THE ULTIMATE GUIDE TO

DOCUMENT SCANNING

WHAT'S INSIDE?

Q&A before you outsource your scanning

Best practices when doing your own scanning

How digitizing documents will impact your business processes

PLUS much, much more!

EVERYTHING YOU NEED TO KNOW
TO BUILD THE CASE FOR DOCUMENT SCANNING

WHAT'S INSIDE

Run Smarter®

Introduction

The volume of paper documents that organizations must process has increased tenfold in the last five years. Increasing paper volume drives the cost of paper handling higher, which greatly reduces profit margins.

Scanning, also known as document imaging, can help you deal with the rapidly increasing burden of maintaining your organization's paper archives. Scanning allows you to convert paper documents into electronic images that can be accessed by computer, making it easier to:

- Manage millions of documents and retrieve the right one in seconds.
- Share documents with colleagues while protecting confidential information.
- Instantly email or fax files.
- Access documents while traveling.
- Protect documents from damage during fires, floods and other disasters.

Although scanners are cheap, scanning projects aren't always easy. This guide includes worksheets and peer-to-peer advice that will help you plan a successful scanning initiative.

THE AVERAGE OFFICE:

Spends
$20
on labor to file **each** document

Spends
$250
recreating each lost document

Makes
19
copies of each document

Spends
$120
searching for every misfiled document

Loses
1 out of 20 office documents

Spends
$25,000
to fill a four-drawer file cabinet and $2,000 annually to maintain it

Run Smarter®

Do We Need to Scan Our Documents?

Depending on the volume of documents you want to digitize, scanning could be a time-consuming task. To determine whether this investment will pay off for your organization, it's important to distinguish between active and inactive files.

Active files are documents that people in your office frequently need to access.
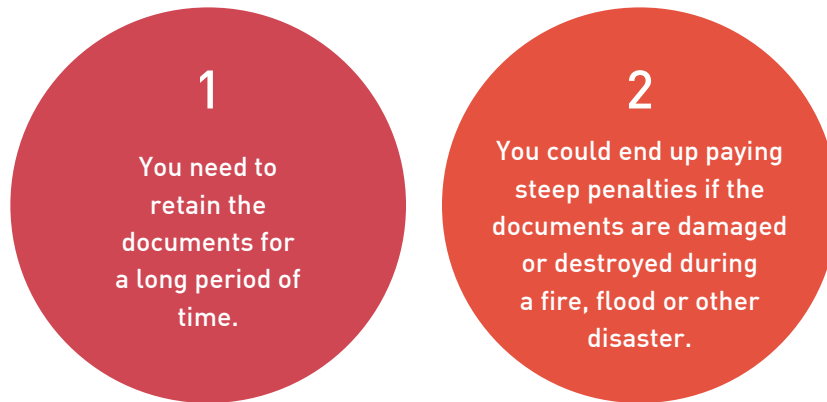
Inactive files are documents that are no longer referenced on a regular basis.

Ken Severud, Senior Vice President and Chief Operating Officer of Wealth Enhancement Group, notes that digitizing active documents enhances staff productivity. "It's generally within the first 90 days that a document is actually needed for reference or retrieval. After the first 90 days or so, you may go two or three years before a document needs to be retrieved again. The fact that all client-related forms and documents are at the fingertips of the advisor teams during those first 90 days is priceless."

He explains, "When a client's on a call looking for information, and our advisors are able to pull up that information and answer the questions without wasting time searching for a physical document, that's great service."

In fact, scanning active records at Wealth Enhancement Group has reduced the need for clerical work so much that one and a half full-time employees were redeployed to perform value-added activities.

Scanning infrequently accessed files doesn't provide the same productivity boost as scanning active documents, but it can make sense in a couple of circumstances:

1 You need to retain the documents for a long period of time.

2 You could end up paying steep penalties if the documents are damaged or destroyed during a fire, flood or other disaster.

Stewart Enterprises, one of the largest operators of funeral homes and private cemeteries in the U.S., learned the value of digitizing inactive files the hard way when three of its funeral homes and five of its cemeteries were submerged in Hurricane Katrina's floodwaters.

Inside these facilities were hundreds of thousands of business documents, including burial contracts and correspondence with family members. "They were submerged under mud and sludge and oil and whatever else was in that muck," says Brian Pellegrin, director of IS business support at Stewart Enterprises.

To regain access to the business-critical information contained in those files, Stewart Enterprises had to pay $1.5 million in restoration costs. It began scanning records into an enterprise content management (ECM) system shortly thereafter.

Pellegrin explains, "If we can do something in terms of technology to make it easier for us to provide customer service, then that's what we'll do. We just cannot risk we'll have a fire in Wisconsin or in Maryland or in Seattle and then these customer records, which we'll need for decades, will be lost. We just can't risk that."

However, if you are considering scanning inactive files that aren't vital to your business simply to free up office space, offsite records storage may be a better option for you.

Worksheet: Questions to Answer Before You Outsource Your Scanning

Each department that needs scanning services should complete this worksheet.

If you decide that it makes sense for your organization to digitize some or all of its documents, you'll need to decide whether to outsource your scanning or do it in-house.

- **Outsourcing** is usually recommended for large back-file conversion projects where all documents—whether active or inactive—are scanned and loaded into an organization's ECM system before the system "goes live." Outsourcing large-scale digitization projects is generally faster and more affordable than trying to do it in-house, particularly if your scanning needs moving forward will be relatively small, since taking on the tasks of in-house scanning, indexing and quality assurance can divert your staff from your organization's primary mission and require a large investment in new equipment.

- **In-house scanning** makes sense for organizations that have a steady, but small, stream of documents to scan on an ongoing basis. These types of scanning projects can generally be incorporated into your workflow fairly easily by equipping employees with desktop scanners or using multifunction devices you already own. Organizations that continually produce high volumes of documents may also find it more effective to scan in-house, but they typically invest in setting up their own scanning bureaus.

