

# **Whitepaper**

# **Branch Operations**

## **V1.0**

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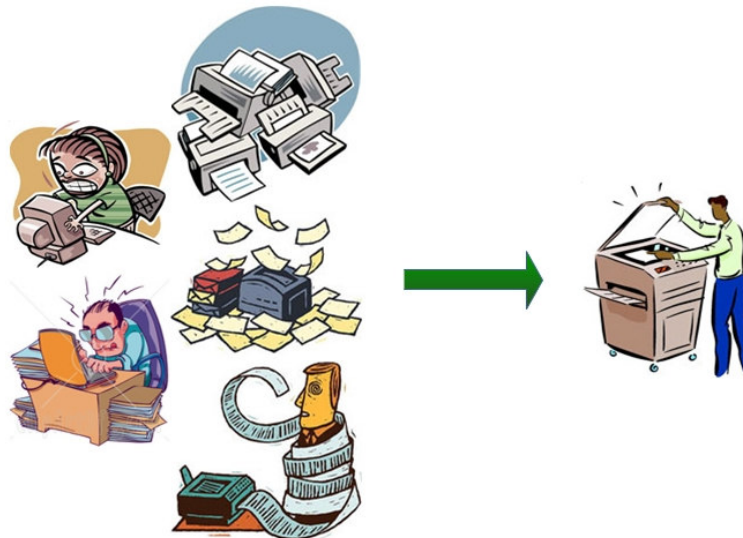
## **INTRODUCTION**

Organizations today are more worried about how to efficiently run their operations than perhaps any other time in modern history. As companies have diversified, they have moved away from the large centralized office to a network of connected offices, or “branches”. While in a centralized business environment, the document flow of a business process is fairly straightforward, that same process broken apart across multiple field offices becomes instantly complex, inefficient, and costly to maintain. Shipping of documents to a central office for processing is no longer the cheapest, best, most cost-effective way to process and manage a company’s document flow. Enter NSI’s AutoStore Branch Operations solution.

NSI’s AutoStore Branch Operations solution is designed to help organizations automate their document flow from remote offices directly into business systems. The AutoStore Branch Operations solution also notifies users of the status of documents, further streamlining document processing by enabling the branch workers to “send and forget” their documents. Documents can be submitted via multiple sources, like digital copiers (MFPs), fax machines and servers, Email systems, document scanners, print streams, digital cameras, and even the user’s desktops. Captured documents are processed according to business requirements, and routed to their respective destinations automatically.

The key to the AutoStore Branch Operations solution is its flexibility. With more than 180 panel-level integrations, solutions to encompass any network attached device, and integrations to more than 40 backend ECM/Workflow/Database systems, the AutoStore Branch Operations solution becomes a single tool that can be configured for any situation to deliver back-office processes to the front office worker.

## **CONSOLIDATION AND SIMPLIFICATION**



How many documents are received by a branch worker? How many different formats do those documents originate in? Look around a typical office environment and you’ll find various printers, fax machines, copy machines, scanners, digital cameras, etc. What if all these devices could be consolidated into one working business-class solution? This is where the Multi-Function Device (MFD), or Multi-Function Peripheral (MFP) come into play. These devices combine print, copy, fax and scanning into one device. They are also color capable and therefore able to handle the rare cases where color input is needed as well.

A branch worker’s daily routine consists of the following:

- Collecting documents from office fax machine.
- Printing documents, and then faxing via office fax machine.
- Printing emailed documents and then faxing them.
- Printing copies of documents for transmittal to centralized processing system.
- Copying existing documents before transmittal to centralized processing system.

- Transferring digital photographs to a PC for upload to email or business system.

AutoStore’s Branch Operations solution combines all the functions needed in the daily duties of a Branch Office worker into one device, the MFP. By consolidating all the features above, the branch office worker’s duties are greatly simplified by enabling them to utilize one MFP device in the place of many devices. This has many benefits:

- Reduced cost.
  - Reduced impressions, consumables, and maintenance.
- Less office machinery, creating more usable floor space.
- Reduced training.
- Reduced errors.
- Increased security and tracking.

