

Property File Scanning Case Study- Millennia Group Completes Large Scale Imaging Project. Wal-Mart Reaps Large Scale Benefits.

As a vendor, when you think of “working with” a large company, you usually think “working for” and more particularly, you might think “jumping hurdles for”. This feeling might even be magnified when it is the world’s largest company (by revenue). However, when faced with a complicated and time consuming project such as converting over 4,000 store files comprising over 6 million pages to digital image, Wal-Mart didn’t say “we want you to jump this high”, they instead jumped in right from the start and dedicated resources, listened to suggestions and “worked with” us. What resulted was a successful project that has achieved corporate, departmental and financial goals.

The Problem

Wal-Mart Stores, Inc. (“Wal-Mart”) has over 4,000 store files to be managed by an internal real estate group consisting of nearly 850 people in construction, development, lease administration and legal capacities. The store count grows by a few hundred each year. The paper documentation as you might imagine is voluminous, encompassing an approximately 2,600 square foot area and utilizing 19 rolling shelving units. Given the growth of the company, the number of different departments sharing the property files and the variety of transactions involving the properties, the property files themselves are very complex. There is sale leaseback documentation, purchase documentation, leasing documentation, development documentation, building plans, financing documents, even photographs.

The real estate group was presented with the task of finding a cost effective way to meet internal business continuity requirements as well as finding a way to manage the ever more complex task of managing their properties (their assets). Matt Desmond, Director of the Realty Department for Wal-Mart saw the results of a



property file-scanning project completed by Millennia Group for Kmart. Mr. Desmond contacted Millennia to see if we could provide some advice to Wal-Mart for a potential scanning project. There were numerous issues.

The initial quandary was whether this project should be done on-site or off-site. Millennia Group is located in Elmhurst, Illinois, just outside of Chicago. Wal-Mart is located in Bentonville, Arkansas. On-site would require renting additional space since the current space used by the real estate group would not be large enough to accommodate the project team. Off-site would require a shipping schedule and tight communication to provide Wal-Mart personnel with access to documents in a timely manner that were not in their possession. On-site would stretch the limits of local temporary labor agencies for people with real estate data entry skills. Off-site would require original documents to be out of Wal-Mart’s possession.

Another issue that was discovered early on after Millennia Group performed a

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pilot project was that Wal-Mart users operated without the benefit of a document retention policy. Instead, they operated on a “keep everything” basis. The files still included drafts, second, third and fourth copies of executed documents, transmittal sheets, etc. Millennia Group typically is charged with the task of identifying and capturing the relevant documentation for scanning or essentially performing a general audit of the files. In this case, the quantity of documentation and its relevancy required acute knowledge of the documents that could only be known by Wal-Mart personnel.



Basic issues for a service bureau like Millennia Group also were part of the project, such as a wide variety of paper types from onionskin to napkins to color photos. All sizes of documents were present from letter to legal to full sets of building plans. There were deeds from the 1800s, double sided pages and even 3” x 5” floppy disks. These issues were magnified because there were 6 million pages to be scanned.

On top of the paper issues, any imaging project has as its backbone the indexing of the documents. You can scan all day long, but if you don’t have a good index structure, you’re wasting time and money. This requires a detailed understanding of the documents, the document types and most of all an understanding of the property tracking application. All corporate real estate departments of significant size have a database or application that helps them track their properties. These come in many formats. Wal-Mart’s application contained references to all of their store files, both owned and leased, along with all of their subtenants. This listing extended well beyond 4,000 with the inclusion of expired leases and

subleases, renewed leases and owned and sold properties. In all, there were some 25,000+ entries in the property/tenant database that somehow had to be matched up with 4,000 currently active locations.

Wal-Mart had considered trying to complete the project in-house, but the initial investment in startup knowledge, high-speed scanners and PDF conversion software far outweighed the cost to out-source. Plus, there was a time constraint that would be difficult to meet if the project was to be done in-house.

The Solution

The first step in the project was for Wal-Mart to appoint a team of internal personnel to determine the feasibility of the project and then see it through. Latriece Watkins, Director of the Real Estate Legal Department, and Jennifer Smith, Senior Realty Manager were the appointed team. They began by investigating service bureaus, including Millennium Group. It helped that Ms. Smith had previous experience with an imaging project for real estate documentation. Once they had narrowed down the number of service bureaus to a core group based on interviews and a set of defined parameters, they began requesting proposals. According to Ms. Smith “it was very clear which service bureau’s had or didn’t have a grasp of our documentation and situation. Millennium Group definitely had the experience as they had already successfully completed similar projects for Sears and Kmart.”

