

WHITE PAPER

Organizations Shift Focus To Information Management: The Role Of Documents In Highly Effective Business Processes

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EXECUTIVE SUMMARY

Along with growing the top line, most medium and large organizations in the U.S. see their top challenges as cutting costs and increasing profits, yet few assess and manage documents, the lifeblood of business processes and a key source of costs. Information flows throughout organizations in the form of documents, whether in electronic or paper form.

Driving the growing importance of documents are the demands of regulatory compliance, the need to communicate with customers, suppliers and employees in multiple media, and the role of documents in achieving ROI for business process solution investments (e.g. enterprise resource planning (ERP), customer relationship management (CRM), content management, and collaborative applications).

IDC research finds that companies with the fastest growing profits in their industry sectors are tackling document processes and achieving real benefits. Specifically, we find a positive relationship between effective document management and two factors — above-average profit growth and an organization's ability to respond to changing market conditions.

The majority of the 550 studied medium/large organizations strongly agree that effective document management/workflow drives productivity (68%) and customer service (66%), and a significant minority strongly agree that it drives competitive innovation (48%), profitability (47%) and revenue (38%).

Fifty percent of organizations rate their organization's document management less than effective in meeting their business goals. These organizations can achieve effective document management with:

- A formal and centralized strategy
- Initiatives driven by C-level executives and IT that empower workers to initiate document process improvements
- Document workflows that address all affected departments, and exceptional cases
- Integration of document workflows into ERP, CRM, supply chain management (SCM), and workplace collaboration enterprise systems

- ☒ Incorporation of paper documents and electronic documents — Web, email, and fax output from enterprise applications — into digital workflows
- ☒ Outsourcing of some document processes.

METHODOLOGY

This white paper is based on primary research with end users, on IDC industry knowledge, and on other IDC research. Five hundred and fifty 15-minute telephone surveys were conducted in August 2004 with companies having 500+ employees at all locations.

The 550 respondents were stratified across seven vertical industries — banking/brokerage/securities/financial services, insurance, high-technology manufacturing, discrete manufacturing, energy/utilities, retail/wholesale and transportation, and other. Final data was weighted by company size within each vertical industry.

Respondents are senior executives involved in the decision-making for workflow processes and how documents are involved in these processes. More than two-thirds hold at least divisional or regional responsibilities — over half are responsible at the enterprise- or company-wide level. In this research, a document is defined as a collection of information contained within a written, printed, or electronic format.

Participating companies were asked to describe how they performed relative to their peers in terms of revenue, profit growth, and in the ability to respond to changing market conditions.

BACKGROUND: THE VITAL ROLE OF DOCUMENTS IN BUSINESS PROCESSES

Documents are the lifeblood of key business processes from customer service to finance to marketing, and their importance is growing. Reasons for their growing importance range from regulatory compliance, to the need to communicate with customers, suppliers and employees in multimedia coordinated ways, to the role of documents in enhancing the return on business process software investments. Indeed, we demonstrate in this white paper that having a document strategy is correlated with being above industry average in profit growth and agility in responding to changing market conditions.

For example, an investment in customer relationship management software can be very effective at defining one's top customers and prospects, but the return on that investment will not be fully realized until those customers and prospects respond to marketing documents. Electronic and paper documents in the form of an effective marketing communications campaign (Web, direct mail, etc.) ultimately determine the software's investment return.

The definition of a document has evolved with technology. An effective document strategy must encompass both paper and electronic documents and both structured and unstructured information. Organizations often assume mistakenly that their investment in solutions (including software, hardware and services) for ERP, SCM, CRM, content management (CM), and workplace collaboration is adequate to efficiently and effectively run their businesses. However, the input to and output from such solutions in the form of documents is the lifeblood of these business processes.

An effective document strategy must encompass both paper and electronic documents.

