

Information Workers Benefit When ECM Vendors Play to Their Strengths

Universal Forest Products Uses Microsoft SharePoint as a Gateway to Access OnBase Imaging and Workflow Applications from Hyland Software

By Dan Bolita

There's been a notable shift in Enterprise Content Management (ECM)—it increasingly involves the enterprise. To date, the Enterprise in ECM has been a misnomer. Unlike the comprehensive roll-outs of Enterprise Resource Planning (ERP) application suites back in the dot.com era, very few organizations perform enterprise-wide roll outs of ECM suites all at once. The most common approach is to incrementally deploy ECM component applications—such as document imaging and workflow automation or Web content management—to solve the business problems of a specific department such as accounts payable (AP) or human resources (HR).

The majority of the applications under the ECM umbrella are mature technologies. They have a proven track record of helping organizations add dollars to the bottom line, driving inefficiencies out of document-centric processes and mitigating organizational risk. That is why it has always struck me as odd that more organizations have not tried to use their ECM applications as part of a coordinated, enterprise-wide strategy. In fact, you will be hard pressed to find organizations that have successfully deployed ECM capabilities on the desktops of every one of its employees.

There is no doubt that ECM is steadily growing in importance. According to Gartner Dataquest, the market for ECM software licenses and maintenance topped \$2.6 billion in 2006. Moreover, Gartner expects the ECM market to continue to show strong growth at a compound annual growth rate of 12.9 percent until 2011. And yet, despite this solid market performance, ECM has not achieved the same level of enterprise-wide visibility as other business applications such as ERP and Customer Relationship Management (CRM) systems.

I believe there are two key reasons for this. One, despite claims to the contrary, leading ECM vendors have traditionally not developed software designed to meet general purpose content management needs required by the majority of information workers across the enterprise. Instead, they have focused their efforts on providing industrial strength functionality to solve complex problems for high-value business operations that process large volumes of documents and data.

These high-value solutions can deliver handsome returns on investment. As you might imagine, there is price to pay for this level of performance and value. Therefore, organizations are compelled to cost-justify expanding ECM deployments to meet the needs of information workers whose roles are not tied to high-value operational processes.

The second factor that has hindered enterprise-wide adoption of ECM applications has less to do with cost and more to do with making it easier for people to use content management functionality. While critically important, ECM solutions are often not an information worker's primary application. For example, the backbone system in an AP department is an ERP payables application. The ERP system is where the AP staff perform the majority of their daily work. The ERP system, therefore, provides the computing user experience the AP staff are most comfortable using. No matter how good the ECM application, forcing AP staff to jump between applications to find information is inefficient and often results in AP information workers refusing to use ECM technologies. CIO's and IT project managers understand that costly but under-utilized software does not bode well for career advancement.

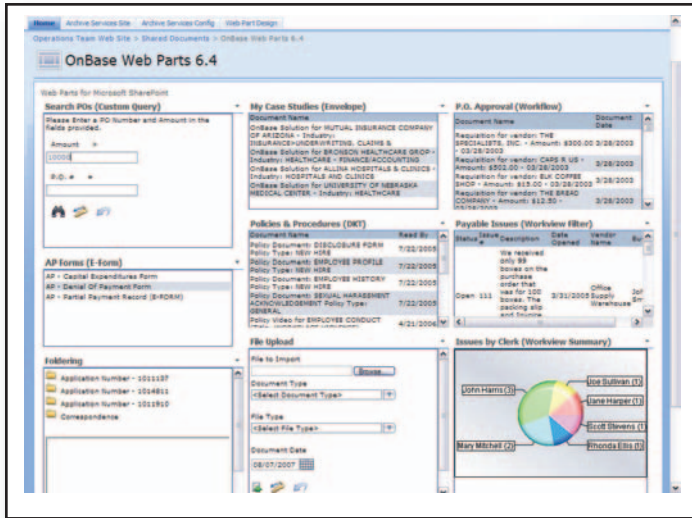
Fortunately for IT buyers, the ECM vendor community has come to realize that cutting edge software alone cannot make organizations successful if the people it is designed to serve refuse to use it. Some forward-thinking ECM vendors learned a while back to put their egos aside and deliver solutions that let information workers leverage content management functionality using their preferred line-of-business, portal or desktop productivity applications.

