

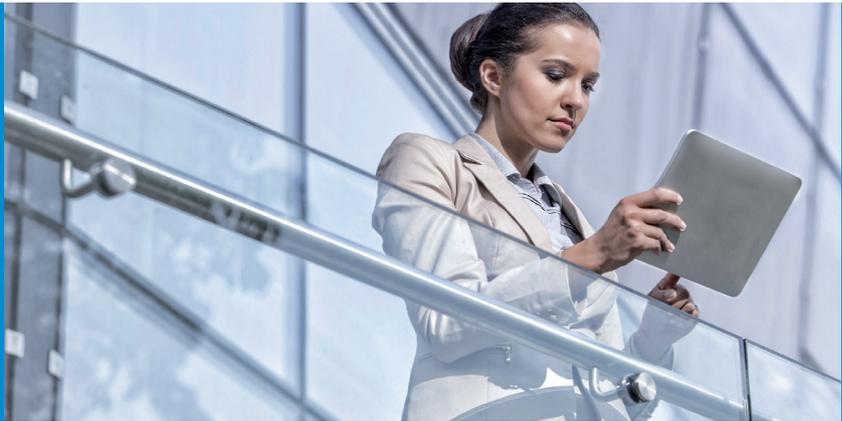
DocuWare



## How To Use Digital Workflows To Create A Paperless Office

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## How To Use Digital Workflows ...



## ... To Create A Paperless Office

Organizations around the world feel the pressure to accomplish more and more with fewer resources. For many employees, it's a struggle to stay on top of daily workflows because they're inundated with information and hampered by inefficient, paper-based business processes.

For today's knowledge workers, some document-based tasks and processes require that people think on their feet and make decisions in an unpredictable context. When communicating back and forth over email, for example, people can't precisely predict how each person is going to respond or define a strict set of decisions. They have to respond to the content.

Many other document types, however, have to follow a strict process before they're archived and saved until the end of their retention period. These strict processes are great opportunities to improve your company's efficiency and productivity by implementing digital workflows.

In large organizations, a purchase requisition follows a highly streamlined process. Other common examples would include an accounts payable invoice or an employee's vacation request form. In a paper-based situation, these repetitive tasks take up a lot of time and effort, and replacing them with digital workflows in a paperless office frees up your employees to focus on more important tasks.

### Digital Workflows

Document-based digital workflows may be used in any industry, from manufacturing to healthcare and finance to law.

### Ingredients Of A Digital Workflow

To understand how digital workflows work within a document management system, it's helpful to start by looking at the basic components: user tasks and automated tasks (or "unattended activities").

A user task prompts an individual to make a decision or perform an action related to a particular document, such as an invoice. The system then performs "unattended activities" related to the document, including automatic decisions, calculations, data updates and data assignments. Combining these two components in various ways allows you to define almost any document-based workflow.

## Free Up Time

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Replacing repetitive processes with digital workflows frees up time for your employees to focus on more important tasks.

In addition to those two components, a digital workflow might incorporate additional elements to tailor the user experience and meet specific requirements. These typically include email notifications and reminders, or web services that bring outside data into the digital workflow.

What's significant about these standard components or ingredients is that these digital workflows aren't limited to any one industry. While some document management systems are designed with law firms or healthcare organizations in mind, there's no need to use an industry-specific system. Document-based workflows in manufacturing, healthcare or finance use the same components, but may arrange them differently to meet the requirements of a process.

A controller or administrator is assigned to manage each digital workflow. This role could be assigned to different users, depending on the process or department. For an accounting workflow, for example, the controller is typically the senior accountant or the CFO.

## A Simple Digital Workflow For Human Resources

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A typical workflow begins when it's triggered by a predefined condition in the document management system, such as storing a new document of a certain type. The person in charge of the workflow then assigns that document to an individual, who is prompted to make a decision. Based on that decision, the workflow proceeds in one of several directions until it reaches the end of the cycle and the document is archived.

Here's an example of a simple workflow your HR department could use to process job applications. When a new resume or application arrives via email, electronic submission or physical mail, it's captured in the document management system, triggering a digital workflow. The HR department's controller for digital workflows assigns variables and sends the new application to a staff member. This staffer could be assigned by name

or by role; the document management system may be integrated with Active Directory or other user directories to import personnel data and create role-based substitution lists, used to manage escalations in the workflow.

That staff member now has a "user task" to perform: reviewing the application, and deciding to either reject the application or invite the person in for an interview. Based on that decision, the system performs automated or unattended activities. If the applicant has been rejected, the system sends out a rejection email, closing the workflow. If the applicant has been accepted for an interview, it sends an invitation email.

