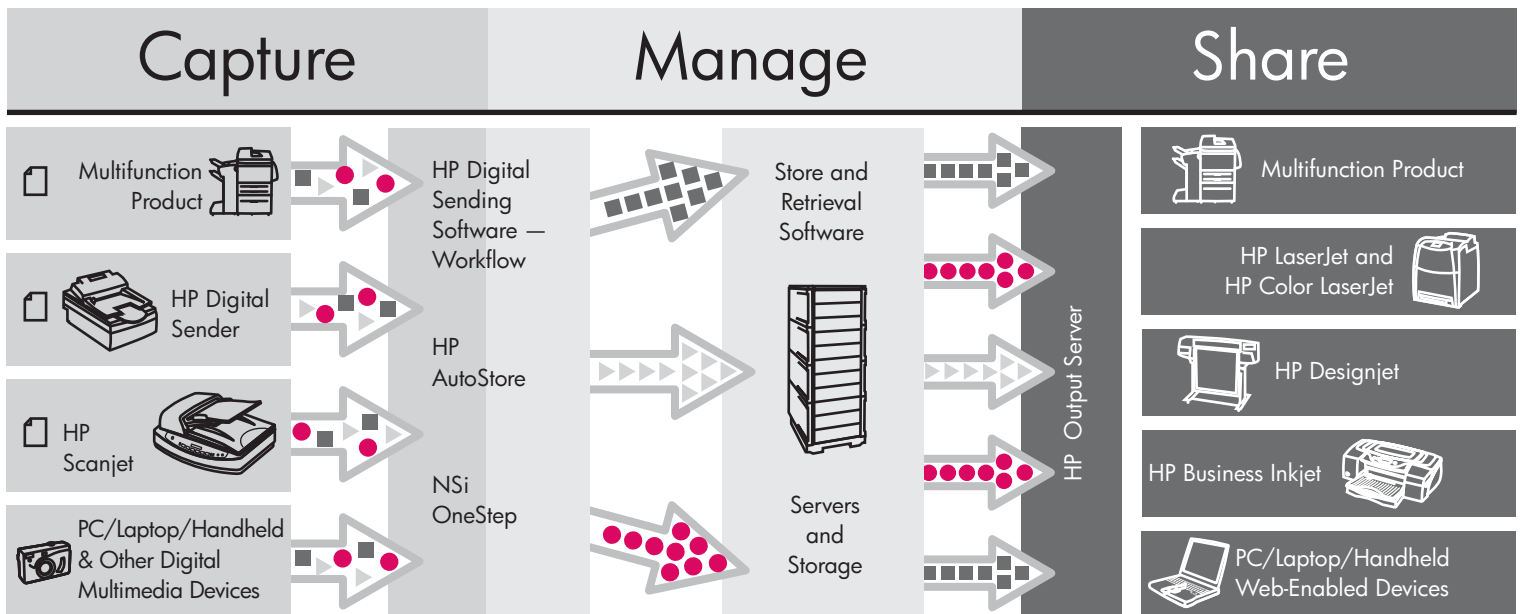
Source: Doculabs²

Going with the flow

Document capture applications feature a fairly standard workflow. Here is a quick look at each stage, the technologies that are leveraged and the results they deliver.

Stage	Technologies	Results
Scanning and document capture	Scanners and multifunction products (MFPs)	Inbound paper documents are converted into electronic images.
Image cleanup	Capture software for de-skewing and de-speckling	Quality of image is ensured.
Recognition and indexing	Capture software supporting automated recognition and Indexing techniques such as barcode recognition and optical character recognition (OCR) In addition, most capture software provides the ability for operators to perform manual indexing of an image.	The image and the information it contains are associated with data or metadata. Depending on the capture software utilized, image may at this point be routed to another workstation for final review.
Export (to document or content management system or other Repository)	Two options: <ul style="list-style-type: none"> Digital sending technology used to send to multiple locations (file systems, content repositories, e-mail addresses, etc.) Capture software with "release" module used to migrate information directly into a content management system 	Images and index data are imported for use in downstream business processes.

The example provided below shows how distributed capture technology fits in to an organization's overall content management efforts.





Caution: One size does not fit all

While the practice of scanning documents does speed downstream business processes, it is not necessarily the right choice for every organization or at all times. If the documents to be captured are the most standardized, and if they are received in large numbers at a single location such as a mailroom, a centralized document capture solution may make more sense. But it is important to keep in mind that because centralized capture equipment is designed to perform large batch processing of standardized documents, it is typically very expensive and generally requires special features as well as specially trained operators in order to function most effectively. While centralized document capture can be more expensive and labor consuming than distributed capture, it is still an important option in many organizations. The chart below may help you make the choice between centralized and distributed capture options.

Choosing between centralized and distributed capture

Factors	Centralized capture	Distributed capture
Specialized training required	Significant	Minimum
Equipment investment	Sizable	Minimal
Flexible document handling capability	Best for standardized documents	Can accommodate a variety of document types

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Notes

¹ Richard Medina, Doculabs, and Michael K. Harris, HP, "Distributed Capture: Document Management on the Fast Track," joint web cast, 17 August 2004.

² Doculabs, "HP's Document Management Solutions for Distributed Capture," 2004.

Additional resources

www.hp.com/go/documentmanagement
www.hp.com/go/printingandimaging

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