

# BETWEEN THE LINES

TAPPING THE POTENTIAL OF  
21ST CENTURY DOCUMENTS

by John M. Kelly

“The obscure we see eventually.  
The completely obvious, it seems,  
takes longer.”

Edward R. Murrow

## The Power and Pitfalls of Speed

Time to market, Six Sigma “lean speed,” just-in-time manufacturing. When it comes to driving business processes, enterprises around the world are continually hitting the accelerator.

But what good is velocity if you’re heading in the wrong direction? The key to success isn’t just speed, but speed and accuracy. Without precision and control, speed isn’t progress, it’s recklessness. And it can be destructive or, in the worse cases, deadly.

Imagine a global product launch where research, manufacturing and delivery are swift, but the product itself is built to the wrong specs. Or a utility company that is expanding into green energy guided by a catalog of outdated safety measures. Or a new car model that is rushed to market with a faulty braking system.

As enterprises in every industry feel the pressure to go further faster, the potential for costly errors grows significantly. Risk does, as well.

Few know this better than the masters of light speed at NASA. On December 11, 1998, NASA kicked off a new mission with the launch of the Mars Climate Orbiter. The Climate Orbiter sped toward the stars with the hopes of becoming the first interplanetary weather satellite and a communications relay for future Mars expeditions. But the Orbiter never orbited. On September 27, 1999, the \$125 million spacecraft disappeared. No signal. No satellite.

A subsequent investigation revealed that the Orbiter’s entry into the Mars atmosphere was too low, most likely causing the craft to burn. The reason for the disaster was a major disconnect—the project’s contractors used English units of measure, not realizing that NASA relied on the metric system. The Orbiter’s speed at the time of destruction? Approximately 9,840 miles per hour.<sup>1</sup>

### **Documents as a Business Accelerant**

What do documents have to do with speed? Simply put, they’re the pistons in the engine of today’s enterprise. They can move you ahead, slow you down or force you to jam on the brakes.

Think about sales documents or new account applications. Patent filings or government approval forms. Accounts receivable or payable files. The list is virtually endless. If you don’t

achieve maximum velocity in the management of these high-volume documents, the complex business processes they support simply plod along. This suboptimal performance can put a sizable dent in your organizational efficiency and encourage your competition to race right by you.

What's more, if velocity isn't accompanied by accuracy, the consequences can be devastating. Would the Orbiter be circling Mars today if NASA and its contractor had more closely reviewed and managed the satellite's documents?

Document delays and inaccuracies can also hinder your pursuit of opportunities, which, when they knock, don't wait very long for someone to answer the door. In the worst cases, lumbering along can even cause your revenue to stall. If that sounds like an overstatement, consider the high-stakes world of Big Pharma.

### **The Side Effects of Poor Document Management in Pharma**

In the pharmaceutical industry, it's fairly common to spend years developing a new drug. But before a pharmaceutical firm can recoup the first cent of its long-term, million-dollar investment, the organization has to submit a New Drug Application (NDA) to the FDA for review and approval. The approval process might also require a Center for Drug Evaluation and Research (CDR) Pediatric Use Supplement. Or a Transmittal of Advertisements and Promotional Labeling. Even a single NDA might include enough clinical and marketing information to fill FDA headquarters if printed as hard copy.

That means the pharma company has to pull together all the necessary information, validate content and ensure quality control every step of the way. Once that's done, the truckloads of relevant information have to be produced and delivered in the required regulatory format. ASAP.

Any mistakes or internal logjams can postpone or even jeopardize FDA approval, with potentially catastrophic financial consequences. In fact, even a single day's delay can cost millions in potential revenue. And who can measure the cost to a patient whose life might be saved by the belated therapy? Imagine if the world was still awaiting the arrival of the polio vaccine. Or if the approval of aspirin remained tangled in a web of document complexities.

So while Big Pharma's core business is clearly not document management, the process itself is integral to any pharmaceutical company—and critical to its success.

### **Greater Order in the Court: Litigation Document Management**

Lawsuits present a similarly compelling need for document management. Litigation affects every organization today, and it revolves around documents. It's not unusual for millions

of paper and digital pages—including hard-to-manage email messages—to be involved in a single case.

Take for example, the 2010 BP oil crisis in the Gulf of Mexico. According to the *Financial Times*, within five months of the incident, plaintiffs in the case were given access to more than 600,000 pages of related information, including 54,000 documents from BP alone.<sup>2</sup> And the case had barely begun.

