



ELECTRONIC DOCUMENT DELIVERY: A PROPONENT'S VIEW

by JAN SCITES

Electronic Document Delivery (EDD) has been around for more than 15 years. Given the promise of a "paperless society" and the compelling in-year ROI and low ongoing maintenance, why haven't EDD vendors and service providers had runaway success?

First, let me make it clear that I am an advocate of EDD. In September of 1987 when the proponents of electronic documents were talking about a "paperless society," I worked with Ted Smith, the founder of FileNet, on the implementation of an imaging and workflow solution for the broker-dealer at a major insurance company. From there, I implemented enterprise imaging and workflow at another insurance company. The solution was "cutting edge" and perhaps 10 years ahead of its time and included 20 to 60 percent productivity improvements. Since then, I've implemented other EDD solutions and have seen the evolution of products and services.

An EDD Definition

Just to level set, this is the definition of EDD that I use: EDD is the ability to "create, distribute, and view documents without ever touching a piece of paper."

In the past as today, documents have been delivered in a number of ways—by hand, mail, and fax.

In the mid-90s, the Internet hit the

scene with a vengeance. Many believed it would replace virtually all other forms of delivery. With the adoption of the Internet, delivery options expanded to include web-based communications such as e-mail.

What Stands in EDD's Way?

Although progress has been made, there are still some documents that companies are required to maintain in paper form. These are primarily documents that need an original customer signature and they are prevalent in the financial services industry. This is more a result of regulation than of belief in the worth of paper and will change in time as we become more confident of the security and verity of electronic signatures.

Often it is easier and more efficient to work with and transport paper. Posting a notice in a lunch room, for example, might reach people more effectively than sending an electronic document. Devices—computers, PDAs, cellphones, etc.—do not lend themselves to reading long documents. It is simply too hard on the eyes; as society ages, this will become more of a problem. The problem will eventually be solved, but there's no telling when it will be affordable. Until everyone is electronically linked, it will be impossible to totally replace the paper copy.

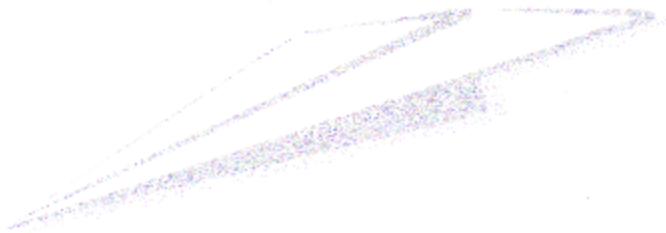
In addition, people just like the feel

of paper; we like to touch things. It's the tactile response. We carry it with us, read it when we want to, and toss it when we are done. This is the reason e-books have had such difficulty getting traction and newspapers are still a viable business.

Beyond this, there is a dynamic in business that flies in the face of many technology improvements, and EDD is just one of them. That dynamic is the correlation assumed between headcount control and power. If there are more people, there is more power, as exemplified in the pyramid management structure and the military-based organizational model. Paper-based processes require more people and there is no incentive for a manager to make a change. Implementing EDD involves significant cost reduction that often equates to reduced headcount.

Another issue is the focus by senior executives on top-line revenue and sales and marketing. Sales has sizzle, visibility, greater compensation, and may be the path to the top job in the company. Therefore, changes that impact the revenue line are more visible and given more credibility and weight. Changes to back-room operations, where EDD shines, are generally unseen and therefore deemed less important.

Unfortunately, in the past few years, with the dotcom and technology implosion, a number of EDD ven-



dors have gone out of business or experienced major restructurings, thereby reducing available R&D dollars. This has caused many businesses to delay decisions to make sure they have done the appropriate financial

pressure on business leaders to improve financial results in the area of business operations. A well-defined EDD project that improves business process and lowers unit cost with a fast implementation is one way to

is possible to realistically estimate the impact of a change on unit cost and put together a reliable business case and a detailed implementation plan.

Third and most important, there must be a champion with decision-mak-

"There has been enormous pressure on business leaders to improve financial results...A well-defined EDD project...is one way to meet the financial challenge."

and product due diligence. The businesses that have the most to gain from the technology are the large companies and they are the most risk-averse in selecting vendors.

Why is Change Coming?

All is not doom and gloom. The Internet has given a rapidly increasing number of people access to electronic documents in the form of e-mail. Changes in the current global geo-political environment are also contributing. Certainly, the events of the past two years have highlighted the issues around paper as a source of documenting information. Days after the September 11th tragedy, companies returned to business using electronically stored data. For those with data stored only in paper form, however, getting up and running was costly, and, in some cases, impossible. Additionally, traditional delivery systems like mail and express carriers (like UPS) are now less attractive than electronic delivery methods, which are secure as well as efficient.

Recently, there has been enormous

meet the financial challenge. In this regard, I think it is a very positive sign that some large corporations have designated a senior executive to focus on process improvement.

Making It Work Today

In order for EDD to work in any environment, there are three things that must be present.

First, the business leader must understand the core business and how EDD will apply. In many cases, due to business complexity, leaders do not have a good grasp of how day-to-day operations are actually structured. They may not know how products are made, cycles are timed, or units are priced. Without a basic understanding, it is extremely difficult for managers to make good decisions on where to spend operating and capital dollars and what return to expect.

Second, they must document the positive impact of EDD on unit cost, i.e., improvement to earnings per share (EPS). Once there is a real understanding of how business is currently done, it

ing authority and senior-level support, who believes in the vision, has access to capital dollars, and possesses the will to follow through. Most of us have run into situations where there is a business case that shows substantial ROI and even gets approved, but somehow the project falls by the wayside. In my experience, this occurs because there is not a sufficiently committed champion who has the power and the desire to see the project through.

As an experienced business leader, I will continue to use the ever-advancing EDD tools as part of my operations repertoire. It has worked for me. To return our corporations to better financial positions, I challenge others to follow suit.

Jan Scites is president and founder of Scites Associates, a consulting firm specializing in solving business problems that impact bottom-line results. Her 29 years of experience include a variety of business management experience across different industries. Reach her at jscites1@aol.com.

