

The Document Management Software Buyer's Guide

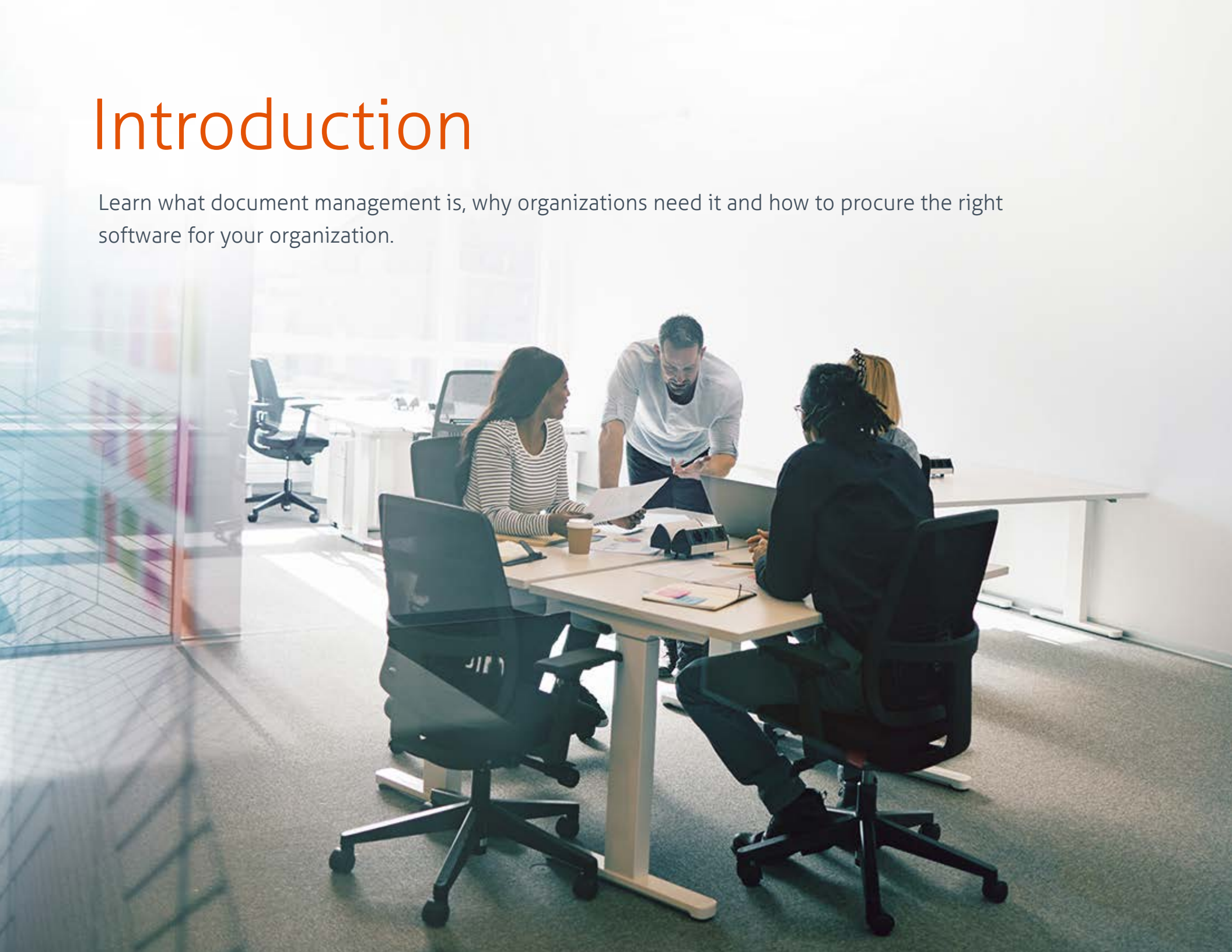


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Introduction

Learn what document management is, why organizations need it and how to procure the right software for your organization.



Chapter 1

What Is Document Management?



A document management system stores, manages and tracks your organization's electronic documents. Electronic documents can include videos, text, audio clips and even paper documents scanned into a digital format.

