

# Documents: The Knowledge Vessel

By **Andy Moore**, Editorial Director, KMWorld Specialty Publishing Group

Anyone who reads this magazine, attends our webinars or downloads these white papers already knows this: knowledge management is not an easy thing to define. You can't hit me hard enough with a stick to make me use the "elephant and the blind men" story again, but it's true. One person insists it's about the collaboration among people working in a "project space." Another talks about water coolers and prairie dogs (I'll explain later). The next talks about automated feedback cycles and converting tacit knowledge to explicit knowledge...

Bleh.

The fact is: KM is all of those things, and more. This month's experience underscores the slippery nature of KM. For some unknown and unknowable reason, a large number of participants this time gravitated toward "the document" as the central defining element of KM. Well, there are plenty of people who would like to argue with that, but for me, it makes sense. The document is the vehicle in which information arrives, and then soon departs, from your company's sphere of influence. It's the closest thing we have to an avatar for knowledge. I will not pretend that a document is "knowledge," but it's a damn good representation.

## The Case for Document Management

So, having gotten that out of the way, I will now tell you about a couple really cool conversations I've had in recent days with two guys who are proud to identify themselves as "document management solutions providers," Steve Allen, CEO, of iDatix, and Greg Milliken, president of M-Files. Both of them see document management as key to productivity and efficiencies, for certain. But they both also suggest that a smoother path to find the value that documents hold is a better path toward knowledge management.

"I admit right up front, we are a highly document-oriented company," said Steve Allen. "We want all your Excel spreadsheets, your Word docs, your email, your PDFs... all that stuff that is mostly

unstructured. But what we then do is link access to those things with all your other applications. We try to build a centralized repository of all that information to gain containment. And then we give you search tools and a dynamic platform that puts the information where and when it is needed to direct the business process."

By linking document management with a larger, more strategic business process management story, Steve cleverly hoists the conversation into a higher level, and thus

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creates a value proposition that resonates not only at the business level, but in the executive suite as well. "We're about process automation. We take document management a step further. We try to be the intersection between people, processes and technology, and bring those things together. That's the knowledge management part. It's not just delivering information when and where they need it—it's *telling* them when they need it, and enforcing policy into the process. Information workers need to be able to automate inferences between documents; that's illustrated by this—there's a relationship between a purchase order, an invoice and shipping confirmation—



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there's a sequence of transactions that are related to one another, but they are not necessarily related at the end point. The information about that relationship should come together automatically at the end point and should be able to be delivered when it's needed, rather than having to look in the document management system, or the invoicing system, or the shipping environment. The trick is finding—*ahead of time*—what the particular requirements of a task might be, and then finding ways to drive, expeditiously, information to meet that task. This allows better governance of information, it improves the effectiveness of information and can help find additional information. You use information as a springboard. If I can access all my various systems, that gives me a jump-start to find other important information that helps me do my job," Steve said.

Greg Milliken takes a similar view of the role that documents can play in the greater good of an organization, but wonders whether it's a widely held belief. "Documents play a key role in business processes," he stated. "Whether it's an invoice or a contract or a proposal, documents are the defining driver that contain vital information for the processes and are critical to completing the process," he said. "But for some reason, 'document management' is not considered 'must-have.' CRM, in contrast, is considered a must-have." This is a frustrating reality for Greg, and he tackles it straight on. "We tell people that not having a good structure around managing documents undermines the productivity of the overall system. But for some reason people still consider document management merely a 'nice-to-have'. We want to change that."

I suggested that document management may be daunting for a company that has bigger, more mission-critical, fish to fry. "Granted it can get very deep and very

complicated depending on the market you're in, but it really doesn't have to be," he answered. "I think the vendors are responsible for that. The document management market is very mature, and there are huge players, but it's noisy and it has never quite crossed the chasm. There are many small- to medium-sized businesses and even workgroups within large organizations that have never gotten it. There is no QuickBooks for document management, for instance. I'm not saying there has to be a consumer-friendly app off the shelf, but document management is weighed down by esoteric concepts such as metadata tags... and it doesn't have to be! In reality, it's very basic," Greg insisted. "It's just organizing information. For us, a document is just another object to be tracked. There could be lots of objects—they could be files, or devices like computers or equipment, or contacts... We keep it focused on document management because people have an easier time getting their heads around that. 'Yeah, I have Word documents, I need to keep them organized...'"

