

# Process Improvement in AP

*Eliminating Waste in an SAP® Environment*

**OnBase®**

*a Hyland Software solution*

# TABLE OF CONTENTS

Introduction and Executive Summary	3
How ECM Contributes to AP Efficiency Improvement Initiatives	4
How ECM Reduces AP Waste in an SAP Solution Environment	7
Choosing an ECM Solution to Complement an SAP AP Solution	10
An Overview of the Onbase Solution Suite <i>for Use with SAP ArchiveLink</i>	13
About Hyland Software	14
References	15

# INTRODUCTION AND EXECUTIVE SUMMARY

The concept of Lean is often applied to production environments to cut costs, increase efficiency and improve customer service, but the principles of Lean, as well as Six Sigma, 5S and numerous other productivity initiatives can also be applied to back office processes such as accounts payable (AP).

In both production and back office environments, SAP® solutions deliver world-class results and supports process improvement methodologies of all kinds, including its own SAP Sigma. To extend the impact of SAP solutions on process improvement and foster a holistic approach, organizations can integrate enterprise content management (ECM) technology with their SAP solutions to better manage their documents, data and business processes. ECM can link documents that originate outside of the ERP system to the appropriate SAP business objects. In addition, ECM can automate business processes that are not conducted within the SAP solution or processes that occur before a transaction can be initiated in the SAP solution. Documents and data that originate within SAP can also be archived in an ECM solution.

This white paper is intended for organizations using SAP solutions in AP while continuing to rely on paper-based documentation and processing. It is also appropriate for organizations with legacy systems due for re-evaluation. Because the capabilities of ECM suites are maturing rapidly, existing ECM solutions should be regularly scrutinized and re-evaluated to ensure they are delivering optimal efficiency and functionality.

This white paper provides information regarding how to utilize ECM to realize AP processing improvements, including the following topics:

- The return on investment realized by eliminating wasted time, labor and cost in AP processes.
- A high-level overview of how ECM can complement AP processes managed in an SAP solution.
- Criteria for choosing a solution that will deliver the desired efficiency results and be accepted by end users, IT and upper management.
- An overview of the OnBase Solution Suite *for Use with SAP ArchiveLink*®.

Case studies detailing the solutions cited in this white paper are available at [www.onbase.com](http://www.onbase.com).

## ***What is ECM?***

*Enterprise Content Management (ECM) is the technologies used to capture, manage, store, preserve, and deliver content and documents related to organizational processes. ECM tools and strategies allow the management of an organization's unstructured information, wherever that information exists.\**

\*From AIIM.org

# HOW ECM CONTRIBUTES TO AP EFFICIENCY IMPROVEMENT INITIATIVES

ECM technology is a natural fit for Lean or other efficiency initiatives because the goal of both is to increase productivity, decrease waste and reduce costs while maintaining high levels of compliance and accountability. Just as the production department increases profitability by producing the highest quality product possible more quickly and at a lower cost, a more accurate AP “product” with a shorter cycle time and greater efficiency contributes to an organization’s financial viability.

In fact, Hackett Group contends that “Leading companies are able to complete the accounts payable process at as little as one-tenth the cost of the worst-performing companies, which equates to an average annual savings of \$590,000 per billion in revenue.” ECM provides countless organizations with the tools needed to reduce AP processing costs.

As a world-class ERP, an SAP solution is ideal for managing procure-to-pay transactions. However, the documents needed to execute these transactions often exist outside the SAP solution. ECM can be used to link these documents to the appropriate SAP business objects to improve productivity and quality of procure-to-pay transactions. This includes documents from outside sources such as invoices, correspondence (including e-mail), receipts, packing slips, bills of lading, custom documentation or any other information pertinent to the procure-to-pay process. Additionally, transactions that do not occur in the SAP solution can be automated to occur prior to a transaction being initiated in the SAP solution. Documents and data that originate within the SAP solution can also be archived in an ECM solution.

By complying with the same efficiency initiatives that guide other areas of an organization, AP can redefine its role as contributor to corporate productivity rather than as a cost center. ECM functionality creates the opportunity for AP departments to decrease waste and increase productivity by

- Eliminating factors that decrease efficiency.
- Providing visibility into performance issues to empower process improvements.
- Enforcing consistency that imposes best practices and supports compliance initiatives.
- Addressing human factors that increase costs.
- Reducing non-value add processing steps to the goals above.

## **Eliminating factors that decrease efficiency**

By capturing electronic versions of documents and presenting them directly within the SAP interface, ECM provides the content users need in the context they need it to perform their tasks effectively. For instance, an AP professional can click on an icon in the SAP business object to access the image of an invoice to immediately answer a customer inquiry. Another click could present a list of all associated documents,

such as the PO and packing slip. Should there be a dispute about the invoice, an automated resolution process could be initiated directly from the document.