## **SAMPLE ROI USE CASES**

Let’s outline a simple use case to illustrate the power of an AutoStore Branch Operations solution to achieve a solid Return on Investment (ROI). The sample company currently has a centralized invoice processing solution. Invoices from all 3000 remote retail locations are sent to the central office once a week, in an overnight shipping package. These invoices are received, sorted, scanned and processed centrally using a staff of 15 people. Significant savings have already been achieved by adding the use of imaging to the AP process. With shipping costs more than doubling over the past two years, the company has seen much of its saving eroded by these rising costs. The current costs are:

- 3000 branches send a single overnight package per week:
  - $3000 * \$25 * 52 = \$3,900,000$  annual cost in shipping (estimating just one overnight package per week)

While there are many other “soft costs” that are a valid factor in making this investment, we’re going to stick to the hard-dollar ROI to demonstrate the power of Branch Operations. This same customer already has a fleet of various digital copiers (MFPs) across all of its 3000 branches. The equipment is required at each store in order for the branches to operate, so it’s a fixed cost. There are various makes and models, but all are connected to the corporate network. What’s unique about the AutoStore Branch Operations solution is that no matter what type of device is connected to the network, AutoStore can utilize it as a scanner. This specific customer has devices that connect via an integrated panel, SMTP and sFTP. These are all supported natively by AutoStore. The Branch Operations solution ROI looks as follows:

	Software	Soft Maint	Savings
<b>Year 1</b>	\$2,100,000.00	\$414,000.00	\$1,386,000.00
<b>Year 2</b>		\$414,000.00	\$3,486,000.00
<b>Year 3</b>		\$414,000.00	\$3,486,000.00
<b>Total savings after three years:</b>			\$8,358,000.00

That’s an ROI of 7.8 months, with just the savings around shipping costs. But the real savings shows in years two and three. The ongoing costs for the solution are only the annual software maintenance. After the initial year one investment, the solution generates a serious savings that has a direct impact on the corporate bottom line.

Now consider the “soft costs” of the solution ROI: The company has immediate, daily visibility to its overall expenditures and liabilities, something critical in the current business climate of a public company. Also, invoices are not “lost in transit” any longer. Branch managers are notified that their invoices were received by the central AP department in minutes. There is a straight-through processing path that is completely logged and audit worthy.

This is an extreme example, and not all companies have 3000 retail stores generating ongoing daily invoices. So let’s take a look at a much smaller organization. This next company has 30 offices, and to keep the ROI comparison consistent, we’ll use the same metrics:

- 30 branches sending a single overnight package per week:
  - $30 * \$25 * 52 = \$39,000$  annual cost in shipping.

The ROI is as follows:

	Software	Soft Maint	Savings
<b>Year 1</b>	\$29,000.00	\$4,600.00	\$5,400.00
<b>Year 2</b>		\$4,600.00	\$34,400.00
<b>Year 3</b>		\$4,600.00	\$34,400.00
<b>Total savings after three years:</b>			\$74,200.00

The savings are not as extreme, but are still within the mandatory 12-month ROI target of most companies. Furthermore, all of the benefits normally reserved for much larger organizations (visibility of expenditures, auditable processes) are now available for any size company. It’s also not typically possible for a company to eliminate all of their shipping/transportation costs around branch offices. But the examples above show the costs savings of eliminating a single overnight envelope per week, per branch.