Answering the following questions will help you determine the best approach for your department/organization.

1 How many documents does your department produce and retain per month?

_____

_____

_____

2 What is your department's estimated document volume per month?

_____

_____

_____

3 What kind of turnaround time does your department need for scanning?

_____

_____

_____

4 **What are your department's main document types?**

☐ Purchase orders ☐ Resumés

☐ Invoices ☐ Press releases

☐ Receipts ☐ Memoranda

☐ Contracts ☐ Meeting documents

☐ Application forms ☐ Policies and procedures

☐ Permits ☐ Claim forms

☐ Minutes ☐ Photographs

☐ Agendas ☐ Order forms

☐ Reports ☐ Other:

☐ Proposals _____

☐ Letters _____

☐ Specifications _____

☐ Documentation _____

☐ Instructions _____

_____

5 **What does your department's folder structure look like?**

_____

_____

_____

6 **What are your document naming conventions?**

_____

_____

_____

7 **Do your documents need to be indexed? Which fields should be indexed?**

_____

_____

_____

8 **Will documents need to be scanned in color, greyscale or black and white?**

_____

_____

_____

Run Smarter®

9   What type of material are documents printed on? (e.g. regular white paper, blueprints, poster boards, mylar, etc.)

_____

_____

_____

10 What size documents need to be scanned? (e.g. letter, legal, e-size, etc.)

_____

_____

_____

11 Are there Post-It notes on any of the pages that will need to be scanned? Should they be scanned separately or left where they are, even if information is obstructed?

_____

_____

_____

12 Should the documents be destroyed after they are scanned or sent back?

_____

_____

_____

13 Will pages need to be clipped or stapled back together? Or just sent back in the order they were received?

_____

_____

_____

14 Should pages be scanned in using Optical Character Recognition (OCR) so that information is available via full-text search and can be used to automatically populate metadata fields and launch workflows (such as auto-naming and filing workflows)?

_____

_____

_____

15 Can files scanned by a vendor be easily imported into your enterprise content management system?

☐ Yes   ☐ No

Run Smarter®

What Best Practices Should We Keep in Mind When Doing Our Own Scanning?

Scanning documents requires much more than just running them through a scanner and sending them into your ECM system. Configuring the scanning session, preparing the documents and quality control are equally important to—if not more important than—scanning mechanisms. Efficient scanning saves time and results in an organized and functional repository.

Here are some tips from Rosalind Collins, Deputy Commissioner of Revenue for the City of Charlottesville, VA, on how to efficiently and effectively scan documents into your ECM repository. (Please note that the screenshots in this article are from Charlottesville's Laserfiche ECM system.)

> **❝ Consistency in organization will ease your pain in both sorting and using that information for efficient, accurate indexing. ❞**

Prepare your documents for scanning

Why is document preparation necessary?

- It leads to more efficient scanning.

- It reduces indexing errors.

- It ensures that document pages are correctly included and minimizes duplication.

- It helps you keep a discerning eye on documents.

How to prepare documents:

1 Remove staples.

2 Clip pages together if needed.

3 Identify the pages, group them together and then sort the documents.

4 Count pages and documents. Monitor as you scan for skipped pages.

Use slip-sheets, which help scanner operators visually distinguish between different documents. Also make sure each document has all the necessary information in a place that is easy to locate and read, such as a cover sheet. Many scanning programs offer features to remove slip-sheets and cover sheets before the documents are stored in your repository.
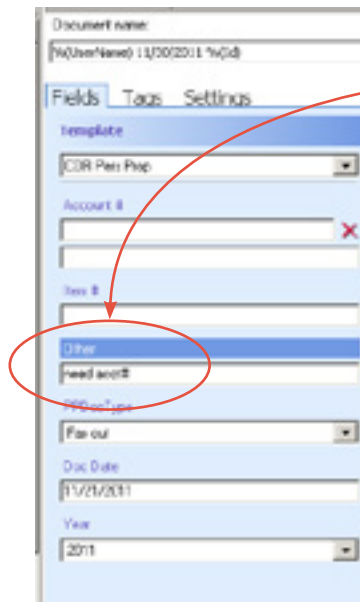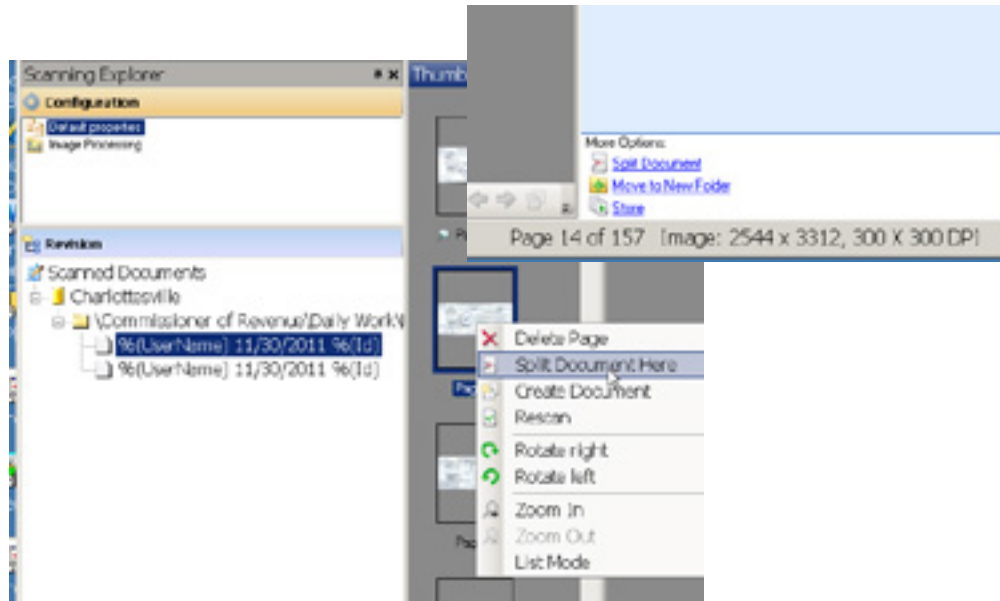
Employ the "batch/split" method

Why use this method?

