Know the cost of filing your paper documents

This document is an overview of some information found in the literature on the cost and savings of document management.

Already many reports have been written about document management by a number of known research institutes. Document Management is actually a name that is used for many different solutions that have to do with documents. Other names used for this are DMS (Document Management Systems), DIS (Document Information Systems, IDM (Integrated Document Management), EDM (Electronic Document Management), ECM (Enterprise Content Management), Content Management and Knowledge Management.

Document Management defined

A lot of definitions about document management and its variations are available but they all have a common denominator; document management includes every action taken with a document within your company, with respect to the creation, distribution and deletion of documents.

In this respect ZyLAB focuses on the filing of paper documents with advanced retrieval and distribution options.

Already in 1997, Gartner forecasted that the amount of time wasted on document-management-related tasks would continue to rise. At that time, Gartner estimated that knowledge workers were spending about eight hours a week (or 20% of their work time), on document related tasks. In 2001 Gartner estimates that this time ranges from 20%-30%, and that this will increase to 30% to 40% by 2003.

Just calculate the cost of this with the salary of your knowledge workers and you will see the amount of money spend on handling your information.

Next to these figures, Gartner investigated other costs related to handling documents, which are related to manual document processing.

∗ The average document is copied, either physically or electronically, nine to 11 times at a cost of about €18.
∗ Documents cost about €20 to file.
∗ Retrieving a misfiled document costs about €120.

Gartner Report on Electronic Document Management

Further in 1997 Gartner concluded in its report on Electronic Document Management that over 60% of all companies still processes, stores and retrieves documents manually. Other numbers included:

∗ 80% to 95% of enterprise information is located within paper and electronic documents.
∗ 25% of enterprise documents are misplaced and will never be located.
∗ 30% of Gartner Group clients store more than 50% of their documents on local hard drives or floppy disks.
∗ Document mismanagement claims:
  ∗ 40% to 60% of office workers' time
  ∗ 20% to 45% of labour costs
  ∗ 12% to 15% of corporate revenue

The "Arbeidsgemeinschaft für wirtschaftliche Verwaltung" (AWV) calculated the benefits of using DMS technology within organisations. They came to the following conclusions:

Savings on time to create and modify documents	50%-90%
Increase in productivity	20%-30%
Savings on document handling	20%-40%
Improvements in cycle time	20%-40%
Savings on deskspace	30%-50%
Improvement in client satisfaction	30%-50%

Cost of document handling

Cap Ventures calculated the handling cost of documents at about 6% to 15% of all revenue of a company. They also concluded that 85% of all archived documents is never leaving its filing cabinet.

Of course, these are just a number of results from researches on document management. But they give you a very clear picture of the benefits and savings in cost when you will be using a ZyLAB system.

The figures above are also used within the cost saving calculation tool from ZyLAB. With this tool you can calculate an indication of your savings, based up on your investment in a ZyLAB system.

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References:

Gartner Group: www.gartner.com
Cap Ventures: www.capv.com
Arbeidsgemeinschaft für wirtschaftliche Verwaltung: www.awv-net.de