DOCUPHASE

DOCUMENT MANAGEMENT 101

DOCUMENT MANAGEMENT 101

As companies look for ways to increase productivity and trim budgets, the widespread use of paper and manual processes has been scrutinized. Organizations must meet the ever-growing demands for increased productivity, compliance requirements and environmental consciousness. Examining your document management policies can help your business become more productive, streamlined and efficient.

To begin, ask yourself:

- What types of paper documents are used in my business?

- How much of my business is interrupted by manual requirements that could be automated?

- How much do we print and/or copy each day?

- Can employees quickly and easily access records if needed?

- Are key business processes slowed down by paper?

Many forward thinking companies are turning to software solutions for document management and information management, and realizing significant cost savings across a number of business areas.

A previous AIIM study reported that 39% of the companies surveyed saw a drop in paper consumption when using electronic document management. There is even more potential for savings when companies automate workflows and optimize routing and auto-indexing processes, but those benefits are covered separately.

Let's focus first on Document Management Software.

DOCUMENT MANAGEMENT SOFTWARE

Document management integrates document imaging, capture, search and management tools and enables the creation of a centralized data repository. With all documents stored electronically, employees can quickly and easily find, access, and share important business documents. It also helps promote business continuity and enables quick disaster recovery. The purpose of this is to transform static, unstructured information and data into a dynamic part of your business through document management software and best practices.

The software provides a framework for syncing people, paper, and processes. It starts by converting printed documents into electronic files that can be securely stored and maintained in a centralized location. Any and all of the organization's documents can be collected and this information can be retrieved by employees at any time, using an intuitive, user-friendly interface.

Organizations using solutions are experiencing both direct and indirect savings. AIIM reported that companies cited the following benefits to their organization (ranked in order):

- Electronic access of documents and information sharing

- Improved productivity

- Reduced paper storage costs

- Decreased paper volume and associated costs, including printing, posting, and transporting

It is interesting to note that the strongest long-term benefit reported by companies in this survey is a "soft dollar" savings. Why was this named ahead of some of the direct savings such as storage and shipping fees? With increased access to information, organizations were able to reduce the time spent looking for, and handling, business-critical documents. Documents are available on demand. In short, these solutions enable organizations to better manage intellectual property so

nothing is lost or misused.

Organizations also reported improved productivity as an important long-term benefit. Real-time access to information promotes information sharing and collaboration and allows employees to leverage best practices across the enterprise. This also helps employees provide exceptional customer service and quicker response times.

The ability to instantly pull up accurate customer files enables customer service representatives to answer questions on the spot or provide documentation when needed. Documents can be emailed or faxed directly from the desktop preventing multiple calls.

THE ENVIRONMENTAL IMPACT AND ASSOCIATED COSTS - SAVE MONEY, GO GREEN

The paper industry is the third greatest contributor to global warming emissions. One ream of paper generates 18.5 pounds of carbon, excluding transportation and shipping at a direct cost of $4 per ream. With the average worker consuming some 10,000 to 12,000 sheets of paper per year, a department of 20 employees is generating over 8,880 pounds of carbon for paper consumption alone.

Here are five facts about paper consumption you may not be aware of:

- The US Department of Commerce figures indicate that paper and printing purchases represent between 5% and 15% of all corporate expenditures exclusive of labor

- Per capita consumption of paper in the US is currently over 748 lbs. Developing nations, India and China, with their combined 2 billion inhabitants, consume less than 25 lbs. of paper per capita. Paper consumptions has increased six-fold over the past 50 years.

- The U.S. Environmental Protection Agency reports that 38% of our garbage is paper

- Commercial sources such as office buildings, schools and institutions make up 35-45% of all municipal solid waste, according to the U.S. Environmental Protection Agency. In addition, about 93 percent of all office waste by weight is paper.

- Per the American Forest & Paper association, a typical business generates about 1.7 pounds of material per employee per day.