In addition, there are some enlightened ECM vendors who see Microsoft's formal entry into the ECM market—Microsoft Office SharePoint Server 2007 (MOSS 2007)—as an opportunity to make it even easier to deliver ECM solutions via workplace application interfaces that virtually everyone knows: Microsoft Office and SharePoint.

One of those vendors is Hyland Software. For the past several years, Hyland has responded to the way organizations adopt content

management tools. Most recently, the company has capitalized on the entrance of MOSS 2007 as a platform to extend its OnBase suite of content and process management applications.

The latest release of Hyland's flagship product OnBase (now in version 6.4) furthers the company's goal of extending the value of Microsoft Office SharePoint Server 2007 (MOSS 2007).



For ECM vendors like Hyland, the relationship with Microsoft is a complementary one. Hyland's OnBase provides ECM component applications designed to streamline transactional processes. These applications include document imaging, COLD/ERM processing, workflow automation and document composition. On the other hand, MOSS 2007 meets a different set of content management needs. It provides a platform for deploying and managing Web sites and creating team spaces for collaborative document creation and sharing. Moreover, it extends Microsoft Office as a platform capable of delivering general purpose electronic document management to every desktop at a price point organizations can afford.

"There's been some confusion in the market because OnBase and MOSS 2007 both deliver ECM software capabilities," said Hyland's Market Intelligence Manager, Ken Burns. "But, in reality, ECM features a broad spectrum of technologies, each designed to solve a different set of business problems. In that sense, OnBase and MOSS approach ECM from different ends of the spectrum.

"MOSS 2007 has forced us to sharpen our message for the better," added Burns. "We're not IT infrastructure like Microsoft; Hyland develops content management applications and those applications will continue to run largely on Microsoft platforms."

Burns believes that Microsoft has taken up a commendable cause with MOSS 2007 as part of its multi-layered "People-Ready"

business strategy, which addresses the concept of person-to-process interaction. People-Ready refers to bringing together the right people with the right tools and the right information at the right time for improved work processes and greater efficiency. "This is aimed at bridging the disconnected worlds of desktop productivity tools with line-of-business and supporting business process management applications," Burns explained.

OnBase 6.4 has been expressly designed for accomplishing these goals by making it easier for people to interact with content-driven business processes through their preferred Web-based and desktop productivity tools. Increasingly these tools are being presented through a Microsoft user interface such as Office and SharePoint. The compatibility between OnBase and SharePoint is particularly relevant to enterprise content management (ECM) applications.

"Process improvement starts with people but, too often, information workers fail to fully embrace ECM solutions because the technology is unfamiliar to them," said Bill Priemer, executive VP and COO at Hyland. "OnBase 6.4 expands the choices we provide to information workers and other stakeholders in order to help them access content-driven processes through their preferred user experience."

Organizational Content and Forest Products: Renewable Resources

An excellent example of a distributed enterprise that has modernized its content management processes is Universal Forest Products, the nation's leading manufacturer and distributor of wood and wood-alternative products. Headquartered in Grand Rapids, Michigan, the company employs approximately 10,000 people at nearly 100 facilities throughout North America.

Universal's products include building components, such as trusses, decking and related wood products, that are distributed through major home improvement retailers (including Home Depot and Lowe's) as well as smaller, independent businesses. It also sells directly to builders and other customers. Since its founding in 1955 as a single sales office serving the manufactured housing industry, Universal has grown to become a publicly traded, multi-billion-dollar corporation.

When Universal first investigated document imaging, the company briefly considered a centralized approach. "That was extremely time-consuming and we abandoned it pretty quickly," said Sean Lemon, Imaging Project Coordinator with Universal. "Before that, we'd started out with microfiche, which was cumbersome at best. We moved on to imaging within our AR (accounts receivable) lockbox. There was a lot of discussion there about the

accumulation of file cabinets and how we would soon be running out of space,” Lemon recalled.

In addition to being out of physical space, Universal faced several other issues that hastened the implementation of a comprehensive content repository. “We had a fire at one of our facilities and documents were destroyed,” he said.