Unfortunately, mountains of case-related materials have become the rule in litigation rather than the exception. Reviewing and organizing them is a Herculean task that can take months, if not years. Picture yourself in such a situation. First you have to search for all pertinent documents. Then you have to organize them, store them and share them with in-house and outside attorneys for their strategic input. Finally, you have to produce the documents in a timely manner to meet court-ordered deadlines—and you'd better have the right documents.

To give you an idea of how difficult this can be, here's a small portion of the document pile involved in the Enron case: board minutes, emails, executive employee agreements, insurance policies, letters, receipts, license agreements, memoranda, policy statements, consulting services agreements, personal calendars. And reams of everyday business correspondence. Add the case's legal documents—the complaints, examiner's reports, plea agreements, indictments—and the mountains of information quickly become the Himalayas.

Failure to comply with court-ordered document requests can lead to billion-dollar fines. Missing a deadline can be equally destructive, as it may mean missing your opportunity to win.

The most recent Fulbright & Jaworski survey of U.S./U.K. legal trends found that over a quarter of the responding companies had confronted lawsuits with potential exposure of \$20 million or more over the previous 12 months. In addition, 93 percent of U.S. and 97 percent of U.K. respondents said that they expect legal disputes to increase or remain the same in the coming year.<sup>3</sup>

Virtually any business, large or small, may suddenly find itself in the legal hot seat. That means companies in today's litigious world should not only be wondering, "Will it happen to us?" but also asking, "Will we be ready if it does?"

### **To Improve the Process, Transform the Document**

The document management process in major litigation is so complex that mistakes and delays are commonplace. And costly. The longer the process takes, the more the client pays. Increasing the speed and efficiency of document management can increase the chances of a favorable outcome and decrease the expenses.

But where do you begin?

You can start by improving the documents themselves, converting paper-based files to digital files and storing them in a secure, centralized database. Should you be involved in litigation, attorneys and others can review critical documents in the database at the same time, shortening the discovery process and meeting deadlines with greater speed and accuracy. You'll also have greater control over document access, accumulating detailed information about document content and use.

Additional efficiencies can be gained via innovative new technologies like CategoriX. CategoriX classifies documents according to criteria established by the attorneys involved in a particular case. The lawyers review a small subset of the case's total document population to define parameters for classifying the entire population. The results are then used to "train" the system to automatically classify the remaining documents.

Consequently, attorneys dramatically reduce the number of documents they need to review manually, speeding up the process and trimming down the client invoice.

Of course, when document management isn't your core competence, developing and managing these capabilities can be a major challenge. That's why companies turn to document management outsourcing. Through such partnerships, companies can leverage best practices, the latest technology innovations and informed team members who focus on documents 24 hours a day.

### **Home Team Advantage: A Real Estate Success Story**

Applying for a mortgage is another process that is largely defined—and delayed—by documents.

As every homeowner knows, buying a house or condo is a slow, tedious journey through a thicket of applications, W-2 forms, financial statements and other correspondence that must be carefully reviewed by buyers, banks, lawyers and armies of associates. Each unwieldy application file moves from one pair of hands to another in a time-consuming, sequential process, like a relay race where everyone is encouraged to set their own pace.

With each passing of the baton, the potential for losing or misplacing information grows. So does the possibility of errors. This makes a slow process even more laborious and exposes companies to the threat of significant fines.

But what if the documents were e-files stored in a secure digital repository? Information would be locked in place and document handoffs would be as easy as hitting Send. Multiple versions

of a document would be tightly controlled. Errors would be minimized. And files would be prevented from tumbling into black holes.

In addition, because e-files reside in a centralized database, they can be simultaneously accessed by all who need them. Document usage can be readily monitored and managed, so that people review only what they are authorized to see. And technology tools like collaborative software can be implemented to accelerate the process further. This is true not only for mortgage firms, but for any application-intensive business.

What was once a sluggish, step-by-step, paper-based process can become a swift, accurate workflow enriched with greater collaboration and control.

Consider the document management solution of the Trident Group, an affiliate of Prudential Fox and Roach Realtors (PFRR), the sixth largest real estate company in the United States. Trident prides itself on being a one-stop shop for high-quality mortgage financing, title insurance and property and casualty coverage.

Being one of the best, however, means being one of the busiest—which means being buried in paper. (In fact, the mortgage group used to have monthly “basement days” where employees organized boxes of files for shipment to a storage facility, at a cost of \$50,000 a year.)

Using BlitzDocs® collaborative software, Trident completely revamped the way it processed mortgage applications. The company’s paper-based document management practice was fully reengineered as a digital one. Today at Trident, brokers, originators, underwriters and other authorized participants have controlled access to mortgage application e-files, and can simultaneously review and manage them online.

