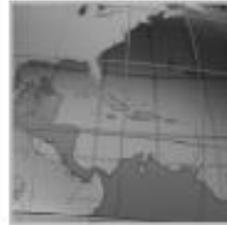


Analysis



Office Technology & Services



May 2014

The Need for Document Management

Service Areas

Digital Peripherals Solutions

Network Document Solutions

Professional & Managed Print Services

[Comments or Questions?](#)

Table of Contents

Introduction..... 3

 Key Findings 3

 Recommendations 3

What is Document Management? 4

An Unmanaged Environment..... 4

The Advantages of Document Management..... 5

The Role of MFPs in Document Management..... 6

Determining Your Return on Investment..... 6

Best Practices..... 7

Next Steps 8

About InfoTrends 9

About the Author 9

Introduction

Documents contain information for human consumption. Documents inform, prompt action, and memorialize events. Organizations of all types and sizes spend considerable time creating, retrieving, and using documents. Implementing a document management solution (DM) is a requirement to achieve efficiency and, in some cases, to meet regulatory requirements. This analysis examines the need for document management.

Key Findings

- Implementing a document management solution can save up to 30% of existing costs. Savings per office worker can exceed \$1,000 annually. This represents a savings of \$0.12 to \$0.16 per page¹.
- A document management solution will increase employee and client satisfaction. Less time will be spent retrieving information and errors will be reduced. Employees can work more efficiently.
- Managing your documents provides control of your environment and can ensure organizational and regulatory compliance.

Recommendations

- If you have not implemented a document management solution, you should do so as quickly as possible.
- If you have a document management solution, you should examine its use to be sure you are utilizing all features.
- If you have multiple solutions, a single solution is preferable.
- You should work with a trusted partner to implement your DM solution.

627 B

In 2012 in the U.S., we used 627 billion sheets of 8.5" x 11" paper in the home and office (InfoTrends forecast).

¹ InfoTrends and ALL Associates data.

What is Document Management?

Document management is a program or set of programs used to track and store electronic documents. It typically has version control and audit capabilities. Other features include capture, collaborative creation tools, search capabilities, security, workflow, and routing capabilities. Document management solutions range in size and complexity from small, standalone systems to complex enterprise-wide deployments.

Document management has some overlap with content management systems. It can be a component of enterprise content management (ECM) systems and related to digital asset management (DAM) and records management systems. An important component of most DM solutions is converting hard copy to digital. This is often done using a multifunctional peripheral (MFP) that can scan, print, and play a role in automating workflows.

An Unmanaged Environment

A recently completed study of 257 of IT professionals and C-Level executives in the U.S. found that 41.2% had invested in document management and that most organizations have an unmanaged document environment.² The following are common issues in organizations that have not implemented document management:

- Documents are filed in various locations—at the desk, through workgroups, and often off-site. InfoTrends estimates it takes an average of 7 minutes to file a paper-based document.
- Significant time is spent searching for documents. InfoTrends estimates that the average time to retrieve a document from a file cabinet is 5 minutes.
- Some documents are lost or misfiled. The estimated cost to recreate a lost document is \$220; \$120 to find a misfiled document.³
- In many instances, nobody knows where a document is at any moment.
- Documents are often “hoarded” by individuals and are not made available to anyone else. File structures are confusing and inconsistent.
- Some documents are purposefully destroyed, taken, or misfiled.
- It is difficult to access documents remotely.
- There is no audit trail for documents.
- Version control of office documents is rare and almost impossible to manage.

² InfoTrends, 2013 Vertical Market Study on Document Solutions, October 2013. A survey of IT professionals and C-Level executives in the education, financial services, healthcare, and legal markets in the US.

³ Association for Information and Image Management (AIIM)

DM Problems

- Failure to meet compliance requirements
 - Loss of a customer
 - Meeting audit requirements
 - A public relations issue
- Source: IDC

The Advantages of Document Management

The main advantage of document management is gaining control of your documents. A DM system brings order to what is currently unstructured and not well managed. While there is a return on investment (ROI) for DM, risk mitigation may be the main advantage.

The ability to locate a contract, an employee agreement, and correspondence with a client or to meet regulatory requirements is the primary advantage. These documents may be related to conflict resolution, litigation, or compliance. Given the importance of documents, a DM solution is a prudent investment. It is comparable to investing in physical security or utilizing an accounting system.

Table 1: Advantages of Document Management

Senior Staff	IT Staff	End Users
Risk mitigation	Increased security	Less time spent on low value tasks
Higher levels of productivity	Lower user support costs	Increased access to documents
Controlling Expenses	Disaster Recovery	Easier collaboration

- **Improved Economics:** A DM solution can enable the efficient processing of documents, such as notices, invoices, or other revenue related communication. The increased productivity can result in a lower cost workplace.
- **Increased Client Satisfaction:** Being able to respond to a client issue faster and with more accuracy increases customer satisfaction and can provide a competitive advantage.
- **Higher Employee Satisfaction:** By removing low level tasks that are often frustrating (e.g., finding a file), employee satisfaction is increased as they can work more productively.
- **Easy Retrieval:** Finding hard copy documents takes time. Documents stored in a DM system can be retrieved in seconds without having to leave your desk. They can be made accessible to remote workers with security. Unlike paper-based documents, multiple users can access a document with a DM system. Files can be found in multiple ways, often as simply as a Google like search, and there are no lost files.
- **Efficient Collaboration and Distribution:** A DM solution enables sharing documents with colleagues and clients with security. Instead of sending paper documents, you can provide access to the documents—saving on the cost of print and distribution. You overcome the challenges of distance as documents can be available immediately regardless of your location.
- **Increased Security:** DM solutions can track and control access to documents at the folder or document level for different groups or users. They enable auditing functions without any additional effort. Paper documents stored in a file cabinet offer one level of security: if you have access to the file drawer, you have access to whatever is in it.