### The KM Intersection

I went back to Steve to pursue his concept of "process automation." That works great for workflows that are defined and repeatable, I suggested, but what about those ad hoc, unpredictable situations, where value may be added from information that is not part of the standardized processes? "Sure, take the traditional example of customer service. The caller has a problem. I start by looking at previous trouble tickets, then move on to other agents' similar resolutions, then into an even larger knowledgebase, if I have to. Then, if I truly find that this is a unique situation, I mark it as an exception item, and I have to solve it from scratch or send it over to subject-matter experts. But the answer we finally come up with will feed the overall knowledgebase for the *next* person who has to face it," he said. So it's a feedback loop; the "answer pile" just keeps getting bigger. I am starting to see why they wanted to talk to me about knowledge management! But I also wanted to know about user acceptance. Don't you risk disrupting the natural flow of things?

"Deploying a process like this at first requires a change management effort," Steve admitted. "But once the solution is in place, it is not longer as disruptive; it actually aids workers." He used Lockheed Martin as a great example. There are frequent exceptions to the standard work process. These are communicated directly to the floor instantly via a change document, and from then on the revised version IS the current version. "So exceptions become part of the knowledgebase going

forward. This improves the process and actually increases the productivity. Change becomes programmatic; it's part of the process itself," he said. Quite the contrary to being disruptive, "to them it seems like easier work."

"We've all heard the statistics," added Greg. "50% of employees' time is spent just looking for stuff they need, etc. Well, even if it was only 15%, there would still be a huge productivity gain and high and rapid ROI opportunity. Next, avoiding the recreating of information, and the implications that flow from that and working with information that is not the latest or best or accurate." There are costs all over the place, he implies.

## ***"Change is inevitable when creating and integrating document management into a business process."***

"But the real home-run comes when the processes of the company become integrated into that environment. Once you're able to easily find the right versions, and collaborate effectively with them, you can automate processes, such as contract approval, and get HUGE efficiencies from that. That is what happens with implementation of systems like these; once you get them in, you begin to see the value opportunities, and the doors begin to open and change the organization in dramatic ways."

That is not to say it is a trivial effort. Steve explained: "We start with a 'sandbox environment,' where developers can try things out and make sure it meets the needs. And there is also oversight; we encourage customers to appoint a 'document management/knowledge management czar.' If it's a small company, and they don't feel they can devote a person to that role, we can act as the czar for them. But there has to be communication; there's often a gap between what management thinks is being done, and what is actually being done," laughed Steve.

All this stuff is great, I agreed, but if it creates difficult change in the organization, it's kind of all for naught. Greg had some thoughts on that. "A lot of document management systems rely on a folder system that people have to adhere to. And there are folders for sales, and for contracts and for marketing and on and on, and it becomes chaotic. We think it's better to put all documents into a centralized location, and tag them. There is a slight change of behavior required, but it's much easier than navigating through a file structure and trying to figure out which folder to put it in," he said.

Change is inevitable when creating and integrating document management into a business process. Steve said, "Our edict is: follow the document, not the person. And that's a hard habit to break: *What does Sally do? What does Bill do?* We don't want to look at it from that perspective. We want to know: What documents come into the organization? When do they come in? What tasks need to be performed when those documents arrive? And then finally, who is qualified to perform those activities? It's an important way to look at it, rather than the business workflow queue kind of concept."

"It doesn't have to happen all at one time, with a big pill you have to swallow," added Greg. "It can happen in ways that allow you to drive your organization in the way you want to go, but gently. Once you implement a system, it can quickly become apparent by whom and where these processes are NOT being followed, too. So it allows insight into the behavior of the organization. Without it, it's a free-for-all! You don't know what's happening. You can identify individuals and groups that are not following the process well; it allows for a constructive correction. That's part of business process management."

"Yes. It happens all the time," said Steve. "We call it 'land and expand.'"