- It minimizes data entry.

- It enhances accuracy.

- It minimizes stopping and starting.

How to use the "batch/split" method:

1 Sort and prepare all of your documents.

2 Scan them in one batch as one large document.

Run Smarter®

3   Use the Split Document tool to divide your document into smaller documents.

4   Make notes for post-scanning processing.

Example: The Account # was not processed correctly here and is missing, so in the Other field, I have written "need acct#"

5   Send all of your documents to your ECM system.

6   Open the destination folder and click on any column name to sort. Make sure that you have modified your settings in your folder to view the Other template field.

7   You can easily find the documents needing additional work in the
    Other column.

Perform quality control

Quality control of your scanned documents is very important but is often
not given full consideration. Make sure you perform quality control in
the following situations:

- Prior to scanning.

- During the scanning process.

- While you are updating the metadata (indexing).

- After sending your scanned documents to Laserfiche.

Don't forget to perform regular quality control sessions on your entire
repository. It will help keep your ECM system organized and accurate.

**❝ Performing regular quality control is
like repository gardening. ❞**

Where (and in What Format) Should We Store Our Scanned Documents?

Once you have digitized your documents, you need to store them somewhere. Although shared network drives are cheap, quick and convenient, they do not provide an effective way to manage business-related documents and records.

According to Alan Pelz-Sharpe, an analyst at Real Story Group, "Network drives (or shared drives, as they are often referred to) give the illusion that you are doing something constructive to store and manage documents, but really they are just dumping grounds, expensive trash cans. The only difference in practical terms is that trash cans actually get emptied at some point. Shared drive trash just grows until they become overwhelming mountains."

Pelz-Sharpe dislikes network drives because they:

1

Don't enforce a consistent folder structure, which means that digitized documents can easily get misfiled or lost.

2

Do not allow you to "tag" documents with metadata that facilitates fast retrieval.

3

Don't exercise formal version control, which means that multiple versions of the same document can live on your drive, with no way to tell them apart.

4

Cannot provide an audit trail of who has accessed your documents, when they accessed them and what they did with them, making compliance with industry rules and regulations more challenging.

If your organization elects to store digitized documents on a shared drive despite these limitations, you will most likely want to scan your documents in the PDF format, since this format is more familiar to most end users.

If you plan on uploading your scanned images into an enterprise content management (ECM) system that makes organizing and sharing documents easy, scan your documents using the TIFF file format.

The TIFF file format is proven and accepted as the preferred digital archival format around the world because it is an open standard. There are a variety of freely available TIFF viewers available and every computer can natively view TIFF files. Scanning documents as TIFF images and extracting their contents as ASCII text is the only way to maintain "eye readability" in a digital format.

Run Smarter®

Besides Scanning, How Can We Get Information into an ECM System?

Capture—the process of getting data into an ECM system— is an integral part of many business processes. The sooner documents are stored in the ECM system, the sooner they become auditable, available to other users and subject to record retention rules. Here are some common capture tools, with illustrative screenshots from Laserfiche.

👆 Drag and drop

Dragging and dropping is the simplest form of capture. Simply select an entry and drag it into a folder.

You can drag and drop any of the following:

Single files.   Whole folders.   Entire hard drives.

Dragging and dropping is good for:

- One-time or irregular captures.
- Capturing locally stored documents.
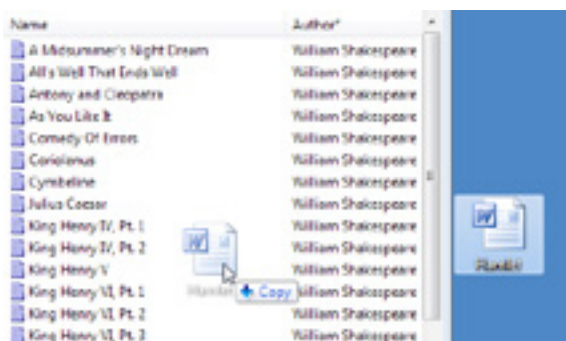
🖨 Print electronic documents into the repository
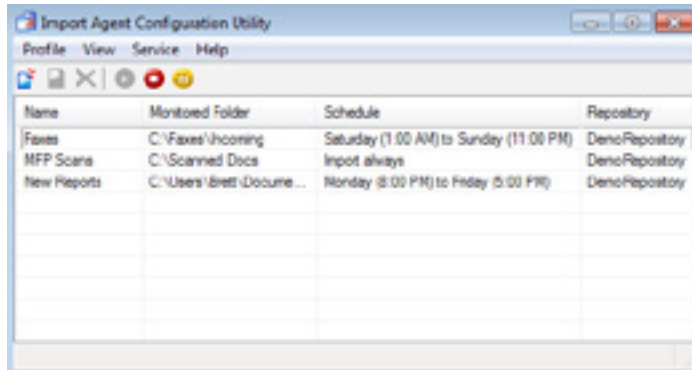
Some capture tools allow you to print electronic documents directly into the repository. During this printing process, all of the files are converted to TIFF images. This is a great tool for:

- Archiving documents.
- Sharing unalterable copies and unsupported file types with others.
- Appending pages to documents.
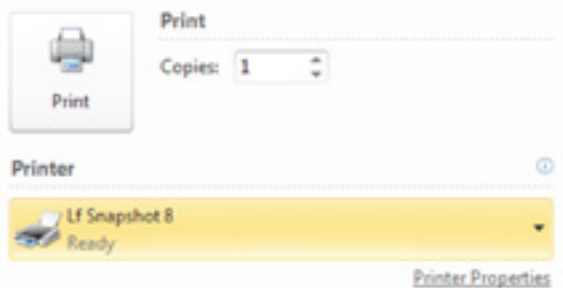
⏬ Automatic import tool

With an automatic import tool, you can monitor certain network folders and import documents from them into your ECM repository. You can schedule the utility to look for documents during a certain time frame or on a continuous basis. This is useful for fax servers, multifunction printers and FTP sites—basically anywhere that users scan documents into a network folder.


