

Paper Erasure

Going Paperless: Document, Forms, Content and Knowledge Management

for many, the promise of a “paperless office” has been a frustrating and elusive goal. Most, it seems, would be happy to simply have less paper. And with a renewed focus on “green” living, the thought of printing, handling and storing less paper seems more important than ever. Plus, the operational efficiencies and cost savings associated with handling less paper can help transform an organization’s bottom line. That said, what are practices doing today to move toward less paper and more e-data?

Among the top 10 technology initiatives reported in this year’s annual AICPA survey, Document, Forms, Content and Knowledge Management is defined as:

The process of capturing, indexing, storing, protecting, searching, retrieving, managing and controlling information electronically. This also includes scanning, forms recognition, optical character recognition, centralized data repositories and management of PDFs and other document formats. Knowledge management then brings structure and control to this information, allowing organizations to harness the intellectual capital contained in the underlying data. Protecting digital data is a key component of any resulting system, enabling secure distribution and/or preventing illegal distribution and access to protected information.

While this definition is a mouthful and covers a lot of territory, it captures the core concepts and critical points organizations need to consider when going paperless. Everything from capturing documents and information electronically, to how the data is stored and re-accessed, are essential components of comprehensive document and content management solution.

So, You Want to go Paperless?

One of the first questions an organization needs to ask as it considers a paperless strategy is “what aspect(s) of the organization and what



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document(s) do we want to handle without paper?”

If an accounting firm is asking the question, it may be the needs of the audit or tax department that represent the greatest opportunity. Or maybe the consulting or write-up portions of the practice promise the most significant returns.

One of the best ways to determine which areas might benefit the most from a paperless approach is by stepping through the life cycles of the various documents and files used in each phase of a given operation. Once the user has completed the groundwork of

understanding existing documents and paper flows, the areas representing the greatest return will usually be apparent.

And even though it might be tempting to move everything to a paperless strategy at once, experience shows that focusing on one or two areas at a time is usually the most effective strategy.

Capturing the Data

Once the user has decided where to begin the paperless transformation, the next step is to look at when and how data will be captured.

Given today’s environment, a good portion of data—spreadsheets, word processing documents and, of course, e-mail—may already be in electronic format. But for documents that enter a given process in paper form, the user needs to ask how it will be converted to an electronic format.

Various approaches include:

- *Personal (desktop) scanning:* Performed by individual users when they first handle a document. This is typically done with single sheet or flatbed scanners.
- *Share a multifunction device to scan to a network drive:* These scanners usually have some type of document feed capability enabling multiple documents or double-sided documents be scanned automatically.
- Appoint one or two people to scan documents to a network drive at a scanning workstation.

No matter the approach, capturing a document at the earliest moment in the handling process usually provides the most opportunity for efficiency.

One other important consideration during the scanning process is whether a document should be simply scanned and indexed as an image—in which case the content within the document won’t be searchable—or use Optical Character Recognition (OCR) software to scan and capture the data within the document itself.

Scanning using OCR will yield a far more useable result, but scanning each page is



more time intensive. Note that all documents are “indexed” in connection with a scanning process, allowing the user to assign key word or number identifier to the document. This enables faster searching and retrieval, as well as linking the document to the related process or application.

Finally, as each document is scanned, an organization can then determine whether it wants to retain the original, return it to the provider or dispose of it—which can definitely be unnerving the first few times the paper is tossed away. Most organizations have found it best to return original documents in most cases and store those that they retain for some period before disposing.

Organizing and Storing

Once documents and information are captured in electronic format, the information must be filed and organized in a manner that ensures it will be accessible whenever and wherever needed. This is a crucial aspect of the paperless process, and requires all participants to agree to a fairly strict set of procedures and file locations to prevent orphan documents or shared information from winding up on local user drives and personal folders.

In addition, depending on the workflow that’s being converted, the underlying software application likely plays a critical role in the process. Specifically, the core application needs to know where the data is located so it can reference back to the required documents. Traditionally the documents will reside on a shared network drive that may either be “organized/managed” by the supporting software application or possibly organized by the end-users.

The process of organizing e-data can often be one of the most challenging aspects of the paperless process, since organizations may already have some type of information storage strategy in place—whether by client, by year, by application, etc.—and this approach may or may not be compatible with the software applications that need to access and manage this e-data. With that challenge in mind, the best way to organize data may be driven by the supporting software application itself.

Workflow

Along with the elimination of the physical paper handling and accessibility to source documents when and where needed, one of the most substantial benefits of a paperless initiative is the improvement of the actual business processes—called workflow—

surrounding a given operation. Workflow software enables each step of an operation to be examined and automated such that users are alerted and drawn into a process when their involvement is required to approve a document or update a process, for example.

This is done by creating a series of rules and conditions that indicate to the application when a given user needs to be notified, which can be done via an on-screen pop-up, or more typically by some type of e-mail notification or centralized “in-box” listing all the documents that require the user’s action.

For example, once a client’s tax return data has been entered into a tax preparation program, an alert is sent to a reviewer to examine and approve the input. While reviewing the return, the reviewer would have access to all previously scanned documents on screen, and access (electronically) to everything necessary to complete the evaluation. Once the input is approved, the return can then be sent to the next step in the process—possibly generating a PDF copy to e-mail to the client. And, again, this step is done via an alert to the user responsible for generating and forwarding the review copy to the client.

Ideally, as workflow is applied to each step of a given process, users move toward a “management by exception” approach: work is organized and summarized for them and they simply need to respond and act on alerts and messages as they are received.

While the above example is specific to tax return preparation, any business process can be automated and benefit from such an approach.

Application Software

There are dozens of software products an organization might consider using in connection with a paperless initiative. Some of the products are limited to specific operations, such as scanning or file management; other applications are targeted at specific aspects of a practice or workflows, such as audit, tax or client accounting.

With that in mind, here are some of the more popular applications organizations may run across regarding going paperless: Acct1st EDRMS, Adobe Acrobat, AnyDoc Software, CaseWare, ASG-Cypress Content Management, Doc-It DM, CCH ProSystem fx Document, Docsvault Small Business Edition, eFileCabinet, Interwoven Worksite, Lacerte Document Management System, Laserfiche, Microsoft SharePoint, Sourcelink, SurePrep 1040 Scan, Thomson FileCabinet CS, Thomson GoFileRoom, WebDocs CPA, XCM.

say what?

Here are some terms and acronyms sometimes used when discussing paperless:

- **Electronic Document Management System (EDMS):** broad term often used to refer to the entire paperless process.
- **Enterprise (or Electronic) Content Management (ECM):** The technologies used to capture, manage, store, preserve and deliver content and documents related to organizational processes.
- **Document Management Solution (DMS):** Computer system (or set of computer programs) used to track and store electronic documents and/or images of paper documents.
- **Records Management Solution (RMS):** System of identifying, classifying, archiving, preserving, and destroying records.

The list above is hardly exhaustive, but it represents a reasonable starting point when beginning the software investigation and evaluation process.

Challenges

As discussed earlier, most organizations have learned it’s best to embark on a paperless effort in bite-sized pieces, picking one or two departments or selected business processes that might benefit most. But before jumping in, it’s also advisable to consider the full extent that the firm would like to work in a paperless mode.

What is the ultimate goal? This question is especially important since some applications may only satisfy the needs of a single department or operation, or worse, conflict with other paperless strategies and applications. It’s always best to begin with the end in mind.

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