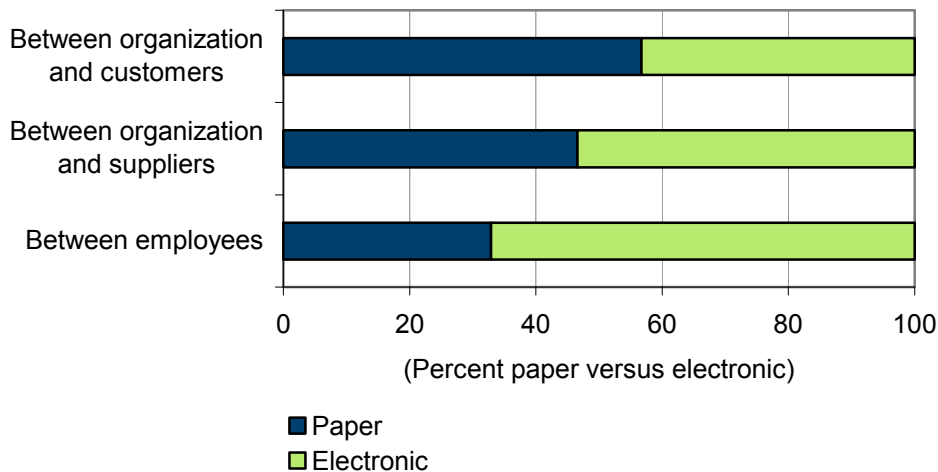
Many business processes require the capture of information that is both structured (e.g. forms, invoices) and unstructured (e.g. Word, Excel documents) information, and of both paper and electronic documents, offering a wide range of opportunities to apply and reap the benefits of a document strategy. The top document-intensive business processes cited by study respondents are customer service, CRM, invoicing, accounts receivable/collections, regulatory compliance, and human resources.

Organizations' document strategies do not always address the multimedia nature of documents. Some treat electronic documents — Web, email, and fax output from enterprise applications such as ERP, CRM, SCM, and workplace collaboration — separately from paper documents. In other instances, organizations focus only on the paper document production process and ignore the need for electronic document integration. In either case, the benefits of a document strategy are reduced.

As much as organizations would like to eliminate paper, a document strategy that ignores the complementary and disposable role of paper will be ineffective. Figure 1 shows that paper documents are about as pervasive as electronic documents in how businesses communicate internally and externally with customers, suppliers, and employees. Thirty-eight percent of organizations indicate the workflow in their document-dependent business processes is mostly digital.

FIGURE 1

Percentage Of Documents Exchanged Between Organization and Customers, Suppliers, and Employees That Are Paper Versus Electronic



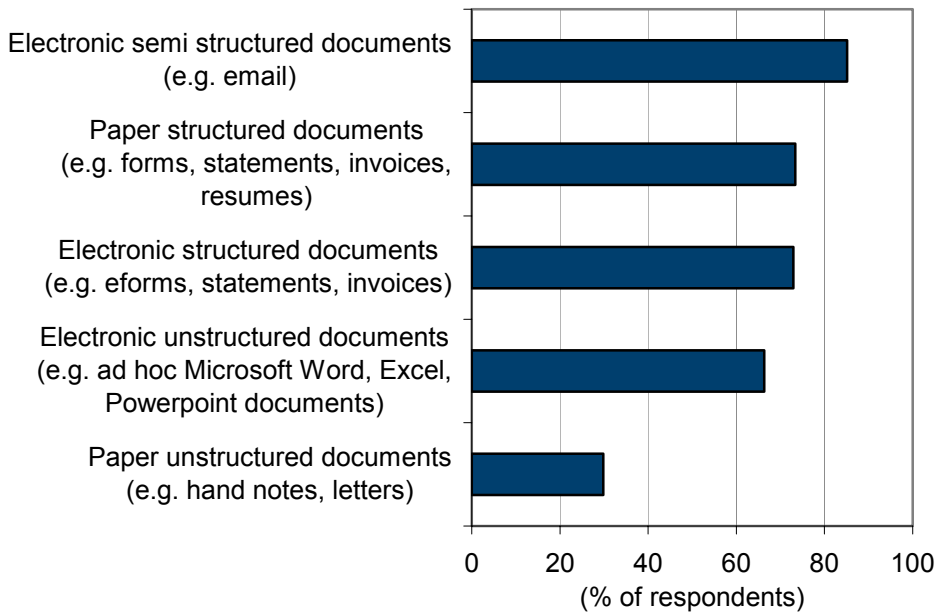
Source: IDC, 2005

The organizations we studied corroborate the importance of addressing both structured and unstructured information in a document management strategy. As the next figure shows, the document types that are most important to the organizations studied are semi-structured electronic documents, structured paper documents, structured electronic documents, and unstructured electronic documents.

The organizations we studied corroborate the importance of addressing both structured and unstructured information in a document management strategy.

