



Interactive Documents Get Smarter

The Next Dimension of 1to1[®] Communications

Peppers & Rogers Group
a division of Carlson Marketing Worldwide



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Executive Overview

In the digital age, the document—in all its many formats—has become the cornerstone of customer communications. From account notices, billing statements, and welcome kits to sales decks, direct mail promotions, and e-mail newsletters, the document is central to any company's efforts to get, keep, and grow customers.

So consider this: What are your documents really telling your customers?

What, for example, does an eight-inch-high stack of application and disclosure forms tell a customer opening up a new mutual fund account? It most likely says that the brokerage is cumbersome and bureaucratic—and it might even influence that customer to defect. Yet all too often, that is how many companies still communicate with customers, especially in document-driven industries like insurance, banking and healthcare. The process is just as inefficient at the back-end, where workers manually enter the information into a database, create even more documents, and then

mail them back *en masse* for more signatures. The results: higher defection rates and less revenue.

Now consider an alternate scenario, but this time with an interactive, “customer-intelligent” document in action. A financial analyst sits with a customer and walks through an electronic version of the mutual fund application. Each new form is pre-populated with relevant information from previously completed pages and content from a central database, then created on demand and given to the customer on the spot to review and sign. The data input on premises is then dynamically transmitted back to the central database, where it will be stored and reused as needed for all subsequent interactions with that customer. The application process is reduced from weeks to hours, and fulfillment puts a personalized welcome kit in front of the customer immediately. The results: a satisfied customer and more revenue.

It isn't a pipe dream. Welcome to the next dimension of 1to1[®] communications.

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White Paper in Brief

Who:

Senior decision makers in marketing, sales, service, and human resources

What:

New ideas and tactics for raising the impact of online and offline documents

How:

- Explores the next dimension of one-to-one communications and where documents fit

- Explains why companies no longer must choose between cost and control
- Details three best practices for delivering interactive, intelligent documents at the point of sale while keeping production and fulfillment centralized and costs low
- Shows examples of interactive, intelligent documents in action, along with benefits to the company and to the customer experience

The New World of Document Creation

It's a fact that targeted, one-to-one customer communications drive revenue. Senior business leaders have known this for a while, but seeing is believing. In a 2006 survey of more than 250 marketers conducted by *1to1 Magazine* and Xerox, three-quarters of respondents reported that customized communications programs provided a measurable increase in response rates and sales.ⁱ "Companies realize they need to move control of documents where it belongs: in the hands of the marketers, salespeople, customer service reps, and other personnel who interact with customers," says Neal Gottsacker, Vice President of Product Management, Exstream Software.

Historically, the path to creating custom communications has faced a big roadblock: the immense complexity that stems from decentralized document creation. Companies have struggled to give control of documents to customer-facing employees (or customers themselves) without blowing the lid off their production and fulfillment costs. Compounding the challenge are all the disparate systems that exist in enterprises as individual departments have implemented their own document creation

policies and processes. The results are siloed data and a lack of integration, leading to inconsistent customer communications and a sub-par customer experience. "How do you keep a finger on the pulse of a customer when all of that customer's information is scattered across 18 different systems?" asks Gottsacker. "Up until now, the answer has been, 'you can't.'"

Attack of the template

The interactive, intelligent document—centrally designed, yet shareable and customizable across multiple groups, and integrated with relevant customer data—is still a rare artifact in most companies. Instead, companies use a template. Or more accurately, thousands of templates, which are static in nature and add complexity as they pop up across a department or an entire company. A customer service department might have 2,000 templates representing a single brand. When a new brand or product is launched, another 2,000 templates might be created. The sheer volume makes documents hard to update and impossible to track. Take Microsoft Word, for example. "Typically, there's no streamlined

Setting "New" Terms

Documents

Any print/mail or electronic correspondence a company uses to communicate with customers, such as account notices, billing statements, welcome kits, sales presentations, direct mail offers, e-mail newsletters, etc.

Interactive

Documents that include information elements employees can customize locally to reflect individual transactions and meet the needs and preferences of customers.

Intelligence

A "built-in" user experience, based on attributes, rules, and workflows established by a centralized design team, that enables customer-facing staff (or customers themselves) to build documents at the point of sale; the information is also captured centrally to generate additional documents or for re-use in subsequent interactions.