➡ Microsoft Office Integration

An ECM system that integrates with Microsoft Office allows you to:

1 Save Microsoft Office files directly to the ECM repository.

2 Edit document metadata from inside a Microsoft Office application.

An ECM system with a Microsoft Outlook integration allows you to:

3 Automatically populate metadata fields.

4 Save emails directly from Outlook.

5 Attach documents stored in the repository to outgoing emails, which is great for quickly archiving emails and attachments.

Run Smarter®

Run Smarter®
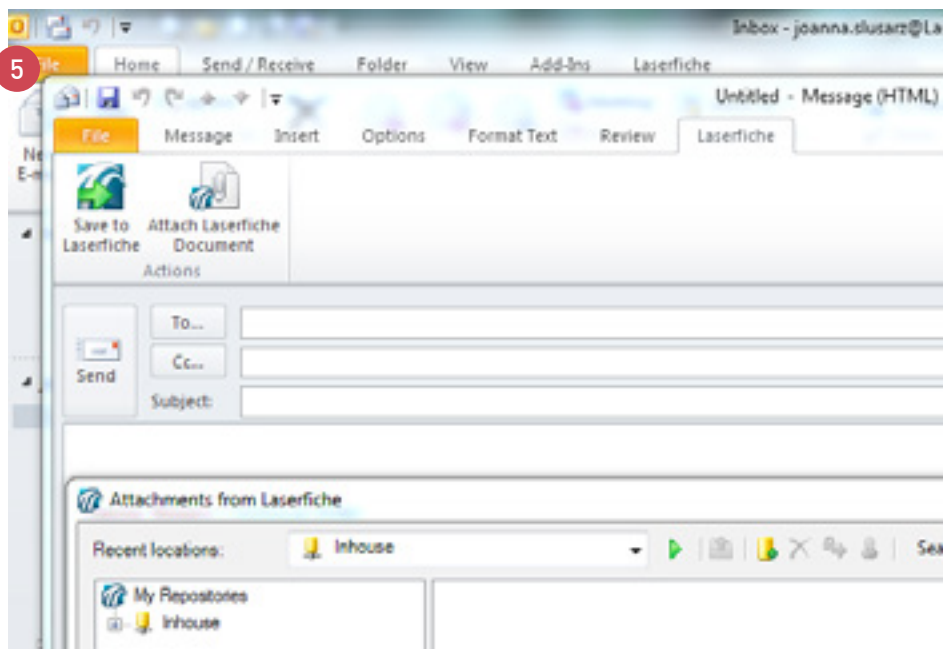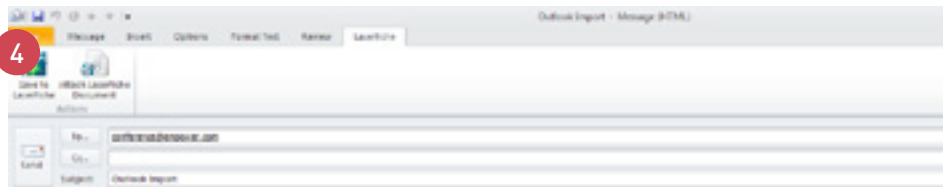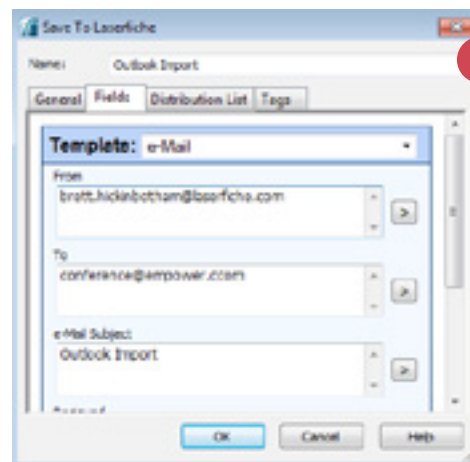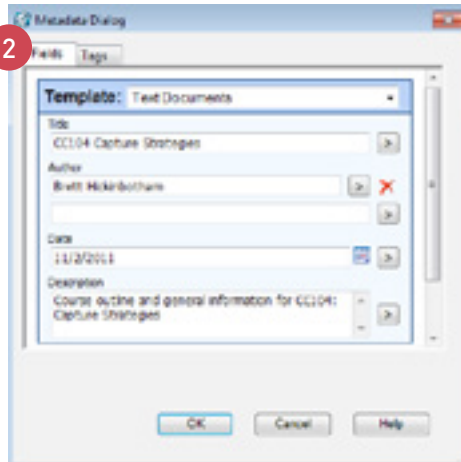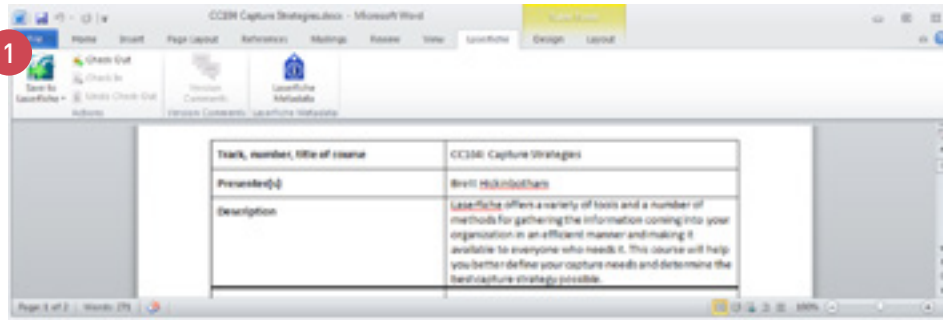
▤ Scanning