FIGURE 2

Importance Of Document Types In An Organization



Source: IDC, 2005

We have seen that investments in ERP, CRM, SCM, collaborative and other software do not obviate the need for document management. On the other hand, document management can be a component of a content management system (see Figure 3). Content management software's role is to bring structure to unstructured information, to incorporate information captured from paper documents, and to address workflow.

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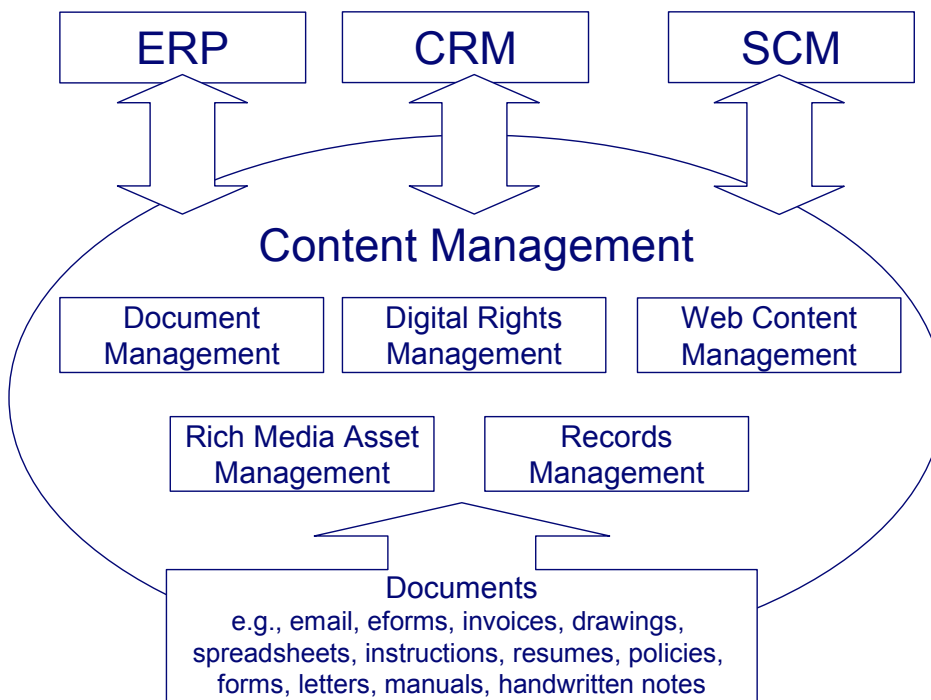
In the end, an effective document strategy should accomplish the following:

- Capture the necessary information from documents
- Integrate the information into enterprise software systems
- Disseminate documents to the right people
- Enable speedy access to documents

- ☒ Control and secure access
- ☒ Track document changes
- ☒ Secure documents
- ☒ Manage documents through their lifecycle, including purging or archiving appropriately
- ☒ Incorporate paper documents into an electronic workflow
- ☒ Adequately address exceptional cases
- ☒ Handle the workflow through all relevant parts of the organization

FIGURE 3

Role of Content Management



Note: Content includes some or all of the elements shown within the circle.

Source: IDC, 2005

WHY DOCUMENTS ARE IMPORTANT AND THE COSTS OF FAILING TO ADDRESS THEM

Knowledge workers are highly dependent on documents to be effective and the amount of time knowledge workers spend working with documents is significant. The consequences of an ineffective document strategy can be severe, including higher costs, lower productivity, missed opportunities, and failure to comply with regulations.

Our research at medium and large organizations finds that a business process in which documents play an important role can involve a large number of knowledge workers. The upper end of the range reflects that a business process can touch multiple departments. We find a median of 10 and a mean of 177 knowledge workers involved in a single business process, and we note that every organization has numerous business processes.

Typical knowledge workers spend a significant amount of time (37%) dealing directly with documents (creating, revising, accessing, etc.). They spend 54% of this time looking for information, and 50% of that time they do not find what they need. This means that knowledge workers (the economy's highest paid workers) spend 27% of the time they work with documents being ineffective (not finding the information they are looking for).

This creates a ripple effect, such as the extra cost for the knowledge worker to recreate missing information. The time lost unsuccessfully searching documents and the time spent recreating documents is also an opportunity cost to the organization: a delayed invoice, a prospect not sought out, a delayed deal, and a customer ignored are a few significant examples.

There are a number of reasons why organizations do not readily see the costs surrounding document processes.