By bringing an organization's information together, document management systems can enhance collaboration and communication between individuals and teams, wherever they are.

While document management can be defined more broadly to include the physical — such as filing cabinets and alphabetized documents — this guide will cover the benefits, uses and procurement of document management systems. When paired with process automation features, these systems may also be referred to as enterprise content management systems or content services platforms.

Chapter 2

Benefits of Document Management



Document management can produce a variety of benefits for your organization:

- **An organized and efficient office:** Increase productivity, improve process turnaround times and encourage an integrated, paperless work environment with structured digital storage that allows for easy search and retrieval.
- **Increased control of your organization's documents:** Support data integrity and availability with a secure, centralized system that can grant granular document or folder access to as few or as many users as necessary.
- **Improved team communication:** Avoid redundant work and confusing back-and-forth emails with trackable version control and simultaneous document editing.
- **A streamlined audit process:** Enable employees to fulfill auditors' requests promptly and accurately with powerful search capabilities, audit trails and comprehensive reports on system activity.

Chapter 3

Use Cases for Document Management



Document management software can assist organizations with a wide variety of business challenges:

- **Government offices that go paperless** can more easily find documents to process FOIA and other records requests, and in some cases, make self-service, automated portals, increasing constituent satisfaction.
- **Accounts payable departments can process paperwork faster**, gathering invoice information quickly with AI-driven smart capture technology, while utilizing reporting features to track and monitor the entire AP process.
- **Rapidly-expanding enterprises can sustain growth** with a system that is capable of scaling with the business and offers seamless integrations with other line-of-business applications.
- **Manufacturing firms can keep complex projects moving** with document collaboration and repository search tools, improving interdepartmental communications and vendor relationships.
- **Educational institutions can keep student records secure** with granular access and other security controls, supporting efforts to reduce risk and meet compliance requirements.
- **Healthcare professionals can locate patient records faster**, enabling them to more promptly assist their patients and get a clearer picture of their health.
- **Finance institutions can more quickly locate and analyze information** from a variety of documents, including clearinghouse reports and transaction records.

Chapter 4

Finding the Right System



Finding the document management system that fits your organization starts with looking at your organization's current document management practices, identifying opportunities for improvement and evaluating the marketplace for systems.

Identifying your organization's needs

Before looking at any system, your organization will want to gather as much information as possible on how it plans to use the proposed document management system. This includes:

- What types of content your organization plans to store in its system, including emails, videos, audio files or text documents.
- If your organization's system needs to be used by one department, a few departments or the entire organization.
- What your organization needs to deploy a new system, including any hardware upgrades or integrations with current systems.
- How many users will have access to the system and what privileges they need.

Conducting research

Before deciding on a system, be sure to consult resources including analyst reports, customer references and peer-to-peer software review websites. This will enable your organization to gain a clear sense of how each vendor stacks up and how satisfied their customers are.

Also, be sure to look at each vendor's informational materials, including:

- Product pages
- Datasheets
- Videos
- Software trials
- Feature lists
- Blog posts
- Product demos

Consider whether a particular vendor has a specialized field of expertise, or if it's considered a thought leader in its industry. Also note that while some vendors sell their software directly, some also work through a network of software solution providers. If your organization chooses to work with a reseller, also be sure to vet the reseller to ensure that they provide the software and level of service your organization's implementation requires.

Contacting vendors

Once this preliminary research has produced some viable candidates, communicate with stakeholders to decide on which vendors to contact. This can be done via a sales call or through email.

If your organization requires a more formalized buying process, it can also send a request for information (RFI) document that clearly and specifically outlines the capabilities required from a potential vendor.

The most important part here is to ask as many questions as possible. Your organization will want to have complete clarity about pricing, utility, support and more. We will outline the major factors to consider in the next section.

Chapter 5

Factors to Consider for Document Management Systems



When communicating with vendors, whether through RFIs or otherwise, it's important to make it clear what your organization wants from the system. Here are some of the factors to look for when conducting research.