The company also integrated the BlitzDocs system with its mortgage supply chain software. This synthesis streamlined data validation and reduced the number of keystrokes required to process an application.

As a consequence, Trident has modernized its entire mortgage process, from origination and underwriting to due diligence and closing. Decisions are now made more quickly and loans are cleared with fewer delays, inaccuracies and obstacles. What’s more, lengthy file hunts are a thing of the past.

According to Christopher Rosati, Trident’s senior vice president and chief operating officer, employees would sometimes spend 30 minutes searching for a file. Multiply 30 by hundreds of mortgage specialists and you end up with a considerable amount of hours that are now dedicated to processing applications, rather than pursuing them.

Equally important, Trident has reduced its paper and toner usage by 60 percent and has eliminated substantial overnight delivery charges. So the company not only expedited a central business process, but also shed a fair amount of complexity and cost.

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### **Documents and the Foreclosure Fiasco**

One of the most alarming examples of reckless document speed can be found buried in the rubble of the recent mortgage crisis.

Virtually every root cause of the crisis is grounded in accelerated document mismanagement: loans quickly approved without a thorough review of financial documentation, “robo-signers” pushing through a torrent of forms with inaccurate or insufficient data, and the finger-pointing fiasco surrounding the foreclosures themselves.

Allegations of dysfunctional paperwork procedures—including improper transfer of mortgages during securitization—forced major banks to halt foreclosures, resulting in an outpouring of questions around mortgage ownership.

As Adam Levitin, associate professor of law at Georgetown University, explained to the House Financial Services Committee:

If mortgages were not properly transferred in the securitization process, then mortgage-backed securities would in fact not be backed by any mortgages whatsoever.<sup>4</sup>

Should banks end up owning millions of bad mortgage loans they thought were transferred to trusts, the resulting losses could be in the billions. And the impact on investors and the financial system would be devastating.

That explains why a game of financial hot potato quickly took hold, with each player tossing responsibility to the other. Furthermore, the muddle led to legal proceedings such as the New Jersey-Countrywide case and the Florida Attorney General’s investigation into several foreclosure-related law firms.

While it is impossible to predict the ultimate cost of such litigation, a report released by the Congressional Oversight Panel estimated damages in the area of \$52 billion.<sup>5</sup>

So where does the blame lie? In greed? In speed? In both? One answer might be found in a *Wall Street Journal* article covering the Florida AG investigation:



In the deposition, the employee alleged the firm routinely forged notarized documents amid closed-door screaming matches that broke out because files weren't moved fast enough.<sup>6</sup>

If true—and even worse, if typical—then one reason we have arrived at the worst financial crisis since the Depression may be that we rushed along the way.

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## How Centralization Can Hasten Global Efforts

Let's move beyond the worlds of real estate and litigation to the world at large—the bustling global marketplace.

There are more growth opportunities outside your home turf than ever before. To capitalize on them, you have to reach people who speak many different languages and follow diverse customs, laws and rules. That means producing, translating and localizing all of your product- or service-related documentation in time for each market launch. In fact, you probably won't be able to sell your new product or service until your marketing, sales support and technical documents are ready.

Inefficiencies or quality-control problems at any step in the documentation process can slow you down considerably. Reengineering the process to maximize the reuse of content can accelerate your globalization efforts and allow you to launch products in multiple markets at the same time.

The concept is surprisingly straightforward. You create, translate and localize content, then store it in a centralized digital repository. This allows “chunks” of content to be reused in multiple documents instead of being recreated for different audiences. Production is streamlined and greater consistency is ensured. Additionally, the complex task of managing revisions is simplified, since even a minor update by a single user is immediately available to all.

Consider the impact of centralizing just one component of a product launch—for example, a user guide for a new laptop. One client of ours meets this challenge by managing the creation, translation and printing of 200 user guides in 26 different languages from a single site. Here's a typical scenario for one of the client's European launches:

*The race to bring a new laptop to market is on. Time is of the essence. The client's major production facilities begin to gear up. Miles away, the company's document center team is managing the development of the laptop's user guide. Guide content is being written in—or translated into—the appropriate language, then designed and stored electronically.*

*Each manufacturing site orders its guides online via SAP and email. Once the orders have been approved, authorized print offices access the order information and electronic print files from a central database. The manuals are quickly printed, then delivered to a warehouse. Shortly before the laptop boxes rumble off the production line, the guides arrive and are popped inside. Just-in-time manuals for just-in-time manufacturing.*

This visionary technology leader reworked its entire document life cycle, from creation and production to inventory and delivery. Unnecessary delays have been engineered out of the process, new controls and efficiencies built in. Content is being updated at the last minute to address changes in product specs. Translations are being managed as needed. And the data chunks mentioned earlier remain readily accessible—before, during and after a launch.