Cross Departmental Roll-Out

As is often the case with technology deployments, Universal began the content management system implementation with a few departments rather than a full-scale deployment. As each department sees the benefits of process automation however, it quickly spreads throughout the organization.



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The company discovered that content needed to be shared across multiple departments so its chosen solution needed to be able to support how information was processed across the company.

This need for scalability led Universal to OnBase through Hyland reseller Business Strategy, Inc. (BSI), also of Grand Rapids. “We selected OnBase because it was the most flexible document management software we evaluated,” said Lemon. “We knew that once our users saw how our ECM initiative was helping the first two departments, it would spread like wild fire, which is exactly what happened.”

According to Lemon, Universal’s first OnBase deployment was for its AR documents. This was quickly followed by AP, and the legal, HR and engineering departments right behind.

“It spread across the company pretty fast,” Lemon said. “We brought it in to a couple of departments first and ramped it up from there.” The company now deploys document imaging across most of its departments.

Accounting

At Universal, as is the case with many dispersed organizations, several accounting functions are processed centrally. “We were receiving a lot of requests from our facilities across the country to view customer checks or the original accounts payable invoices, explained Lemon. “We needed a way for our facilities to be able to view these documents without having to constantly fax copies.”

A similar issue was faced by Universal’s payroll department. The company needed to ensure that documents faxed or mailed from one of its nearly 100 facilities would make it to the recipient in a timely fashion for processing.

Working with Business Strategy, Universal now deploys a comprehensive image capture, document workflow and content management system. Using the Ascent Capture platform from Kofax and Fujitsu departmental scanners, the company’s documents are now captured remotely and brought into OnBase for access by accounting or whichever department needs them. According to Lemon, immediate access has saved the company time and offers faster response to inquires.

“We now scan invoices immediately in our accounting system,” he said. “If an invoice is entered at our corporate office that affects one of our facilities, the office administrator is able to log in to OnBase and pull up that specific invoice to see exactly what the charges are for. If we receive a call from a vendor questioning a discrepancy in billing, AP uses OnBase to pull up the original invoice to view approvals and explain why the invoice was paid,” Lemon continued. “Before OnBase, that same process would have required a phone call, a trip to the records room, and an hour searching through boxes and a fax.”

Organizational content rarely affects just a single department. It often touches multiple departments, and each must act on a docu-

ment in some way and send it elsewhere. At Universal, this information sharing led to each subsequent deployment of OnBase. One of the challenges of legacy content management systems has been an inability to allow for this expansion as needs change, or as additional departments require document access. Because of the modularity of the OnBase solution, Universal was able to deploy different components as needed. The company now uses each of the following OnBase modules: document imaging, Workflow, Workview, COLD/ERM, OnBase Web Parts for SharePoint and EDM Services.

Payroll

“In Payroll, we had been sending new information via fax and snail mail to our regional HR and payroll administrators,” Lemon explained. “As the company added a new plant, we’d see spikes in the amount of faxes and mail we were receiving. It became increas-



ingly difficult to manage the inflow of all of the documents.”

The solution was to implement OnBase Workflow, which routes the documents from the scan station at the plant level directly to the waiting queue of Universal’s regional administrators.

“We know that the documentation that is now being processed through Workflow is more accurate and a lot more secure,” Lemon said. “We are also able to ensure that this information is being permanently stored in an employee’s digital file.”

Compliance

The next document management domino to fall was in the company’s compliance group, to which facilities are required to submit forms, such as storm water monitoring documents, at regular intervals. Using the Workflow module in OnBase, each time one of Universal’s remote facilities submits a storm water report, the company’s environmental regulatory specialist is notified. “This way, they are able to monitor and review the documentation immediately after it has been submitted,” Lemon said.

Human Resources

Workflow was implemented in the HR department to centralize employee files and maintain them in an electronic format. Explaining the workflow process, Lemon cites the example of a new employee. “A new hire comes in, fills out paperwork and we scan it into batch manager with a barcode for routing to the regional office that does the processing. Prior to Workflow, these documents were being faxed. Now it’s all managed centrally. Using Workflow, we verify this information immediately after processing and we can conduct employee file audits online.”