Fulfillment

The assembly, printing, and distribution of documents on demand or in high volume.

process for how Word documents are created and no controls to ensure that the language is approved and appropriate within set templates,” explains Gottsacker.

Goodbye to a tough choice

In the past, this complexity left companies with a tough choice: either centralize document control to contain costs and maintain consistency (which meant little customization), or give each functional group complete control over its documents to enhance flexibility and speed time to market (which allowed for more customization but also meant no consistency and higher cost). In document-driven industries, this dilemma

kept the ROI of integrated, custom communications out of reach. But not anymore.

Companies no longer have to choose between cost and control when seeking to create a positive customer experience. “Companies are striking a winning balance between local control and centralized production,” says Gottsacker. “They are delivering dynamic documents at the point of sale that satisfy the needs of customers while being cost-efficient to produce, fulfill, and deliver.”

How can interactive, intelligent documents help you give a positive answer to the question: What are your documents telling your customers? Three best practices can help.

“Typically, there’s no streamlined process for how Word documents are created and no controls to ensure that the language is approved and appropriate within set templates.”

—Neal Gottsacker,
Vice President of
Product Management,
Exstream Software

Delivering the Interactive, Intelligent Document

1. Move Document Control to the Point of Sale

The “point of sale” is anywhere a transaction or interaction with a customer takes place. It might be in an office, where an insurance agent helps a client set up a new policy. It might be in the call center, where a customer service representative (CSR) answers incoming support queries. It might be in the inbox of a customer receiving a marketer’s email newsletter. It might even be in the back office, where health-care employees assemble welcome kits for new members.

Think of all the types of documents that often exist within a company—account notices and correspondence, marketing collateral, RFPs, customer service scripts, member cards, etc.—each with its own set of business rules and designs. They are managed by different departments, stored on different IT servers, cordoned off from the rest of the organization, and shared on a “need-to-know” basis—or not at all. Each of these types of documents can be very different, not just in terms of look and feel

and what they need to include, but also in their need to access different systems and people within the enterprise.

Moreover, each document comes into play differently at the point of sale. As a result, the customer will have a richer experience if the employee closest to the point of sale has control over the document, modifying it as needed for that specific customer. In other words, to achieve the highest level of customization and interactivity, the document must “live” in the hands of customer-facing personnel. For instance, to eliminate the eight-inch stack of paper in the financial services example above, it’s the analyst who must be able to control the electronic application process so customers can sign up hassle-free. It’s the sales rep out in the field who must be able to create and modify a proposal on the fly to close a deal. It’s the CSR who must be able to update a customer’s information while on the phone—then actually create the personalized letter and submit it on the spot for fulfillment.

**Interactive, Intelligent Documents in Action:
PROPOSALS**

Before: In both B2B and high-end B2C, proposals play a critical role in the effort to get, keep, and grow customer relationships. During the “get” stage, the proposal is the first impression that can make or break a deal. Old or inaccurate information, out-of-date pricing, and basic errors can cost you money. During the “keep” and “grow” stages, these same mistakes tell an existing customer that your company may no longer be committed to providing the best support possible. No matter where you are in the “get, keep, and grow” process, speed is critical. If you make a prospect wait for a proposal, the competition is likely to swoop in. If you keep a high-value customer waiting, then doubts as to your company’s ability to meet his needs in the future will arise.

Consider a common approach companies use

to generate and send out proposals. The sales rep’s first stop is past proposals. He cuts and pastes “re-usable” information into a template, and then manually updates all of the variable information, such as customer name, date, and the products or services offered. To save time, the rep decides to keep the same product descriptions since, to his knowledge, “they haven’t changed much.” Next he scours different databases for the most up-to-date pricing information. He checks the fonts, formats for margins, does a quick copy edit, and, voila! Proposal done! Or is it? The rep used old pricing information, forgot to change the customer’s name in several spots, and didn’t include a key update in the support policy for one of the products offered in the proposal. And the entire process took one week. The problem is, a competitor had a tight proposal in front of the customer days ago. The result: a lost sale.