And as for user reluctance...? "We do find some companies where the users feel they shouldn't have to do anything, they shouldn't have to tag documents, etc. But there's also the implication that they're doing themselves a favor... they're making it easier to find something later when they need it. Keep in mind," Greg continued, "there are plenty of vertical markets when it's not a 'nice-to-have'... it's a requirement to be in compliance. Following the procedure is part of doing business."

There will probably never be a substitute for the water cooler or for "prairie dogging" (that's where you stick your head up from your cubicle and ask the people around you for help, BTW). But process automation sure makes it a lot easier. Please read on. ■

# The ECM Purchasing Process



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**By Chris Lewis, VP of Operations, iDatix**

In order for an organization to properly implement and utilize a document management and workflow solution, it must first understand the “why” behind the potential purchase. In many cases, an organization will task an employee for identifying and cataloging multiple enterprise content management (ECM) vendors without understanding the overall need or push for this type of solution.

It is imperative that the business answer the following questions before moving forward with the overall selection of vendors:

## What has made our organization look at an ECM solution?

- ◆ Have there been legal costs associated with lost documents or has it taken significant manpower to find documents for litigation purposes;
- ◆ Is the organization looking to improve its disaster recovery procedures based upon research that shows significant financial vulnerability in the event of a disaster;
- ◆ Do you have industry or governmental regulations that are required in order to sustain your business within proper compliancy measures; and
- ◆ Is your organization looking to create process consistency through defined and automated business rule development?

## Is your organization looking to adopt an ECM solution company-wide or is it a single department that is taking on the initiative?

## Does your company have an existing ECM solution that is not being utilized or has significant problems?

## Is your company looking for a hosted solution (SaaS) or an on-premise solution?

## Buying Triggers

Companies must determine why they are moving toward an ECM solution in the first place. Generally, comments like “we have to” lose traction quickly and the research effort simply becomes just that—research only. It is important that companies determine why they are researching these products. What event has occurred that is

causing them to look at a solution? Once your company has identified why it needs an ECM solution, it can begin to narrow down its list of vendors very quickly. The common ECM buying triggers are:

## Legal/litigation costs that require proof of document validity

When a company faces litigation, there are generally significant internal costs beyond the attorney’s hourly rate. The company is faced with presenting documents that are sometimes 20 years old and are no longer onsite.

## Disaster recovery

iDatix is located in sunny Florida and therefore we always have to be prepared for the worst when it comes to hurricanes and flooding. All companies face some level of disaster threat and therefore it is necessary to ensure the system that you purchase can be easily backed up and recovered in such an event.

## Compliance/governmental regulations

Most organizations are held to some level of compliancy whether it is through governmental regulations, industry standards or simply competitive measures. The compliancy aspect generally creates the fastest document management customers because organizations can be threatened with severe fines if they do not meet standards in a timely manner.

## Automated business rule development/efficiency

In the competitive markets of today’s world, it is essential that your organization runs as smoothly as possible. In order to achieve process optimization, it must be properly examined, defined, and managed on an ongoing basis. Workflow components of ECM can provide this functionality and give your organization a leg up on the competition. This buying trigger is becoming more common as organizations are looking to operate more effectively with less resources and costs.

## The Decision Factors

Company initiative is important in the identification of needs because it leads to

questions about the approach your organization is looking at when rolling out an ECM solution. We have seen organizations develop plans to implement the whole solution enterprisewide in one large project and others that choose to take a departmental approach. Regardless of the direction, there are considerations for both approaches that are very important.

Here are some sample questions that are important to identify as part of your initiative:

## Departmental approach

Is this a grassroots effort by the departmental manager to implement an ECM system; and if so

- ◆ Has the manager reviewed the hardware infrastructure required for this type of solution with IT?
- ◆ Does the budget include potential costs for storage and server hardware?

Has the department manager spoken with other strategic departments to potentially share costs and create better economies of scale through unified processes?

## Company-wide approach

Has the company decided to implement all departments concurrently or implement one department at a time?

- ◆ Have the departmental managers been consulted in the buying process; and
- ◆ Who is the primary stakeholder in this buying process? Who has the ultimate buying powers? Manager or IT?