### A New Type of Courier Service

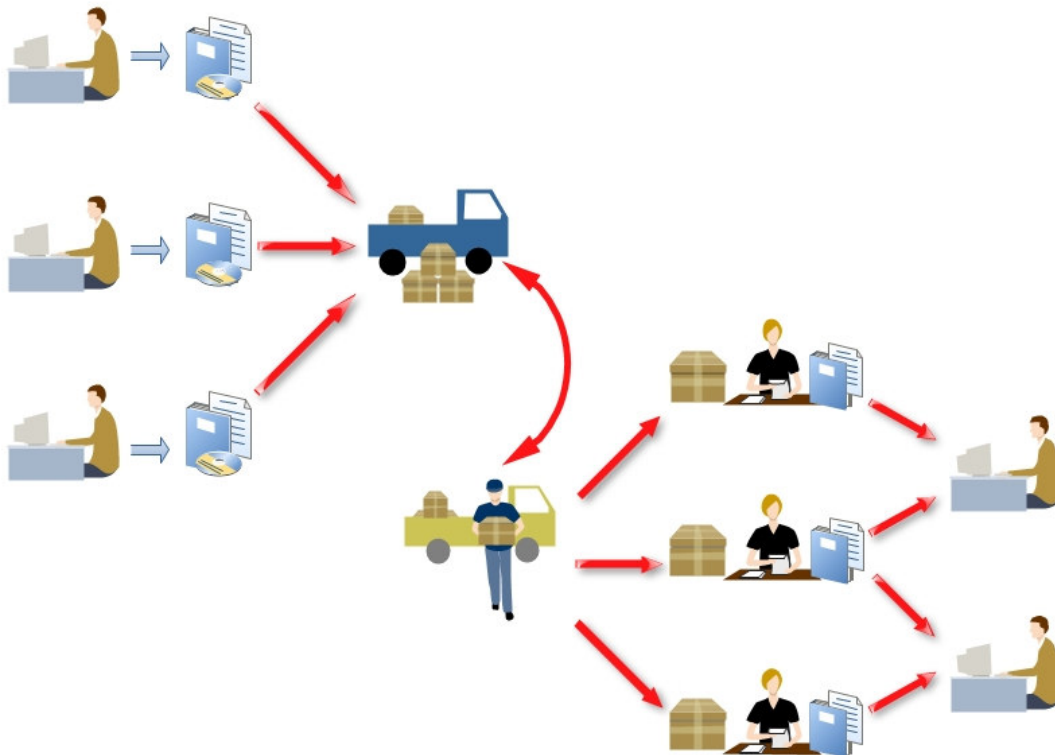
The idea of hiring someone to move documents has been around since the Pony Express. Yet, many companies today still rely on this method of transporting documents instead of adopting technology that can drastically save time and money. All document management and workflow systems revolve around the idea that the document must be digital. NSi’s AutoStore is the catalyst to put documents into the format needed by the business system. If documents are originally in paper format, AutoStore converts them to a digital format, if they are already electronic, AutoStore keeps them that way. Gone are the days of “Print and fax”, or worse, “Email, print and fax”. A fully automated Branch Operations solution gives the branch worker the ability to easily submit documents to the relevant business process, regardless if that document originated in paper or electronic form. This solution utilizes the existing infrastructure and equipment that most companies already have in place. This further expands the ROI on both the centralized system and the branch office equipment by linking the two systems together.

Once these systems are linked together, another huge benefit is that the branch employee now has more time to focus on their primary job duties. Many companies NSi has dealt with have initiatives to reach out to their customers to make sure they have direct, personal contact with their customers. The prevalence of technology has depersonalized the relationship of businesses and their customers. By enabling branch employees to focus on their main job duty, interacting with customers and business stakeholders, companies utilizing a Branch Operations solution find their branch employees more productive and able to stay focused on their main job goal instead of performing menial administrative or clerical duties.

Finally, just as a courier service can, all documents can be transferred by utilizing the Branch Operations infrastructure. Only documents that require an original for processing need to be handled by the traditional courier service. This allows utilization of Branch Operations technology across the enterprise.

**THE CURRENT DOCUMENT PROCESS FLOW**

**Manual Branch Document Processing**



The diagram above outlines the general flow of a manual branch document processing workflow. The process is generally as follows: The remote worker prepares the physical document with some sort of separator, or batch prep page, outlining what is contained in the “batch”. This bundle is placed into a courier bag, or other type of container, and shipped to the central office. The cost of shipping documents is one of the biggest ROI factors when implementing a Branch Operations system. The past few years have seen shipping costs skyrocket due to rising fuel costs. The general idea is, the more documents shipped, the greater the savings will be.