WEIGHING THE ECONOMIC AND ENVIRONMENTAL COSTS

Among the direct economic costs associated with paper consumptions are:

- Cost of paper, ink and energy for printing, copying, and faxing

- Cost of support, maintenance and manufacturing of print devices

- Cost of shipping documents, both handling and transportation costs

- Cost of storing documents

- Cost of recycling and destruction of documents

- Cost of employees handling, sorting, filing, retrieving and searching for lost documents

When you start putting dollar figures alongside these costs, you will quickly realize how paper is eating into your profits.

For example, based on the statistics mentioned previously, a 50 person small business would look like this: each employee is responsible for 10,000 to 12,000 sheets of paper per year, or 20-24 reams of paper. At a cost of $4 per ream, each employee is responsible for $80-96 in paper alone. Add the ink: the typical ink cartridge costs $25 and is good for printing roughly one ream of paper. So add another $500-$600 to the employee's tab.

The total for the company above is over $40,000 just on paper and ink. This is not accounting for the machine rental/purchase and maintenance costs, the technician that has to come fix it, service plans, trips to the supply store, etc. This example business has a serious carbon footprint as well – 370-444 pounds of carbon per employee, or 18,500-22,200 for the whole company.

"Companies spend $20 in labor to file a document, $120 in labor to find a misfiled document, and $220 in labor to reproduce a lost document."

Pam Doyle
Board Member, AIIM (Association for Information and Image Management)
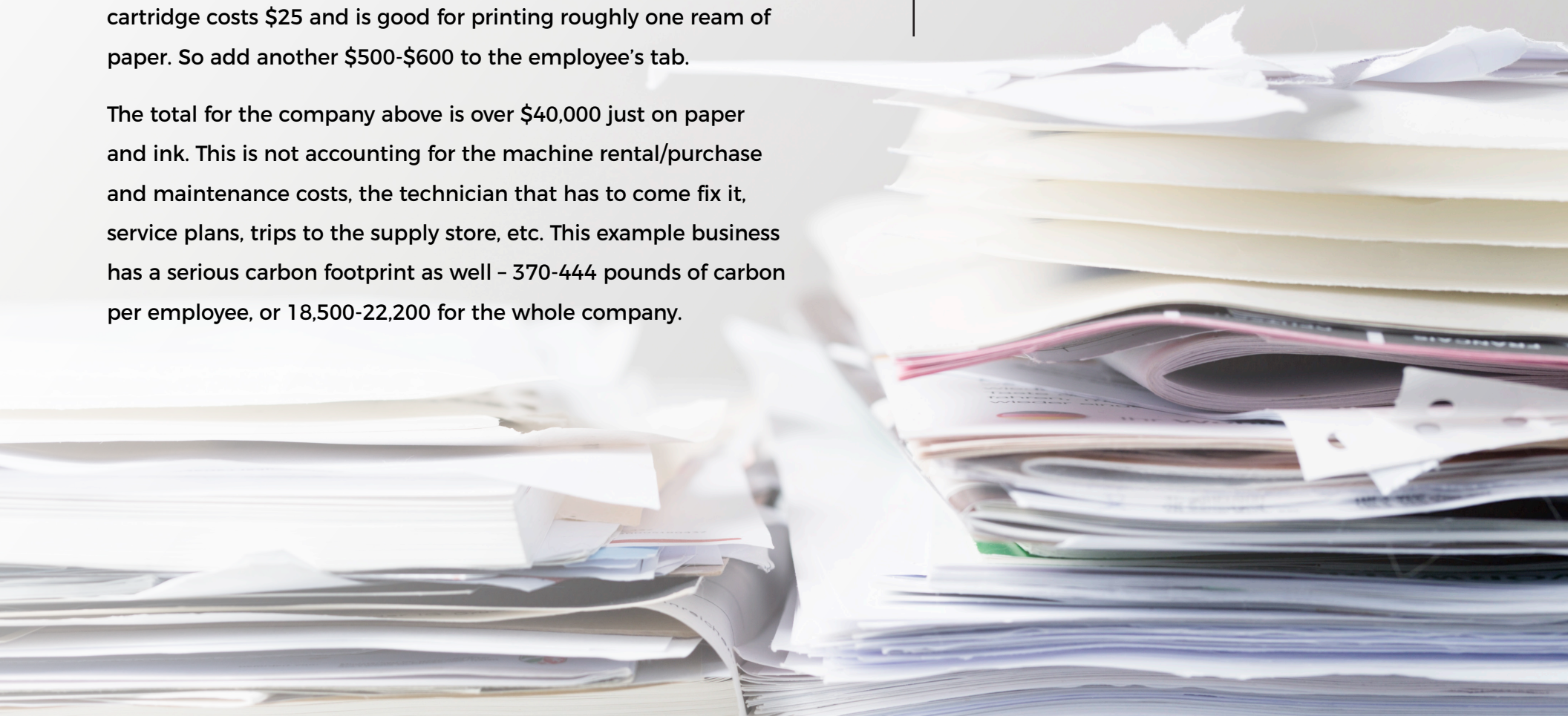
50-fold Growth from 2010 to the End of 2020