In the scenario above, ECM eliminates the time a worker spends searching for information in a paper-based file or a disconnected electronic filing system. However, electronic capture – whether from faxes, e-mail, scanned images or other methods – generally results in documents such as invoices being distributed to the appropriate worker more accurately and sooner as well as being processed consistently. Integration with an SAP solution not only improves access to AP documents required to complete the three-way match, but also eliminates duplication of efforts such as data entry.

In some cases, ECM eliminates the need for human intervention entirely by facilitating straight-through processing. For instance, many organizations employ straight-through processing to automatically post an invoice when the ECM system ascertains that it matches the currency amount, quantity and vendor from the Vendor Master file for an approved PO and packing slip. On the other end of the spectrum, an organization’s business rules for resolving exceptions such as non-PO invoices, purchases exceeding approval limits, special handling, missing entries of quantity, price, goods or timing discrepancies can be automated. By reducing wasted resources, exceptions processed using automated workflow are lean, resolved quicker and with greater consistency, decreasing the risk of penalties and/or alienating vendors.

By implementing a defined process for managing AP supporting documentation electronically, organizations eliminate the risk of loss and the existence of multiple invoice copies that could result in duplicate payments. This increases the organization’s ability to comply with audits as well as saving time and expense associated with finding/replacing missing documents or correcting overpayments.

These benefits not only improve productivity for front-line employees, but also help management make better decisions. Better control of financial documents provides upper management with better information about exposure to overextending payables and can be used to provide more accurate forecasts. An ECM repository or view could be displayed in a configurable portal-like view or as an element of an SAP NetWeaver® portal. This makes it possible to view key performance indicators (KPIs), such as invoices nearing late-payment deadlines or staffing shortages, at a glance. This frees AP managers to manage the exceptions rather than the whole process.

### Visibility into performance issues

Many Lean/Six Sigma initiatives require detailed analyses of cycle times at each step in a process. Frequently this is a tedious process involving stopwatches and manual observation. [One collection agency implemented a Six Sigma program to physically track incoming correspondence from the mailroom through the customer service process to provide the data needed to accurately determine operating performance.] An ECM solution provides the tools to track process performance without human intervention or create a simulation based on observed data to ensure that they are running smoothly and/or to identify areas where bottlenecks and waste can be eliminated.

Before implementing an ECM solution integrated with its SAP solution, a leading North American plumbing manufacturer used a problem-resolution form routed through inter-office mail to manage exceptions. AP professionals did their best to track these documents via a spreadsheet, but there was no way to reliably know where a document was in the process. Consequently, the process took a great deal of time that could be better spent on other tasks.

Now, the manufacturer can easily access audit trails, inherent in the ECM workflow, to identify the status of those documents or to identify any bottlenecks or impediments in the process. Should processing exceed its KPIs, this information could be pushed to a manager automatically via e-mail or pager notification or displayed in a dashboard. Similarly, the productivity of individual workers can be analyzed to better allocate staffing or calculate performance bonuses with little effort.

ECM tools provide organizations not only with the ability to identify and focus on performance issues, but also the agility to respond to them quickly without excessive IT or professional services costs. New or existing workflow configurations can be imported into a simulator to identify areas that could be improved. Simulators allow for the testing of what-if scenarios, demonstrating the effects of staffing allocation/experience, shifts in routing, process re-engineering or injecting other variables into the process.

AP business managers, not just IT professionals, can quickly adapt a workflow process to changing business conditions within prescribed parameters. Using a business rules engine, an AP manager could reallocate incoming invoices sent to an AP clerk in the event of a sudden surge in activity or to maintain business continuity should factors such as a weather emergency prevent a number of employees from reporting to work.

### Enforcing consistency that imposes best practices and supports compliance initiatives

Even when an organization standardizes on an SAP solution, there can still be areas where employees operate outside of corporate standards, whether knowingly or not. The Latin American operations of the world's largest steel manufacturer are a case in point. The group was formed through a complex series of mergers and acquisitions. Employees at plants that became part of the group sometimes continued to follow previous policies and procedures because they were familiar or because they were unaware of the larger corporate policy. To maintain control and visibility, the steel manufacturer complemented its corporate SAP solution with document management and workflow.

The steel manufacturer's experience is not unique. Many organizations with multiple locations find that it is difficult to impose and police standardized processes, especially with manual processes. ECM workflow prevents workers from going outside of prescribed procedures. Ensuring the data is entered consistently, documents are tagged in a defined taxonomy and activities are carried out in an unwavering manner provides upper management with information about the operation that is consistent.