- ☒ One key reason has been the tendency of enterprise software (ERP, CRM, SCM etc.) to be applied mostly to structured documents — invoices, payroll, forms, statements — rather than to unstructured and paper-based documents. The U.S.' increasingly regulatory atmosphere is changing this as evidenced by renewed growth in records and document management software. The importance of unstructured and paper-based documents to an organization's effectiveness was shown in Figure 2.
- ☒ Another key reason why organizations do not readily see the costs associated with document processes is the fragmented ownership of the end-to-end business process. Each department that touches a process tends to focus only on its own document needs. As a result, document silos develop causing inefficiency and unnecessary redundancy in documents created, copied, printed, e-mailed, faxed, scanned, and archived.

The consequences of an ineffective document strategy can be severe, including higher costs, lower productivity, missed opportunities, and failure to comply with regulations.

Knowledge workers (the highest paid workers) spend about a quarter (27%) of the time they work with documents being ineffective by not finding the information they are looking for.

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DOES EMPHASIZING INFORMATION OVER TECHNOLOGY PAY?

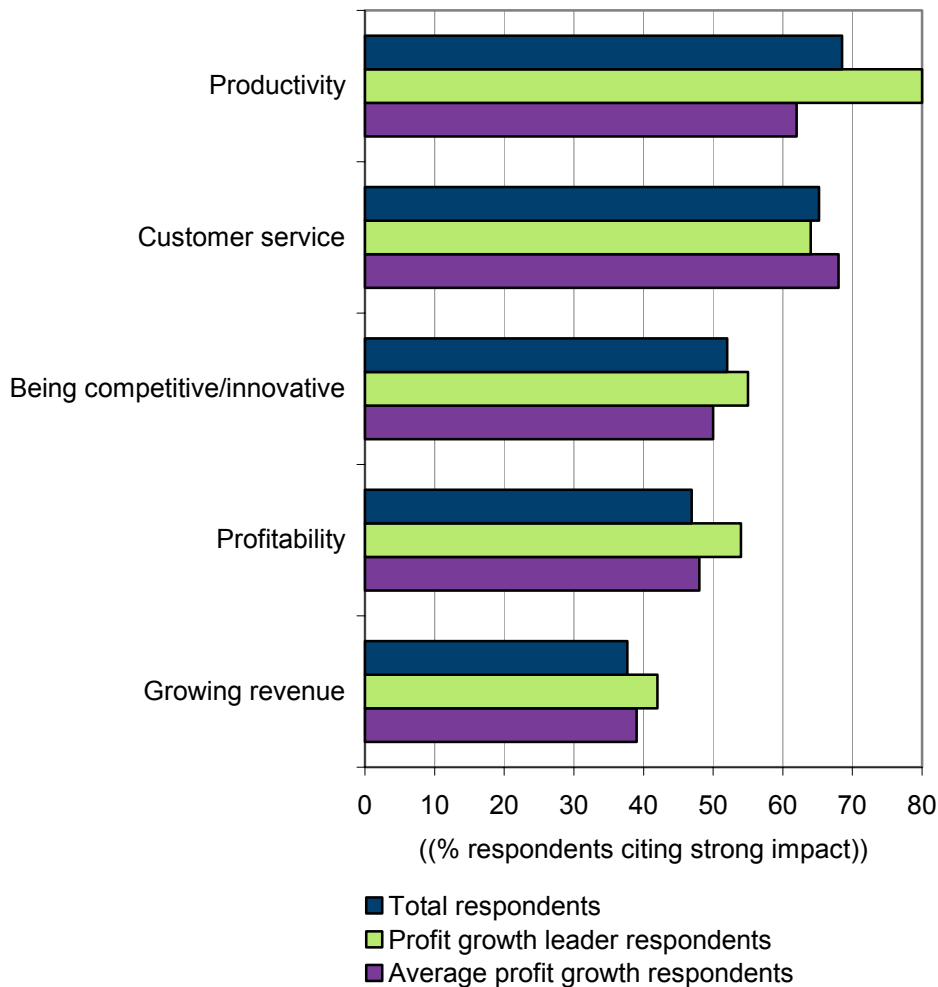
The Benefits Of Smarter Document Processes

Study respondents emphatically agree that there are real benefits to implementing effective document processes. The majority of all respondents (65-69%) strongly agree that effective document management/workflow drives productivity and customer service, and a significant minority (38-52%) strongly agree that it drives competitive innovation, profitability, and revenue. See Figure 4.

