



The pitfalls of batch document scanning.

Credit union's that want to deploy an enterprise wide document management system have many products from which to implement; Each with its own strengths and weaknesses.

However, one weakness that most of them have in common is the use of batch scanning to digitize paper documents and not recognizing the pitfalls associated. The following are four pitfalls associated with in-house batch document scanning.

Pitfall #1: Misanalyzing overall operating expenses

Regardless of the particular system, the process is always the same. Paper documents are crated up and shipped off to a centralized scanning area where dedicated employees scan the documents and, as part of the process, annually indexes them.

While this is a simple, yet time consuming approach, it is clearly not the best from an operations standpoint. In fact, batch scanning is full of potential problems, both large and small.

In a batch-scan environment, it is very important not to overlook the staff expenses associated with such solutions. These systems require dedicated employees whose only job is to scan and manually index paper documents. How much do these extra employees add to the TCO of that solution?

When salary, other payroll-related expenses, training, turnover, office space, etc.. are all factored in, it is not unreasonable to estimate this expense at \$30,000 annually per employee. Depending on the size and nature of the credit union, it may well need two, three or even more employees assigned to this function.

That means, in a modest operation that requires one or two scanning employees, extra staffing can add \$30,000 to \$60,000 to the TCO every single year.

What's more, this is an expense that can only increase. Over time, employees expect raises. Likewise, as the operation grows, it may require additional scanning staff. Over a five-year period, this can contribute \$150,000 to \$300,000 or more in extra staff expenses.

Pitfall 2: Misunderstanding TCO

It's well established that purchase price represents only a portion of the total cost of ownership for any product. To truly compare apples-to-apples when considering competing products, due diligence requires a look beyond purchase price to determine the true TCO for each product.

Pitfall 3: Misunderstanding document life

According to industry trade groups such as the Association for Information and Image Management (AIIM), a good portion of a document's usefulness occurs in its first 48 hours of existence. However, in a batch-scan environment, the turnaround between creation and scanning is typically in the area of 72 hours and can be as long as 15 days.

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The math here is as simple as the problem is apparent. If your employees are likely to need a document within 48 hours of its creation, but those documents aren't available in your imaging system for 72 hours after creation, your employees don't have access to the documents they need, when they need them.

Sometimes the employee's only alternative is to retain photocopies of the documents sent for scanning. This, of course, negates the whole idea of a paperless credit union. They create ad-hoc files, not available to others, and subject to security faults. They are creating paper in the process of eliminating paper.

Pitfall 4: Member service inefficiencies

This creates obvious inefficiency and frustration at the employee level. However perhaps even more important, this creates potential bottlenecks in member service. Would a member in search of a document rather hear, "I'll call you back in two days," or, "I'll have that document in just a moment."

In short, batch scanning ultimately hinders member service.