The next user task is to conduct the interview and decide whether to hire or reject the applicant. Again, the system then sends the appropriate automated response, either a rejection email or a job offer, and closes the workflow.

Variations on this simple digital workflow could be used in any industry for a wide range of processes, from simple to highly complex.

## Using Digital Workflows In Accounts Payable

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One of the most effective ways to use digital workflows is for accounts payable (AP) invoice processing. By switching from a manual approval process to an automated digital workflow, your accounting department could easily reduce the total time it takes to process an invoice by 60 to 70 percent. This gives your company opportunities to take advantage of early payment discounts or use on-time payment to negotiate better prices with large suppliers.

In a typical scenario, upon receiving a paper or electronic invoice, your accounting team must verify that the invoice contains all of the necessary information and that it matches a purchase order before sending payment. If accounting isn't able to assign it to a purchase order, or there's a mismatch in pricing, the invoice must be sent to the appropriate cost center managers for checking

## From Simple To High

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and approval. If your AP process doesn't use a digital workflow, accounting routes the original invoice to approvers, at which point your accounting team loses control over the document.

That original invoice could sit on an approver's desk for days or weeks, delaying the approval process. When the AP team remembers that there's an invoice circulating, someone has to follow up with approvers to locate it and get an update on its status, which is extremely time-consuming.

Large organizations often have multi-step approval processes in which certain people are authorized to approve invoices below a certain dollar amount — perhaps \$5,000. Invoices for larger amounts may require a second or third approval before returning to the accounting department. Routing an invoice between multiple approvers makes it even harder for AP staff to track down the original document.

With a digital workflow, however, the AP staff retains control over the invoice and has total transparency into the approval process. But a digital workflow offers more than transparency for invoice processing. The workflow could also be set up to monitor deadlines and take action to keep the process on track. For example, the system could send automated notifications to approvers when they have an invoice to review. If they don't respond within a certain time frame, the system could escalate the invoice by rerouting it to a person's manager or supervisor, or returning it to accounting.

Digital workflows are highly effective in accounting, because the accounting processes follow a standardized set of steps that may be expressed in some combination of user tasks and unattended activities. When processes

## Reduce Total Time

Using digital workflows for accounts payable could easily reduce the total time it takes to process an invoice by 60 to 70 percent.

require greater flexibility, however, digital workflows may not be a good fit.

In a sales department, for example, the sales process often requires reps to be creative and flexible, adapting to a customer's requests and requirements. In this situation, a digital workflow may not be a good option. Even so, digital document management does help to streamline the sales process by providing reps with fast, easy access to the information they need to make a sale, such as price lists, product specifications and collateral. This allows reps to generate quotes more quickly and answer customer questions while on the phone with them, instead of having to first retrieve documents from a file cabinet.

## 3 Tips For Transferring Existing Processes To The Paperless Office

If you're ready to take advantage of digital workflows with a document management solution, the first step is to assess the state of your existing paper-based processes. When these processes are already well documented, it's relatively easy to transfer them into a digital environment.

Unfortunately, many companies have poor or inaccurate documentation, which makes creating digital workflows more complicated. Before you design and implement the workflow, you first have to design the process.



## Digital Environment

If your existing processes are well documented, it's relatively easy to transfer them into a digital environment.

Here are three tips for creating effective digital workflows:

### 1 Bring stakeholders together to discuss the process:

In order to develop effective processes, it's absolutely critical to talk to key users and stakeholders, rather than just the C-level management. What you often find is that C-level executives and managers think that the organization follows a certain process, but the day-to-day reality is totally different.

### 2 Mirror existing processes in your digital workflows:

When you first convert existing processes to a digital environment, avoid introducing radical process changes at the same time. It's best to simply define what you currently have and recreate them in the workflow. Slight changes to the process are OK, if you're sure they'll work.

If you try to optimize and digitize a process at the same time, you won't know if any problems that arise are due to the new platform or the new process.

### 3 Once the digital platform works, optimize your workflows:

After some time passes and you're sure that the digital platform is functioning properly, assess your workflows and look for ways to eliminate unnecessary steps and optimize the processes. This way, should any problems arise, you'll know they're due to the process changes, not the platform.

## Ready to streamline your processes with digital workflows?

Contact DocuWare today for a free, no-obligation consultation. It includes a comprehensive cost-benefit analysis and a success roadmap to ensure optimum results.

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### About DocuWare

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The company, founded in 1988, operates worldwide from Germering near Munich, Germany, New Windsor, New York, and Wallingford, Connecticut, with subsidiaries in the U.K., Spain and France.