In addition to retention management and other corporate policies, ECM-empowered business strategy mitigates risk by enforcing compliance. In the event of an audit, ECM greatly reduces the time, cost and disruption of audits by providing easy access to documentation of the control environment and how controls are performed. Auditors can be granted limited access to the ECM system that provides them with the tools they need to review documents by vendor name, date range, invoice amount or countless other factors. Prior to an audit, organizations can run reports of the ECM solution to determine that all required documentation is present.

As part of its corporate initiative to reduce waste by standardizing processes, improving reporting, increasing efficiency and lowering costs, the Latin American steel manufacturer implemented its AP solution on a shared services model. Multiple business units electronically transport their invoices and tax documentation to the shared services facility. Employees in the shared services operation post payments, manage taxes and provide other finance and accounting services according to a standard process using an SAP solution and ECM functionality, such as document imaging and workflow.

Impossible without the ECM component, this shared services model has the added advantage of lowering total cost of ownership (TCO). The cost of the software can be spread across multiple business units, staff can be allocated more effectively and the organization can take advantage of the economies of scale in implementing the solution.

### **Addressing human factors that increase overall costs and corporate efficiency**

Productivity relies on a combination of people and process, and ECM addresses the human factor by making information more readily available to authorized users inside and outside of the AP department, reducing frustration and the danger of miscommunication. For instance, a buyer negotiating a contract with a vendor may want to view past invoices and payment history to press for better terms, or a manager reviewing budget numbers may want to review past invoices to forecast expenses.

An ECM solution would make those documents easily available to those users with little or no training. Facilitating self-service reduces the need to interrupt an AP professional with a request to produce the documents and potential delays for the requestor. Similarly, limited access to an ECM solution could extend these same benefits to vendor partners without compromising system security.

When AP professionals do have to provide service to internal or external customers, they are able to do so more quickly, improving those relationships and reducing the amount of time devoted to customer service. On a more human level, being able to complete a task competently and with less frustration has a positive effect on morale. An AP professional who can respond more effectively with not only the document itself, but additional information, such as the status of any related processes, feels better about the job s/he is doing and no longer deals with frustrations such as tracking down documents that might be misfiled, stored at other locations or sitting on someone else's desk.

Improving employee morale has benefits beyond "soft" return on investment (ROI). An Internet search provides multiple tools for calculating the hard dollar costs of employee turnover, such as recruitment, training and the loss of knowledge. According to a 2006 study by Sirota Survey Intelligence, there is a link between morale and stock prices. Stock prices of companies identified in this study as having high morale increased by more than twice as much as competitors in the same industry.

### **Reducing overall costs**

The efficiencies realized by implementing ECM technology contribute to cost reductions inside and outside of the AP department. Savings specifically associated with AP include the following:

- Lower processing cost per invoice by reducing manual labor and physical distribution/storage costs.
- Timely payment that increases the ability to collect early pay discounts and reduces late payment penalties, improving cash flow.
- Ability to negotiate better terms with vendors based on payment history.
- Reduction in late payments improves credit rating, improving the ability to obtain preferred lending terms.

When an ECM solution in AP is viewed as part of an enterprise initiative, not just a point solution, waste is reduced across the organization. For instance, electronic workflows and customer self-service reduce costs for the business units as well. Employees participating in an electronic approval process, for example, can be productive even when they are out of the office because they can view and act upon documents from any location. Self-service also saves time for the requestor by eliminating the phone call, visit or submission of a form once required to get the information they need.

Organizations that select an ECM solution that combines breadth of functionality that extends to multiple departments as well as addressing the needs of the AP function can realize ongoing ROI and lower total cost of ownership for the entire organization. Niche AP products with limited functionality cannot address all of the interdepartmental interactions required of an AP department. Easily configurable workflows, retention, the ability to scale to other processes and users quickly and other capabilities provided by an enterprise-class ECM solution allow AP departments to address all of their content management needs.

Taking a truly enterprise approach to selecting an ECM solution maximizes the initial investment by allowing it to scale to the organization's needs, be spread across multiple projects and integrate with other SAP solutions, such as human resources (HR), customer relationship management (CRM), project systems or quality management.

# HOW ECM REDUCES AP WASTE IN AN SAP SOLUTION ENVIRONMENT

With minimal configuration or professional services, ECM technology is flexible enough to be applied to virtually any content-driven transactions in an AP environment. In addition to being virtually transparent to the SAP user, the technology is easily adapted to other existing technology investments and business practices. Any time there is a document (electronic or physical) that originated outside of SAP solutions or a process that requires collaboration between workers, validation or approval, there is an opportunity to apply ECM technology to reduce costs, cycle times and miscommunications.