68%

Agreed or Strongly Agreed that “My organization’s document-related processes could be improved.”

Source: InfoTrends 2013 Vertical Market Study on Document Solutions

- **Disaster Recovery:** Paper is relatively fragile. It is subject to being destroyed by fire, water, theft, or vandalism. Documents stored on a DM solution can be easily stored in multiple locations, thereby providing disaster recovery in ways that are not possible in paper-based systems.
- **Consistent Indexing:** Filing paper or files on the desktop or in a file cabinet is inconsistent and time consuming. Documents in a DM system are easily filed based on rules and accessible in multiple ways using search tools.
- **Reduced Storage Costs:** It costs less to store images than paper. A State of Nevada study found that the cost of a file cabinet and the space it takes in an office is \$195 a year. There is the related cost of filing and retrieving documents. With a document management system, information can be scanned and stored electronically. Even if a paper copy must be retained, it can be placed in a lower cost, off-site location.

The Role of MFPs in Document Management

Organizations have legacy, paper-based documents and regularly create or receive new paper documents. A MFP routinely acts as a bridge between the physical (paper) world and the digital world. These devices not only copy, print, and fax, but they have high quality, fast scanners. Advanced devices interact with other systems and complex functions can be enabled by pushing a “smart button” that is comparable to hitting the “copy” button. These “smart buttons” are also known as device personalization and the result is a MFP designed for individual use. This functionality enables addressing multi-step processes into one button that could scan, index, and archive information based on pre-defined rules.

The MFP can act as a fax server. It can notify the end user of receipt. It can distribute the fax to the end user electronically, automatically archive it to a DM solution, and even print the fax if the end user needs a hard copy. Smart scanning capabilities on a MFP can identify document numbers, company names, or other information, and then route and archive the information. The automated metadata allows the information to be quickly accessed for additional action including answering a customer inquiry.

The MFP plays a critical role in the deployment of a document management solution. It allows organizations to gain more value from a device that is needed to support routine office functions.

Determining Your Return on Investment

There are hard dollar and soft dollar savings associated with determining ROI for a document management investment. The primary reason to invest in a DM solution is to mitigate risk, and to improve employee and client satisfaction. Typical components of a ROI analysis include:

- **The Cost of Paper Documents:** The total cost of a paper-based page in the workgroup is between \$0.51 and \$0.70⁴. This includes hard costs, including equipment, supplies, and service. The cost also includes IT support, administration and procurement, production, and management. By eliminating unnecessary print, you can save a significant amount of money.
- **Filing Costs:** This includes the cost of file cabinets, the space they occupy, the supplies they require, and (in most instances) the cost of off-site storage. Another related cost is shredding.
- **Time:** Estimate how many documents are filed, how many are retrieved, and how many are lost or have to be recreated. The average cost for an office worker is about \$0.33 a minute; the cost for an average manager costs \$1.06 a minute⁵.

Best Practices

Document management solutions are available from a wide range of suppliers. As DM deployment impacts a number of staff, you should work with a trusted partner. Deming, the quality expert, advised that you should pursue a long-term relationship based on loyalty, trust, and mutual understanding⁶. This will lead to continuous improvement between both parties and, as a result, you will achieve a higher return on your investment. This approach provides a higher return than buying on price alone.

InfoTrends has identified a number of best practices that should be considered when choosing a partner including the following:

- **Document Expertise:** Work with a partner who is an expert in the document space; one who has the expertise to analyze your business and develop a solution that best fits your requirements.
- **A Choice of Solutions:** There are a range of solutions available and organizations often have unique requirements. Look for a partner that offers a range of DM solutions.
- **An Ability to Provide Superior Service:** A key to a successful DM deployment is experience and commitment. You want a partner who can demonstrate compliance with SLAs, one who can ensure your implementation meets your requirements, and is committed to continuous improvements.
- **A Commitment to Support Deployment:** Change is difficult. To achieve the benefits you require from your DM solution, you need the right hardware, software, and workflow. You should work with a partner who will help you implement and manage change.

⁴ ALL Associates EDAM model.

⁵ BLS salary data with 20% benefit costs.

⁶ W. Edward Deming was a visionary, who wrote on "continual improvement" and a set of transformational theories and teachings that changed the way we think about quality, management and leadership.

Next Steps

If you have yet to deploy a Document Management solution, you should do so. The ROI is compelling and the positive impact on your organization should not be overlooked.

InfoTrends recommends taking the following steps:

- Assess your current state. Interview relevant staff by asking where the pain points are and what solutions they would like to see implemented.
- Develop your goals, objectives, and the benefits you want from a DM solution.
- Explore options with trusted suppliers and work with partners who have implemented comparable solutions and who understand your requirements.
- Appoint someone to own your implementation that has time to work with your partner and with your relevant staff.

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About InfoTrends

InfoTrends is the leading worldwide market research and strategic consulting firm for the digital imaging and document solutions industry. We provide research, analysis, forecasts, and advice to help clients understand market trends, identify opportunities, and develop strategies to grow their businesses.

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As Group Director for InfoTrends' Enterprise Document Strategy Services, Charlie Corr is responsible for working with operations executives at enterprise accounts in the private and public sector to optimize their document communications spending, sourcing, and delivery. He also works with in-plant service providers on multi-channel communications, technology investment planning, and sourcing management.

[Comments or Questions?](#)

This analysis was commissioned by Canon Solutions America to help business leaders better understand how today's technology can optimize their business processes and how they can benefit by adopting these proven best practices.

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