

Given the option, most credit union CEOs would elect to eliminate paper from their day-to-day operations. Today, many of the benefits of a seamlessly integrated paperless environment are readily apparent.

However, beyond the elimination of paper, the full benefits of a successful document management solution have not been understood by credit union executives. This is unfortunate because these benefits are enormous, as reported in a Gartner Group report addressing the impact of electronic document management.

This report noted the following statistics regarding the management of documents through their lifespan:

Did you know?

It costs \$18 to file each document.

It costs \$108 to locate each misfiled document.

Approximately 25% of all documents are misplaced and will never be located.

80-85% of all information is stored on paper documents and not in the company's computer system.

Managing paper documents requires 40-60% of each office worker's time.

Paper document management about for 25-45% of the total cost of clerical labor.

Paper document management costs account for 12-15% of total revenues.

In addition to reducing costs, an effective document management strategy benefits credit unions specially though:

The ability to dramatically enhance member service.

The significant reduction in the operation costs associated with teller operations.

The ability to implement more efficient and effective disaster-recovery procedures.

The document difference.

The typical document management system is implemented to store two basic kinds of documents.

The first are computer-generated documents that are transformed into electronic reports using systems designed for Automated Report Management (ARM) also called computer output to laser Disk (COLD).

The second are paper documents that are converted into electronic format using document imaging systems. Credit unions have begun adopting ARM/COLD systems within the last 10 years and document imaging systems within the last 5-6 years.

Where does it all go wrong? Without the expertise of document management and imaging specialist, credit unions can expect a bit of frustration.

Document management initiatives goes awry because:

1. Poorly defined goals and objectives.
2. Failure to establish meaningful measurement criteria for the system.
3. The relegation of these projects exclusively to the IT department, where there may be little knowledge of how documents are used in the credit union environment.
4. A lack of understanding of what the true impact of effective document management can be on costs, operational efficiency, and member service.
5. Lack of commitment and/or direction by senior management.
6. A lack of IT infrastructure and resources.
7. Disconnect between departmental user and IT requirements.
8. Fundamental misunderstanding of the importance and impact of documents have on a credit union.
9. Failure to include the business users of documents during the vendor evaluation and selection process.

So what can a credit union do?

By adhering to the following three key tenets, credit unions can avoid many of the common pitfalls associated with self-implementing a document management solution. here are some successful suggestions:

The Keys to Document Management Success

1. The CEO MUST be committed to the success of the entire project

Leadership begins with the CEO. The CEO must understand and embrace the fact that an effective document management solution can dramatically enhance member service, improve employee productivity, and reduce operational costs.

CEOs are often reluctant to get involved in the business of eliminating paper because they do not consider this to be a strategic initiative and therefore classify it as an IT project.

The fact is, creating a comprehensive electronic document management solution is a critical strategy imperative for future survival and well being of all credit unions. Everyone needs to get involved. Why?

System implementation facts

- 80-85% of member information is not in your computer or if it is, it is difficult to located.
- Competition in the future will not only include banks, but also other credit unions. Those credit unions that stay abreast of technology and improvements to member service will be able to dramatically win-over new members.

2. Documents are as important as data

Documents are data. The majority of credit unions entrust their member documents to file clerks, while the VP of IT or the CIO manages the institution's data processing needs. Name a credit union that has a Vice President of Document Management.

A credit union's electronic data is always safe-guarded by elaborate systems that provide data backup and disaster-recover protection, while paper loan documents, one of your most important assets, are often stored in filing cabinets and can easily be lost or destroyed. Why not protect your valuable information by storing and locating these documents electronically?

3. Adherence to best practices ensures positive results

The dismal track record of those credit unions that have failed in their deterrent management efforts have unfortunately deterred other credit unions for pursuing a document management solution at all. Why?

In most cases, it is because institutions don't understand that there is one right way and many wrong ways to implement a document management system. Implementing a document scanning and management system yourself, without the help of experts, is the wrong way to approach the project.

The right way involves strict adherence to well-established best practices that have been developed by professional records managers working in the document management industry over the past 20 years. There are no shortcuts to best practices. Bluepoint Solutions can help.

4. Don't let the price tag fool you

Document management systems that conform to best practices often demand more money on the front end to ensure that processes and procedures are correctly implemented and adhered to over time. While the higher up-front costs may appear to be more expensive, they are guaranteed to deliver a greater return on investment.

5. Commit, commit, commit

As with most things that are worth doing, commitment and planning must be applied in concert to guarantee success. The most important ingredient for success is the commitment of the CEO and his/her team within the credit union.

**Did you know?
Document management accounts for about 25-45% of an office workers time and it accounts for 12-15% of total revenues.**

There are two types of documentation. One is computer-generated, the other is on paper. Adopting a new practice of document management could save your credit union 40-60% of your staff's time.



Documents are as important as data. Protect your investment.

Document management systems that conform to best practices often demand more money on the front end to ensure that processes and procedures are correctly implemented and adhered to over time.