Once the documents are received by the central office, the bundle is opened, and the documents are sorted based upon the business requirements of each document type. This is typically done by an entry-level person, and this process is prone to high error rates. If the company has an imaging system, documents are scanned at this time, then indexed, and finally committed into the business workflow. If the company does not have an imaging system, the documents are delivered via inter-office mail to the department, or individual, responsible for managing this business process.

It’s easy to see how things can go wrong in a manual branch document process. Each time a document is physically touched, there’s a high chance of that document becoming mishandled, and thus being lost. There’s also virtually no visibility back to the Branch Office worker as to where their document is in the current process. This causes the branch worker to make frequent checks and inquiries into the status of the document. This process is exasperated if the documents in question need to be frequently accessed, or change greatly during the business process.

**The Problems with Manual Processing**

One of the biggest problems with a manual document process is that the critical business documents are completely invisible to the organization while the documents are being processed. What would happen if critical customer data was trapped in a document, and that data cannot be accessed to answer a custom inquiry until the process is complete? By converting the document to an electronic form at the remote office, we can greatly speed up every business process, changing a delay of days to hours or minutes.

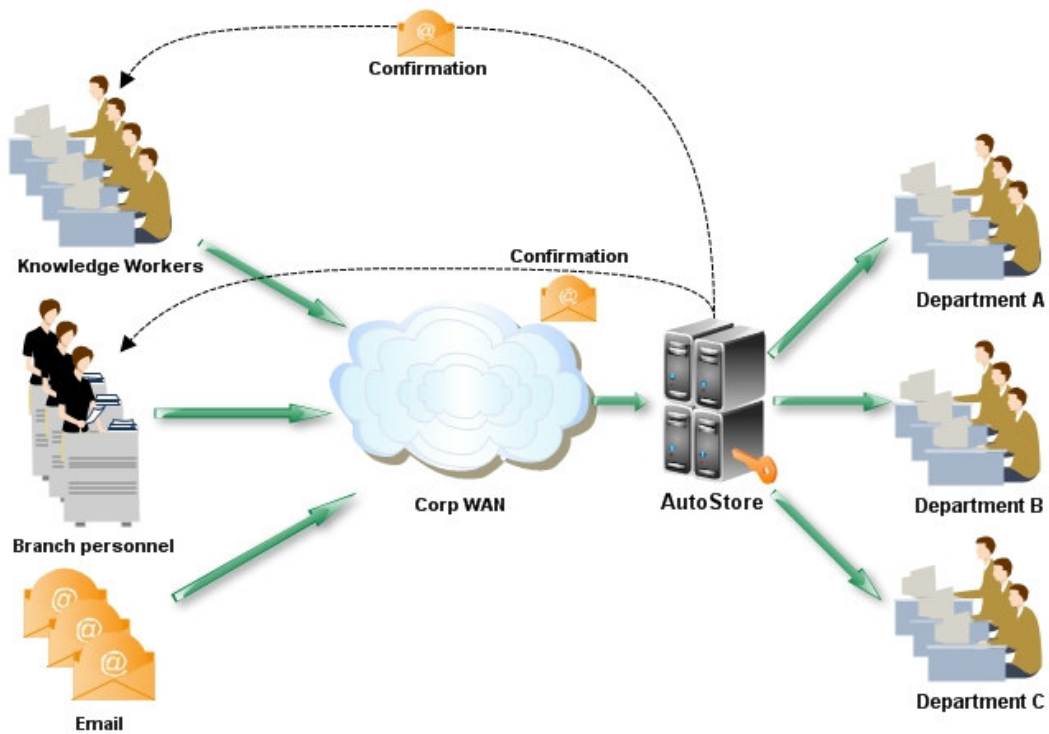
In addition to delays in data being made available to business systems and workers, manual document processes are also difficult to maintain from an accountability and auditing standpoint, making it very difficult for modern organizations to maintain compliancy around numerous corporate regulations. Again, by utilizing an electronic system, audit logging and tracking “who, what, when, where” type of data becomes very easy to create and manage.

