Document Automation Value Calculator

Implementing a rules-based approach to document creation provides many opportunities for cost savings, risk reduction, and improved customer service. This document details the specific benefits across four main categories – speed, accuracy, reporting and data exchange, and additional template automation.

Speed

Reducing documents creation time

Cost savings (or productivity gains) from reduced document creation time

Collaborative, rules-based creation allows documents to be produced 2x – 3x faster.

	Sample Corp Current	Document Agility Proposed
Avg. monthly documents created	20	20
Avg. hours per document package	16	4
Avg. fully-loaded document FTE hourly cost ($80,000 / 2,000 hours)	$40	$40
Avg. monthly document cost	$12,800	$3,200
Avg. annual document cost	$153,600	$38,400
Total Annual Cost Savings		**$115,200**

Financial impact of faster time-to-revenue

When documents can be created 2x – 3x faster, document processes that drive revenue can be completed faster.

	Sample Corp Current	Document Agility Proposed
Avg. annual transactions processed	240	240
Avg. annual revenue per transaction	$200,000	$200,000
Avg. daily revenue per transaction (200,000 / 365 days)	$548	$548
Avg. processing days saved per document package	0	1.5
Avg. value of per transaction of faster time-to-revenue	$0	$822
Total Value of Faster Time-to-Market – All Transactions	**$0**	**$197,280**

Customer service value of quicker document turnaround
Quick turnaround times for document creation lead to more satisfied customers and improve their overall perception of the organization.

Accuracy

Improving language accuracy and matching documentation precisely to transaction details

Cost savings from reduced "re-processing" of incorrectly created documents
A recent IDC report estimates that the cost of correcting a business transaction error is 10x the original cost of processing the transaction, and also involves indirect costs including staff resources, process reviews, and executive oversight.

	Sample Corp Current	Document Agility Proposed
Avg. annual transactions processed	240	240
% of incorrectly created document packages	2%	0%
Avg. annual incorrect document packages	5	0
Avg. cost per document package	$640	$160
Avg. re-processing cost per document package ($640 x 10)	$6,400	$1,600
Total Annual Re-Processing Costs	**$32,000**	**$0**

Cost savings from reduced document review time
Rules-based document creation can improve accuracy to such a degree that associated review processes can be reduced or, in some cases, eliminated.

	Sample Corp Current	Document Agility Proposed
Avg. monthly documents created	20	20
Avg. review hours per document package	4	1
Avg. fully-loaded document FTE hourly cost ($80,000 / 2,000 hours)	$40	$40
Avg. monthly document review cost	$3,200	$800
Avg. annual document review cost	$38,400	$9,600
Total Annual Cost Savings		**$28,800**

Value of mitigating business risks caused by faulty document processes
A recent IDC report found that 75.9% of 1,500 organizations surveyed had experienced significant negative business events – such as failed compliance audits, loss of major customers, IT breaches, major audits, and PR crises - due to failed document processes.

Customer service value of reduced document errors

Document errors – such as incorrect language for a transaction's requirements – can have an immediate negative impact on customer relationships and customer perception of an organization.

Reporting and Data Access

Making document data available for reporting and sharing with other business systems

Cost savings versus manually extracting data from documents

Business units often require information within documents across a client-base to satisfy report, auditing, or other governance needs. The cost of extracting structured data from unstructured documents – either manually or using data mining tools - can be very high.

	Sample Corp Current	Document Agility Proposed
Total transactions to report against	1,000	1,000
Estimated manual data gathering hours per transaction	3	0
Total estimated manual data gathering hours	3,000	0
Avg. fully-loaded data gathering FTE hourly cost ($36,000 / 2,000 hours)	$18	$18
Total Manual Data Gathering Costs	**$54,000**	**$0**

Organizational value of visibility into the creation process

Management visibility into the document creation process enables business units to spot bottlenecks, perform resource planning, and identify ways to improve processes.

Cost savings from reduced re-keying of data into other business systems

Because business transaction information is first entered into online interview as part of document creation, the information is available to be directly integrated with other business systems without manual re-keying, saving staff time.

	Sample Corp Current	Document Agility Proposed
Avg. monthly transactions created	20	20
Avg. data re-keying hours per transaction	1.5	0
Avg. fully-loaded processor FTE hourly cost ($60,000 / 2,000 hours)	$30	$30
Avg. monthly data re-keying cost	$45	$0
Avg. annual document cost	$10,800	$0
Total Annual Cost Savings		**$10,800**

Value of mitigating business risk of inaccurate data re-keying into other systems
Because business transaction information entered into online interviews can be directly integrated with other business systems, it will be linked with far greater accuracy than if it was manually enter, which reduced the risk of downstream errors.

Document Staff Become Template Automators

Re-purposing document staff to automate the production of additional documents

Value of automating additional documents
Implementing collaborative, rules-based document creation will free up document creation staff. One way that creators can make good use of this additional time is automating additional documents, which will accrue all of the benefits described above for each additional document.