

Maintenance Savings Justifies Equipment Refresh

OVERVIEW

The Vermont Department of Taxes is the agency responsible for collecting and processing tax returns and certain other fees for the state of Vermont. The Revenue and Returns Processing Unit (RRPU) processes approximately one million tax returns and other items per year, including individual and corporate returns, trust taxes, licensing fees, etc.



"The ability of Uscan to work with us in a creative and flexible manner to acquire our first BancTec IntelliScan SDS positioned them for success when we decided to purchase a second unit.

The new technology has transformed our department by significantly improving our efficiency and productivity. We are glad Uscan introduced us to this open track scanning technology, and that they were able to work within our financial constraints so that we could acquire it."

Rahul Kushwaha
Revenue and Returns Processing Director
Vermont Department of Taxes

ENVIRONMENT

By early 2009 the growth in electronic filing had resulted in a reduction of the number of paper returns processed by about 5% per year. However, the new implementation of batching and scanning corporate/business returns and property tax transfer returns rather than manually entering the data increased the number of returns processed each year by about one hundred thousand.

Tight budgets were a factor for RRPU, specifically their impact on staffing levels. In 2009, the reduction in permanent and temporary staffing had stretched the department thin and created a strain on the returns processing team, especially during peak months. In addition, the department's operating costs were creeping up due to the high-priced service contracts for the older scanners currently in use. Productivity was further hampered because the two BancTec S-Series scanners that were used to process regular returns, and the one smaller Kodak scanner used to process returns with multiple checks had begun to break down more often, requiring service calls on an almost weekly basis.

BUSINESS NEED

Revenue & Returns Processing Director Rahul Kushwaha was mindful that the new environment he was facing would require changes to improve the productivity of his operation. However, such changes would have to be made with no increase in his capital and operating budgets. Thus, he needed a partner who could provide not just new scanning technology, but who also could work with him to develop a creative approach to funding and implementing that technology.

- Greater operational efficiency through a more automated, less labor-intensive scanning process
- Increased uptime
- Seamless integration with its existing workflow and Intelligent Forms Processing Software from IBM
- A less costly maintenance and service contract



IntelliScan SDS

*Reduced service calls
dramatically increased
efficiency.*

Solution

In late 2009, Uscan Inc., a national reseller for BancTec hardware based in North Hills, California, introduced Kushwaha to BancTec's IntelliScan® SDS, a small-footprint, open-track scanning system for multi-purpose and difficult paper handling applications. Kushwaha was intrigued by the straight, open track design of the SDS, which, without a typical winding path and rollers, would virtually eliminate the frequent, productivity-killing paper jams and frequent calls due to roller failure.

This feature sold Kushwaha on the potential of the SDS to significantly enhance his unit's productivity.

Justification and Acquisition

Kushwaha began evaluating the service contracts on RRPU's existing scanners and found that the cost savings of a new maintenance contract (fixed in price for five years, providing a reliable picture of anticipated future costs) provided the justification and funds for RRPU's acquisition of an SDS scanner.

Kushwaha also took advantage of a special State of Vermont program that enables departments to fund equipment purchases at extremely low interest rates. Thus, RRPU could immediately pay the full purchase price for the SDS, but fund the acquisition out of the Department's operating budget over three years to pay off the loan from the state.

The BancTec IntelliScan SDS was delivered at the end of January 2010 and placed into production in mid-March 2010, right in the middle of the busiest period of tax-processing season.

Results

Smooth transition. It took less than half a day to train the first operator on the SDS. Eventually, everybody trained on the SDS "fought" to keep from having to go back and operate the older scanners.

Significantly enhanced scanning performance. The new IntelliScan SDS immediately paid dividends in RRPU's performance metrics, primarily because the SDS was continuously and reliably in production mode, i.e. no downtime due to feeder, roller or timing failures. More than 4.6 million pages had been scanned by late 2011.

New workflows. Because the flexible design of the SDS enabled it to handle a wider variety of returns, RRPU was able to eliminate entirely the older Kodak scanner and the associated service contract costs for that scanner. Perhaps most important of all, the SDS proved more than capable of handling the larger corporate returns placed into the batch and scan process.

Spotlight on IBM IFP

IBM Intelligent Forms Processing (IFP) automates document data capture. IFP employs Optical and Intelligent Character Recognition (OCR/ICR) and sophisticated data repair technologies to ensure highly efficient scanning and processing of data, images, and 2D barcodes from structured and unstructured documents of multiple lengths, sizes, and shapes.

Reduced maintenance and repair.

The SDS dramatically reduced the need for visits by BancTec Service technicians. Specifically, Kushwaha estimates that in the first year-and-a-half the SDS was in service, they had only two or three service calls.

Proof of concept for second new SDS.

With demonstrable productivity gains from the first IntelliScan SDS, Kushwaha was able to free up sufficient funds to justify acquisition of a second SDS. In its first nine months of production after being placed in service in February 2011, the second SDS scanner processed more than 1.8 million pages.

New service deployments.

With operators spending much less time scanning regular returns, they now had the time and ability to integrate operations that previously had been conducted using manual processing procedures. Scanning has improved and enhanced the internal controls and audit trail for the entire daily deposit process and the tax examiners are able to examine and review these returns on their PC's directly without handling any paper.