



## The power of paper: building digital hybrid enterprises

Commentators have long been claiming that the age of the paperless enterprise will soon be upon us, with all major processes, from making payments to receiving financial statements, completed digitally. Indeed, according to recent research by International Data Corporation (IDC), companies will invest almost \$6 trillion on digital transformation between 2018 and 2021.

Yet despite the huge scale of investment, the reality is that most companies are still only at the very start of this journey, and it will be many years before digital-only enterprises are the benchmark.

As Joerg Vollmer, CEO of Swiss Post Solutions explains: “When you think about an insurance company or a bank, paper mail is actually still the largest channel by far, and fax is still really common.” A 2018 survey by EY showed that less than a third of customers in financial services are currently deemed to be paperless.

As a result, the major challenge for organisations today is how to operate successfully in a hybrid world where they have to support a range of digital channels while still managing large volumes of physical documents, and switch seamlessly between the two. For example, a customer may initially make contact by email but request a hard copy of a document or a PDF they can print. Or they may send a letter but want a response to their mobile.

### Bridging the digital divide

To achieve this type of omni-channel flexibility takes lean, integrated processes from the back office all the way through to customer-facing teams. The first step is to capture meaningful data from incoming documents. After all, as Vollmer explains, “when you talk about automation, you cannot put a sheet of paper there, you need to have a data file”.

However, many organisations are weighed down by legacy infrastructures that can be decades old, and their processes are still far from being optimised. “One major bank was receiving 40 million documents a year, with 14,000 different document types,” says Vollmer, “all of this was being processed manually, with workers entering the information into the systems.”

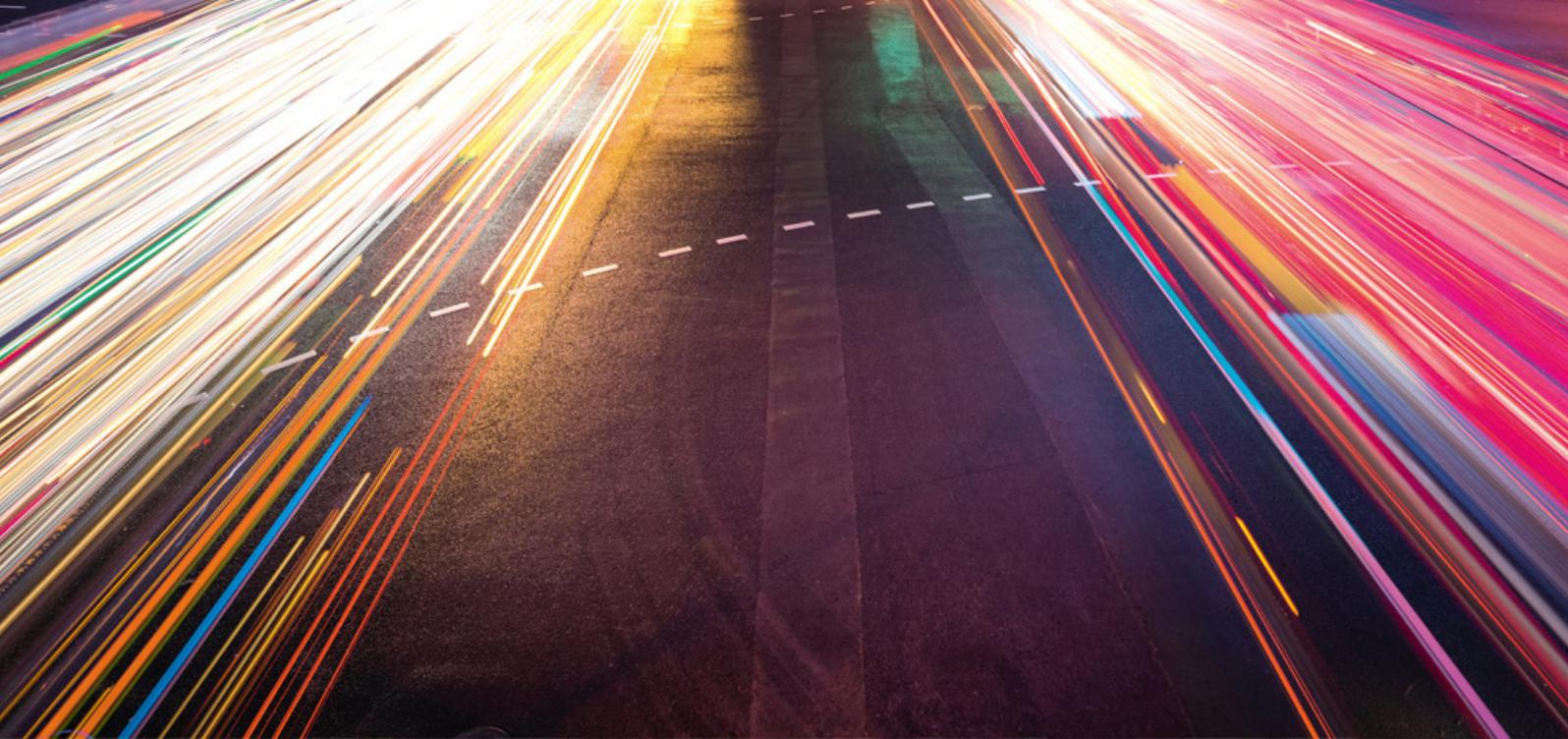
“  
**When you think about an insurance company or a bank, paper mail is actually still the largest channel by far, and fax is still really common.**

Joerg Vollmer,  
CEO, Swiss Post Solutions

”

A more efficient approach involves leveraging technology. First, the documents are scanned, and technologies like intelligent optical character recognition (OCR), which can recognise and read handwriting as well as typed words, are deployed alongside new technology enabling one-touch-processing (OTP). If the document is structured, like a customer form or an invoice, then simple software programs can be used to digitalise the information. If the document is unstructured, like a letter or email, then artificial intelligence (AI) can be used to locate the relevant information and prepare the data for further processing.

Once the data is captured, classified and extracted it can be processed and integrated into back-end systems. With all customer information centralised in one place, outbound communications become easier to manage. Digital, web or print channels can be hooked in, so each customer receives a response in the format they prefer.



## Speed and transparency

Rather than focusing just on shifting people away from physical documents to online channels, the key is for companies to digitalise their processes so they can handle all types of communication efficiently, allowing employees to concentrate on more high-value tasks.

One of the major advantages of this approach is speed. Andrew Burgess, a consultant and futurist on AI explains: “Basic queries can be processed straight-through, without touching a human, so that the customer can get an immediate response to their question.” Those that are more complex can then be escalated to a team of human workers, located onshore or offshore. Although, as Burgess continues, “the best AI systems will learn from this interaction so that they don’t need to ask the next time”.

Digitalisation also offers far more transparency. It is easy to see when the document was received, which team member read it, and what actions were taken. This makes it simpler to ensure regulatory compliance and manage security, but also enables the generation of new insight for predictive analytics and customer excellence.

## The future is hybrid

There is also the wider possibility to change work concepts. With physical documents, employees have to be at their desks every day. But if documents can be digitally signed and approved, then they can have more flexibility, choosing to work from home or different locations. Jobs will also adapt. More manual, repetitive tasks will be automated, while there will be greater demand for skills around data preparation and analytics. If managed well, the results should be better customer satisfaction and employee happiness.

But the key to success will be company’s ability to manage both digital and physical channels simultaneously. “I would say that 10 years from now, and even 20 years from now, the world will be a hybrid place,” states Vollmer, “so, paper and manual processing will still play a role. We are on a long-term transformation journey.”