Legal

For Universal’s Legal department, it boiled down to time and security. As a publicly traded company, Universal is responsible for numerous SEC filings, accounting and public disclosure laws governing its document practices. They needed a secure place to store

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their files in one location where they could quickly and easily find the information they needed.

Burns explained how OnBase balances swift access to content with necessary security. Permissions are based on user groups and roles in relation to business processes. Users access only the steps in the process relevant to their role. Retrieving content outside of a process is also strictly governed. Governance can be as high level as the classification of entire groups of documents or as granular as to be determined by a specific keyword value on individual documents.

“Not all organizations take the time to examine these issues,” said Burns “An ECM solution should provide centralized administration even in distributed environments and should impose security restrictions down to the keyword level of a document, not just the document level. This may sound like techno-speak,” Burns said, “but it boils down to this: In order to be agile, enterprises need to find a balance between supporting more decentralized and independent decision making and minimizing risk.”

Streamlined Work Process

According to Lemon, having ready access to document images has streamlined work processes across all departments. “When there’s a question on a document, it can now be resolved right away,” he said. “We used to have to go the records room and open a box to get an answer. You multiply that by the number of inquiries and it adds up.”

Universal’s content management system is now composed of more than six million converted paper documents, with another million documents being added every eight months. According to Lemon, these consist of a broad array of document types including Microsoft Office files, e-mail and system reports.

“All of these need a final storage place,” he said. “Whether we are scanning payables, importing daily transmittals for processing, or scanning engineering drawings for retention, OnBase touches all of Universal’s departments in a different way.”

SharePoint Meets ECM

“The flexibility of the Office SharePoint Server platform allows Hyland to tightly integrate their process-centric workflow and repository with the SharePoint end-user experience. This dramatically increases end-user adoption and facilitates wide-spread usage across the organization, while providing the process centric capabilities required by the business,” said Rob Curry, Director of SharePoint technologies at Microsoft.

For the ECM market, the release of Microsoft Office SharePoint Server has extended the value of SharePoint as a content portal. The content management and collaboration capabilities have been strengthened and link more closely with MS Office desktop applications. The value of SharePoint is further enhanced when deployed in tandem with a robust content management system such as OnBase.

“Because of its low price point and tight integration with the ubiquitous Office and Windows franchises, MOSS 2007 is positioned to be the first true content management platform that can extend to every desktop,” Burns said. “In fact, they are pouring \$2 billion into marketing SharePoint and Office as an information worker platform. That amount is unheard of in ECM circles. It will definitely introduce the idea of ECM to the widest possible audience.”

While both SharePoint and OnBase are content management tools, there are notable distinctions between the functionality of each. The combination of the two products offers unique opportunity, but has also left some confusion as to which tool is most appropriate for different applications.

For most office workers, SharePoint serves well as an active document collaboration tool, offering shared access, version control and the ability to work with familiar Office applications. However, once they are final, documents are rightly much less fluid. They become records that are retained yet available for access and retrieval, while maintaining their security. This is where OnBase is a much more appropriate tool for document management and workflow.

“We think of OnBase as a final repository and document-centric workflow processing system,” said Lemon. “While we think of SharePoint as our primary collaboration and intranet tool.”

The distinctions between the use of OnBase and SharePoint for document access were driven home for Universal in response to the needs of its Environmental Compliance group. According to Lemon, it boiled down to allowing the unit to navigate in its familiar interface.

According to Lemon, this is a key advantage to Universal. “It is a struggle to try to train all of our users on a variety of software applications; however, the advantage of SharePoint is that most people are already familiar with Microsoft applications. The OnBase SharePoint module, in essence, brings our documents out of OnBase and displays them in SharePoint—right in line with the rest of the critical information our employees need to know.”

The integration of OnBase and SharePoint has given everyone access to information without having to retrain people who might only have to access the system once. This highlights why the integration between the two is so important. At Universal, they’re able to display an OnBase document directly within the SharePoint application that users are already familiar with.

When asked by his colleagues which of the two programs they should use for their process application, Lemon responds, “the answer is ‘use both.’ Use SharePoint for things like ad hoc documents, project collaboration and version control, and use OnBase for workflow and retention.”

