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Content Management: The Next Generation Document Management

Editor's Note: I recently had a wide-ranging discussion with Steven Finch of Computers by Design about the future of document management for insurance agencies. What follows is an edited transcript of that discussion.

Steve Anderson: I just got a call from an agency this morning that says they have a document management process, but they've got e-mail in one place, scanned documents in their document management system, and other stuff stored on their network drive. They're struggling with efficiency and workflow. Is document management really helping agencies?

Steven Finch: My question is, "Why would you call that document management?" If they have things stored in e-mail, in the document management system, and on their network drive, that's a filing system! That agency has to acknowledge that it has a need for document management, but hasn't implemented it yet.

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SA: Let's start with a little history of storing electronic files and electronic documents. Where have we been, and where are we going?

SF: Initially, the goal was to get rid of file cabinets in order to reap the benefits of floor space reduction and to enable multiple people to access a file at the same time. Plus, a producer could lock a file in his trunk and not worry because there was always a copy. It was a relatively simple solution to implement because you only had file cabinets and the agency management systems. That was pretty much all the information you needed to store at that particular time. This started changing when we began creating other files—such as Microsoft Office documents. Then, e-mail showed up and faxes started to go electronic.

SA: When did agencies start to implement scanning?

SF: Document scanning systems were in use in some agencies in 1995. As the year 2000 came around, some of the people who were doing true, centralized managed document imaging thought it would be great to store documents as well as images. They thought, "Wouldn't it be nice to have the same access to all of the e-mails, inbound faxes, and Microsoft Office documents that are part of a client's permanent file?"

SA: So, original imaging systems were connected to scanners.

SF: That's right. Early adopters liked the idea of the customer file being all in one place, so the most logical place to build an electronic client file was using the scanning systems. It provided a nice interface and people could navigate to what they wanted pretty easily.

Still, integration with agency management systems was hard because not a lot of people understood how to do it. Many early integrations (including mine) involved going to the file document screen and searching for things. Integrations today go to the transaction where you have supporting documentation and look for all information about that transaction.

SA: When did insurance companies begin sending agencies electronic documents ?

SF: About three years ago.

SA: So, let's talk a little bit about where document management is today.

SF: There are barriers in terms of why every agency is not using document management. For one, the software is perceived as expensive. In my mind, this means that the software vendors haven't done a very good job of communicating the value. I could show you an Excel spreadsheet that details the cost savings of a document management system versus hard drives on servers. It also shows the cost of losing one document and the cost benefit if you save a commercial lines CSR 15 minutes per day.

The second barrier is perceived overlap, meaning that people don't understand the benefits of having everything in one place.

SA: What are the benefits of having everything in one place?

One benefit is time savings. Early adopters understood this. They would actually take a stopwatch and figure out that it takes seven minutes to issue a certificate. They wanted to know how to reduce that time. But others still don't understand the benefits of having quick access. They think, "I already have a place to drag and drop e-mails. I've got a file server out there where all of my Word documents are, and my faxes come in via e-mail, so I already have a place to keep all of this stuff. Why would I need to buy something else?"

Other reasons to justify document management include efficiency, E&O protection, and the ability to quickly recover from a disaster. It's now at a point where it's a competitive parity technology: you need it just to provide the same level of services as your competition across the street.

SA: Can you explain "competitive parity" a bit more?

SF: Competitive parity is when you're no longer applying the rules of Return on Investment (ROI) to a technology project. Do you do an ROI calculation for your electric bill or an ROI of your e-mail system? You can't run an agency today and not have e-mail. I think document management has been in this phase for a while.

SA: Do you really think it's a competitive parity if many agencies are still stuck in the scanning mentality even though they say they have document management systems ?

SF: Yes. It's mainstream technology. You've already had contraction within the number of document management vendors. If you look at all of the other attributes of a technology phase, you have rapid build-outs, you don't have mass practice yet, and you have essentially more vendors than can be supported by the marketplace. Then you go into contraction. That's when the guys left standing are the best of breed, and they've got critical mass within the market. That's where we are today.

“Content management...[is] the next evolution of document management.

SA: What's the next phase?

SF: Content management. It's the next evolution of document management. In 2000, 15% of the market said they understood what document management was. The same thing can now be said about content management. Content management is when people can see that they (for example) have 50 policies and five audits waiting to be scanned or processed. They can tell that the audits are two days old—and that gets their attention. They want to know how long it took to check and invoice a particular policy. They want to know when they have more than x-number of policies of this line of business (because it's a high-value line of business). They want to make sure they don't have more than x-number of transactions. They want to be able to build these intelligent workflows.

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SA: How would that work?

SF: People would be aware of or have access to rich structured information. That doesn't exist architecturally with any design for any current document management system. The primary difference between a document management system and a content management system is in the method of persistence of the structured data. For example, if I scan something into a document management system, I have to add certain information to identify that document (e.g. FINCH123) and then tag it as a personal lines auto document.

SA: I would call that creating an index.

SF: You could call it an index. We'd call it structured data. In my mind, an index is specific to a record or particular document. So the index, so to speak, doesn't exist from within the document management system until a document exists to apply it to.

SA: And a content management system is different?

SF: Yes. We plug in a content management system and do a file update. We can also point such a system to the agency management system and tell it to gather all of the data elements contained within the agency management system. So, the content management database contains substantial information about clients prior to the document being stored. A document management system doesn't know anything about any of your clients until you put stuff into it.

SA: What else is different?

