Why and How Fax-Document Management Plays a Central Role in Enterprise Compliance Strategies

Greg Gies

Market Development Manager

Brooktrout
by Cantata Technology

table of contents

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compliance: the driving force behind enterprise document management

Whether it's Sarbanes-Oxley, Freedom-of-Information Act, HIPAA, Basel II, SEC Rule17 (a) 4, or any number of other regulatory frameworks, legal and/or industry compliance has vaulted to the top of almost every company's agenda around the globe. A recent Forrester Research study of enterprise content management found that 54% of respondents stated "supporting changes in corporate governance *(e.g. Sarbanes Oxley)*" is either a "priority" or "critical priority."

Regardless of their source or governing authority, compliance with these invariably painstakingly detailed regulations requires some basic elements: structure, repeatable processes, security, auditability, and archiving.

Those compliance needs dovetail with many of the features found in document-management solutions that bring greater organization and control of documents—and serve as a foundation for numerous compliance-related initiatives. According to Forrester, "The combination of compliance, governance, and process efficiency has placed an increased focus on document imaging, document management, and records management." With their workflow, access control, version control, and search and retrieval features, document-management systems enforce the controls that companies seek to establish in their efforts to comply with legislation, regulations, or corporate-governance initiatives.

aligning compliance with business efficiency

In undertaking compliance initiatives, it's important for businesses to not lose sight of core goals: efficiency, customer service, and profitability. Aligning compliance initiatives with overarching business goals enables the business to benefit from compliance—not merely succeed in spite of the hindrances that compliance can bring. Properly implemented, document management means more than following the letter of the law, it means:

• Smarter process flows
• Lower operational costs
• Increased productivity
• Enhanced risk management/mitigation

While compliance expertise typically resides in legal and auditing disciplines and in the business units themselves, IT professionals can play a critical role in shaping how compliance efforts manifest themselves in the infrastructure. In fact, compliance requirements can even be a catalyst for systems that improve the efficiency of enhanced, automated business processes. A cooperative partnership between these groups helps create the best possible levels of efficiency, service, and automation while rigorously complying with necessary statutes and guidelines.

organizational pervasiveness of fax documents

Much of the emphasis of document management has focused on purely electronic documents: e-mail, word processing, presentation slides, etc. One document technology spans both digital and physical paper realms: fax. Fax documents are essential to a range of key business processes across all industries—in critical functional areas such as purchasing, finance, human resources, legal, and sales. Davidson Consulting, a market-research firm, estimates there are more than 200 million fax machines worldwide sending more than 120 billion faxes each year.

Consider the variety of instances and departments where faxes are a central communications medium. They are a dominant force in sales and legal departments *(where contracts are faxed back and forth)*. Many purchasing departments use fax as their exclusive method for issuing purchase orders. HR departments rely on faxes to receive resumes or send offer letters. And financial professionals often communicate with accounting firms and banks through the fax machine.

This huge installed base of fax machines is a dominant force that requires intelligent fax technology to play a central role in document management. If you want to conduct business and remain in compliance, a fax document management strategy is a non-negotiable requirement.

compliance and the challenges of fax documents

With their ubiquity, familiar paper form-factor, and simplicity, faxes remain a popular medium for information exchange. But that doesn't mean they don't present significant challenges for enterprises of virtually every size. Business process automation— streamlining, structuring, and accelerating the flow of information and execution of tasks and processes—can bring faxing challenges into sharp relief. Amplifying the challenges, of course, is the über-issue: regulatory compliance.

Unfortunately, in many companies, fax machines are "out on the floor"—using traditional scanning and printing technologies for input and output—and that presents shortcomings that directly affect compliance.

- **Security:** Given their usage patterns and costs, many companies deploy their fax machines as shared devices in public places. Unfortunately, that cuts directly against many regulatory frameworks—such as GLB or HIPAA—that mandate strict controls on the privacy of patient or customer information. You need to restrict access to the sensitive data that typically pours in over the fax machine—salaries, tax information, revenue forecasts, personnel matters, and much more. When that confidential information arrives by fax, you don't want it reviewed by random "fax bystanders." For this reason alone, traditional fax machines are unsuited to many processes governed by compliance frameworks.

- **Process Control:** Without a dedicated user or log-on, walk-up fax machines and fax procedures are inherently unstructured. Faxes arrive and depart without careful logging or routing. Not surprisingly, many get lost before they reach their intended recipient. Paper trays empty out. Ink and toner cartridges run out. Machines jam. Output quality can fluctuate. It all adds up to too many opportunities for sound business processes—processes that rely on documents—to deviate from their defined steps through the shortcomings of standard fax appliances.

- **Auditability:** Most compliance frameworks—particularly Sarbanes-Oxley—require outside parties to audit processes, documents, and results and make determinations about the controls that are in place. For example, SOX compliance requires you to track virtually any document (in any media) that is a record of a transaction either in part or in whole, that affects the income statement. That could encompass virtually everything from sales quotes to purchase orders to invoices. Traditional faxing is an inherently unauditable process. Businesses need a recorded, transparent trail of document flows, routings, reviews, and approvals.

- **Archiving:** Retention requirements vary based on the governing legislation, but companies need the ability to efficiently store and quickly produce selected documents on demand for auditing and legal-discovery processes *(with significant fines and sanctions awaiting those who fail)*. Faxes are often the documents that fall through the cracks.