Equally important, these enhancements allowed the company to shave 25 percent off its production costs in the first year alone. Another Xerox client, the Italian motorcycle leader Ducati, achieved similar efficiencies (see “Ducati Puts Documents on the Fast Track,” below).

When you combine a centralized document approach with best practices, innovative content management, advanced translation technologies and networks of translation and localization specialists, you speed up the development of high-quality product-related documentation for a global marketplace. That in turn, helps you accelerate time to market, launch in multiple markets at the same time ... and maximize revenue opportunities around the world.

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### **Ducati Puts Documents on the Fast Track**

Ducati Motor Holding had reached a roadblock. Its motorcycle production was picking up speed, growing from 12,000 to 41,000 bikes in just a few years. But the company’s user manuals and other documents were lagging behind.

Content was quickly obsolete. The processes for creating and delivering content were cumbersome and unnecessarily expensive. Time to shift gears.

Ducati conducted an enterprise-wide analysis of its documentation from concept to completion. Guided by the data, Ducati implemented a new streamlined process for authoring, designing, translating and delivering documents. Forms were redesigned and new capabilities, such as one-to-one marketing, were introduced.

In addition, the array of office equipment scattered throughout the enterprise was consolidated, then complemented by more efficient document management. Today, Ducati’s document content stays current and user

manuals are produced in a day, rather than two weeks. The company has also driven down printing costs by up to 23 percent. Which proves that Ducati is clearly heading in the right direction.

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## **Two Companies in Good Form**

Another illustration of fast, effective document management can be found in the workflow of a Xerox client who delivers health benefits to 75 million people worldwide.

In the mid-2000s, the company faced an enormous challenge in the literal and figurative form of Medicare Part D. Part D provides prescription drug insurance to U.S. seniors and was scheduled to go into effect on January 1, 2006. All eligible beneficiaries in the client's network had to be informed about the new coverage and, if interested, enrolled.

It was a daunting task, compounded by the fact that the company serves more than one-fifth of all Medicare recipients. The tight time frame and rigid deadline intensified the pressure. At the same time, the company was eager to simplify its Medicare Advantage enrollment procedures. So they outsourced the entire enrollment process, where it was reengineered to include advanced imaging technology and a streamlined workflow. The enrollment period soon shrank from a maximum of seven days to less than three.

Enrollment time decreased even further when additional efficiencies were implemented at an off-site Xerox Center of Excellence. Today, applications are processed within 24 hours and processing costs are 35 percent lower.

Comparable gains were realized by an international shipping company that partnered with our ACS team. While this major player was known for its fast delivery of packages worldwide, its document processing cycles were struggling to keep up.

The client employed multinational scanning facilities to digitize a wide variety of multilingual, hard-copy shipping documents. The company's slow, batch-based process was reborn as a real-time, transaction-based workflow with more efficient data capture, processing and archiving. Turnaround times dwindled from six hours to seven minutes. And processing cycles that used to hit speed bumps now propel the company toward success.

## **5 Questions to Help You Get Up to Speed**

If you're wondering whether better document management would matter to your business, look across your enterprise and identify areas where getting an answer faster or having

information more quickly would offer quantifiable benefits: a product launch, a public works project, a sales campaign. Then take your analysis further by answering five key questions:

- Which critical documents need to be 100 percent accurate and on time for your business to meet its goals?
- Do your documents include rich content that requires rapid and/or shared access, use, review, etc.?
- Do you work with multiple third parties or external contributors who create, review, revise and/or collaborate on documents?
- What are the risks of mismanaging or delaying your documents (e.g., fines, penalties, lawsuits, lost revenue)?
- Would there be material benefit in streamlining your document process(es) by a month or more?

Your answers can help clarify the true purpose of your documents and even suggest processes that might have a need for speed. They may also reveal your initial areas of opportunity. By building on these starting points, you can employ accelerated, accurate document management to minimize your slowdowns and increase your momentum in a world that never stands still.

At a recent Xerox conference, one of the analysts in attendance approached guest speaker Tom Seaver with a question about speed. The analyst asked the legendary baseball pitcher how hard he threw the ball in his prime. The Mets Hall of Famer scowled and replied, “There are three important things about pitching—and yes, velocity is one, but location, and the ball’s movement are the others, and speed is the least important.”<sup>7</sup>

In short, speed without focus and control is worthless. But speed guided by both can mean the difference between racing ahead in a crowded, competitive field, and squinting at the heels of your rivals through a growing cloud of dust.

## Endnotes

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