You can use your ECM system's scanning client to capture and process physical documents as well as image files stored locally or on a network.
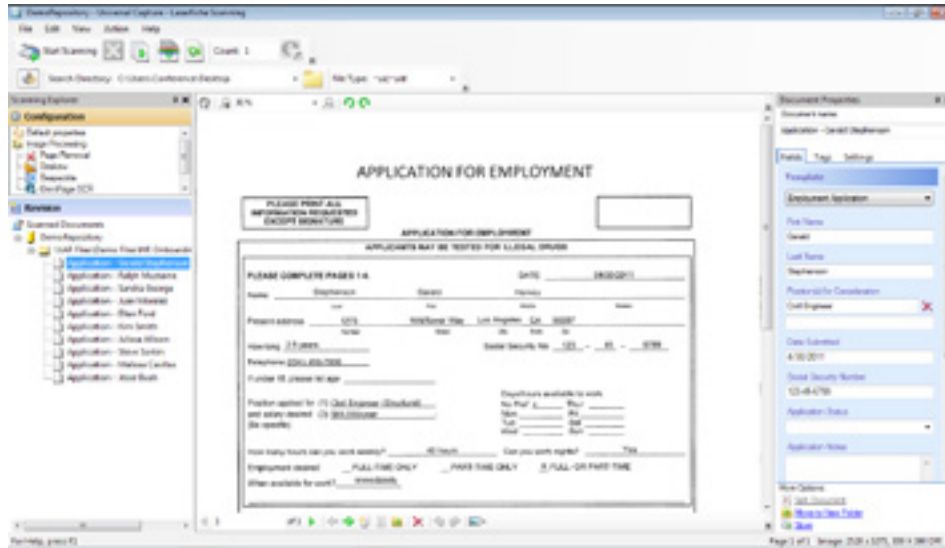
Scanning is great for capturing:

- Physical documents from various remote locations.
- Large quantities of documents to be processed later.
- Documents that don't require much metadata entry.
- Mixed batches of documents.

⩊⩊⩊ High-volume import

Some ECM systems offer production-level scanning tools. With these high-volume import tools, you can capture and process:

- Physical documents.
- Digital documents stored on a network drive or in the Laserfiche repository.

Many systems can be configured to:

- Automate metadata entry.
- Look up and validate information from a database.
- Perform a variety of image enhancements.
- Classify different documents based on a variety of identifying factors.
- Extract information from barcodes.

Run Smarter®

This is ideal for:

- Processing a large number of documents.
- Automating data entry and classification.
- Centralized processing.

Mobile scanning

A few ECM systems even allow you to convert photographs into documents.

You can:

Reprocess documents previously stored in your repository.

Capture images from cameras and phones.

OCR image text.

Perform a variety of image enhancements including:

| Crop. | Straighten. | Rotate. | Convert to black & white or grayscale. | Adjust brightness & contrast. |

From this

...to this
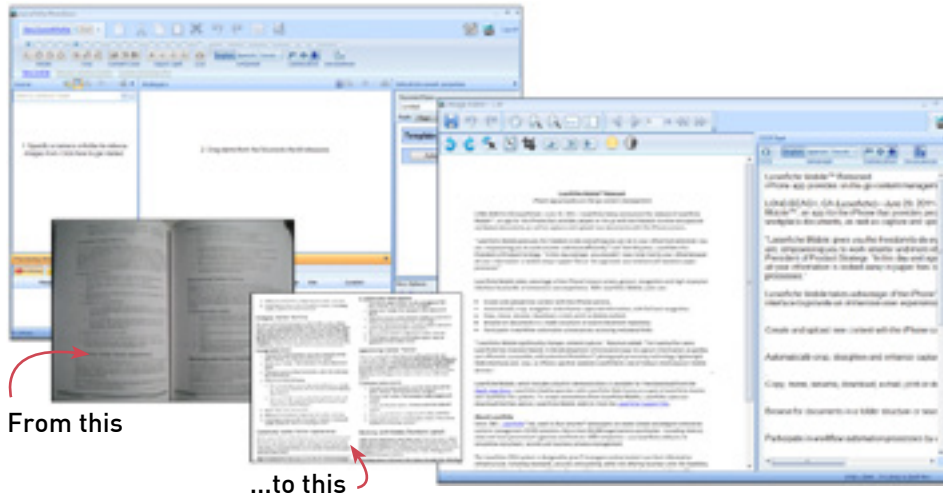
It is ideal for use with:

- Books.
- Unusually sized documents.
- Fragile documents.
- Receipts and business cards.

How Will Digitizing Documents Impact Our Business Processes?

Organizations are generally much more productive when they minimize the amount of paper handling involved in their business processes. Here's a concrete example of how the City of Norfolk, VA, improved its case management process by scanning documents and making them available to employees in a digital format, as described by Mark Formella, Application Development Team Supervisor, City of Norfolk.

Our Department of Human Services – Benefits Division (NDHS) deals with a large number of documents on a daily basis relating to temporary assistance for needy families, foods stamps and several other public assistance programs. Due to the extreme amount of paperwork related to these cases, our scanning center used to have a four-to-five day backlog. Using Laserfiche ECM, we have completely eliminated the backlog and now maintain a one-day turnaround on cases. Here is how we did it.