## Invoice Processing

The most obvious and common transaction to which ECM can bring value is invoice processing. Though all companies have the same basic goal of posting invoices in a timely manner while managing cash flow and tracking liabilities, the methods of arriving at that goal are countless.

Most organizations receive invoices by multiple means, which can sometimes lead to multiple copies. For instance, a vendor might e-mail/fax an invoice and then follow up with a paper invoice for the same order. A single ECM solution can capture invoices in any electronic format as well as manage scanning of invoices using multiple methods. Based on an evaluation of business and infrastructure needs, documents can be scanned in high volumes in a centralized facility or in lower volumes at locations where they are received.

Because the keywords identifying invoices are generally shared by the SAP solution, there are a number of ways to reduce or eliminate data entry. These include bar codes, application integration and third-party recognition software incorporating optical character recognition (OCR). Better control of metadata makes it possible for the system to identify duplicate invoices and prevent duplicate payments.

Regardless of how they are received, invoices can be distributed to processors according to existing business rules. Some organizations use a simple “round robin” method to give each processor the same number of invoices. Others identify specialists based on factors such as region, vendor, value, business unit or PO vs. non-PO. Business users can be given parameters in which they can modify an existing method to accommodate employee absences or extenuating circumstances, including month-end or year-end peaks in invoice volume. Business rules can often be implemented to completely eliminate manual intervention.

In most cases, when a processor views the invoice for entry into the SAP solution for verification, s/he is presented with the images of invoices in his/her queue (which may have been submitted by fax, e-mail, scanning or EDI) and the SAP transaction simultaneously. The values in the SAP business object (e.g., vendor name, invoice number, etc.) are automatically assigned to the document.

This ensures that the document can be easily retrieved from the same screen at a later date. It also allows the ECM solution to associate it with related documents. For instance, a researcher may be reviewing a past transaction related to a vendor dispute or an audit and only needs to click an icon on the business object to view the invoice. Right-clicking on the invoice could be configured to automatically display other documents with the same vendor and invoice number (or other criteria determined by the organization), providing immediate access to the packing slip, purchase order, the check run report or any correspondence related to the invoice as well as the contract with that vendor.

In order to maintain productivity and process integrity, the keyword values must accurately reflect the current values in SAP. Enterprise-class ECM solutions assure that when the values change in SAP solutions, any changes are reflected in the ECM keywords without manual intervention. Maintaining this consistency could be critical in the event of an audit or e-discovery. It also allows AP to maintain keywords such as “status,” making it possible to see at a glance whether an individual invoice has been posted or not or run a report on all unposted invoices to calculate liabilities.

More importantly, ECM addresses the exceptions that drive up cost, limit productivity and increase risk. If an AP professional encounters problems such as discrepancies between the invoice and the purchase order or a value that exceeds approval limit, s/he can route that document through the appropriate process electronically. Electronic forms, collaboration spaces and defined escalation rules are all options for appropriately handling exceptions while creating an audit trail, should it become necessary to evidence any transactions later.

### **Discretionary Spending**

Expenses generated by individual employees often create additional work for employees in accounting and finance. An ECM solution can be used to verify that required documents have been included prior to submitting the report as well as route the report through the required approval process. The resulting process improvements eliminate low value tasks that waste labor and limit productivity.

For example, scanned copies of receipts can be stored in the same ECM repository as invoices, contracts and other documents. They can be made available directly from an expense reporting application such as SAP Travel Management for validation and research. Integrating ECM into expense reporting solutions allows organizations to quickly build automated workflows for approvals or other processes not managed in the SAP solution or other expense reporting applications.

Organizations that issue purchasing cards (p-cards) to employees for maintenance, repair and operations (MRO) and discretionary expenses can simplify the process for managing and reconciling those transactions, even when employees are widely dispersed or travel frequently. A large holding company, for instance, makes p-card statements available to employees via the Web and provides them with the tools to reconcile them online.

Reminders and notifications can also be automated in an ECM solution. Doing so eliminates the need to assign one or more employees to verify that these tasks are completed, reducing the risk that they will not be completed in time.

### **Correspondence, Contracts and Other Unstructured Documents**

An ECM solution contributes to the Lean operation of AP departments by making even the “uncontrolled” documents used by employees more available and easier to research. Referred to as “unstructured” documents in the ECM industry, these include documents such as resumes, correspondence, contracts and other documents that don’t necessarily have a formal structure like an SAP business object.