Millennia Group worked closely with Wal-Mart to develop a proposal that provided several options including an on-site option. As with all of Millennium Group proposals, we provide the client with the flexibility to use internal resources where available and practical. In this case, it was determined that Wal-Mart needed close scrutiny over the process of determining which documents needed to be added to the system and which were to be purged. It was also determined that the purge and cleansing process should be done at or near Wal-Mart’s facility in Arkansas so that persons with intimate knowledge of the documents were close at hand. It was also decided that the indexing, scanning and processing components should be completed off-site to take advantage of a service bureau’s expertise in handling and processing large amounts of data in a relatively short period of time. In order to keep the project costs down, Millennium Group developed a process that included bar coded separator sheets. These sheets were inserted by Wal-Mart personnel at the beginning of every document that was to be indexed and added to the system by Millennium Group. This gave Wal-Mart control over the first stage of indexing – associating documents with the correct store number as well as document type. It was also determined that Wal-Mart could secure low cost labor for preparation of the documents,

such as pulling staples and repairing tears. Millennium Group prepared detailed procedures that could be used by Wal-Mart to train internal people as well as temporary help.

A strict procedure for box and folder numbering and tracking was developed and implemented. After the initial prep/indexing phase of the documents by Wal-Mart personnel, the boxes of documents were placed on pallets (50 boxes to a pallet) and shipped to Millennium Group for further indexing, scanning and processing. The indexing consisted of naming and dating each document as well as associating documents with sub-tenants. Naming included the actual document title, plus, in many cases adding the parties to the document. This detailed indexing schema ensures optimum efficiency for the users when finding the documents they need. All images were converted to PDF with Searchable text, which added an additional tool for document retrieval. All of the index information and PDF files were to be loaded into Documentum, a top tier document management application. This application would be the storage and retrieval application of all users and would permit simple to complex searches for documents. Millennium Group worked closely with Wal-Mart’s IT department to develop the correct format and structure of the data so that it would be easy to import the hundreds of thousands of converted files into Documentum.

Millennia also had to add a step into the process to account for building plans that were being scanned by a separate vendor. In addition, we developed a tracking and numbering database for those documents so that they would be associated with the other documents for the same location.

A method to provide access to documents needed to be developed given that at any point in time a significant number of original property files were at Millennium Group’s facility. Millennium Group developed a secure web site (a/k/a Code Red) that was used to publish scanned store file documents based on requests from Wal-Mart users. Usually within 24 hours the requested store files were available to the end users requesting the data.

When the indexing, scanning and processing phases were complete, files were reassembled and placed back into their original boxes and sent back to Wal-Mart. Quality control of the processed files and indexing information was the final step before shipping the files back to Wal-Mart for archiving. The entire process involved approximately 3,000 bankers boxes, 6.4 millions pages, over 40 Millennium Group personnel (2 shifts/6 days/week) and a large Wal-Mart team. Millennium Group dedicated 3 high-speed Bell & Howell 8000 series scanners that have a speed of up to 125 pages per minute to the project. In addition, the project was supplemented with a high-speed color scanner by Canon, a medium speed Fujitsu scanner (60ppm), and a Fujitsu departmental scanner (30ppm) dedicated to the Code Red files. All of the high-speed scanners used high-speed Kofax image process boards with Virtual Rescan technology and on-the-fly barcode detection.

Wal-Mart personnel are presently handling the day forward maintenance consisting of indexing and scanning. They are using their own scanners and scan software that has been integrated with Documentum. Having a well thought out structure in place for the documents makes adding documents to the system easier.

The Result

Total time for completion was approximately 7 months. We delivered 250 gigabytes of image files and 450,000 data records. Users went through a Documentum training series conducted by Ms. Smith and her team. Now all of Wal-Mart’s property files are backed-up. Users have near instantaneous access to documents that enables them to make better and timelier decisions. The addition of several hundred stores per year can now be managed without a corresponding increase in real estate group staff. Overall, the project is expected to provide a positive ROI. According to Ms. Smith “without Millennium Group’s experience this project would still be going on. Without their attention to detail, we would not have been able to trust that our documents would be properly identified and indexed. Because we selected Millennium Group, we were able to deliver a consistent end product to our users.”

Michael Cipriano, Vice President of Sales and Marketing
Millennia Group, LLC, 477 W. Wrightwood Ave., Elmhurst, IL 60126
630-279-0577 x4, Email: info@mgdocs.com, www.mgdocs.com