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FIGURE 4

Impact An Effective Document Management/Workflow Strategy Has On Business Objectives (% respondents citing strong impact)



Source: IDC, 2005

Smart document processes integrate document workflows into enterprise systems, address the document workflow through the entire organization, incorporate paper documents into digital workflows, and provide a means of addressing exceptional cases.

IDC research finds a positive relationship between smarter document management and two factors — above-average profit growth and an organization's ability to respond to changing market conditions (Table 1). Organizations who indicate they lead their industries in their *profit* growth are more likely than those with average profit growth to rate their organization's document management as strongly effective in meeting their business goals. We find similar results for those organizations who rate their ability to respond to changing market conditions as industry-leading. The correlation suggests adoption of effective document management is critical.

TABLE 1

Effectiveness Of Document Management To Meet Business Goals And Its Relationship To Profit Growth, Revenue Growth And Ability To Respond To Changing Market Conditions

	% of Total Respondents	% of Profit Growth Leaders	% of Average Profit Growth Respondents	% of Revenue Growth Leaders	% of Average Revenue Growth Respondents	% of Ability-To-Respond-To-Market-Change Leaders	% of Average-in-Ability-To-Respond-To-Market-Change Respondents
Have strongly effective document management to meet business goals	49.7%	54.1%*	41.8%*	52.3%	47.5%	58.7%*	42.9%*
N=	550	218	266	241	253	232	267

* Indicates statistically significant difference between leader and average respondents for that category.

Source: IDC, 2005

We also find that those who say they are industry profit-growth leaders estimate 67% lower total document costs as a share of their company revenue compared to their counterparts with average profit growth.

Those who rate their document management strongly effective, compared to their counterparts with weak/ineffective document management, estimate their knowledge workers spend a smaller share of their workday on document processing (35% versus 50%) and looking for information (20% versus 25%). These differences while apparent, cannot be said to be statistically significant.

The research also indicates that knowledge workers in profit-growth leader companies, compared to average-profit-growth company respondents, spend a smaller percentage of their time on document processes searching unsuccessfully for information within documents, 10% compared to 25% of their time, respectively.

In summary, an effective document strategy has a range of powerful benefits. These benefits are available to the 50% of organizations who rate their organization's document management less than effective in meeting their business goals.

How Organizations Expect To Adopt Smarter Document Processes

Organizations seeking to make themselves more productive, innovative and compliant with regulations are adopting a smarter document strategy. They are:

- Planning to reduce document management costs
- Taking advantage of document processing advances in technology and services
- Driving document workflow improvement initiatives that address the role of paper documents, exceptional cases, and workflow through the entire organization
- Using IT and C-level executives to drive change
- Using formal centralized document strategies

A vast majority of organizations (83%) rate documents of high importance to their business processes. Almost two thirds (66%) have initiatives to reduce the total cost of document management. On average, those with initiatives expect a 20% reduction in costs. About a quarter (24%) of all organizations in the study are already using outsourcing for document processes. That percentage is sharply higher for those with total document cost reduction initiatives (30%) compared to those without such initiatives (11%) and for profit-growth leaders (32%) compared to their average profit-growth counterparts (19%).

Digitizing records and document workflows reduces the cost per record, speeds business processes (for documents such as invoices, it speeds their issuance and increases revenue collection), reduces print volume and paper document storage, reduces fax costs, increases employee productivity, and increases employee and customer satisfaction.

Specific enabling technologies include:

- Content, document and records management solutions — Software solutions range from high-end enterprise-class content management software vendors such as EMC/Documentum, IBM, FileNet, Open Text and Interwoven to a range of departmental/workgroup solutions from software vendors and hardcopy peripheral vendors such as Xerox, Hyland Software, Laserfiche and Zylab.
- Imaging — Paper documents can be brought into the business process workflow by scanning and indexing then routing through the process based on rules, or by scanning to e-mail, fax, a folder, or a content repository. This can reduce copying and faxing costs.
- Emerging technologies — Content/document technologies categorize documents based on context and relationships, bring structure to them with XML tags, and

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mine them for meaningful information. Imaging technologies intelligently decipher imaged text partly blocked by handwriting, such as a contract or invoice.