✥ Capture

Case documentation arrives at our office in a few different ways, including the US Mail and in-person interviews. In addition to hard copies of documents, we also deal with some electronic documents such as searches from the State of Virginia's Systems Partnering in a Demographic Repository (SPIDeR) and screenshots. Here is how we store all of these documents in our repository.

1 Direct Scanning

A large number of case documents are scanned directly into Laserfiche using Laserfiche Scanning. Certain employees, such as those dealing with clients who drop off documentation, have access to scanners directly and can scan documents themselves. During this scanning process, they manually enter certain vital metadata, such as the Case Number, into the Case Files template.
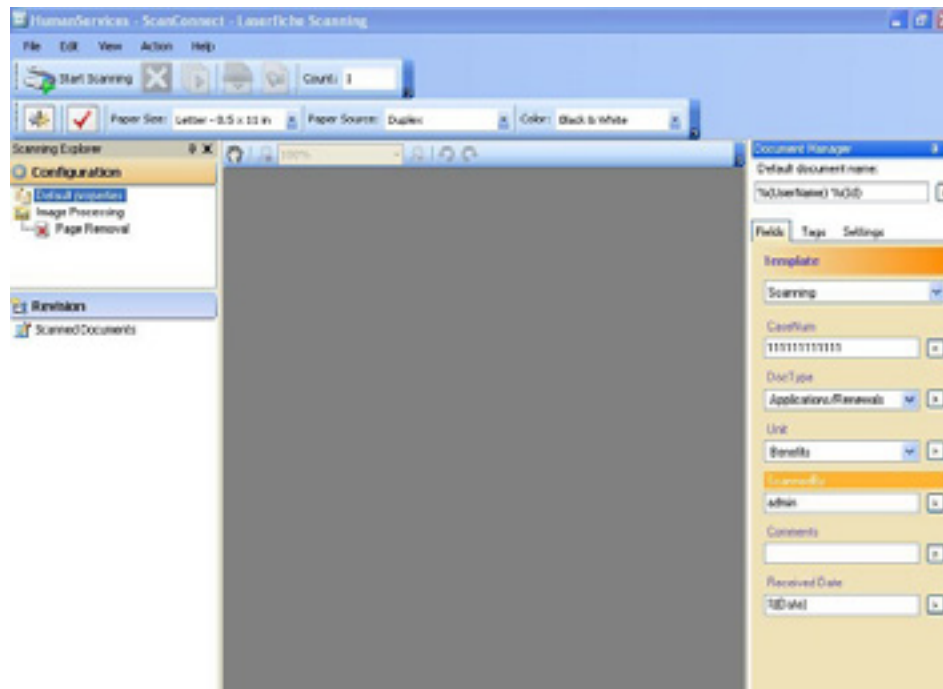
The majority of employees do not have access to a scanner. Because of this we have a dedicated scanning center with two and a half full-time employees responsible for scanning documents into Laserfiche. Before sending

documents to the scanning center, employees must print out a cover sheet for each different case. They do this with an in-house interface that uses Laserfiche metadata to generate barcodes.

After opening the barcoding program, employees can search for the case by any of the following parameters:

- Case or Adapt Number.

- Last Name.

- First Name.

- Social Security Number (SSN).

After clicking Search, they are presented with a list of cases that match their search parameters. Double-clicking on a case brings up all of the associated metadata. Once employees have verified that this is the case that they need, they can print out a cover sheet.

Run Smarter®

This cover sheet includes a barcode with the encoded Case Number and a list of other identifying metadata.


The employee appends this coversheet to the case documentation and the entire packet is routed to the scanning center. The scanner operators scan the case documents into the Barcode Scanning folder in Laserfiche and use the Page Removal process to remove the blank pages. Before storing the documents in the repository, they use the information on the cover sheet to populate the metadata.
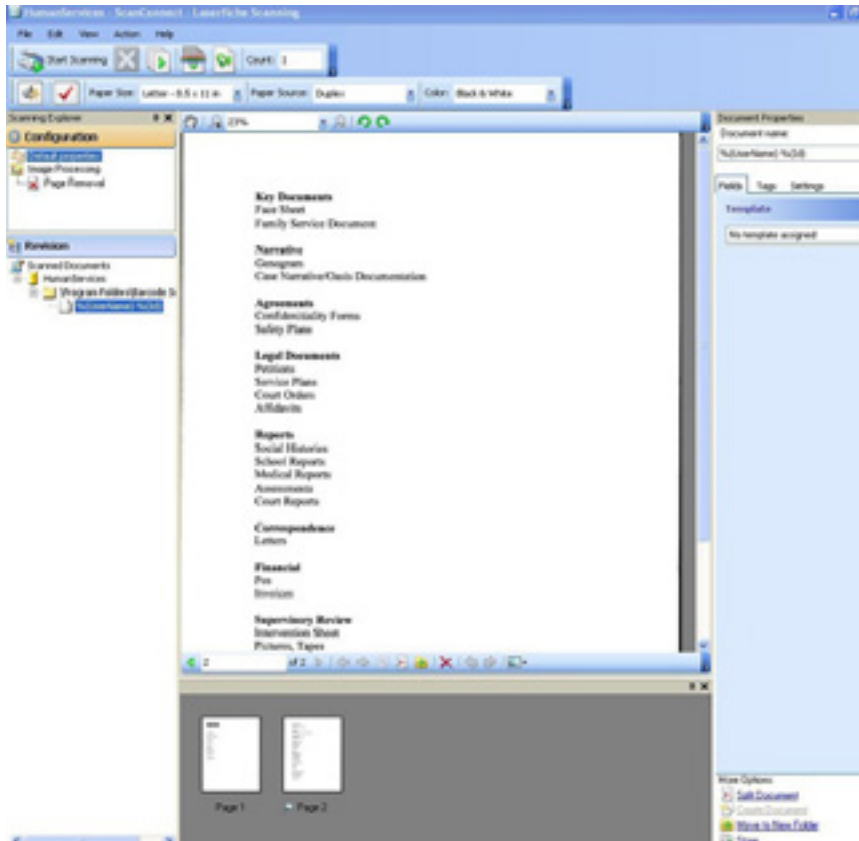
2 Laserfiche Snapshot