Licensing structures

When choosing document management software for your organization, it's worth discussing how you want to license it. Below are a few key considerations:

- **Named vs. concurrent vs. site licensing:** Many of today's software vendors offer one or more of these models.
- **Named user licensing**, sometimes called "per-seat", is based on how many individual users have access to the system. Each user is assigned a dedicated license for their use. Its main benefits are allowing your organization to purchase exactly as many licenses as it needs and ensuring that users are never locked out due to license availability. There are often different types of named user licenses that enable varying functionality at different price points. A common example of these types is Full vs Read-Only.
- **Concurrent user licensing** is based on the maximum number of users who can access the system at the same time. If all licenses in the "pool" are in use, additional users will be unable to access the system until others log off. Its main benefits are in scenarios where a small number of concurrent licenses can serve a large number of infrequent users. The main downsides to concurrent licenses are the need to guess at the maximum number of simultaneous users which can result in either over-purchasing or having users locked out of the system at the busiest times.

Site licensing allows use of the software at a particular site or across an organization. The terms of site licenses can vary and are often negotiated with the vendor based on use case. Some vendors offer site licenses for institutional buyers like cities or colleges with pricing based on factors like city population or number of enrolled students. Large organizations considering a widespread document management system deployment should also investigate this option.

- **Perpetual vs. subscription:** When purchasing software, your organization may have a choice between perpetual and subscription licenses.
- **Perpetual licensing** offers indefinite use of the purchased software for a large upfront cost and typically is only available for deployment models where your organization hosts the software itself. Vendors continue to provide software updates while your organization has an active support contract.
- **Subscription licensing** offers the purchased software at a lower cost, but on an ongoing, per month basis. In most cases, the subscription fee includes support coverage. Typically, your organization will also have the option to pay a monthly fee or pre-pay the whole year to receive a discount. Subscription licensing provides greater flexibility and makes it easier to add and remove users as needed.

Software solution providers

Some vendors offer their product exclusively or semi-exclusively through software solution providers, who package hardware, services and/or software together to provide comprehensive solutions for customers. Customers can benefit from local and individualized support when they work with solution providers of document management system vendors that have established, robust reseller programs.

Here are other points your organization should consider when working with a solution provider:

- **Proven experience:** Make sure they know the software, and preferably your organization's industry, well enough that they can provide your organization with the resources and knowledge it needs.
- **Comprehensive services:** Your organization will want to make sure that a reseller provides all the services and equipment needed to get the system fully up and running and working as intended.
- **Personalized attention:** The right solution providers will work directly with your organization's IT department to determine the best course of action as far as implementation. It is also important to consider the ease with which solution providers can implement the system your organization selects.

The most robust, user-friendly document management systems can be deployed and supported by an independent solution provider. Choosing an easy-to-use, easy-to-support system will ensure that your organization's solution provider can be a one-stop source for all of your support needs, while increasing the business value of the system over time.

Deployment models

Some vendors offer multiple options for where to deploy your organization's system. These options fall into two general categories: vendor-hosted and customer-hosted (sometimes called "self-hosted").

Vendor-hosted:

- **Software-as-a-service (SaaS):** The vendor hosts the applications and makes them available to your organization over the internet. In this model, the vendor handles the availability, scalability and security of the application infrastructure. SaaS allows your organization to focus on the systems that deliver business value rather than lower-level operational concerns. The vendor is also responsible for applying updates and fixes to the system, so your organization will always have the latest features and functionality available.

For these reasons, SaaS has greatly increased in popularity in recent years and the trend shows no sign of slowing. With SaaS, your organization is trusting a vendor with its data, so it is important to verify the service has strong security and privacy controls.

A good place to start is looking at certifications, such as the American Institute of Certified Public Accountants' Service Organization Controls 2 (SOC 2) certification. Vendors must meet a high standard for security and privacy controls and regularly prove this to auditors to receive such recognition. Having a recent SOC 2 is a good measure of the vendor's ability to support your organization's compliance efforts.

It also is important to have your organization's system available when needed. Look for a vendor that offers a Service Level Agreement (SLA) with an at least 99%, and ideally 99.9% availability guarantee. This financially-backed agreement helps demonstrate the vendor's commitment to providing a reliable service.

