

Document System Challenges and Opportunities for Public Retirement Systems

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The Vital Role of Documents

Most organizations do not consider themselves to be in the document business. Nevertheless, documents are a second venture for nearly all organizations. Firms that support and administer public retirement systems are no exception. Documents of all types – letters and statements, applications and notifications, beneficiary forms and benefit booklets – combine to shoulder the administrative burden of retirement system process and workflow. The fact is that without these mission-critical documents, public retirement systems would simply cease to function.

While paper documents continue to prevail in business today, a host of digital documents are now so commonplace that it is hard to imagine doing business without them. Americans send and receive approximately seven trillion e-mail messages each year – compared to only three million pieces of first-class mail. Over one billion people access the World Wide web, and analysts estimate that the number of Web documents will grow one hundred fold over the next decade. Digital images and electronic files are routine downloads for all but the most languid individuals and organizations. As a result, online document delivery is an attractive way for public retirement information systems managers to reach members and share information.

Regardless of their format, documents are the tools that support the day-to-day functions of any public retirement system. Any activity, work process, or administrative task requires one or more documents to get the job done. For system members, documents compose much, if not all, of the “product” they receive – the only tangible evidence of the service provided. As a result, documents have great scope and importance when one considers the vital role they play in the overall performance of public retirement systems.

The strategic implications of documents as a business tool, along with tactical advancements in document technology, suggest that now may be an opportune time for retirement system information managers to consider document system enhancements. By improving the accuracy, quality, and timeliness of key customer documents, managers are likely to make significant improvements to the performance of their system overall, and take strides to ensure the continued satisfaction of their members.

Prism and Cincom Systems

Current State

- Printing is prevalent
- On-demand production
- Print volumes are low but printing is frequent
- Over half assemble documents manually
- Most use Word or “homegrown” systems
- Lengthy document development cycle times

The PRISM association is a fellowship of Public Retirement Information Systems Managers (e.g., PRISM). The association has members located throughout the U.S. and Canada. Among the goals of the organization are to provide a focal point for discussions on new technology affecting the retirement and IT industry, and to build a network for the exchange of information among IT directors of public funds organizations.

Cincom Systems is among the organizations that sponsor PRISM. Cincom is a respected provider of business software and data management solutions. The company is known for its focus on simplifying the management of complex business processes, and for its ability to develop document systems with strategic value as well as tactical improvement.

In late 2005, and in partnership with the association, Cincom conducted a survey of 84 PRISM member organizations. Information and perspective was solicited from each respondent in three general areas:

- Current document systems and workflow
- Pressing operational concerns and challenges
- Future plans for technological change and process improvement

I was engaged to review the statistical data and make observations based upon the information collected. My assignment was to understand the feedback from a document systems perspective, and bring to light to the salient challenges, trends, and opportunities that may be common among PRISM member organizations. My experience as a tenured document systems manager and technology consultant will, I hope, provide a valuable and independent perspective. As such, my observations and conclusions are my own and do not necessarily reflect those of Cincom or the PRISM association per se.

The goals of both the PRISM association and Cincom are similar: to foster the sharing of information regarding new technology affecting the retirement and IT industry. It is in that spirit of partnership that this paper will explore the PRISM member survey data, attempt to provide meaningful observations, and suggest strategic issues to consider that may be helpful to document and information-processing professionals within the public retirement system community.

Observations on Current State

Current Challenges

- Ensuring accuracy
- Controlling the flow of information
- Incorporating data from other systems
- Most do not know their current document costs ... those that do estimate \$10 or more per document

Printing is prevalent within the companies surveyed. Nearly all, 93 percent, continue to deliver their documents on paper. A majority of document production is printed on demand (54%), and in some cases (13%) is produced hourly. General correspondence, applications and registrations, and beneficiary forms make up the bulk of the daily document workload. About 40 percent of respondents continue to issue benefit booklets just once a year, while the majority have chosen to include booklets and handouts in their on-demand workflow. Only one respondent indicated their organization delivers documents via the web.