**The Road to Interactive, Intelligent Documents:
Current vs. Future State**

	Current	Future
Infrastructure	Multiple document formats and systems at the point of sale (Word, PDF, e-forms) and the back-end results in wildly inconsistent forms and correspondence	A single, intelligent infrastructure for all communications
Template design and management	IT must support multiple development tools; content input by employees is not easily shared and re-used	A robust and rapid development tool for all documents, regardless of delivery channel, to ensure consistency, efficiency, and accuracy
Production support	Ad hoc systems cobbled together with little integration across distributed offices and no control over what employees are delivering to customers	An automated process that integrates centralized production and fulfillment with distributed, customizable document creation
User control	Static documents that rely on employee intuition to complete, often leading to irrelevant or incorrect information passed on to the customer	“Intelligent” documents that walk the user through the completion process based on established workflows and business rules

After: Let's revisit the proposal process, this time using interactive, intelligent documents. The sales rep knows that by the time he even sees the RFP, the customer is already months deep into the purchase process. Aware that he must move fast, the rep tells the customer the proposal will be in her email inbox within an hour. To keep his promise, the rep taps into Exstream Software's Dialogue Live Editor to complete the proposal. The tool automatically pulls the data needed from other enterprise systems, such as current pricing information, product descriptions, and updated support policies. The rep establishes the appropriate content and ensures "customer specific" data is included. The document repaginates itself based on the proper document format and layout. When the document is requested to be printed, a second copy is automatically archived so the entire company can stay up to date. The proposal hits the customer's email inbox in less than an hour—without errors. The result: a closed deal before the competitor's proposal even shows up.

2. Build in a Controlled User Experience

Local document control does not mean a complete decentralization of the document creation process. Remember those 2,000 templates? They were the result of unfettered local control. A key evolution in one-to-one communications is the emergence of the dynamic, intelligent document, in which a core document is created and stored centrally but offers customizable views for individual employees and tasks. "You expose different users to different views and levels of control based on their roles in the company and what information they need," says Gottsacker. A financial analyst, for example, requires a view of a document that is quite different from that of a CSR, even though the two may be accessing the same customer document. Document views and what can be changed or edited are determined by rules such as the authority of the person opening the document or the stage in a workflow at which the document is accessed.

Customizable views within a single document eliminate the redundancies that arise when a user takes a standard template, saves it locally, then customizes it to their needs. It's this scenario that creates, in effect, a distinct document that won't reflect any future modifications to the main template. Multiply this scenario by 200 users, for example, spread across marketing, sales, and operations, and you have lost control of that original template. "A controlled interactive document experience lets you automatically capture the history of user interactions with a document," says Gottsacker. Any user modifications are not only trackable, but they also can be stored back in a central repository and made available for others across the company to use. Giving employees options such as content choices, controlled selections, and delivery options is a major time-saver when building custom communications programs.

Interactive, Intelligent Documents in Action: CORRESPONDENCE

Before: Customer correspondence is a common document type at most organizations. Letters often must be generated in high volume, as well as on demand, and they show up across the entire customer lifecycle. A letter will welcome a new customer to the company, make cross-sell offers to current customers, or notify customers of an account change. However, many companies lack a single system that allows employees to create correspondence on the fly and may even provide a level of control for customers as well. Limited system access, scalability, ad hoc creation processes, or inconsistent templates tied to different correspondence formats such as Microsoft Word, RTF, or HTML can get in the way. But for those companies able to bring all the pieces together using interactive, intelligent documents, the benefits are substantial.

Imagine, for example, the payoffs of interactive, intelligent documents at a retirement account

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services provider. Its customers are the companies and their employees who rely on the services provider to manage their retirement account plans. Just getting the retirement account enrollment letter written, approved, and mailed often involves a long process in which the sales rep of the retirement account services provider goes back and forth with an HR rep of the client to answer the question: Is this letter acceptable for your employees? The process can take days, even weeks, because the customer (i.e., the HR rep who knows her employees best) can't change or create the letter.

After: But what if the retirement account services provider allowed the client to create the letter through a controlled user experience? With an interactive, intelligent document, the sales rep would pull up a template with baseline legal and other disclaimer content embedded in it, enter or select relevant fund information using a graphical interface, and add elements specific to her company, such as a logo or signature. She can then automatically route the new draft to the HR rep for

changes or approval, who then routes back to the retirement account provider for fulfillment. "This cuts the enrollment process down from weeks to hours, which drives cost savings and higher enrollment for the retirement account provider," says Gottsacker. It also affords plenty of local control without giving up centralized production.