Not only is it difficult to find the information in documents of this kind, but they also can originate from a variety of sources from snail mail to e-mail to the outgoing correspondence documents created by employees in word processing or spreadsheet applications. The diversity of these documents means that they exist in multiple silos of information such as filing cabinets, file shares, e-mail servers and individual users’ hard drives.

Failure to manage unstructured documents can undermine AP efficiency initiatives in a variety of ways. Analyst firm IDC has estimated that a typical enterprise with 1,000 knowledge workers spends between \$6 million and \$12 million per year “searching for nonexistent information, failing to find existing information, or recreating information that can’t be found.” In fact, knowledge workers spend an estimated 15% to 30% of their work time looking for information, limiting their ability to perform more strategic tasks. If the information isn’t found, employees may have to spend time recreating it. If they are completely unaware of existing information, employees may perform redundant tasks or make poor decisions.

A common ECM repository can provide access to all of these documents for authorized users. An employee might be able to search for multiple document types associated with a specific vendor or an organization might create virtual vendor folders that consolidate all vendor interactions in a logical and familiar tabbed folder interface, including outgoing documents generated in the SAP solution. The day-to-day convenience of a centralized repository could be overshadowed by the potential cost and liability savings in the event of legal discovery.

An ECM solution makes it easier for knowledge workers to immediately find the information they need to complete another task. For instance, an employee negotiating a new contract may want to conduct a search across all existing contracts to see what terms have been offered to other vendors.

### Reporting and Process Improvement

Accurate performance measurements are critical to efficiency initiatives. Not only can an ECM solution provide this data, but it can also present that data in the way that best suits the user's role. It is particularly well suited to Lean environments in which leaders are encouraged to manage by exception, intervening only when employees fail to meet performance standards.

An AP processing team leader, for example, may want to be able to quickly see the status of that team's workflow. S/he could simply use the automated workflow interface to see what items are currently being worked by that team and how many items are in each worker's queue. The solution could also generate dashboard-like portlets that could provide a detailed analysis of the items in a queue.

This at-a-glance information could be displayed through a configurable portal interface, including an SAP NetWeaver portal. These portlets could also be configured to serve the needs of a department head. By assigning benchmarks to workflow processes, a manager could quickly see if there were any items out of compliance, such as invoices that have been in a queue too long or when the total of items in a queue exceeds a specific value.

Automated workflow also allows managers to monitor individual processor productivity with much less effort than manual observation or self-reporting. This information can be used to award bonuses or assign processors based on their specific skills. Having the ability to modify a workflow to meet changing business needs offers department managers the agility to maintain productivity in exceptional circumstances without reliance on IT staff.

Reporting tools make it possible for department managers to quickly generate activity reports for upper management with minimal effort. These reports can provide the data management is most interested in monitoring and present that information in a text or graphical format.

Business analysts tasked with identifying areas of improvement and proposing solutions can benefit from ECM tools. As indicated earlier, generating an electronic audit trail is much less time and labor intensive than observation or self-reporting. Analysts can use simulation tools to test various scenarios for improvements and compare them to the current situation.

Internal and external auditors or legal departments tasked with e-discovery can use a consolidated ECM repository to easily and inexpensively locate documents according to criteria such as metadata (e.g. a name) or a data range (e.g., all incoming invoices greater than \$100,000 during Q1 2006). Many organizations provide auditors with limited temporary rights to an ECM repository for this purpose in order to minimize disruptions caused by assigning employees to gather documents.

### Business Continuity

Maintaining and improving productivity under typical circumstances is challenging, but unanticipated circumstances can be especially devastating. Even small disruptions in service can have devastating effects. An ECM solution can ensure that documents and processes needed to maintain operations are available and protected.

In comparison to maintaining paper-based documents, ECM is unequivocally better. If an organization stores all of its documents at a single location, it is very vulnerable to natural disasters or human maliciousness. If documents are stored at multiple locations, they are vulnerable to the same risks, but there is also the potential that they will be unavailable if that location suffers a major snowstorm or power outage.

Electronic files can be stored redundantly, which means multiple synchronized copies can be stored on a server, a RAID array, CDs/DVDs stored offsite, a content addressed storage device and/or a remote server. One Midwest manufacturer/distributor learned the value of this strategy first-hand. When one of the company's 100 remote locations suffered a devastating fire, a new workstation and scanner were sent, and AP operations at that plant were back up in three or four days with no documents lost.

Online services are available to store backups in a hosted environment with real-time synchronization. Organizations using a Web-based service would simply need to change the URLs on users' browsers to resume their document-driven operations.