Both methods have validity, but we generally recommend a departmental approach with the idea that enterprise expansion will follow soon thereafter. This particular approach reduces the company’s risks as they are able to see success in one department before moving onto other parts of the organization. We also typically recommend that IT is involved from the conception of this buying process as it is imperative that they have buy-in during implementation. Implementations can come to a halt very quickly if the IT staff

# Technical Considerations for Document Management Selection

## Hardware Requirements:

Virtual server support (ESX VMWare)? Terminal server support? MFP device support? Minimum server requirements?

## Network Requirements:

WAN support (for remote location access)? DMZ support for Internet access?

## Software Requirements:

Support for XP Pro Vista Business Windows 7? Support for Windows Server 2003/2008? SQL 2005/2008? Support on-the-fly customer indexing? Electronic forms?

## Licensing Requirements:

Per named or concurrent user? Maintenance requirements (includes upgrades)? Patch/Update management? Modules (different licensing requirements?)

## Training Provided:

Vendor (on-site or Web-based?) Computer-based training available? Implementation documentation? Troubleshooting guide? User and admin manuals?

## Support Availability:

VM/TS as it applies to application? 24/7 or 8X5? MFP support per vendor-supported devices?

## General Requirements:

SharePoint integration? Support for retention policies? Security—User level, Group level, Role-based? Granular audit trail (capture all changes, view of records)? Audit reports? Viewer supports e-forms (Adobe vs. ASP/HTML vs. Office)? Supports annotation and redaction in viewer? Validation/QA process? Workflow—ad hoc customizable and/or automated rules-based? Barcode support—full-page OCR, zonal recognition, patch code separators? Connects to ODBC for automatic indexing? Integrate with third-party apps for lookup? Batch scanning?

This checklist includes many of the decision factors in selecting a document management software solution. There are certainly others that will factor into a successful vendor selection.

does not cooperate with the requests of the implementation engineers.

The final important element of identifying company initiative is to ensure that all major stakeholders are involved in the buying process. When a company-wide initiative is put in place, it is imperative that departmental managers are involved with the selection process so as to ensure adoption as it rolled out. Users who are involved in the purchasing decision are often much more likely to adopt and champion.

## Market options

The ECM market has been inundated with a number of new players over the last five years. Many of the providers have very similar solutions that enable basic document capture and storage mechanics. The market has evolved considerably and it is important that an organization consider all vendors that can effectively meet its business needs. Often, due to the sheer amount of options, many organizations end up settling for larger known names as a result of their uncertainty. This however does not guarantee that they are purchasing the best fitting solution nor the best price.

## Identify market players

In order to overcome the numerous options in the market, it is best to work backwards through your industry. A great start is to determine who the niche players are in the market because they have experiences with businesses like yours. The evaluation phase should consist of market player identification

by niche along with discussions with competitors and other similar businesses. Referencing similar businesses can give you distinct insight into the benefits an ECM solution can bring to your organization.

The alternative for identifying ECM providers is to look at industry associations

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such as the Association for Information and Image Management (AIIM). AIIM showcases different ECM providers on an ongoing basis which allows you to see some of the smaller vendors who may have a solution that uniquely fits your needs.

## Pricing/functions

The best way to identify the best players in the ECM world is to develop a set of core

criteria that effectively meet the business needs established in the beginning of the buying cycle. Each vendor will refer to a function differently, effectively confusing the majority of all prospects. It is imperative that your organization ask the questions: “where is this feature applicable to my business?” or “how would you solve this business problem?” The feature/function is effectively useless if it is not addressing your business needs.

## Check references

The best way to protect your organization is to check references with the vendor's clients. Perform a site visit if at all possible and speak with some of the employees utilizing the system. The people using the system are the best gauges for satisfaction when it comes to an ECM solution. It is recommended that you find a reference that operates in a line of business that is similar to your organization. If possible, perform the reference check in absence of the vendor or follow up with the reference directly after the visit to ensure that pressure from the vendor is not preventing them from voicing any concerns about the product. ■

iDatix has developed a sample “Buyers Guide” spreadsheet that defines some of the higher level criteria utilized when purchasing a system. This document is made available in the Document Management Buyers Kit. Note that this will not supplant the need for identifying your organization's business needs. For a full version of iDatix's Document Management Buyers Kit, please visit [www.idatix.com](http://www.idatix.com)