3. Automate Fulfillment

Many companies are seeing the value of controlled, interactive document applications. And they understand the cost benefits of delivering those documents through a centralized facility. However, one reason that distributed document creation has not been successful at some companies is the lack of integration between document creation and production fulfillment.

Documents produced with familiar desktop technology such as common word processors do not integrate well with production systems. Although document content can be integrated, the intended formatting (fonts, word wrap, image appearance) cannot be integrated because of incompatible technology used in the different envi-

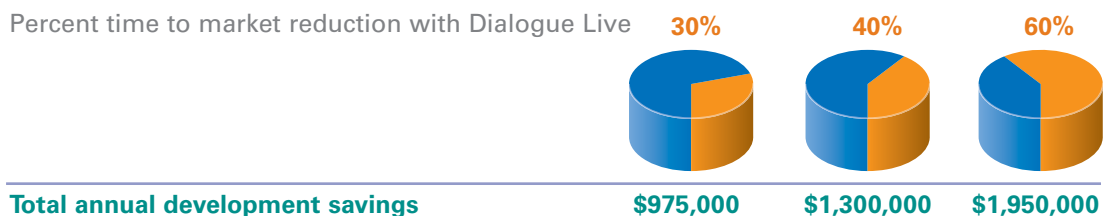
Speed Matters

Time to Market

Average IT/development hours per new document (letter)	50
Number of new letters per year	1,000
Average hourly rate for IT per new letter "project"	\$65.00

Annual cost of new letter development **\$3,250,000**

What is the impact of reducing time to market?



Source: Exstream Software

From welcome letters and account updates to apology letters and direct mail, every company uses correspondence to communicate with customers. Using interactive documents to reduce the time it takes to get that correspondence to customers drives big ROI benefits.

ronments. To achieve the desired business results, the documents are produced locally and are manually fulfilled. Costs are clearly impacted with this approach. Ironically, some critical business objectives remain unmet as well. For example, with distributed, independent document creation, the enterprise fails to satisfy the records management and archive requirements that are enabled by systems in the centralized facility.

However, companies shouldn't have to give up the efficiencies and benefits they've gained through centralized production and fulfillment just to achieve one-to-one communications goals. Any system that enables controlled, interactive document creation in the hands of the user should also include a back end that is easily integrated to deliver the production benefits established by the systems built by IT.

The value doesn't end with operational efficiencies. The business process can be accelerated at the same time. For example, an account opening or enrollment process is one step of several in the customer experience. The information collected in the enrollment process must often be re-entered into another system to drive other system events and documents. To improve time to market and the overall quality of communications, these steps should be automated.

Interactive, Intelligent Documents in Action: FORMS

Before: Forms are documents used in a sales process to facilitate a business transaction. An employee or customer completes the form to provide the data required to execute an "account open," "change request," or some other transaction. The form will likely trigger another communication such as a confirmation or welcome kit.

Current methods for creating and delivering these forms are often disjointed and wildly inefficient. At an investment bank, for example, an existing customer comes in to meet with her financial analyst to open a new college savings account for her child. Although the investment

firm has information about this customer already, the analyst takes out a blank form and begins to complete it with the help of the customer. The analyst knows that certain sections of the form are irrelevant and skips them. The customer is confused, but trusts that the form is being completed properly. The process takes 20 minutes.

When the form is done, the analyst faxes it back to a central office, where a back-office employee enters the application data into a database to open an account. Another employee chooses the required cookie-cutter marketing and disclosure documents and places them into an envelope to be mailed to the customer. A week later, the customer receives her welcome kit. Uncertain of what to do with a couple of the documents, the customer calls the analyst, who discovers that the customer needs additional documents to be sent from the central office.

After: Now, what if the financial analyst had an interactive, intelligent document at his disposal? Using Exstream Software's Dialogue Live Editor, he would select the appropriate "account opening" form and enter some kind of key information (such as Social Security number or account number). The form automatically fills in the existing customer information in the relevant fields. Based on additional selections by the analyst, the document eliminates irrelevant sections and repaginates the form on the fly.

When the form is completed, the analyst submits it to a centralized system, where the data is automatically extracted and used to select the relevant marketing and disclosure materials, which are then immediately sent as PDFs back to the financial analyst. The analyst prints the documents and hands them to the customer, ready to answer any questions on the spot.

