The True Cost of Keeping Paper Documents

March 29, 2021

Storing paper documents for your business can seem simple at first, but over time you will begin to see the overwhelming document overload as well as a drop in your business productivity. According to a Gartner study, one out of every 20 documents is lost or misplaced

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and companies spend approximately 25 hours recreating those lost documents. Think of all your team could accomplish with that extra time —and the money you could save in labor costs.

Exactly what is the true cost of keeping your paper documents? And how do you avoid it? These are questions that we hear a lot of from our customers. Keep reading to see exactly why keeping your paper documents can be incredibly costly for your business, and how implementing a digital document management system can greatly reduce those costs.

Overall Cost

On average it costs about $4.82 to handle a single paper document and It is estimated that US companies will waste about $8 billion every year on managing paper. If you think about all the paper documents you store within your business and need to retrieve on a daily basis, those numbers start to add up fast. If you keep your documents stored in an offsite storage facility, retrieval costs alone can be expensive. What about when a file goes missing? How long would it take you to find it? Having your team thumb through hundreds of documents just to find one is not what you want your team to be putting their well paid time and effort towards.

You need to also take into consideration the upkeep of storing paper documents as well. According to a Gartner study, each four-drawer file cabinet holds an average of 10-12,000 documents, takes up 9 square feet of floor space and each one costs $1,500 per year. Also the upkeep of printers and faxing machines come into play as well. All of these expenses and time not only hurts the growth of your business, but also puts you at risk of losing important documents.

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Lost Documents

Think of how many times your business had misplaced a document, or how many times you couldn't find a document and had to replace it. According to a Gartner study, approximately 25 hours to recreate each lost document. This is time that could be used toward other, more important business efforts. With 90% of a business's information stored in documents, you don't want to put all your trust into a filing system that isn't very efficient or reliable. What if there was a flood or fire? According to a Gartner study, more than 70% of today's businesses would fail within three weeks if they suffered a catastrophic loss of paper-based records due to fire or flood. You may be thinking to yourself, "Well that won't happen to my business!" Unfortunately, that's a risky way of thinking. You want to be proactive and make sure that if something like that were to happen, your documents are secure, safe, and easily accessible.

Retrieval Time

One main issue we see with our customers is the retrieval time of paper documents. On average it takes around 10 minutes per paper document to retrieve, copy and re-file. When working with paper documents, no matter how organized your filing system is, you will run into the problem of not being able to retrieve documents in a timely manner. Say you need to find an invoice for a certain client and it's not in its normal filing cabinet? You have already spent time looking for it and now you will have to track down this document which increases your retrieval time and can upset your clients.

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Security & Audits

Your business may keep certain paper documents due to legal reasons and/or for possible audits. According to an AIIM research, 62% of businesses are strongly reliant on their file-shares. These types of documents are extremely important and by storing them in a filing cabinet or an off-site facility, you are making it more difficult for your business to retrieve them in case of emergency. For example, imagine your business is going through an audit and production must halt until the audit is completed. If you and your co-workers are spending hours going through each filing cabinet to find the exact documents the auditor needs, you are keeping your business from moving forward with production, thereby exponentially losing money.

Overall Efficiency

Each business is different when it comes to their document lifecycle. You may have processes set in place for when a document is created it moves from one department to the next. However, with paper documents you would need to either hand it in person, fax it over to the correct department, or scan and email it over with the other department reprinting it. Especially with many people working from home nowadays, these processes may not be the most efficient way of moving your documents around.

As a business you want your processes to be streamlined and customized to your business needs. By keeping paper documents, you are holding back your businesses efficiency and could potentially hurt your business in the long run. The International Data Corporation found that a business with 1,000 employees wastes $2.5 million to $3.5 million a year chasing documents. You may not see the problem

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within your business right now, but over time if you keep storing paper documents your business will run into at least one of these issues if you are not proactive.

What Can Be Done?

So what exactly can be done to minimize your paper documents? The best path to go down is to start your journey to become paperless with a document management system (DMS) or Enterprise Content Management system (ECM). With a DMS or ECM, you are able to:

- Build a secure and trusted repository of accessible documents
- Drastically reduce the cost of off-site paper document storage and per-page retrieval costs with document scanning
- Address both internal and external auditor's requests in a timely manner
- Prevent fire, flood, or theft from putting your company out of business
- Track and get approval on work as it traverses departments
- And more!

Over time you will be able to see the ROI on implementing a document management system through reduced labor and physical storage costs. Your business will become more efficient, save money, and reduce the risk of losing documents.

With Optix, we will help you start your process of becoming paperless with a document management system. Our document scanning, document management, workflow automations, and more will help your business grow without the hassle of storing paper documents. Still have questions? Give us a call or contact us.

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