- ☒ Security — As a result of recent legislation, secure transmission of electronic documents has become critically important in the health care and banking industries and in functional areas such as finance and legal. Documents can now be printed, e-mailed or faxed securely by encrypting the print datastream at the point of sending (from a PC, MFP or scanner), and decrypting it at the receiving hardcopy device. A print job can also be sent to and held at a hardcopy device until the user walks up to release it.
- ☒ Color — High-volume offset printing of marketing collateral with associated costs of obsolescence and storage is no longer necessary thanks to affordable, high quality, digital, print-on-demand color technology suitable for both in-house adoption and commercial print providers. This is driving organizations' growing appreciation for the cost-effectiveness and value of color for such uses as enhancing proposals, highlighting customer action items on bills, or calling out lab test results.

Organizations keen to reduce costs, increase profits, and address compliance are turning to outsourcing. Outsourcing frees organizations to pursue a more strategic focus, reducing opportunity costs. Specific types of outsourcing are:

Outsourcing frees organizations to pursue a more strategic focus.

- ☒ Imaging for archival to meet regulatory requirements or as a BPO initiative — This is the high-volume digitization of documents off-site (e.g. contracts from numerous branch offices, medical records).
- ☒ Color print on demand or high-volume production of certain applications (e.g. marketing collateral, training manuals, health insurance explanation of benefit statements).
- ☒ Ownership and management of hardcopy-device fleets in the office, copy center and/or mail room.
- ☒ IT help desk support for hardcopy devices.

Organizations are increasingly recognizing the value of digitized workflows, and the need to bring paper documents into that workflow. In fact, those who say their document management is strongly effective at meeting business goals are far more likely to rate their business process workflows as strongly digitized (51%) compared to their counterparts who rate their document management as weak/ineffective at meeting their business goals (11%). Similarly, profit-growth leaders are far more likely to rate their business process workflows as highly digitized (49%) than their average profit-growth counterparts (30%). In contrast, 38% of overall respondents say their business process workflows are highly digitized.

Organizations are increasingly recognizing the value of digitized workflows, and the need to bring paper documents into that workflow.

It is an absolute that most business processes still involve paper no matter how digitized the workflow. For example, the business process may follow a digital workflow within the enterprise, but communication to/from customers, suppliers, and others required to complete a business process often still involves paper. Examples of such paper documents are legal papers, invoices, mortgage applications, car rental contracts, drawings, dispute resolution documentation, and medical records.

While organizations are pleased with the basic elements of document workflow within their key business processes, there are some elements where IDC believes enhancements would be beneficial. A large share (61-71%) of study respondents give high marks to document workflow elements such as the accuracy of information, the information captured, and the dissemination of information to the right people. Areas for improvement where only 35-48% of respondents give high marks include integrating document workflows into enterprise systems, addressing the document workflow through the entire organization, incorporating paper documents into digital workflows, and handling exceptional cases.

Success in three areas characterize organizations who rate their document management as highly effective: the incorporation of paper documents into the workflow; how well exceptional cases are addressed, and how well workflow through the entire organization is handled.

Success in three of these areas characterize organizations who rate their document management as highly effective: the incorporation of paper documents into the workflow; how well exceptional cases are addressed, and how well workflow through the entire organization is handled.

The role of both IT and C-level executives is important in driving document process changes. Thirty-nine percent of the organizations in the study indicate that IT (including the CIO) is most likely to initiate improvements to document workflow processes and overall document management, while 35% indicate C-level executives (including the CIO, COO, CEO).

The role of both IT and C-level executives is important in driving document process changes.

What distinguishes those with the highest document management effectiveness rating from their lowest document management effectiveness rating counterparts is that they are much more likely to say that workers in departments initiate improvements: 8% versus less than 1%. Similarly, what distinguishes profit-growth leaders from their average profit-growth counterparts is that they are more likely to say that workers in departments initiate improvements: 10% versus 4%.

Forty-five percent of organizations have a formal centralized document strategy in place. In fact, a far greater percentage of those with the highest document management effectiveness rating, 56%, than with the lowest document management effectiveness rating, 13%, say their strategy is formal and centralized. Similarly, profit-growth leaders compared to their average profit-growth counterparts are far more likely to have a formal centralized strategy, 54% and 35%, respectively.

CHALLENGES

Organizations face numerous major challenges from cutting costs, to growing revenue and profits, to increasing customer satisfaction and worker productivity, while remaining competitive and innovative. IDC believes that organizations often make the mistake of assuming technology investments will drive the top and bottom lines, and fail to realize that it is their people, processes, and information combined with technology that will drive ROI. A classic example is an enterprise software investment without a document strategy that adequately brings documents into the workflow as it winds through the organization. Our research finds that effective document management is found more often at profit-growth leaders than at their average profit-growth counterparts.