For the customer, the two experiences could not be more different. In the second scenario, the customer feels "remembered" by the personalized forms; her questions and concerns are addressed immediately; and the process takes minutes instead of weeks.

Any system that enables controlled, interactive document creation in the hands of the user should also include a back end that is easily integrated to deliver the production benefits established by the systems built by IT.

Processes or Technology: Which Should Come First?

It's the corporate version of the chicken-and-egg debate. Which should you tackle first: a new technology or a business process? Most experts will tell you that sound business processes are a prerequisite for any technology implementation. After all, you don't want to automate (and thus perpetuate) inefficient ways of doing certain tasks.

In some cases, however, a technology solution can actually expose suboptimal processes that are difficult to uncover before implementation. For example, on-demand document management tools often shed light on new ways to design and generate interactive documents, but you won't know for sure until you dig in. "Working with on-demand systems, you can start to look upstream at the processes around how documents are generated and really see where the warts are," says Neal Gottsacker, Vice President of Product Management, Exstream Software. "The documents may be generated in Microsoft Word, a homegrown HTML editor, or other niche solution. Next-generation on-demand tools provide a big opportunity to

streamline processes around how these documents are created."

Consider the mail-services provider responding to complaints that the statements it produced for clients were too generic, occasionally inaccurate, and generally lacking in quality. The company needed to give more design and development options to individual clients while maintaining control over its centralized (and cost-efficient) production and fulfillment processes. After implementing enterprise document automation technology, the service provider spotted a cost-reduction opportunity. It realized that it could create more interactive document templates that let banking personnel enter text or other customer-specific information on the fly without compromising the baseline content and design elements required for production. With the new system in place, bank personnel engage in greater customization in their customer communications, while the service provider maintains the standardized pieces required for cost-effective production and fulfillment.

Are You Ready for the Journey?

Can a CSR build a corporate-compliant document interactively during the middle of a customer call? What if a sales agent could create an error-free, personalized, targeted proposal in real time in order to close a deal more quickly? Can a document possess the intelligence to help "write itself" so that marketing, sales, or service can drive profit at just the right time and channel? The answer to all of these questions is an emphatic "yes."

Companies leading the next frontier of one-to-one communications are demonstrating tangible business value from interactive, "customer intelligent" documents that flow across the enter-

prise. They are pioneering new ways to create and modify documents at the point of sale, ensuring that the most relevant information is delivered to employees and customers at the right time. Simultaneously, they are centralizing and automating their back-end production and fulfillment processes to coordinate and enhance the customer dialogue across channels while keeping costs in check. Business leaders who have successfully brought the pieces together are reaping the rewards for their organizations in the forms of hard cost savings, higher revenues, and a more satisfied and engaged customer base. Are you ready to join them? The journey begins now. ■

Endnotes

ⁱ 2006 *1to1 Custom Communications Survey*, 1to1 Media, Xerox

Exstream Software

Ranked among the world's fastest growing technology companies, Exstream Software provides enterprise software for businesses around the world to streamline document creation processes and produce higher quality, relevant communications of all types for delivery through print/mail and online channels. Companies in the financial services, insurance, health care, service provider, telecommunications, utilities, hospitality, retail, government and other industries benefit by getting communications to market as much as 85 percent faster, reducing document production costs up to 80 percent, and as much as tripling customer response.

For more information about Exstream Software and its market-leading Dialogue enterprise document automation solutions, visit www.exstream.com, or contact Exstream at 859-296-0600 or info@exstream.com.

Peppers & Rogers Group

Peppers & Rogers Group is a management consulting firm, recognized as the world's leading authority on customer-based business strategy. Founded in 1993 by Don Peppers and Martha Rogers Ph.D., the firm is dedicated to helping companies grow the value of their business by growing the value of their customer base. Our goal is to develop and execute strategies that create immediate return on investment and long-term customer value. Peppers & Rogers Group maintains a significant voice in the marketplace with its 1to1 Media properties. Led by *1to1 Magazine*, these print, electronic and custom publications reach more than 250,000 decision-makers. Peppers & Rogers Group is a division of Carlson Marketing Worldwide, and is headquartered in Norwalk, CT. More information is available at: www.1to1.com