A SaaS document management system that meets the criteria above as well as your organization's functional requirements is usually the ideal option for today's buyer.

- **Application Service Provider (ASP):** Either the vendor or one of their solution providers hosts and manages an instance of the “on-prem” software for your organization. They may apply updates to your organization’s instance but are unlikely to do so as regularly or as automatically as a SaaS option would. If evaluating an ASP option, make sure to ask the vendor or solution provider how they handle applying updates and at what frequency.

SaaS has largely superseded the ASP model because it allows both vendors and customers to realize the benefits of operating the service at scale.

Customer-hosted:

- **On-premises:** This option requires your organization to install the software in its own data center environment. It offers complete control over hardware, system architecture, data and security at all levels. Some organizations are willing to take on the additional management and cost overhead in exchange for having that level of control.

Because your organization is running the system, it controls exactly what updates are received and when. This has both pros and cons. Any change introduces risk, and by controlling changes, your organization can manage that risk according to its own policies and levels of tolerance. On the other hand, your organization must manually apply any updates or engage professional services from the solution provider to do so on your organization’s behalf. Falling behind on updates can also introduce risk because these updates often include security fixes and enhancements in addition to functional ones. Take these considerations into account when evaluating the total cost of ownership (TCO) for a given option.

Some organizations also have highly specific compliance requirements, such as the FBI’s Criminal Justice Information Systems (CJIS) Security Policy or U.S. International Traffic in Arms Regulations (ITAR) that some systems may not accommodate.

Finally, there may be feature differences between a vendor's SaaS and self-hosted software versions that influence how your organization designs its system. If a feature is important to your organization, always check if it is available in your organization's preferred deployment model, and if it is not, ask if it is on the vendor's technology roadmap.

- **Public cloud:** This option is similar to on-premises except your organization installs the software in its own AWS or Azure environment. It allows your organization to hand off responsibility for the lower levels of infrastructure management to the cloud provider. Especially so if the vendor's software supports using platform-as-a-service (PaaS) options like Azure SQL Database that handle backups and updates automatically. Public cloud providers have highly reliable and scalable infrastructure, though often at a high cost.

Some vendors provide deployment automation toolkits for the major cloud platforms, sometimes referred to as pre-built server images. These can help your organization get up and running faster and accelerate time-to-value for the system.

Implementation

A smooth implementation process is essential to realizing a return on investment in your organization's expected timeframe. Here are some important implementation characteristics your organization should look for:

- **Configurability:** document management systems vary in their configurability. The systems that offer basic and advanced setup options provide flexibility to meet the needs of your business. Basic setups can be fast, but your organization may want an advanced setup's configurability based on what other systems or databases your organization already has in place. The most effective systems will enable your organization to implement advanced functionality with minimal configuration and setup time. In addition to the system itself, your organization will also want to ensure that it is easy to set up user accounts and administer security settings.
- **System requirements:** If your organization is hosting the system, make sure the software supports the platforms your organization's IT department is familiar with, such as Microsoft Windows Server, SQL Server and Active Directory. Existing expertise makes it much easier to deploy and support the system. A good vendor or solution provider should be able to provide server requirements once they understand your organization's use case, content volume and expected number of users. If the system has web-based interfaces, also make sure they support modern web browsers like Chrome, Edge and Firefox.
- **Scalability:** It's important to understand how the system will handle your organization's use cases both today and in the future. There are different dimensions systems can scale along, such as volume and growth rate of content and number of concurrent users. For customer-hosted systems, resource scaling is usually described in terms of "vertical" (bigger servers) or "horizontal" (more servers). SaaS options usually automatically handle scaling for your organization behind the scenes.

- **Records management and archiving:** If your organization is a part of or affiliated with heavily regulated industries such as finance, government or healthcare, it may find records management and archival features essential to supporting compliance efforts. A more advanced document management system provides features to update the status of records, so your organization knows immediately when records are ready for archival or disposition.