While the manual flow above greatly simplifies the processes being represented, the focus of the document is on the red arrows. Each red arrow signifies a manual process that is a security and efficiency problem. NSi understands how to streamline these processes and create a solid, stable, auditable business process that will also simplify the branch worker’s daily tasks. In a remote office, there is often no local technical support, and the workers are task-oriented knowledge workers, not specialized technical personnel. This is why NSi’s Branch Operations solution strives to be easy to use for the branch office worker. If the system is not adopted by the workers, it is doomed to fail. If the system is difficult to use, the workers will not adopt it, and it will fail. However, if the system is easier to use than the current way of processing documents, and it’s as easy as copying a document, emailing a document, or faxing a document, the system will be utilized and successful.

Compare the process above with the one depicted below. Most organizations with branches already have some sort of network connectivity between the branches and the main office. Corporations also have purchased thousands of digital copy machines, or MFPs, which are capable of not only taking a copy of a document, but also making a scanned copy of a document and sending that document across the connected network. This makes document scanning as easy as copying, a task that nearly every office worker can perform. But not all documents that are worked on are paper-based. Documents are received in fax format, in email, and even in digital photograph form. NSi’s Branch Operations solution can handle documents of any type and process and route those documents to their rightful business process. The focus is on being able to use the existing business systems (e.g. fax servers, email servers, MFPs, scanners, data streams, etc.) and connect those business systems directly to the backend system that houses the critical business data, the Line-of-Business system (LOB).

## THE AUTOMATED DOCUMENT FLOW

### Automated Branch Document Processing



The above diagram shows documents being sent directly from MFPs, knowledge worker desktops, and email to show the variety of options available in a Branch Operations solution. The critical part is the confirmation emails that are sent from the AutoStore server either back to the branch worker, so they have a record that their document was successfully submitted, or directly to a business process owner, alerting them that a new document is available. With these confirmations and notifications, the branch worker is not left wondering if their document was received. The system generates a success or failure notification, and can even include the detailed information about the document submitted so the worker can quickly identify which document this confirmation refers to. While this is a simple diagram, complex workflows are easily mapped out due to the flexible nature of the AutoStore product. Any business process can be mapped and mirrored by the solution.

The diagram is unable to show that there are multiple processes being managed by AutoStore. Each department on the right represents a different business process, so each worker can submit documents to any process they have access to, through any method they have access to on the corporate network. For instance, the branch personnel could be submitting a new employee packet to corporate HR. The timeliness of the data is important for a quick hire in a competitive market, as well as being able to verify critical information and identity pursuant to new Federal regulations. This same worker could also submit an electronic copy of their expense report via email, only to follow up that email with the scanned receipts directly from the MFP. These documents are processed by the AutoStore solution and routed directly to the Accounting department for approval, and the process, which used to take weeks and rely on overnight packages and the Post Office, now takes days, maybe only hours.

No w imagine a records management system that starts with the MFP. The sooner documents are digitized, the quicker they can be tracked and owned by a records management solution. Each user would use a common intranet web site to create a "coversheet" that contains the information needed to correctly classify and index the document. NSi calls that coversheet a "SMARTicket". That SMARTicket is printed, or sent electronically to the MFP (not all MFPs are equal) and the user simply scans their documents, or selects their virtual SMARTicket, and scans their document. The user interaction is no more difficult than copying a document, making the technology accessible to virtually every worker in an organization.

Countless companies have electronic workflow systems that currently require manual indexing to “start” the workflow. An AutoStore Branch Operations solution can feed that workflow directly from the panel of the MFP, a fax server, a scanner, or a watched folder. Now documents are automatically routed to the beginning of the workflow, including critical index data that is needed for the workflow to decide its routing path.

## **SAMPLE BRANCH OPERATIONS USER EXPERIENCE**

No two organizations have the same processes. Because of this, there is no “one size fits all” solution for capturing documents from branches. But for any company looking to leverage their existing investments in an ECM infrastructure, the AutoStore Branch Operations solution is the key connectivity software.