Hyland’s Ken Burns agrees. “OnBase is geared towards effective transactional process execution,” he said. “SharePoint is a much better product for team collaboration and creating ad hoc workflows.”

For daily work processes, it is fairly easy to distinguish between those that are ad hoc and collaborative and those that are more transactional. Some examples of ad hoc and collaborative processes include the approval processes around press releases, marketing collateral or technical documentation. The process is fluid and may change depending on the subject matter experts that need to be involved.

Transactional processes are those that involve handling content and data that originates outside an organization or, conversely, involves sharing content with customers and trading partners. This type of content is usually more finalized, such as a record, as opposed to a document in progress.

“Transactional information is handled according to the rules and events triggered by structured, repeatable and decision-intensive business processes,” Burns said. “Think accounts payable, loan processing and insurance claims.”

Despite the distinctions, it’s clear that the two applications are closely intertwined at Universal. And this is where the cumulative value exceeds that of the individual parts. While MOSS 2007 is often referred to as an ECM suite, Microsoft itself understands that SharePoint on its own will not meet the breadth of ECM needs and the software leader is actively encouraging partners such as Hyland to extend its capabilities with their complementary tools.

“The product strengths of traditional ECM vendors are designed to meet high value, high volume needs that MOSS is not designed to do today,” Burns said. “That’s why Microsoft is seeking to build out a strong partner ecosystem with traditional ECM vendors to extend SharePoint and Office as a platform with their advanced repository, imaging and process management functionality.”

Collaboration and Content Archive

Hyland recognizes the value of targeting its ECM solutions to solve specific business problems. The combination of OnBase content management and SharePoint collaboration functionality is a prime example. For instance, Archive Services for Microsoft SharePoint allows users to archive documents into OnBase from the Microsoft SharePoint Document Library interface.

“When you archive SharePoint documents into OnBase, you can take advantage of OnBase’s robust document retention and security features,” said Burns.

Archive Services for Microsoft SharePoint offers several methods for archiving documents. Document archival can be:

- Performed ad hoc by a user.
- Triggered to occur upon document check-in, either for all documents or for documents that meet specific criteria.
- Scheduled to occur after a specified amount of time.

Documents can be archived to OnBase fully indexed without any user interaction. Documents can also be archived to by mapping keyword types to SharePoint document attributes.

Dedicated SharePoints

For Universal, the investment in its comprehensive content management system has allowed the company to develop a number of dedicated Web Portals (SharePoints) specific to the company’s business needs.

“On our Environmental Compliance SharePoint site, we have forms that our plant managers are able to fill out and submit into OnBase,” said Lemon. “By using OnBase Web Parts for SharePoint, we’re able to make this site a ‘one-stop shop’ for information. So when an auditor arrives at one of our facilities, our users simply have all of the required documents located within their SharePoint home page.”

The integration between OnBase and SharePoint is still being implemented. As additional departments gain access through SharePoint, a broader spectrum of content has become more readily available. For example, Universal currently has what it calls a “Due Diligence” SharePoint site where company executives can get information on potential acquisitions.

“After OnBase is integrated into this SharePoint site, our executives will no longer be required to log into OnBase to view the critical reports and due diligence information that they need to review,” explained Lemon. “They will simply be displayed with the rest of the critical information on the SharePoint homepage.”

The company is also connecting OnBase to its Active Directory so when a user logs into Windows, they will be able to go out to SharePoint and the Web Portal in SharePoint will automatically log in to OnBase, run a document query based upon document type, and return only the documents that the user is authorized to access in OnBase.

“For instance,” said Lemon, “once the SharePoint integration is complete, our corporate payroll manager will be able to review the processing times of each administrator’s work each time she opens her SharePoint collaboration site.”

This ease of integration with a worker’s familiar applications is a point repeated by both Burns and Lemon, who each stressed that end-user adoption is critical to the success of any ECM initiative.

“It’s the single biggest factor determining success or failure of an ECM project,” said Burns. “You can provide the greatest content and process management tools in the world, but if people don’t embrace them, those applications won’t deliver results.” ■

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