It is the people, processes, and information combined with technology that will drive ROI.

Challenges organizations face specific to document processes are seldom budgetary. The research finds that barriers to getting the documents needed to

effectively meet business objectives include inconsistent formats (27%), indexing/search/retrieval issues (22%), increasing regulatory restrictions (17%). An effective documentation management strategy can address all of these. Only 5% of respondents cite budget as a barrier.

ESSENTIAL GUIDANCE

We recommend that organizations examine their document processes because opportunities abound for cost savings, productivity improvements, and competitive innovation. Study respondents with effective document processes are more likely to be profit growth leaders and to say they are more responsive to changing market conditions.

Opportunities abound for cost savings, productivity improvements, and competitive innovation.

Those with total document cost reduction initiatives expect to achieve an average 20% savings. We also recommend an organization measure its document-related costs to ensure that savings are achieved — currently only 44% of organizations do this.

To achieve cost savings, consider outsourcing some document processes. Our research finds that those with total document cost reduction initiatives and profit-growth leaders are much more likely than their counterparts to be doing this.

A document strategy should be formal and centralized. Indeed, a formal and centralized document strategy differentiates those with the highest document management effectiveness rating from those with the lowest document management effectiveness rating.

While C-level executives and IT should drive initiatives, it is important to empower workers to do the same. Those with the most effective document management and profit growth leaders are far more likely than their counterparts to say that workers are most likely to initiate document process improvements.

Do not expect to eliminate paper documents; acknowledge their complementary role. Even among those with highly effective document management, highly digitized business processes received 51% of mentions; 38% of all study respondents say their business processes are highly digitized.

Do not expect to eliminate paper documents.

Invoicing/Accounts Receivables/Financial Management/Accounting (Financial)

Organizations' satisfaction with the efficiency and effectiveness of financial business document processes are on par with the average for all business processes studied. The opportunities to improve are in the areas that are also weak for other business processes — better integration of the information into enterprise systems (ERP, CRM etc.), integration of paper documents into an electronic workflow, and how well exceptional cases are handled.

Customer Support/CRM

Organizations are overall quite pleased with the efficiency and effectiveness of document management in CRM processes. Compared to averages for all other business processes, CRM scores well in many respects, among them how digitized the workflow is, and the use of outsourcing.

Nonetheless, a key area for improvement remains. CRM involves a large number of knowledge workers (mean of 172, median of 35) who spend a significant percentage of their day (30%) working with documents. Our study finds that about a third of that time is ineffective because information is not found within documents, and this is above the study average of 27%.

Supplier Relationship Management/SCM

Only a minority of organizations are strongly satisfied with the efficiency and effectiveness of their SCM document workflow. Indeed, almost half the time a typical SCM knowledge worker spends with documents is spent not finding the information they seek. Organizations blame inconsistent document formats for this, an area for which they should seek a solution.

Other areas within SCM that are weaker than other business process workflows and could be improved include how well the process incorporates paper documents into an electronic workflow, and how well the process addresses exceptional cases.

Human Resources/Payroll (HR)

Organizations' satisfaction with the efficiency and effectiveness of HR processes are on par with the average for all business processes studied. Organizations are doing particularly well at capturing the necessary information for the HR business process. However, while HR rates well in terms of incorporating paper documents into electronic workflows, it lags other business processes greatly in terms of how digitized the document workflow is. By increasing how digitized its workflow is, this would reduce HR's 30% knowledge worker ineffectiveness rating. This is the percentage of time spent working with documents where the worker does not find the information for which he/she is looking.

Regulatory Compliance

Documents are one type of record and as such are often the subject of regulation. Typically, organizations identify relevant documents and content. Then their format (electronic or paper), management, distribution, retention, real-time access, audit, and security is controlled according to the regulation's requirements.

Organizations are not very satisfied with the efficiency of document workflows to get the regulatory compliance task done. This appears to be a reflection of weaknesses

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in capturing the necessary information, in information accuracy, and in handling of exceptional cases.

Several important regulations that impact document strategies are described below.

Check Truncation Act (Check 21)

The Check Clearing for the 21st Century Act (Check 21), effective October 28, 2004, requires paying banks to accept image replacement documents (IRDs) in lieu of paper checks. IDC research finds that 59% of banking and credit institutions have taken specific steps to comply. At present, five banks produce almost half of all checks in the United States. These institutions will be among the first to adopt the technologies required for image replacement documents.