### **Extend and Preserve an Existing Infrastructure**

The natural evolution of distributed capture is from companies that had centralized ECM systems, but have seen the value of encompassing their own remote infrastructure into that ECM system. Thus, they have been able to extend the capabilities of their aging centralized process, but preserve the massive investment that had been made in that infrastructure. Because AutoStore’s Branch Operations solution is designed to work with centralized systems and processes, it’s the perfect tool to extend a current process out to the remote worker.

The following customer is a large financial organization that currently ships all of their branch loan documents (commercial and retail) to a single, central location for scanning, indexing and processing. Their system is performing well, but they are seeing an alarming trend. More and more loans are going to companies that are able to respond to a prospective customer faster than our sample company. The result is a lower than expected growth rate, and a reduction in market share. Upon analysis, the problem is not the centralized process to decide upon funding a loan, it’s the delay of getting the documentation into that system, which depends upon a system of couriers and overnight delivery companies.

The current process:

1. New loan packet is completed at branch office and sent via courier to the main office.
2. Any faxed information is printed, or copied and added to the packet.
3. Packet is received at main office, and prepped and sorted for scanning.
4. Packet is scanned and electronically sent to indexing.
5. Index data is verified, corrected and completed, document is routed to underwriting process.
6. Document is re-prepped for long term storage.

The problems:

1. Based upon geography, the transport to the main office can take up to two days.
2. Due to the volumes, there are 16 people at the main office doing the task of sorting loan documents into sub documents (document types).
3. A team of 30 people work on the indexing data, and verify that data. They have no knowledge of the customer.
4. Any error that is found by underwriting must be communicated back to the branch office, and corrected documents resubmitted, causing frustration for the prospective customer.
5. The documents are in a “black hole” and invisible until they are received by the underwriting process.

Based upon these issues, the customer deployed AutoStore Branch Operations to connect their digital copy machines (MFPs) to their existing loan process:

The new process:

1. Branch employee submits documents from the panel of their branch MFP.
2. Document is automatically routed into central ECM system.
3. ECM workflow automatically routes document to correct underwriting group.
4. An email confirmation is sent to the branch worker that their document successfully received by the centralized ECM system.

The results:

- The new loan process can be initiated by anyone in the organization with access to an MFP.
- The underwriters have documents in minutes, not days.
- The extra labor of the centralized document sorting process is not needed.
- The shipping costs related to loan processing is not needed. Local storage is utilized for short term needs.

In addition, the overall customer experience is greatly simplified. Previous to this solution, customers had to go where their loan officer was that day, which was not always the most convenient location for the prospective customer. Now, customers go to the branch office closest to them, and hand over their documents to any branch worker, who can now add them easily to the business process.

## Additional Benefits

In addition to the simplification and automation of this one process, this customer has also seen automation and simplification in a few other areas:

- Solution available for all forms and documents, not just loan processes.
- Analog fax machines are no longer needed at branches.
  - Branches use the MFPs to “fax” information from branch to branch.
    - Information is actually stored directly in the ECM, with an email notification sent to the receiving branch office.
    - Quicker than faxing information, and greatly used for verifying signature cards.
  - Outbound fax is controlled.
    - A direct integration with RightFax allows NSi to “approve” a fax before it is sent, thus locking down the faxing infrastructure from misuse.
  - All faxes are automatically archived.
    - All inbound and outbound faxes are archived and auditable.
- Remote workers can submit any document from their desktops with a mouse right-click.
  - Desktop integration allows any electronic document to be easily submitted right from the desktop.
  - Email integration allows users to send emails directly to the process as well.
- AutoStore’s “coversheet” technology, SMARTicket, can be embedded into ECM LOB solutions to generate original documents containing secure routing information, bridging the gap between paper and electronic forms.

## SUMMARY

NSi’s AutoStore Branch Operations solution is a powerful tool that can be used to extend back office processes to the front office worker. This solution focuses on ease of use, for both the knowledge worker and the administrator, to ensure the lowest ongoing cost of any capture solution in the market.

The solution is agnostic as to input device type, and receives data from any device that can send documents to a network. It then routes that data to any backend process, even multiple processes, if required. The solution is secure, scalable and enterprise-ready, using industry standards to achieve high availability and full disaster recovery accommodation.



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