Whenever we have a new case, we must check if the individual exists in any of the myriad of state systems by searching in SPIDeR. SPIDeR was developed by the Virginia Department of Social Services to enable effective and efficient data sharing between government agencies at the state, local and federal levels. After employees generate a search in SPIDeR, they use Laserfiche Snapshot to print a copy of the results directly into Laserfiche.
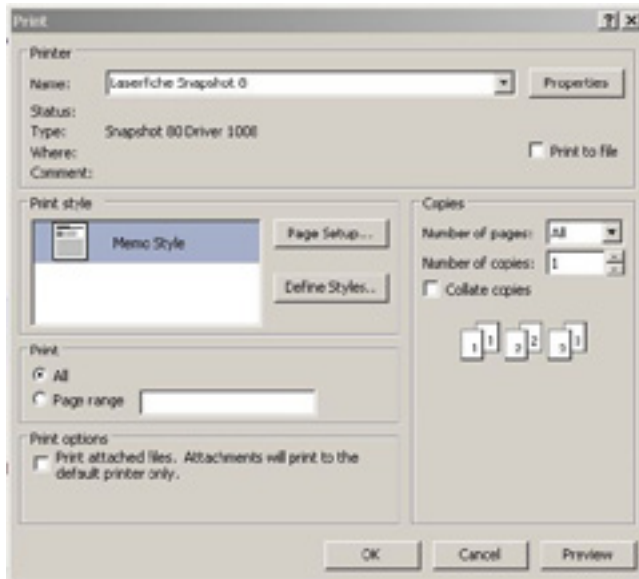

During the printing process, employees manually apply the metadata, such as the Case Number.
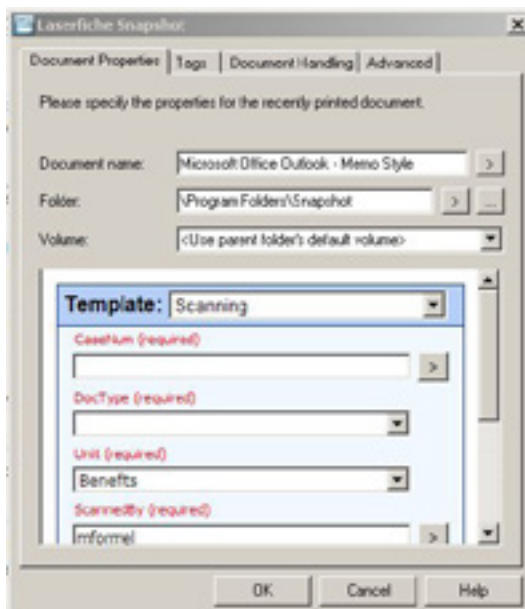
3 In-House Alerts System

In order to notify case workers of newly scanned documents pertaining to their cases, we utilize our In-House Alerts System. A SQL query runs hourly on the Laserfiche database to check for all newly scanned case documents. A COBOL program uses the query results to look up the Case Number in the database. It then determines the assigned case worker and emails that person an alert that there are new case documents for review. Here is a brief diagram of this process.
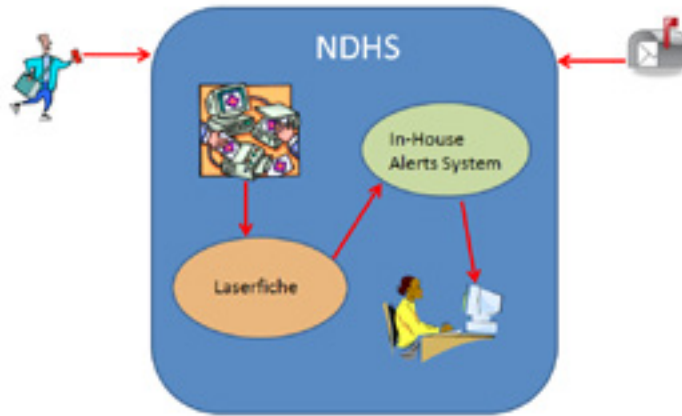

Process

Once the various case documents have been captured in Laserfiche, they need to be moved to the appropriate place in the repository. For this purpose we use Laserfiche Workflow. We have created different workflows to route documents from the various folders into which they have been scanned to the appropriate record folder for storage. Shortcuts to these documents are then saved in the appropriate subfolder within the Case Files folder. Records retention is described in more detail in the next section.
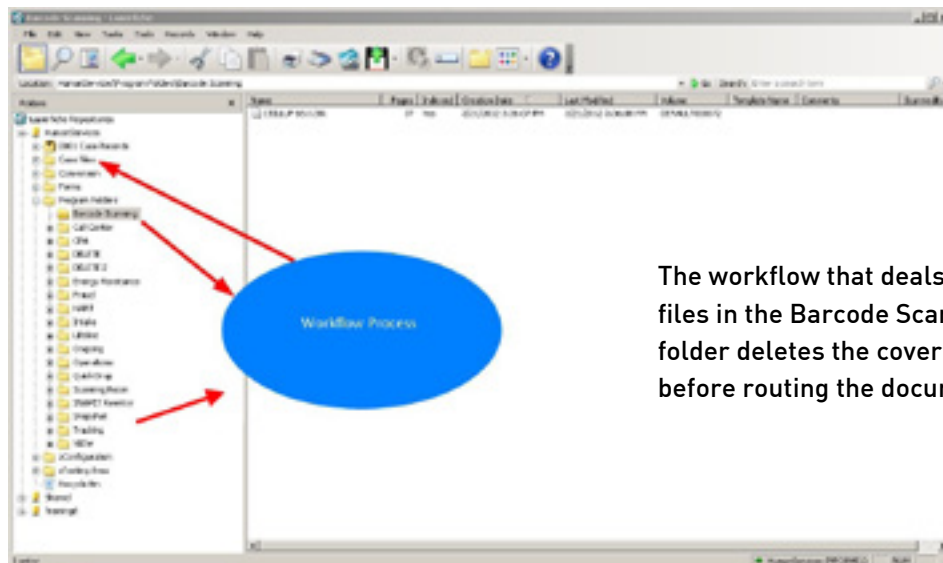