Ultimately, too many traditional appliance-based, publicly accessible fax transmissions and receipts evade the careful, compliance-driven controls. Companies are systematizing their processes to meet compliance requirements *(and improve their efficiency and customer service as well)*—and it's time for fax solutions to join and fully support those efforts.

fax server solutions: a higher level of document management for compliance

As enterprises and IT professionals contemplate the right strategies to improve compliance while streamlining their business processes, many are giving fax servers careful scrutiny as a potential solution to these challenges. As the name suggests, a fax server supports centralized faxing services for network-connected nodes. A fax server enables users to add cover pages, specify transmission instructions, integrate contact information from address books, send faxes from enterprise applications, automatically e-mail incoming faxes to named recipients, and so forth.

The advantages of a fax server are numerous, of course, because a central server is managing the flow of faxed information in an electronic, not paper, format. That immediately enables IT departments to structure how that information is accepted, routed, audited, and archived. The capabilities and benefits of this approach include:

- **Integration With Other IT Systems:** Integrating fax communications with business systems speeds up processing, eliminates human errors, and lowers operating costs associated with manual fax processes.

- **Capture and Stored Electronically:** Fax servers capture faxes as electronic images, such as a .pdf or .tif file. The result: easier (and lower-cost) storage, access and the ability to share securely.

- **Inbound Fax Routing:** Regulatory compliance makes secure inbound-fax routing a non-negotiable cornerstone of any solution. By utilizing Direct Inward Dialing (DID) , the fax server intercepts an inbound call, captures the fax, and routes the electronic image to a specific recipient's e-mail inbox. This ensures the fax is delivered directly to the intended recipient and eliminates the risk that sensitive documents will be intercepted by the wrong individual, who is waiting at the fax machine. This privacy/security is a critical component of how fax servers improve regulatory compliance.

- **Document Management Integration:** With their built-in check-in, check-out, storage, and retrieval of electronic documents, document-management systems complement fax servers to automate the process of archiving faxes as they are sent or received. This helps the enterprise conform to relevant rules for archiving and retention.

- **Searchable Indexes:** Some fax servers incorporate or integrate with technology that enables them to index incoming fax documents to create a searchable .pdf document for later retrieval. This capability can significantly mitigate legal-discovery or auditing costs by eliminating the manual sifting through thousands or millions of documents. Instead, users can search on a key search phrase and quickly retrieve a results set of relevant documents.

- **Workflow Integration:** Fax server systems can integrate with business process management or workflow applications that extend automated processing of faxed documents. For example, a company could specify a process under which a faxed document must first be forwarded to a supervisor for review prior to transmission.

- **Security:** Fax servers enable users to send faxes from their own computers, rather than printing, walking over to a public fax machine, perhaps waiting in a queue of colleagues, possibly leaving sensitive information in plain view and unintentionally exposing sensitive information. It's a similar story for inbound faxes as well—electronic routing ensures only intended recipients see the documents.

- **Improved Auditing:** A fax server integrated with a comprehensive document management solution enables enterprises to create and store a complete, auditable log of all inbound and outbound transmissions, including, length/pages, time, and destination/source, as well as any indexed searchable content. This helps ensure transparency of controls processes.

enabling fax-document management solutions

When purchasing a fax server or fax-document management solution, it's important to consider both efficiency and compliance issues. The fax technology you choose can significantly influence the performance, reliability, and security of the overall fax-document management solution.

Only Cantata has the experience, products, and quality necessary to deliver the performance that enterprise compliance solutions require.

- **Intelligent-Fax Experience and Leadership:** Cantata has nearly 20 years experience in network fax, pioneering the intelligent fax-board category in 1987 and today offering the widest range of globally approved intelligent fax technologies. Cantata has continually innovated and contributed to the improvement of facsimile technology such as co-authoring the T.38 real-time fax-over-IP protocol that is quickly being adopted by fax technology providers around the world. The Brooktrout intelligent fax products also support a wide range of telecommunications networks including analog, BRI, PRI and IP.

- **Largest Supporting Network of Fax Application ISVs:** More than 40 fax application software companies support the Brooktrout intelligent fax technology, providing the widest range of solutions to support specific compliance and document management systems needs.

- **Inbound Fax Routing:** Cantata holds numerous fax-technology patents, including the patent for inbound fax routing—a critical feature of fax document management and workflow systems for compliance that ensures documents are routed to intended recipient and not exposed to "prying eyes."

- **Secure Fax-Only Design:** The Brooktrout intelligent fax products are designed solely for facsimile communication. By contrast, multipurpose voice/fax boards and ISDN adapters support superfluous data communications protocols *(e.g., V.90)* that go unused by fax applications but that are vulnerable to attack from outsiders.

- **Robust Fax Protocol Implementation:** Cantata's implementation of T.30, the fax communication protocol—the heart of any fax device—has been more extensively field-tested than any other T.30 protocol stack on the market. With more than 70% worldwide intelligent fax technology market share, Cantata's T.30 is constantly being improved as it encounters new T.30 variants. For compliance systems, where a failure to capture a critical document or loss of important information is not acceptable, only the Brooktrout intelligent fax technology delivers mission-critical reliable faxing.

- **Commitment to Customer Service:** Cantata offers the Brooktrout Express Exchange Service, an optional 24-hour advance-replacement service on all Brooktrout TR1034 fax boards. As your business grows, so will your need to expand your fax server. The Technology Expansion Capability (TEC) easily and efficiently increases the number of channels on your existing Brooktrout TR1034 intelligent fax board with a simple software key.

Corporate Headquarters

410 First Avenue

Needham, MA 02494

USA

Tel: +1 (781) 449-4100

Fax: +1 (781) 449-9009

Email: info@cantata.com

Cantata Technology maintains multiple locations worldwide in North America, Asia and Europe.

www.cantata.com