

A large stack of papers is piled on a desk in an office setting. The papers are white and appear to be various documents, some with blue lines or text. The background is slightly blurred, showing a window and a person's arm in a dark blue sleeve. The overall scene suggests a busy office environment with a lot of paperwork.

Special Report:
Going Paperless Is Easy - Getting Started Is Hard



Introduction

From reducing costs and streamlining processes to taking a more environmentally-friendly approach, there are numerous reasons why companies are striving to go paperless. While there may have been an initial goal in making the transition, those that have achieved at least some degree of success have found additional, unexpected benefits. For example, a company may have implemented a paperless initiative with the goal of reducing costs but found they also dramatically improved in the area of compliance. The most daunting challenge that an organization faces in the quest to create a paperless working environment is determining how to get started. This special report provides you with better insight into how to launch a paperless initiative and helps you anticipate and overcome some of the common hurdles standing in your way.

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How Paperless Are We?

Clearly there's a trend in today's business environment to reduce our reliance on paper. However, despite extensive efforts, the use of paper continues to increase rapidly. Even though organizations are working smarter and many documents are stored electronically, we still rely heavily on paper. In fact, AIIM's recent report, 8 Reasons You Need a Strategy for Managing Information – Before It's Too Late (www.AIIM.org/8things) reveals startling statistics:

- There are over 4 trillion paper documents in the U.S., growing at a rate of 22% per year
- For 56% of organizations, the volume of paper records is increasing
- The average office worker uses 10,000 sheets of copy paper each year and wastes about 1,410 of these pages
- With the average cost of each wasted page being about six cents, a company with 500 employees could be spending \$42,000 per year on wasted prints

Based on these statistics, it's clear that despite the desired shift to paperless, there's a bridge to the paperless future that needs to be crossed in order to achieve it.

How Do You Define Success?

Paper is the friction point of business. As organizations handle an ever-increasing amount of paper, errors increase, costs rise, and business slows down. This provides good motivation to move away from the paper-intensive nature of business, but a plan is needed. A key to a successful plan is in the specifics, including measurable criteria to offer a better chance to achieve the goals. That's what one national retailer recently did in order to implement a success paperless initiative.

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Success Story:

A large national retail organization was dealing with a major challenge in their Human Resources department. They have seasonal staffing demands and high turnover rates. Managing the paperwork involved in their hire, re-hire and termination process was a continual source of pain. Manually tracking all of the employee information was difficult because each employee file could include as many as 23 different document types. Extra staff is required to properly address compliance challenges, respond to audits and to fulfill legal requests for documentation. When the decision was made to implement a paperless solution, the company selected Access to develop a comprehensive, strategic plan. Initial focus was aimed at providing a faster on-boarding process for new hires and more efficient method to manage the paperwork around terminations. Today the company utilizes Access' CartaHR, a complete Web-enabled solution that includes document imaging and indexing services as well as configured search screens and on-line image viewing. This solution enabled them to virtually eliminate their overtime expense as well as experience a 45% increase in service level by reducing the number of days in the on-boarding process.

This is one example of how a company measured the success of a paperless initiative. Other ways include determining the return on investment for going paperless by analyzing how much can be eliminated in operating costs, or evaluating the increase in productivity. The important thing is for you to select the strongest metric, then develop and define it to the company, building the support needed to gain the necessary approvals to move forward.

Overcome the Challenges of Implementing Change

Throughout the organization, there will be questions of adoption because people are resistant to change and departments are set in their ways. In order to overcome the challenges when implementing a paperless approach, it is important for you to identify which departments have the greatest needs and are most willing to utilize new technology.

The organizational chart can be used as a roadmap for success. First, the key constituents need to be identified. Where in the organization might the roadblocks be found? It could be department heads, vice presidents, or end users who could potentially undermine the project. Next – get buy-in! As your supporter base broadens, so will the likelihood of the project's success. In order to gain that support, search for and find the people who are resistant to the project and find out why. Take the opportunity to address their concerns because they may be legitimate. Work with them to overcome their apprehensions and you will have cleared a major hurdle. Finally, confirm that there's funding available for this project. The best way to do this is to be able to prove beyond a reasonable doubt that the project is going to fund itself.