The workflow that deals with files in the Barcode Scanning folder deletes the cover sheet before routing the documents.

👓 Retrieve documents

We have over 150,000 active cases on file. Each case has its own subfolder within the Case Files folder in the repository.

It would take a very long time to browse through all of these folders to find the exact case that an employee is looking for. Since every document has a Case Number, the easiest way for employees to retrieve these documents is to search using the Field Search. They can search by any field in the Case Files template, not only the Case Number, such as Name or Social Security Number.

Run Smarter®

![icon] Manage records

As soon as a case document is captured into Laserfiche, it is automatically saved in one of our record folders. There are instances when the case moves from Benefits to Fraud. When this happens, a shortcut to the record series in question is placed in the Fraud record folder so that the case exists in both places.
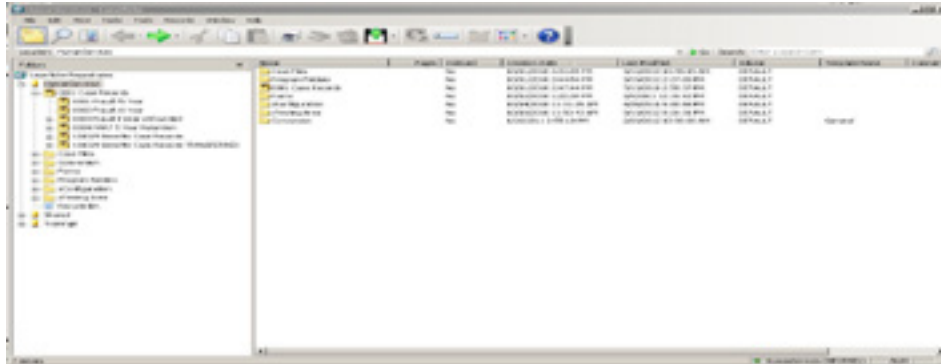
Each record folder has a different retention schedule that is inherited by all of its subfolders. Retention is automatically applied based on the document type and business unit. In the example below, the documents are set to be destroyed three years after the case has closed. Laserfiche does not delete any documents, it just notifies an administrator of all the documents that are past their required lifespan. The administrator can then manually delete these documents from Laserfiche. This allows the administrator to have final say in what actually gets deleted.
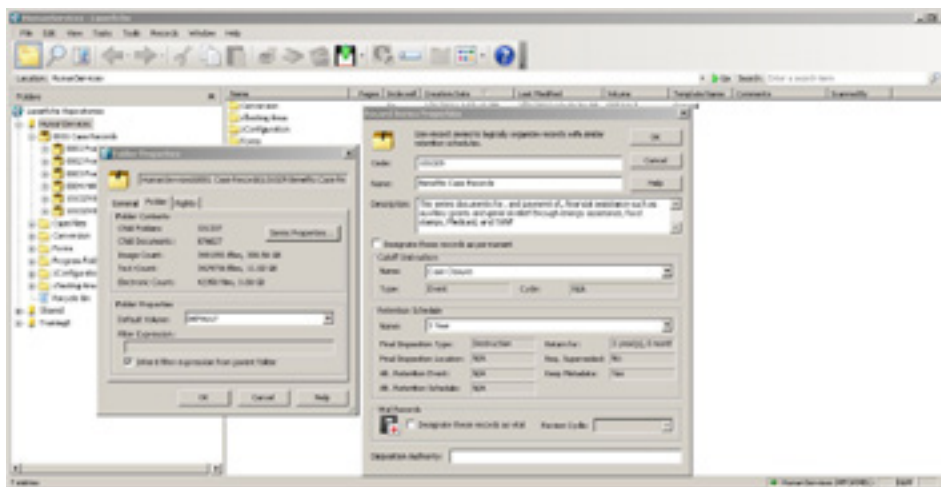
Ready to see Laserfiche in action?

A free 30-minute demo with a Laserfiche
document management specialist

Thanks for reading our Ultimate Guide to
Document Scanning. We hope it helped
answer some of your most pressing
questions and point you in the right direction.

Still, there's nothing quite like speaking to an expert
and seeing a solution in action firsthand. That's why
we're happy to offer you this free 30-minute demo.

This 30-minute demo will get right to the heart of your
document management and scanning challenges and
demonstrate the many Laserfiche features that will enable
you to cost effectively meet your organizational goals.

Click here to schedule your demo
www.laserfiche.com/demo

This demo is, of course, free of charge and without obligation.

THE ULTIMATE GUIDE TO

DOCUMENT SCANNING

About Laserfiche

Since 1987, Laserfiche® has used its Run Smarter® philosophy to create simple and elegant enterprise content management solutions. More than 34,000 organizations worldwide—including federal, state and local government agencies and Fortune 1000 companies—use Laserfiche software to streamline documents, records and business process management.

EVERYTHING YOU NEED TO KNOW TO BUILD THE CASE FOR DOCUMENT SCANNING

Laserfiche®
Run Smarter®

www.laserfiche.com