Despite high dependence on printing, the monthly print volumes reported are relatively low. The lion's share of respondents (73%) report a production volume of under 25,000 documents per month. In contrast to high-volume batch environments, PRISM member organizations print more frequently and in lesser amounts.

While many respondents have automated their document production process, over half (53%) indicate that they assemble documents manually, including re-keying data from scratch. Common and familiar document composition tools are employed. Nearly two-thirds use Microsoft Word (63%) while one-quarter of respondents produce documents using a “homegrown” solution (25%). Getting a new document into production is an extended process for most respondents, however, with 93 percent reporting that document development and implementation can take days, if not weeks, to complete.

Challenges and Directions

Future Directions

- Looking at new document delivery methods
- Many plan to move to the web within six months
- Migration from mainframe
- Considering transferring document management from IT to business units

When asked to rank their most important challenges, the entire PRISM survey group (100%) indicated that ensuring the accuracy of data in document communications is “very important.” Controlling the flow of information inside and outside of the system ranked highly as well (88%), as did incorporating data from other systems and databases (75%). Increased consistency and automation are also important challenges for PRISM member organizations.

Over two thirds of all respondents (67%) indicated that they do not know their document-related costs (labor, printing, postage, etc.). Of the remaining respondents that do track their costs, all indicate that document production expense is high – \$10 per document or greater. In view of such print-centric production, one would expect that reducing production expense would prompt systems innovation, but this was not the case with PRISM survey respondents. None of the respondents surveyed point to cost reduction as a current driver for technological change (0%).

About half of the members surveyed (53%) are actively looking at new or enhanced document printing methods, and most are also investigating alternatives in online document delivery (e-mail 54%; web 43%). Indeed, 21 percent plan to move to the web in less than six months. Fax delivery has fallen by the wayside. Nearly half of the respondents surveyed (42%) said they have no plans to expand fax traffic.

Essentially all organizations surveyed use Microsoft Word, and a vast majority of respondents continue to use legacy mainframe systems (86%). Those organizations making plans to move away from the mainframe indicate that Unix is the migration platform of choice (100%). It is also interesting to note that a large majority of respondents (86%) feel that transferring document communications management and production from IT to business users is an important initiative.

Constraints and Implications

Current Constraints

- Current systems do not foster accuracy
- Legacy and homegrown systems lack sophistication
- Manual processing impedes timeliness and accuracy
- Document costs are generally unknown, or estimated as a significant expense

Accuracy

Using current systems, it is likely that public retirement information systems managers struggle to meet their aspirations to ensure and improve the accuracy of their member documents. The on-demand, ad hoc nature of document production lends more opportunity for error and rework than the conditions found in enterprise-sized batch-processing environments. Microsoft Word and other homegrown solutions simply lack the sophistication required to provide the same level of document integrity and control.

Timeliness

The practice of manually re-keying data and assembling documents by hand is likely to impede document timeliness for PRISM member organizations. The folks who must perform this work are apt to testify that meeting deadlines while maintaining accuracy is stressful, and that improvements to document systems are relegated to the bottom of the “to-do” list. The long cycle times reported in association with document development and implementation suggest that respondents grapple to ensure the timeliness of getting new and revised documents into production as well.

Cost

Very few survey respondents know the costs associated with the production and delivery of their documents. Those respondents that can account for document-related expenses report that costs are significant – \$10 or more. While accuracy and timeliness are clearly on the minds of PRISM organizations, cost reduction is not currently regarded as a leading driver for change ... but perhaps it should be. System managers are likely to find uncharted cost savings by examining document-related expenses more closely. Were the actual costs more widely recognized, one might wonder if document-related expenditures would become a more pressing concern.