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Know Your Competition

Since the paperless initiative will be competing for funding against other projects, it helps for you to have a better understanding of the competition. How does a paperless initiative stack up against other proposed projects within the organization? High value, high profile projects typically automate manual business processes, impact revenue generating functions, have visibility with senior executives, or align with stated strategic corporate initiatives. There are strong reasons why the paperless initiative is critical. The key is for you to highlight the attributes that make this a winning project. For example:

- Going paperless involves swift implementation
- Solutions can be up and running in days instead of long turnaround times, resulting in faster ROI
- The project can have incremental success and growth on top of each achievement
- It's not a big bang approach that requires major commitments to get all the results at once
- Having a scalable platform for growth enables departments to gradually adopt into the paperless initiative when they are ready. The solution doesn't need heavy support so it's a minimal drain on organization resources.
- The project supports corporate "Green" initiatives

While there is no guarantee for gaining project approval, by defining the project objectives, identifying measurable goals, understanding potential challenges and competing initiatives the outlook for success increases dramatically.

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I Have My Approvals – What's Next?

Once the approval for the project is granted, you'll need focus to drive success since results are not guaranteed. To this end, following is a checklist for success.

- ✓ Is the project scope properly defined?
 - Is there buy-in within the company?
- ✓ Are plans in place to prevent project creep?
 - When is the requirements list cut off?
- ✓ How will ROI be measured?
- ✓ Have milestones been set to measure success?
- ✓ Should historical documents be included?
 - At what point does the project reach the point of diminishing return?
 - How is a solution implemented – in-source vs. outsource?

By simply digitizing paper and storing the files on a network drive or shared server, an organization can be setting itself up for a major disaster from a project perspective

What Does the Successful Solution Look Like?

Scanning to a PDF does not equate to paperless! Some companies have turned to imaging thinking that they've achieved a paperless environment. But this alone isn't a success. By simply digitizing paper and storing the files on a network drive or shared server, an organization can be setting itself up for a major disaster from a project perspective. This approach is not built to be scalable and is not a full solution. In addition, a paperless solution may still be heavily dependent on paper. One company decided to keep all of its lease documents but made them accessible online.

Success Story

An Access' client was seeking to scan all of its real estate leases. The company has over 30 locations around the U.S. and had a critical to need to securely preserve and protect their original lease documents while enabling better access to vital information contained in these leases. The paper-based leases were so mission critical that the company would not permit any of them to leave their offices. Access' staff went on site to each location and scanned all of the lease files. Now the company can find any lease online through CartaHR using the detailed search criteria, configured to meet their specific needs. Automated indexing provides minimal work on the front end. The company achieved its stated goals – improved document security and disaster recovery plus instantaneous access to vital lease information to all authorized users.

The trend is moving toward the “lease it” approach, utilizing Software-as-a-Service (SaaS) solutions with a provider that possesses document management expertise

What Are My Alternatives?

Typically, solutions are deployed one of two ways: “build it” or “lease it”. The “build it” approach includes substantial out of pocket investment to get started. There’s software acquisition, including document capture, OCR, and image viewing; new hardware requirements such as scanners, servers and monitors; in many cases additional staff is required, including those needed for document prep, reassembly, scanning, indexing and Quality Assurance. Training is required as well. Then there’s the necessity for internal support to keep the project going.

