



Converting Your Paper-Based Filing System: Savings and Benefits

Example - Costs for Businesses with a Paper-Based Filing System:
(Supporting Details and Statistics on Page 2)

- **Document Management Costs**

(Document Management Includes: Searching For, Retrieving, Indexing, Sorting, Storing, and/or Copying Paper Files)

- **Number of Employees:** 20
- **Hours Spent per Day on Document Management (per Employee):** 0.5
- **Average Hourly Wage for Company Employees:** \$15.00
- **Average Number of Business Days per Year:** 239

= Approximately \$35,850 Spent Annually on Management of Paper Files
(Nearly \$3,000 per Month)

- **Copy/Print Costs** (for 1-Time Use Documents)

(Includes Expenses Associated with Copying or Printing a Document (i.e. Paper, Ink, Toner, Etc.) - Excludes Labor)
(1-Time Use is Determined by Monthly Recycling Volumes)

- **Number of Documents Recycled per Month:** 8,500
- **Average Cost per Copy/Print (per Page):** \$0.05

= Approximately \$5,100 Annually, or \$425 per Month, on Cost of 1-Time Use Documents

- **In-House Document Storage Costs**

(Includes Storage of File Cabinets Only – Excludes Additional Archive Storage)

- **Number of In-House Filing Cabinets:** 10
- **Space Occupied by Each Filing Cabinet (Square Feet):** 8.5 sq. ft.
- **Rental Cost per Square Foot (Annually):** \$15

= Approximately \$1,275 Annually, or \$106.25 per Month, on Rent for 10 Cabinets

Overall Cost for Example: Approximately \$42,225 per Year, or More Than \$3,500 per Month

Learn More about the Example Above

General Document Management, and Use of Paper Files:

EXAMPLE: If 10 employees spend 1 hour per day on any kind of document management (i.e. searching for, retrieving, reviewing, indexing, storing, and/or copying paper files), and the average hourly wage of an employee is \$15.00, then a company will spend approximately \$150 per day on basic document management. For a year containing 239 work days, this would equate to \$35,850 per year, or nearly \$3,000 per month.

STATISTICS: Studies have shown that an average employee will spend 20-40% of their time searching for documents manually, while professionals will spend approximately 50% of their time searching for information (and nearly 18 minutes, on average, to locate a single paper document). These would raise a company's document management costs to approximately \$24-\$60 per day for each employee, or roughly \$240-\$600 per day for 10 employees (this assumes 20-50% of employee time is spent on document management, and the average hourly wage of an employee is \$15). For a year containing 239 work days, a company with 10 employees would spend approximately \$57,360-\$143,400 annually on paper management (or nearly \$4,780-\$11,950 per month)! It is important to note that these statistics are also focusing on searching for documents only, and are ignoring other common document management practices, such as reviewing, indexing, and copying files).

Cost of Paper Copies/Prints:

EXAMPLE: For this cost example, we examined 1-time use documents, established by monthly recycling volumes. The average company with 10 employees fills 1 executive console (EC) each month with recycled paper. That is equivalent to approximately 8,500 sheets of paper recycled monthly. This means that a company with 10 employees will spend approximately \$425 per month, or \$5,100 per year, on one-time use documents (if the average cost per copy is \$0.05).

STATISTICS: Studies have shown that an average office worker uses 10,000 sheets of copy paper per year, and the average cost per copy or print ranges from \$0.06 to \$0.13 per page. Therefore, a company spends approximately \$600-\$1,300 per year in printing costs for an average employee. A company with 10 employees is spending approximately \$6,000-\$13,000 per year on printing, or anywhere from \$500 to over \$1,080 per month. In addition, it has been estimated that approximately 17% of printed materials weren't needed by the employee (that means the average employee wastes \$102-\$221 annually on printing costs alone, or \$1,020-\$2,210 wasted annually by a company with 10 employees).

Cost of On-Site Paper Storage:

EXAMPLE: Companies that store paper documents in-house, are losing valuable space, and paying rent on static files. A standard filing cabinet uses approximately 8.5 square feet of space, and the average annual rent is approximately \$15/square foot. Therefore, a standard file cabinet costs approximately \$127.50 per year in rent. This means that companies with 10 standard filing cabinets are spending roughly \$1,275 per year in rent on their file cabinets, while companies with 20 standard filing cabinets are spending roughly \$2,550 per year, and companies with 30 or more filing cabinets are spending \$3,825, or more, on annual real estate costs for their file cabinets. (Please note that there are similar costs associated with storing files in boxes, rather than filing cabinets).

STATISTICS: The national average puts the overall cost higher, stating that the office space occupied by a single file cabinet costs businesses more than \$250 per year (that is \$2,500 per year for business with 10 cabinets, \$5,000 per year for business with 20 cabinets, and \$7,500 or more for businesses with 30 or more cabinets). In addition, studies have shown that the average cost to fill a standard file cabinet is \$25,000, and that it costs approximately \$2,160 per year to maintain. Therefore, a single file cabinet will cost a company roughly \$41,870 over the course of 7 years (a commonly accepted timeframe for document retention), and 10 file cabinets, maintained over 7 years, will cost approximately \$418,700 (that's nearly \$60,000 per year to fill, house, and maintain 10 file cabinets)!

Estimated Savings with an Electronic Management (ECM) System:

Reduction in Time Spent Locating and Retrieving Documents	75%
Reduction in Time Spent Filing	75%
Reduction in Copying	50%
Reduction in On-Site Storage Costs	75%
Reduction in Off-Site Storage Costs	75%
Reduction in Shipping Expenses	50%
Reduction in Filing Supply Expenses	50%

Estimated Savings for the Example Above:

- **Document Searching, Retrieval, and Filing:**
 - o 75% Reduction in Document Management Costs
 - Costs Calculated at Roughly \$35,850/Year
 - = Savings of More Than \$26,885 Annually, or Roughly \$2,240 per Month
- **On-Site Storage:**
 - o 75% Reduction in On-Site Storage Costs
 - Costs Calculated at Roughly \$1,275/Year (for Storage of 10 File Cabinets)
 - = Savings of More Than \$955 Annually, or Nearly \$80 per Month
- **Reduction in Copying:**
 - o 50% Reduction in Copying Costs
 - Costs Calculated at Roughly \$5,100/Year (for 8,500 Pages per Month)
 - = Savings of \$2,550 Annually, or Nearly \$215 per Month

Combined Savings of Over \$30,000 per Year (Over \$2,500 per Month)!

An Electronic Management System Does More Than Saves Money

Additional Benefits of an ECM System:

- Meet regulatory compliance needs
- Improved communication and collaboration
- Use existing information instead of recreating it
- Shorter product cycle time
- More secure and accessible archive of business assets
- Improvements in customer service
- More efficient document processes = improved competitive positioning
- Better document availability = lower risk factors and errors
- Happier Employees

Contact Us Today to See How We Can Help You Save by Converting Your Paper-Based Filing System

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