According to a study by IDC, the following information represents the hours spent on document-related tasks in an average work week, by a typical knowledge worker - someone working primarily with information, such as an accountant or attorney.

13.3 Hours creating documents

9.5 Hours searching for data

8.3 Hours gathering information

6.8 Hours filing and organizing

5.6 Hours spend on data entry

4.3 Hours managing document approval

4 Hours managing document routing

That's a lot of time, but working with documents is a key task performed by knowledge workers, after all. More troubling in the IDC investigation were the number of hours workers were forced to waste due to inefficient processes, poor document management, and lack of technology to automate the overall process.

6.2 Hours wasted reformatting

3.5 Hours searching, but not finding

3 Hours recreating content

2.3 Hours acquiring archived data

Although Document Management Software cannot eliminate all of the time spent working with documents, it can greatly improve efficiency. More importantly, it can ensure that your employees spend the time productively, instead of wasting their considerable talents searching for documents, routing, and filing. Organizations can implement an ECM solution in just a few weeks, for rapid automation with minimal business disruption.

Achieving Enterprise-Wide Efficiency

- The entire company can start to benefit from strong document management software. Nearly every part of the operation can expect to gain efficiency, accuracy, and productivity with an electronic document management solution solution. Uses include:

- **Accounts Payable and Receivable (AP and AR) uses DM to view billing documents, speed up collections and support cash flow**

- **Sales can use DM to review customer agreements or contracts**

- **Customer service representatives can easily access the original signed orders, contracts, shipping documents and more as they speak with customers**

- **Human resources can image, store and easily retrieve applications, resumes, training, materials, and benefits enrollment forms**

- **Legal professionals can organize and store vendor and customer contracts, including multiple drafts and redlines - if the company is involved in legal proceedings, producing records for discovery is faster and easier**

Proven Results

Before ClosetMaid found DocuPhase, the company committed over 8,000 A/P invoices each month to microfiche. Retrieving archived data could take a week or more.

With a DM system, AP professionals now scan incoming invoices right away. ClosetMaid saved over $100,000 in labor costs and equipment in just their first year using document management and workflow solutions from DocuPhase, and they're just one example.

DOCUPHASE

Driving innovation with information, DocuPhase is a complete browser-based platform that includes four core components – Enterprise Workflow Automation, Document Management, Electronic Forms, and Data Capture – that deliver unmatched efficiency and unparalleled performance to companies around the world.

By transforming and automating core business processes and promoting continuous improvement, DocuPhase has helped clients consistently gain more from existing systems throughout their company, while maintaining the competitive edge in both price and functionality.

www.DocuPhase.com