Many companies find utilizing a solution from a service provider to be more efficient and cost-effective. The trend is moving toward the “lease it” approach, utilizing Software-as-a-Service (SaaS) solutions with a provider that possesses document management expertise. The key considerations in selecting a vendor are:

- Completeness of the offering – success will be impacted by the vendor’s ability to manage both physical and digital documents
- Areas of expertise –the vendor needs to be able to address departmental needs across the enterprise
- Flexibility – the solution should be able to adapt to the organization’s needs
- References – any solution should have existing clients who are willing to discuss their experience

As for the management of the vendor, you should:

- Participate in vendor evaluation and contract negotiation
- Define acceptable SLAs
- Support the implementation

Comparing “Build It” vs. “Lease It”

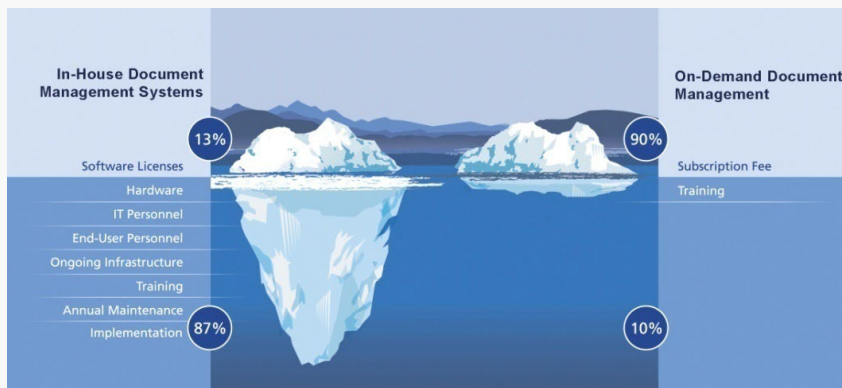
In comparing the in-house, “build it” option to an outsourced “lease it” SaaS solution, both infrastructure and personnel costs must be included to reflect an equivalent experience over time. An analysis limited to initial hardware and software expenses of the “build it” solution compared to ongoing SaaS usage fees of the “lease it” approach can lead to the incorrect conclusion that an in-house alternative is lower in cost. In reality, initial hardware and software costs are insignificant compared to runtime costs. The true cost is far higher for the “build it” alternative.

For an in-house solution to be successful, the expertise of delivering an always-available imaging system, including document capture, quality control, document storage, business continuity, and servicing users in general, must be developed and maintained by internal staff before any meaningful adoption can occur. Without adoption, benefits are limited while the actual expenses are significant. There is both a high risk of failure and a high cost of failure. Making the right decision requires a complete, detailed cost comparison. When the true operational costs of an in-house solution are taken into account, the financial breakeven point, when compared to subscribing through

a SaaS provider is, at a minimum, years in the future. In fact, breakeven may never be achieved due to future infrastructure and software obsolescence.

In contrast, a SaaS solution requires a significantly lower investment. Savings from expertise and specialization, and the massive economies of scale of a SaaS provider are passed on to the customer. In both small and large organizations and from light to heavy usage, the SaaS provider will offer significantly lower cost and lower risk than the in-house approach. Depending on labor rates, the need for 3rd party vendor support, internal IT resource requirements, disaster recovery, business continuity, and a myriad of costs associated with software and hardware support, the SaaS subscription costs will typically be between 10% and 30% of the in-house costs in a true assessment of multi-year costs.

The risk of failure is low with a SaaS provider since specialized expertise and experience with thousands of users offers a significantly higher potential for success. In fact, financial benefit to the customer may actually be higher because of the SaaS provider’s expertise and capabilities. The risk associated with project failure is low since there are no large investments in infrastructure and personnel. SaaS solutions offer security, high performance, broader functionality, dependable 24/7 system access and user support, and flexible and scalable service offerings. In head-to-head comparisons, SaaS solutions offer numerous strong advantages over in-house solutions.



Comparing Costs of in-house document management systems and on-demand document management solutions

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Conclusion – Is 100% Paperless the Goal?

Is going 100% paperless the right approach? Is it even feasible? Most organizations will find that only a small portion of their documents are truly active. By targeting these active documents and making them available digitally online, you'll achieve a significant ROI, streamline processes, and increase efficiencies. In addition, since so many documents are inactive, it makes sense to retain them physically in a low cost model and only scan them in on an on-demand basis. After all, there's no reason why you should take on the expense of converting inactive documents to digital until they are needed. This blend of digital and physical is the strategy that will result in the best outcome. It ensures that the business-critical information a company needs is available instantly on the desktop while optimizing the spend associated with document retention.

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