SF: Let's take the example of early capture. With early capture, someone captures the incoming document—but all he knows is who to send it to. Maybe he knows it's a policy, but he doesn't know the policy number or that it's a worker's comp policy. He can type that information in, but this isn't efficient because he has to get it manually. Let's say this person doesn't even know who to route the document to. He has to go to the agency management system, open the client, see who services the account, scan the document, and then send it to the servicer. This is essentially manual routing!

With content management, all the scanner operator needs to do is scan the document and type in the policy number. The system automatically puts the document into the correct workflow and says, “Oh, I'm a worker's

comp policy and I'm serviced by Steve Anderson, and I'm a worker's comp policy for Finch Industries, and I'm going to go over and sit on Steve Anderson's desk." Due to intelligent workflow, we already know the context for the document and what needs to happen to it.

SA: So you're creating business rules within the document management system to intelligently move a document to where it needs to go next?

SF: We're building intelligent workflows within the content management system that act upon the content of the documents, not upon the type of document.

SA: How is putting in the policy number in a content management system different than telling it it's a policy at the document management early capture point?

SF: Because we can have programmatic intelligent workflows based on the content of that document. So a commercial lines worker's comp policy could have higher priority and automatically put itself higher in the queue.

SA: How would you know if a document is an audit? Is that another piece of information that is entered?

SF: Yes—it certainly could be another element that's entered.

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SA: How about this idea? You could build in a questioning process. When the policy number is entered, it recognizes that it's a work comp policy—and you could have the system ask if it's an audit.

SF: Yes—that's part of the personalization. You could get incredibly granular, or you could get not granular enough. It is equivalent to this scenario: On day one, people had a policy folder. Then, over time, everything went into that folder and someone wanted to make it more granular by creating separate policy, endorsement, and correspondence folders. Then, you'd get a letter requesting a change. Where would you put it? One person would say to put it in the endorsement folder because it would be part of the change of policy. The second person would say to put it in a correspondence folder because it's a letter. The third person would say that it's going to affect coverage, so put it in the policy file.

So, you can get too granular. Now, after years of evolution and best practices, people kind of understand how tagging should work. The same thing goes with content management. It's a very good product to help you achieve competitive advantage. You can demonstrate it.

SA: What will change their minds?

SF: When people began using e-mail, they started to understand the process better. Rather than forcing the subject, we would tell people what they were getting and what we thought would happen over the course of a year. The same thing will happen with content management.

SA: Will people use a content management system for creating follow-up items?

SF: A content management system can be effective without using it for follow-up items. But I guarantee within 12 months or so people will ask, "Why don't I have every transaction that's associated in terms of these performance indicators? Why do I have to go to two places to get this information on how well my agents are doing—or how well the agency is performing? Or how well the agencies are running?" I'll answer, "Because you have certain types of activities that you're still holding onto in your agency management system."

SA: What will it take to implement?

SF: The process will be the same as when document management systems were implemented. People will either come to their own conclusions as they use the system or they'll see the benefits up front. A content management system allows the agency to take advantage of intelligent workflows to automatically trigger events like follow-up items, but within the content management system and not the agency management system. Having a system that is able to create programmatic workflows for change requests that are created as a by-product of working the document will help staff streamline their work.

SA: The system automatically creates the follow-up on the item if certain activities haven't been accomplished, like receipt of the endorsement?

SF: Exactly right. Again, you can implement this thing with some granularity, meaning that if it's going to be so polarizing [to the staff] that it reduces the efficiency, adoption rate, or the advocacy of your staff, we have some best practices to help.

SA: It's not unlike the adoption of document management where we talked about late capture versus early capture. A lot of agencies resisted early capture. But after working with it for a year, they saw the benefits of early capture and were much more open to moving to that process.

SF: It's essentially the exact same thing. If I would have said in 2000 and 2001 that you're not going to be able to have paper on your desk anymore and that you'd get used to it...

SA: They wouldn't have believed you.

SF: No one would have believed me, and for those who did, half of their staff would have quit.

SA: It seems to me that the next logical step is to not have an operator input this index information but to have carriers embed the information within the documents they send. The document-specific information could be read by the content management system and automatically place the received document into an intelligent workflow. So, as soon as a document is captured into the system, it recognizes the policy number and other identifiable information. Is that the thinking in terms of looking further than a couple years down the road?

SF: I'm the retail guy, so you're missing a step. Imagine the unstructured data that is contained in a commercial lines carrier submission. The actual delivery of that submission is electronic. For years, we've had the services that will deliver such a submission. The adoption rate of underwriters that are willing to receive an electronic submission like this has increased from maybe 50% in 2003 to a much higher percentage now.

In 2008 imagine underwriters receiving submissions wrapped with some structured data and information from the agency management system. It's very easy to put this binder in an envelope. Then, imagine if it came back from the carrier when they issued the policy, using the same package that could be recognized by the agency systems. When it came back, we'd have the policy number, and a black box [the software] sitting at the agency level that scoops the policy up and starts the workflow [the policy-checking workflow].

SA: That's where I can see intelligent workflows working very well.

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SF: When we have access to the agency management system that contains all of the structured information in a method that we can actually use, the document becomes smart.

SA: Right.

SF: Now you've got content management—a real database that marries structured data [from the agency management system] as well as the unstructured data [electronic documents]. Even from a database architecture standpoint, this is completely different. Can you imagine how streamlined agency workflows would become?

SA: It sounds pretty exciting. And really, it will go a long way to what you alluded to earlier: an increasing number of agencies that are trying to get their workflows together. In today's marketplace, efficiency is a necessity for survival. Agencies have to continue to try to be as efficient as possible. That's what document management was supposed to do all along.

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