Technology

The large majority of PRISM member organizations are currently exploring new or additional document delivery options – not only new ways of printing, but also document delivery using e-mail and the web. Indeed, a notable group plans to migrate their documents for web delivery within the next six months. As this transition takes place, system managers should consider also the notion of transferring document production away from IT and into the hands of stakeholder business units. This activity, coupled with the trend toward migration of legacy mainframe systems, may present new opportunity for PRISM member organizations to find the necessary sponsorship and support needed for improvements to key document systems.

Stats at a Glance

Of the Prism member organizations surveyed:

- **100%** feel document accuracy is their most important challenge.
- **67%** do not know their current document production costs.
- **27%** estimate that document-related expense is high – \$10 or more per document.
- **93%** deliver documents on paper, 54% on-demand, 31% hourly.
- **53%** manually assemble documents and re-key data.
- **93%** report lengthy document development cycles.
- **0%** indicates that reducing cost is a driver for technological change.
- **21%** plan to go to web delivery within six months.
- **86%** feel transferring document production from IT to business users is important.

Opportunity and Improvement

Documents have great scope and importance for public retirement systems. Letters, statements, applications, notifications, and the rest, drive daily workflow and deliver key information to system members. By improving the content, accuracy, control, and timeliness of their documents, PRISM member organizations can bring about very real and positive improvements to their operations.

Two options are available to those who want to capitalize on these opportunities. The first is to upgrade existing legacy and homegrown systems. Some organizations will find this to be a viable option, or will find that their needs are met using existing desktop tools like Microsoft Word. The risk, however, is that the decision to stay the course will be dictated more by the amount of money and effort already invested, or by a lack of executive sponsorship for investments in new technology, than by an overwhelming satisfaction with the status quo. The second option is to invest in new document systems and methodologies that provide the tools and feature sets needed to fill the gaps in document system performance. Managers aiming for advanced data integration and increased document control may find that current systems lack the needed sophistication, and the time has come to move on.

However managers proceed, here are some aspects to consider in the decision process:

- **Document Costs** – By bolstering awareness of document-related expense, PRISM member organizations may uncover additional opportunity for strategic improvement of their document systems. Broader understanding of the costs associated with document production and delivery may reveal savings that could otherwise be redirected toward improving document accuracy, timeliness, and control.
- **Manual Assembly and Rework** – With strident aspirations to improve document accuracy and timeliness, chief consideration should be given to eliminating the manual assembly of documents. The practice of re-keying data should also be examined along with continued reliance on desktop-based, ad hoc workflow.
- **Printing and Online Document Delivery** – PRISM member organizations should evaluate when printing makes sense, and when web delivery or e-mail will work best. By understanding the benefits and drawbacks of each delivery method, information systems managers will be in a better position to make the best strategic and directional decisions.
- **Legacy Migration** – As PRISM member organizations migrate applications away from legacy systems, the opportunity rises to enhance and upgrade document production and delivery systems. Since managers indicate a willingness to transfer document-related responsibilities away from IT, business users have a unique opportunity also to revitalize the process in terms of responsibilities, sponsorship, and funding.

Document systems have traditionally been overshadowed in priority and overlooked in strategic planning. But as technology guides us into an age where people demand more complete access to information and more intimate customer service, public retirement organizations should no longer regard document systems as a “back office operation.” The role documents play in the operation of PRISM member organizations has front-office importance. Building responsive and effective document systems should demand the same sponsorship and priority as other strategic initiatives. Opportunity waits. Public retirement information systems managers are in a unique position to make document system improvements that will have both strategic and tactical benefit to the systems they administer.

About the Author

Kevin Craine is the author of the book “Designing a Document Strategy,” which has sold in over 30 countries and is required reading at universities in the U.S., Canada, Europe, and Australia. With over 25 years “in the trenches” as a corporate executive and technology consultant, Kevin has managed document services organizations in the health insurance, aerospace, and pharmaceutical industries. Kevin is the founding editor of *DOCUMENT* magazine, an international document technology trade publication. He holds an MBA in the Management of Science and Technology, as well as a BA in Communications, and is currently the founder and managing director of Craine Communications Group, an independent writing and consulting firm.

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