# CHOOSING AN ECM SOLUTION TO COMPLEMENT AN SAP AP SOLUTION

Even for organizations that understand the value proposition of complementing an SAP solution with ECM, selecting the appropriate vendor can be a confusing and sometimes paralyzing process. In its report of second quarter results for 2007, SAP claims to have more than 100,600 SAP installations serving more than 41,200 companies in more than 25 industries and 120 countries. This market share coupled with SAP's reputation as a world-class solution has other technology vendors clamoring to associate themselves with SAP, from niche players with limited solutions to high-end platforms requiring massive customization and professional services.

Many ECM solutions are certified by SAP for integration with its enterprise applications. However, this does not make them equal. In the long run, the ECM solution that cost-effectively delivers productivity improvements and eliminates waste must be evaluated based on

- Functionality.
- Scalability.
- Vendor support.
- Flexible reliability.
- Usability.

## Functionality

The ability to automatically link documents directly from SAP transactions with no manual intervention is fairly common and should be a minimal expectation when selecting an ECM solution. It's also important to consider what you can do with a document using native functionality once it has been retrieved. For instance, AP professionals often find it necessary to research a vendor invoice to resolve an exception or provide customer service. However, simply viewing the invoice doesn't provide the ability to generate a business process or answer a question.

For processes not managed using SAP workflow, an ECM solution should provide the ability to generate an automated workflow, such as routing for approval/correction or escalating a potential issue to a manager, from directly within the screen in which a user is working. This minimizes time spent navigating between screens as well as end user training, improving productivity.

The ECM solution should also provide access to additional resources that make it easier and faster to complete tasks and provide service. Without leaving the document s/he is viewing, a user should be able to do the following:

- Quickly and easily retrieve related documents (e.g., a PO and packing slip related to an invoice) with the click of a button, eliminating the need to conduct multiple searches.
- View the keyword metadata related to the document being viewed and synchronize keywords with SAP solution data without manual intervention.
- E-mail documents to internal or external users.
- Create virtual folders to collect documents related to a specific task or issue.
- Attach an electronic "sticky note" or even create a case management system to indicate action taken, potential issues or other factors that can greatly increase productivity and decrease delays or misunderstandings caused by miscommunication.

## Scalability

No matter what the industry, no department works in isolation, and the ability to share information better increases productivity, reduces risk of errors and increases visibility for managers. Having a comprehensive repository of record for the entire enterprise reduces potential problems by making all documents accessible to authorized users directly from the SAP transaction screen. In addition to information-sharing, the benefits of an enterprise approach to ECM include the following:

- Lower costs and ease of administration because IT resources aren't forced to purchase, implement and support multiple systems, which may make the adoption of an ECM solution more feasible from a budgetary standpoint.
- Support for corporate governance by consistently applying policies across all content types and making them easily and inexpensively available in the event of an audit or e-discovery, preventing potential liability.
- Providing a high level view of business activity and key performance indicators (KPIs), including reports of incoming documents and employee productivity, graphical views of the status of all documents in a business process or a comprehensive record of an entire issue or case.
- Functionality and expertise to quickly respond to increases in volume, new/modified workflow processes, new/additional storage hardware, increased user base and expansion into other processes or departments without excessive professional services or prolonged deployments.

### Vendor Support for Product and Customers

Any software application is only as reliable as the vendor that stands behind it. Due diligence about functionality and technical suitability should be complemented with research about the company itself. Corporate culture, solutions expertise, supplemental services, technical support service level agreements (SLAs) and many other factors affect the ability to successfully implement, maintain and evolve an ECM-empowered business strategy that yields long-term benefits.

Investigate the following when committing to an ECM vendor:

- In addition to providing references from customers using similar solutions, reputable vendors should provide opportunities to interact within the user community in structured and unstructured settings, such as user groups. This provides an opportunity to gauge not only customer satisfaction and retention, but the relationship between the vendor and its customers.
- Product development should demonstrate a steady commitment to its ECM suite as well as innovation. Some “products” are loosely coupled integrations between acquired technologies. Others have limited commitment on the part of the vendor because they are acquired technologies that will eventually be phased out. The longevity and demeanor of the upper management team is also an indication of the dedication and attitude with which customers are treated. Consistent profitability, steady growth, freedom from the challenges of market consolidation and experienced leadership create an atmosphere that engenders confidence for customers as well as employees.
- As generic ECM applications give way to what analyst firm Gartner, Inc. has termed content-enabled vertical applications (CEVAs), vendors should employ subject matter experts with professional accreditation and experience to provide consultative, implementation, support and educational services that address results-oriented business process improvement.
- Customer-driven organizations solicit feedback from customers and subject matter experts when developing new products or product features, including those for specific industries. Software releases at regular intervals indicate a commitment to the product and ongoing innovation, and there should be healthy investment in Research and Development (R&D).
- Analyst recommendations and analyses often provide insight not only into a company’s technical expertise, but also its stability, industry expertise, culture and customer satisfaction. A reputable vendor will be able to provide industry analysis regarding its position in the transactional content management market, ability to provide CEVAs and its overall track record.

