

## Digital Mailrooms: Are They Right For You?

Previously, only large organizations could justify investing in digital mailrooms. Three industry experts discuss why a digital mailroom may now make sense for you.

*Integrated Solutions*, January 2006

Written by: [Megan Burns](#)

You've probably heard or read quite a bit about digital mailrooms and might be wondering if you should invest in implementing one. What exactly, though, is a digital mailroom? Depending on whom you talk to, you're likely to hear a few different definitions. Some define it as scanning all mail as it comes into the company. Others define it as scanning application-centric mail, such as accounts receivable claims. You could even define it as opening an envelope and immediately scanning the mail. Each of these definitions is valid, and a business case can be made for each, depending on an individual organization's goals. The common characteristic of all of these definitions is the processing of incoming data as quickly and efficiently as possible.

The forms processing technology inherent to digital mailrooms is not particularly new. What is new is the way in which the technology is employed. It used to be that forms processing technologies could only handle structured forms (e.g. documents with a predefined format such as order forms, tax forms, and applications). Templates were created that pinpointed the exact location on the form where the critical data could always be located and extracted. The technology has recently evolved and can now identify and classify documents of all types.

The technology can now process semistructured documents (e.g. documents that contain consistent data but have an inconsistent layout, such as invoices) and unstructured documents (e.g. documents with inconsistent data and layout, such as mortgage documents) by identifying key phrases that appear within the content of each document. This means a digital mailroom should be able to recognize any scanned document, whether common to the organization or not, without the need to design a template for each type. This makes digital mailrooms more valuable to organizations that did not have the high volume of mail to justify digital mailrooms in the past.

"Previously, only very large organizations could justify investing in a digital mailroom," says Phil Sylvester, head of marketing for OPEX Incoming and Scanning. "With enhanced recognition and improved workflows, more companies are finding value in implementing a digital mailroom. A well designed digital mailroom solution processes mail more efficiently and accurately, often with less labor. That translates to a more dependable system and a positive impact on your bottom line."

According to Sue Barnhill, product marketing manager for BancTec, Inc., the ability to recognize and process dissimilar document types is a key factor. Previously, organizations had to manually sort documents into specific classifications. Automatic processing was limited to structured documents, such as application forms. "This only worked if the system had been set up beforehand to recognize each individual layout," explains Barnhill. If a document arrived that did not fit a predefined template, it would be rejected, and the content would have to be manually entered.

The ability to identify and classify documents of all types is made possible by emphasizing recognizing the content of the document rather than the document format. By setting up a library of key phrases rather than document formats and by analyzing the entire content of each document, the system can predetermine the nature of each document by matching the content. Each document can then be routed to the appropriate workflow or recognition engine. This allows the organization to minimize document presorting requirements prior to scanning.

### **BENEFITS OF A DIGITAL MAILROOM**

The traditional impetus for implementing a digital mailroom solution was to reduce operational costs. "Organizations use digital mailrooms to reduce their dependence on manual processes, both in the mailroom and throughout the enterprise," says Craig Reeves, VP of worldwide marketing at Imaging Business Machines, LLC (IBML). By automatically processing incoming documents, businesses increase their processing accuracy, using less labor.

Over the past couple of years, though, businesses began looking more at increasing efficiency in overall workflows as their critical objective. By automatically prioritizing and routing mission-critical information, an organization can improve service levels to its existing customers. Mailroom automation can bring strong efficiency improvements by getting customer information to where it is needed within the organization far more quickly than the equivalent manual process. Where it used to take days, the process now takes only minutes. Customer transactions, requests, and inquiries can be dealt with more quickly, allowing the organization to compete on service levels as well as cost.

By automatically processing documents through a digital mailroom, the accuracy of information increases and improves the accountability

of information systems by initiating high-level reporting and auditing functionalities. "The digital mailroom routes the documents to the appropriate department or person and maintains a robust audit trail. This reduces operational costs, consolidates system efficiencies, and accelerates business processes for increased customer satisfaction," details Reeves.

Finally, organizations are realizing the benefit of using digital mailroom solutions to ensure they conform to legal requirements. "Companies are able to capture all documents as soon as they enter the organization," states Barnhill. "By providing secure audit trails for the entire document life cycle, mailroom automation provides companies with a substantially improved process for retaining, managing, and retrieving their documentation."

### **STREAMLINE PROCESSES WITH DIGITAL MAILROOMS**

When implementing a digital mailroom, some businesses will begin in a particular department and then expand the system to other departments. "In many situations, a company-wide digital mailroom implementation yields the greatest benefit to the organization," says Sylvester. "However, this can be costly and often requires allocating considerable internal resources. For companies that prefer to implement the system gradually, it is easy to have the solution grow with them."

The digital mailroom provides a common scanning front end that can meet the processing requirements of any type of document. A truly scalable digital mailroom solution should allow an organization to purchase software components that process specific document types individually. That way, you can automate the most manually intensive document type first, such as a forms application or payment processing application. Once that process is up and running and the return to the organization is visible, you can easily add another software component to the application. There is no need to reinvest in a new capture front end, and the capital investment required is minimized. The key is realizing what areas are part of the initial phase and the expansion phase and building the initial phase around scalable software and hardware products.

An effective digital mailroom solution streamlines and automates manual processes to make data available sooner. By allowing organizations to scan and capture mixed documents, the system eliminates document presorting activities. The most critical applications affecting unstructured documents are those in which documents, such as forms or payments, are mailed together with correspondence. Having to manually sort these documents and more importantly, ensuring the associations between them are maintained, can represent a real burden. A digital mailroom also eliminates the need to physically distribute these documents throughout the organization – a time-consuming and costly process.

### **CONSIDERATIONS WHEN IMPLEMENTING A DIGITAL MAILROOM**

Any business considering implementing a digital mailroom needs to clearly understand the problem it is trying to solve – be it cost containment, customer service, or compliance – before looking at the technology. "All too often, we see customers wanting technology before they understand what they are trying to achieve," mentions IBML's Reeves.

When evaluating technology, the organization should look at its current workflow and ask some key questions. Some questions include: What is the cost to process mail? How labor intensive is it? From the time the mail is received, how long does it take before it is usable data? Could customer service be improved by implementing a digital mailroom? If the processes can be significantly improved with technology available now, it benefits the organization to move forward.

Organizations do need to realize that their budgets should also include an amount for consulting and implementation services. As more organizations implement digital mailroom solutions, there will be a broader availability of packaged solutions to handle specific applications of mailroom operations (i.e. invoice processing, customer records administration, order processing). "By using the professional services of the vendor, companies benefit from using and gaining access to preconstructed key phrase libraries and classification rules that enable them to automate their document processes far more quickly," advises Barnhill.

[Back to top](#)