Government Paperwork Elimination Act (GPEA)

The GPEA, which took effect in October 2003, requires that federal agencies provide for electronic submission forms, including electronic signatures and proper security to conduct official business with the public. GPEA provides for the option of electronic information as a substitute for paper and for the acceptance of electronic signatures. It also states that electronic records and their related electronic signatures are not to be denied legal effect, validity, or enforceability merely because they are in electronic form.

Government statistics, as of December 2003, showed that 57% of all government transactions met the GPEA deadline to provide an electronic option.

Health Insurance Portability and Accountability Act (HIPAA)

HIPAA imposes standards on the healthcare industry for electronic transactions and the security and privacy of patient information. HIPAA mandates compliance for healthcare providers (e.g., hospitals and clinics), payors (e.g., insurance companies, HMOs, and health plans), and any organizations that do business with healthcare services providers and payors.

The need to comply with HIPAA and reduce legal exposure is driving the adoption of content management systems. Inherent benefits include reducing the manual inefficiencies and redundancies in clinical and administrative operations, thereby reducing the number of personnel needed to support manual processes and minimizing errors and, in the process, improve patient safety.

Healthcare providers need to plan IT implementation projects for monitoring HIPAA privacy, security, and transactions compliance.

Sarbanes-Oxley Act

This legislation addresses both corporate and auditor policies and procedures and the retention of records related to financial reports. It provides internal controls, certifications, and whistle-blower protection.

The responsibility of CFOs to deliver financial information on a timely basis is spurring new requirements around financial analysis and business performance management. There is a need to easily access and deliver all media types (e.g. documents, images and data) via a single Web environment.

SEC Rule 17a-3 and 4 (SEC Act of 1934)

Per SEC 17a-4 regulations, broker-dealers, as well as many multiline financial firms, need the capacity to capture, index, archive, search, and retrieve their e-mail and instant messaging communications and other records. Records must be stored in a format that can not be overwritten or erased for a period of three years.

Sunrise 2005

By January 1, 2005, all North American retailers and trading partners that scan universal product codes (UPCs) today must expand the data structures associated with the UPC to a 13-digit field length to process EAN-13 symbols.

Title 21CFR Part 11

The U.S. Food and Drug Administration (FDA) outlined the guidelines for electronic submission of product approval in the 21 Code of Federal Regulations. Rule Part 11 describes the types of manufacturing process records that must be retained, in addition to discussing the use of electronic systems and records in place of paper or manual systems. It establishes the criteria under which electronic records (including e-mail) and signatures will be considered equivalent to paper records and handwritten signatures in manufacturing processes regulated by the FDA.

Industries regulated by the FDA are required to document conditions and events at several points of all manufacturing processes to ensure that exact manufacturing procedures are followed and to ensure consistency and repeatability in products. Signed documents must be reviewed, securely stored, and made available for review by FDA auditors on demand.

This change affects food, drug, medical device, cosmetics, and medical device manufacturers, including manufacturers who export to the United States.

USA PATRIOT Act

Section 326 of the USA PATRIOT Act requires broker/dealers to implement reasonable procedures to verify the identity of any person seeking to open an account, to maintain records of the information used to verify the person's identity, and to determine whether the person appears on any lists of known or suspected terrorists or terrorist organizations provided to broker/dealers by any government agency.

The act affects not only financial institutions, but also other organizations that are required to conduct customer screening and identification procedures. For example, car dealerships are required to compare all prospective car buyers' names against the U.S. Treasury's Office of Foreign Assets Control (OFAC) list of blocked parties to ensure that they do not do business with anyone on the list. Other services and

distribution companies, such as travel agencies, real estate firms, and jewelers, are affected.

In conclusion, companies with the fastest growing profits in their industry sectors are tackling document processes and achieving real benefits. An effective document strategy drives productivity, customer service, competitive innovation, profitability, and revenue.

In their own assessments, half of medium and large organizations see room for improving document management to better achieve their business goals. These organizations can achieve effective document management through a formal centralized document strategy that includes:

- Improved document workflow
- Better exception handling
- Initiatives that incorporate worker-initiated document process improvements
- Integration of document workflows with enterprise software
- Digitized workflows that incorporate both electronic and paper documents
- Outsourcing of some document processes.

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