### Flexible Reliability

An ECM solution must also be evaluated on its ability to store content securely and reliably while providing accessibility and recoverability. An acceptable ECM solution will be able to store documents related to SAP transactions as well as archived SAP data in whatever ways best meet the unique needs of the business process and IT environment. It will also have the flexibility to meet changing needs as storage technologies and business strategies evolve.

In order to provide fast retrieval, repository integrity and business continuity specific to the SAP documents and processes, an ECM solution should offer the following features:

- A compact database structure that is easier to back up and speeds retrieval.
- The ability to automatically failover to redundant copies that can be stored on virtually any combination of hardware devices or media based on the document groups and types.
- Storage of files in their native formats (e.g. a Microsoft® Word document retains its .doc extension) so that data will always be available, even if use of the ECM solution is discontinued or documents must be recovered from a backup CD/DVD.
- Easy configurability to create multiple copies of data (e.g. a copy on the primary server, another on a secondary storage device such as a RAID array and a third on automatically created CDs/DVDs) to support validation of data files and provide automatic failover if an error would occur.
- An architecture that supports solutions that provide scalability without sacrificing fast retrieval time by eliminating contention for file server input/output and network bandwidth.
- Support for existing environments, including the ability to access legacy ECM repositories, external backup processes and nearly any third-party storage device.
- Fast accessibility for internal uses, across domains and to external users with security features that prevent unwanted browsing and alteration of sensitive data, including the ability to inherit the security of the storage system, respect network access privileges and convert documents to unalterable formats.

With guidance from IT professionals and/or systems integrators, users — not the software vendor — should determine the best way to configure content storage, including the creation of redundant copies on any combination of hardware devices or media. The criteria for how and where to store documents depends on a number of factors such as the locations of the users accessing the documents, user rights and retention policies.

## Usability

No matter how elegant or expensive an ECM solution is, if it is not accepted by those who must maintain and use it, it is doomed to failure. Change management is a complex situation that varies from one organization to another. However, technology that is easy to administer and master is easier to “sell” than complicated solutions.

From an IT perspective, an ECM solution should

- Fit well with existing technology investments in addition to the SAP solution, such as the network infrastructure and outsourcing models.
- Not require a prolonged deployment period with excessive outside professional services because of the effect of the disruption on users and IT (which also increases time-to-value).
- Allow IT to administer the system and make routine configuration changes.
- Be intuitive enough to minimize training and help desk requirements.

From the user perspective, an ECM solution should

- Be easy to learn and use, preferably acting as an extension of the existing SAP solution in which they routinely work.
- Provide configurable interfaces that reflect the way users work and the tasks they perform.

# AN OVERVIEW OF THE ONBASE SOLUTION SUITE *FOR USE WITH SAP ARCHIVELINK*®

Developed by Hyland Software, OnBase is an enterprise-class ECM product suite with core capabilities in high volume document imaging and management, enterprise report management, workflow/business process management and records management. The OnBase suite is developed on a unified code base and has been used extensively in AP environments in virtually every industry and by organizations of all sizes. OnBase can be deployed in multiple premises-based environments or through OnBase OnLine, Hyland Software's software-as-a-service (SaaS) offering.

A native OnBase component, the SAP-certified OnBase Connector 2.0 *for Use with SAP ArchiveLink* provides a single archiving platform for documents generated outside of an SAP system, historical transactional data and outgoing documents. Engineered to handle thousands of users, terabytes of data and more than a million transactions per day on a single server, OnBase can be used as an enterprise standard to reduce IT administration, lower total cost of ownership and create a platform for consistent security and retention.

OnBase Connector 2.0 *for Use with SAP ArchiveLink* connects incoming documents originating outside of the SAP system (e.g., invoices, correspondence, contracts, e-mails, expense reports, p-card statements and more) to SAP business objects. Regardless of format, these documents can be stored in the OnBase repository and retrieved directly from the SAP interface of most common SAP modules by clicking a paperclip icon. OnBase offers native capture modules for e-mail, faxes, high and low volume scanned images, enterprise reports, desktop documents and virtually any other kind of content.

SAP solution users can import scanned images in high or low volumes into OnBase in two ways using native scanning components. The first is early storage, which allows documents to be scanned into OnBase first and referenced in the SAP solution second. Late storage, the second method for storing SAP content in OnBase, allows users to create an SAP business object first and store imaged documents in OnBase later. Once these or any other documents are in OnBase, they can be annotated, used to generate an automated workflow, cross-referenced to related documents and e-mailed/faxed directly from the repository.

