

Effective Paper Management

A. THE IMPORTANCE OF EFFECTIVE DOCUMENT MANAGEMENT & STORAGE

Information is critical to any business process and requires immediate access.

If documentation is not labelled clearly, or in any specific system and difficult to retrieve, time finding that document is wasted. Wasted time in any business is wasted money.

The computer's ability to quickly manipulate huge volumes of information, means that new data is being generated and analysed, resulting in an increase in paper volumes in the office. Until people are fully computer literate and comfortable with the idea that hard copies of information stored on disk is not required, the paper mountain is likely to become more of a problem rather than less. It is a costly matter to store this paper in expensive storage units taking up expensive floor space. It is therefore vital that an effective paper management system is designed to ensure a lean paper environment in which all items are stored in the most effective and economical way.

The success of any paper management program is dependant on the support of management and staff in that organisation. We are able to make people aware of the simple principles involved but it requires a certain amount of authority and discipline to ensure success.

We can identify two important aspects of a document management system:

- i. Paper reduction, and
- ii. Paper location.

i. PAPER REDUCTION

The first step in the program is one of identification. The first question to be asked: "Is it necessary?". In many instances the functions of documents may be similar or may overlap - any means of sharing, combining, or eliminating information should be investigated. Another question which may help: "When last was it referred to?". Having determined which bits of paper information are essential, retention dates must be established for each. The length of time for which each document needs to be kept will depend on both functional and legal requirements, and the nature of the document.

Almost universally, documents spend more time in the storage phase than any other. The aim of the paper reduction program is to minimise both the number of documents reaching this phase and the length of time for which each document is stored. At this stage, every storage area within the organisation should be examined and unnecessary paper thrown out.

ii. PAPER LOCATION

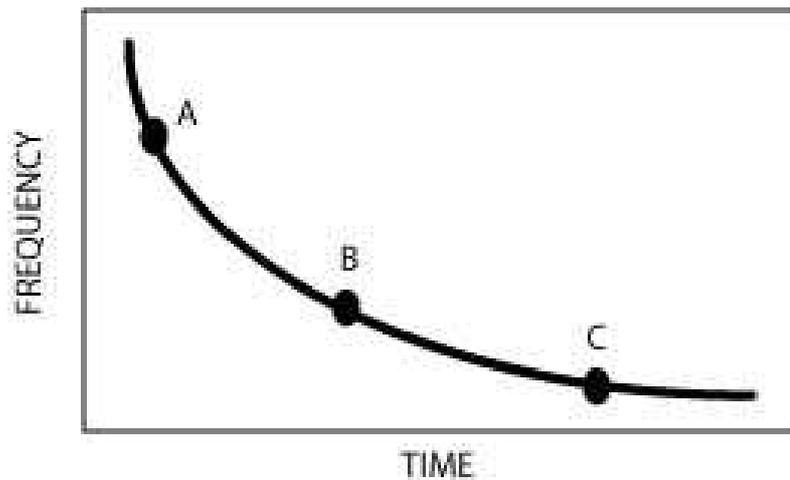
The next step is to determine the optimal location for each document in the office-environment. There are two cost components relative to document location:

- ▶ Cost of storage (Equipment and floor space)
- ▶ Cost of retrieval (Time taken to retrieve a document by staff)

Usually, both equipment and floor space are more expensive the closer they are to the workstations. Cost of retrieval is lowest for documents nearer the workstations and highest for documents further away.

An optimal cost trade-off is sought between these conflicting requirements. Figure 1 represents this trade-off diagrammatically, for the three types of office storage areas. These are:

- ▶ At the workstation (Point A)
- ▶ Shared or group storage, near or within a group of users (Point B)
- ▶ Semi-active and archival storage (Point C)



The frequency with which the user accesses the information will determine its location.

A. *Workstation Storage*

The information needed to allow effective handling of day to day work in progress. Usually accessed at least on a daily basis, or used by only one person. The equipment used for storage usually drawer units and/or credenzas are relatively expensive, so we want to minimise the amount stored at the workstation.

B. *Shared/Group Storage*

People with a similar job function or within the same department often share information which can be housed in an area close to and central to the group, to avoid duplication of documentation. Items accessed relatively frequently by several people would be stored in this type of area.

C. *Semi-Active/Archival Storage*

Items infrequently accessed can often be housed out of the way, in dead areas rather than using up expensive space useful for workstations. Also, these items can often be stored in less expensive equipment as it often isn't visible in the office area.

It is necessary to define ownership of and responsibility for all documentation. For workstation storage, ownership and responsibility lie with the individual.

Within group areas, responsibility should be allocated to a particular person to ensure that all information is properly circulated amongst the group and that when necessary, information is transferred to semi-active areas.

Semi-active areas must be properly controlled to ensure that information is retrievable within a reasonable time. If this is not done, staff will resist it's use. Also, the mechanics for physical destruction on a regular basis must be established.

The method by which information will flow between the storage areas must be well established.

iii. **POLICY FORMULATION**

The procedure in both the reduction and location programs are really only a part of policy formulation. They should be considered simultaneously with other relevant factors in the construction of a total company policy covering such areas as:

- Retention periods and destruction authority
- Storage format (original, microfilm, computer etc.)
- Duplication

- Filing method
- Indexing etc.

iv. IMPACT ON INVESTMENT

On average, storage units comprise approximately 30% of the cost of furniture in an installation. Through control of the volume of paper stored, it is not uncommon to save up to half of the investment in storage units. This translates into possible savings of up to 15% of the total investment in office furniture.

Another way to look at this is that storage (excluding archives) should only occupy 8% of the overall floor space occupied by an organisation. The norm is approximately 25%.

Let's look at the impact this has:

Assuming an organisation occupies 500m² and the rental per square meter is R 40,00 per month.

500m² @ R 200,00/m² = R 100 000,00 / month

25% (125m²) @ R 200,00/m² = R 25 000,00 / month

8% (40m²) @ R 200,00/m² = R 8 000,00 / month

Saving: R 17 000,00 / month
R 204 000,00 / annum

v. MAINTENANCE

Obviously, any paper management program must be ongoing if full benefits are to be obtained. Discipline is needed to ensure that regular clean-outs are carried out and that documents are transferred from workstation and shared areas as they become less frequently accessed. Also, regular destruction procedures must be instituted to ensure that documents are not kept beyond their required retention period.

vi. SUMMARY

The implementation of "Paper Management" can offer huge savings - in the cost of expensive storage equipment and floor space, and in the productivity benefits of a well ordered effective filing policy applied on an ongoing basis. The support of management and staff are essential for real success.