Integration capabilities

Most organizations need their document management system to work with other systems. Your organization will want to make sure the system being assessed works with any software it is using or plans to purchase in the future, and that it has the IT resources to set up, implement and manage any integrations. Here are a few types of integration tools vendors usually offer:

- **Pre-built integrations:** Typically offered by solution providers, a third party or built natively within the software itself, pre-built integrations should only need a few details about an external system to integrate with it, and can appear directly within an application's graphical user interface.
- **Code-free tools:** Organizations that rely on legacy systems or external sites for everyday operations, but do not have pre-built integrations, APIs or the resources to code their own systems may have data redundancy or significant manual data entry in their processes. A document management system that is truly built for organizations to scale will offer low-code or no-code integration tools with drag and drop functionality, visual workflow designers that can be deployed rapidly, as well as tools that can mimic human behavior with the processing speed and accuracy of software.
- **Application programming interfaces:** These are commands given to an application with code. If it's not feasible to integrate, your organization's IT department or a solution provider can code custom integrations with APIs to creatively solve any communication issues between systems.
- **Capture tools:** Your organization needs to make sure its system provides technology to capture and digitize its documents, such as invoices and contracts. The capture tools should be able to import documents from a variety of physical and digital sources, such as scanners, emails and network file shares. A more advanced system can gather data from documents using optical character recognition and artificial intelligence, organize documents in the correct folder automatically and even process multiple documents in bulk.

Support

Proper support and training are essential to ensuring user adoption of your organization's new system and its success. Here are some of the prominent types of support your organization should look for when choosing a system:

- **Lab-style training:** Your organization will want to see if its solution provider offers in-person and virtual training or workshops. Virtual training is also an attractive option, to help scale training for the system's users, no matter where they are physically located.
- **User community:** Whether in-person or online, a vibrant community is a powerful resource for users looking to troubleshoot and share their expertise. Your organization will want to see what community resources and events the vendor offers — such as industry conferences, networking opportunities and user groups — when deciding.
- **Online and phone support:** Most vendors should offer phone or online tech support. However, make sure to check the availability of the prospective system's support team, as well as their guaranteed response times, to ensure that they'll be available when the system's users need them.
- **Documentation:** Even systems with the most intuitive interfaces and experiences need documentation. While the best-in-class document management systems offer a robust set of features, clear and concise learning materials are essential tools for users to get the most out of their product.

Security

Security is critical in today's world — your organization's document management system should be no exception. These are some characteristics to look for when deciding on a system:

- **Access rights and privileges:** Your organization's system should have configurable access so that users can only edit, add or remove content as authorized by their role. The most sophisticated systems will be able to balance this security with accessibility and transparency.
- **Compliance and certification:** Some industries have particularly strict compliance requirements, such as HIPAA for healthcare and FINRA regulations within the financial sector. Make sure the software your organization chooses has the features needed to meet these requirements and that the vendor has a history of working with highly regulated industries.

Ease-of-use

How quickly users can pick up the software and put it to productive use should be a primary consideration when looking at different systems. The best document management systems offer powerful capabilities with a short learning curve:

- **The user experience:** Your organization needs to be confident that the users will know what actions to take when using the chosen system. Make sure the interface is easy to understand and intuitive. Your organization may even want a specialized experience for new users that walks them through important features to encourage adoption of the new software.
- **Collaboration tools:** Working on documents together should be easy for the users and teams using your organization's system. Part of this includes providing the most up-to-date versions of documents, while also keeping the older versions for reference. To encourage an even faster and more collaborative document editing process, some document management systems offer coauthoring, allowing multiple users to simultaneously edit the same version of a document.

Chapter 6

The Procurement Process



Once your organization knows what to look for, it's time to start thoroughly comparing options to make the right decision. Read on to discover strategies your organization can use to stay informed at each step in the system procurement process.