The Bar Code Import *for Use with SAP ArchiveLink* module allows an OnBase scanning application to register scanned documents with SAP. Bar code data gathered during the indexing process in OnBase is transferred to the SAP Content Server and linked with SAP business objects. The OnBase Business Indexing Connector (BIC) *for Use with SAP ArchiveLink* synchronizes the OnBase keywords with data in the SAP system to ensure that values for that document remain consistent between the SAP system and OnBase, even if the SAP values change at a later date. This ensures that documents have the appropriate metadata for retrieval through SAP as well as for audits and e-discovery.

Historical transactional data can be archived to offline media. Relocating obsolete application data attached to completed business transactions to nearline storage such as optical media optimizes system performance and can reduce storage costs by as much as 97.5%.

Outgoing documents (e.g., purchase orders or 1099 forms) can be archived directly to OnBase as PDFs and automatically associated with the proper SAP screen. OnBase Connector 2.0 *for Use with SAP ArchiveLink* includes a "Print and Archive" option for SAP reports to make them available for later retrieval, facilitating research and eliminating printing costs.

OnBase Solutions *for Use with SAP solutions* ensure that users can access unstructured data from within SAP with no manual indexing or custom coding. OnBase also supports multiple SAP solution destinations and allows users to define where files are stored, facilitating system design that eliminates contention and provides security and recoverability.

Hyland Software has dedicated practices in manufacturing, financial services, healthcare, government, insurance and higher education. Consultative expertise is also fostered in business processes such as procure-to-pay, order-to-cash and human resources. With a customer retention rate of more than 97%, Hyland and its network of Authorized OnBase Solution Providers are recognized throughout the industry for outstanding levels of customer service.

# ABOUT HYLAND SOFTWARE

Hyland Software Inc. is the developer of OnBase, a rapidly deployable suite of enterprise content management (ECM) software applications. OnBase is a modular suite of ECM applications that includes document imaging, workflow, electronic document management, COLD/ERM and records management. OnBase allows organizations to manage all digital content, including scanned paper documents, e-mails, faxes, print streams, application files, e-forms, Web content and multimedia files. OnBase is used by nearly 7,000 businesses and government agencies around the world to reduce the time and cost of performing important business functions and address the need for regulatory compliance through the management, control and sharing of digital content with employees, business partners, customers and other constituencies.

Widely respected in the ECM industry and with valuable relationships with complementary hardware and software vendors, Hyland Software is committed to long-term partnerships. Privately owned and consistently profitable, Hyland is a stable company with an outstanding track record and promising future.

Independent research firm IDC's ([www.idc.com](http://www.idc.com)) "Worldwide Content Management Software 2005 Vendor Shares," released in July 2006, named Hyland as one of the fastest growing content management vendors in the industry based on an analysis of 200 leading vendors. The "Forrester Wave™: Content-Centric Applications, Q1 2006" from Forrester Research ([www.forrester.com](http://www.forrester.com)) named Hyland as a leader in transactional content management, which refers to the ability to manage content generated outside of an organization (e.g., invoices, applications, etc.) and related business processes.

## For More Information

A Hyland Software account manager or an Authorized OnBase Solution Provider can provide additional information on the benefits of OnBase technology, services, people and other resources. Additional information is also available at [www.onbase.com](http://www.onbase.com), including

- How OnBase is used worldwide for AP and other core processes in manufacturing, financial services, healthcare, insurance, government, education and other industries.
- Case studies and video testimonials from satisfied customers in virtually every industry.
- An overview of the services available to OnBase users, including education, database validation, disaster recovery and hosted solutions.
- Insight into the management team and unique culture that have made Hyland Software one of the most stable and fastest growing ECM companies in the market.
- More detailed descriptions of the innovative and reliable capabilities of the OnBase product suite and how they improve process-driven and transaction-oriented business needs.

# REFERENCES

AIIM International | [www.aiim.org](http://www.aiim.org)

Forrester Research | [www.forrester.com](http://www.forrester.com)

Hackett Group | [www.thehackettgroup.com](http://www.thehackettgroup.com)

IDC | [www.idc.com](http://www.idc.com)

Sirota Survey Intelligence | [www.sirota.com](http://www.sirota.com)

Hyland Software, Inc.  
28500 Clemens Road  
Westlake, Ohio 44145  
p: 440.788.5000  
f: 440.788.5100  
SAP@onbase.com  
www.onbase.com

**HYLAND**<sup>®</sup>  
**SOFTWARE**