

The True Cost of Paper in Business Today

The Paper Explosion

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Anyone who runs an office knows that the document organization is a key factor to maximize efficiency and productivity. The better you are at organization the faster you can file and find the documents that you are looking for and the better your business's workflow will be. In this paper we are going to take a more indepth look at how much all that paper your business is using is really costing you and if switching to a paperless solution could help maximize your business's efficiency and reduce wasted time spent on lost files all while saving you money.

Even though most companies in the nowadays strive for the "paperless" office, it seems as if we are generating exponentially more paper on a daily basis. It has been estimated that organizations double the amount of paper they are filing every 10 years, with each worker generating an estimated 45 - 1,500 sheets of paper per day.

There are extensive problems that can arise with all of this paper. Paper files are hard to find, as the document you may need may be misfiled, in use by another employee, or lost. It also costs a significant amount of money to file and maintain all of this paper. An average 4-drawer file cabinet can hold approximately 15,000 sheets of paper. It costs almost \$10,000 to fill a 4-drawer file cabinet, and it can cost another \$26,000 in retrieval labor per year for maintenance of paper files. Studies have shown that the average document in an organization is photo copied 19 times, with 25% of the filing time for that document being spent in walking to and from the photocopier.

And then there is the cost of housing paper files. It has been estimated that it costs approximately \$30 per square foot to keep the cabinet within an organization's office. Given a 9 square foot cabinet, the average cost will be approximately \$270 annually just to house one 4-drawer file cabinet. Multiply this by the actual number of file cabinets in the organization, and one can quickly see the costs involved.



How much do your hardcopy files really cost?

- The average company spends between **7-14%** of its total costs on document processing in a paper environment

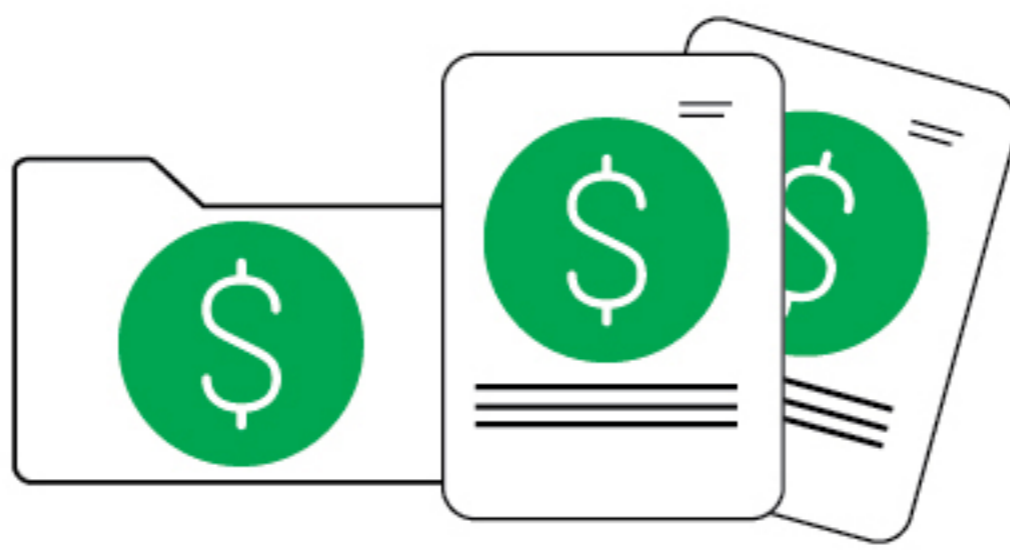
- An estimated **7.4%** of staff time is spent searching for documents

- Average storage cost per page = **\$.014 per year**, or about **\$1,400 per file cabinet**.

- Storage requirements for hard copy documents **double every 3 years**.

- The average company spends **280 hours** annually per employee looking for lost documents.

- Due to lack of solid disaster recovery planning, **70%** of companies **NEVER** fully recover from a disaster



The Benefits of Going Paperless:

- At a minimum, simply scanning an organization's documents can bring significant improvements related to data and documents:

- Document Security and Confidentiality Protection
- improvements Increased Efficiency in Searching and Data Retrieval Distribution Process Improvements

- Savings in courier and mail services for transporting documents Lower Operating Expenses

- Reduces physical storage space requirements

- Decreased record management headcount requirements Improved Overall Employee Productivity

- Auditing Process Support Improved Customer Support of Regulatory Requirements.

- Implementation of a broader document or records management solution



Source: American Records Management - Association (ARMA), IDC