Return on Investment and Disaster Recovery

Document imaging, sometimes called electronic filing, evolved because 90% of corporate information resides on paper. Electronic filing is the process of converting paper documents into electronic documents that are exact replicas of their paper counterparts. They are then indexed, stored and retrieved from the company's computer network or the Internet. Electronic filing systems are finding a warm welcome in many organizations because they make significant improvements in operational efficiency with little organizational change. In a business climate, where organizations are seeking ways to cut costs and increase productivity, electronic filing systems are providing the most dramatic impact on office production since the copy machine replaced carbon paper.

Unrecognized costs of a paper-based filing system

Look at any business and you will most likely see a dependence on paper files. Most businesses have a procedure (highly refined or ad hoc) to store and retrieve the paper files. Study after study reveals that in a highly organized system, with a dedicated person pulling and filing documents, it takes six (6) minutes on average to pull and re-file a document or paper file.

Common examples would be pulling a file every time a check comes in, or an invoice is received and paid. Every time important paper documents are received from outside the company, or produced within the company, they eventually are filed. This occurs with accounting records, job files, personnel records, human resource records and so on. There is often an ebb and flow of several office personnel trafficking throughout a paper-based filing system to retrieve and return documents.

ROI Calculation

		Paper	IQmfp
Number of documents handled per day	25		
Hourly wage (fully burdened)	$15		
Minutes to file or retrieve each document		6	2
Hours per Year		625	208
Labor Cost		$9,375	$3,125
Annual Cost Savings			$6,250
Monthly Cost Savings			$520

The problem of lost and missing documents

 The above analysis ignores the fact that in a paper-based filing system documents often cannot be found. According to a study by Cooper and Lybrand, "7.5% of all documents get lost and 3% of the remainder are misfiled." This suggests that one out of every ten documents is a problem (sitting on someone's desk, being removed form the office, etc.) and takes longer to retrieve. This dramatically increases the costs involved in paper

filing systems due to the process required to find the document and then proceed with the business at hand.

In addition, paper-based filing systems allow paper documents to reside in only one place at a time. Therefore, office personnel generally make their own copies. According to Cooper and Lybrand, "The average document gets copied 19 times, and of course, many of these copies also get filed."

Immediate access to information

Finding and retrieving a document using an electronic filing system is significantly faster than the same process with a paper-based system. With our system, personnel can search for documents from their desktop PC or through secure access on a web portal. Within a split second of search execution, every document that contains the specified search will appear on the computer screen. No document re-filing is necessary. An imaging system quite simply eliminates the wasted man hours spent filing, searching, retrieving and re-filing paper documents. The amount of time saved is enormous and gives a business the option of either re-allocating an employee's time to more productive tasks, or reducing the size of its workforce.

In many organizations, several people need access to the same document. When a file is removed from the filing cabinet, work is interrupted for anyone else needing access to that file. The result is what the manufacturing industry would call "work stoppage," slowing production and increasing costs. It also elevates the frustration level among personnel.

This problem is eliminated with IQmfp. Because multiple users can access electronic documents at one time, information tends to flow more freely using our system. The benefit is straightforward: immediate access to documents results in higher office efficiency.

Likewise, office personnel can spend a significant amount of time returning telephone calls and playing phone tag when attending to the daily phone tasks that require information from a file. An electronic filing system offers instant access to the file from any networked PC, allowing personnel to handle incoming calls immediately, thereby eliminating recalls and phone tag. This saves time, cuts costs, improves office efficiency, and increases customer satisfaction. The ability of an electronic filing system to cut expenses and increase productivity is simply unparalleled by any other cost reduction strategy.

Electronic documents create the path to Disaster Recovery

The moment a disaster strikes - whether a fire, flood, tornado or other dangerous event - is only the beginning of a disruption that can last weeks, months, or even years. Gartner Research recently released a chilling statistic: two out of five enterprises that experience a disaster go out of business within five years. A crisis is not the time for planning. The absence of adequate planning hampers recovery efforts, and can result in enterprises requiring significantly greater time to recover - if they are able to recover at all.

One of the inherent benefits of an electronic filing system is that a backup may easily be made and stored off-site. Although enterprises routinely back-up their servers, this does not address this entire problem since, as previously stated, 90% of an organization's knowledge resides on paper. The advantage of an electronic filing system is that it converts paper documents into electronic documents capable of being copied – or backed up - and stored off-site. While electronic document filing is the on ramp to a disaster recovery program, keep in mind that a total solution consists of regularly schedule backups, restoration testing and a facility for business continuity in the event of a total loss.

The benefit of electronic filing as a step towards disaster recovery has never been more apparent than in the aftermath of some of the catastrophic events of the early 21st century. Hurricane Katrina alone put more that 700 medical practices out of business due to the complete loss of patient medical records. We would hope that a disaster never strikes your organization, but if it does, the return on investment of an electronic filing system is not measured in dollars and cents. It is measured in peace of mind; knowing that your organization will not become one of the statistics mentioned by Gartner Research.

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