Compare and contrast vendors

If your organization sent out RFIs during the research process, look at vendor responses. The relatively formal presentation of RFIs should make the distinctions between your organization's options easy to identify. In situations where RFIs aren't used, internal staff should still conduct thorough assessments of potential vendors that clearly outline their offerings. With this new information, your organization should be able to compare the benefits — such as those outlined in previous sections — each vendor offers. Your organization will want to look at criteria such as:

- **Price:** Look at any preliminary or previously researched prices to get a relative idea of how much each system costs compared to its competitors.
- **Utility:** Make sure this system has the features your organization needs and wants.
- **Usability:** Assess whether the software is easy to set up and work with on a daily basis.
- **Security and compliance:** Ensure the systems your organization is considering have the right security measures that enable it to support compliance with industry regulations.
- **Support:** Clarify that both the vendor and solution provider can meet your organization's deployment needs as well as provide ongoing support.

For a more detailed analysis of a vendor, your organization may want to schedule a general demo to test the software, gather more information via phone or email, or submit a request for proposal to prospective vendors. RFPs typically include specific systems and packages your organization wants to purchase, and are usually created after consulting your organization's internal stakeholders about items to include.

Identifying your organization's top contenders

When your organization starts getting responses to its questions from vendors, use their answers to narrow down the options to a few main contenders. Your organization will want to make sure that the systems it chooses at the contender stage share most, if not all, of the major capabilities it wants. Comparing systems with similar options helps to simplify the decision by making key differences much easier to identify.

Scheduling a demonstration

With only a few systems left to decide between, your organization will want to [schedule an overview demo](#) with each of these vendors. If your organization has already seen a demonstration earlier in the procurement process, it may want to get a proof-of-concept or trial that allows users to try out the software in real-time — such as a fully featured sandbox environment, or a custom environment that fits your organization's expected use cases.

Making the purchase

Once your organization has a list of options to consider for purchase, it's time to start negotiating price. This includes more than just the base price for the application itself. Many vendors charge per-user, so your organization will want to be careful about balancing its costs with its needs — if your organization doesn't purchase enough user accounts up-front, it may limit scalability, while purchasing too many may make the system unnecessarily expensive. It is important to consider vendors who work with your organization to determine its needs and offer different pricing that can change with your business over time. As mentioned earlier, subscription pricing is often more flexible and makes it easier to adjust your organization's license counts as needed.

On the other hand, some vendors offer steep discounts for large-scale systems compared to smaller-scale ones. Your organization will want to find a balance here to get the largest return on its initial investment. If feeling confident with a decision based on the selected vendor's presentation, it may be worth it to consider what other groups in your organization have use cases that could benefit from the system. Even if they aren't part of the initial deployment, your organization could look forward to future volume discounts and faster rollouts that can build on the existing system. When your organization has final prices for each system, it will want to compare them and understand why one vendor has a lower or higher price than another.

Lastly, your organization should consider the time needed to get its new system up and running. A vendor who provides systems that are easily configurable can allow your organization to deploy its system rapidly and realize business value sooner.

Implementation

When your organization finally decides on a system, it's time to start getting value out of the purchase. Here are a few things your organization should keep in mind when implementing its system:

- **Familiarize system users with the software:** The software your organization procures may likely accomplish tasks in a different manner than its previous system. Be sure to use this change as an opportunity to reevaluate how your organization's processes work. Come up with new best practices that take advantage of your organization's new system, instead of trying to imitate how your organization used its previous system. The chosen solution provider can prove to be an invaluable resource in showing your organization how to get the most out of the system by thinking outside the box.
- **Contact support when your organization needs it:** When selecting a document management system vendor and solution provider, consider whether they offer implementation and support packages. Oftentimes, the staff and resources your organization can dedicate to the implementation are limited and it can be beneficial to purchase one of these packages. If your organization does purchase an implementation and support plan, make sure the IT department clearly and regularly communicates with support staff for a smooth implementation.
- **Make an onboarding plan:** It's important that, in addition to your organization's IT department, main stakeholders and users are also familiar with the system. It may be a good idea to set up training programs to help users get accustomed to the new system and ensure that they know how to effectively use it.
- **Come up with a change management strategy:** Even if your organization's users know how to use the software, it's still recommended to advise and instruct them on how the new system will impact their day-to-day work and existing processes. This can be done through department- or company-wide announcements, information sessions, online training or downloadable resources. Also, be sure to roll out your organization's system on a timeline that limits potential disruption, such as a time of year when the system won't be used as frequently.

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