



Using Document Management Software to Improve Data Management and Reduce Paper

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In the knowledge economy, data and information are extremely valuable. Having robust data management systems, such as document management software (DMS), can help companies use that information and knowledge to its fullest potential. Leading productivity specialist K.J. McCorry, author of [Organize Your Work Day in No Time](#), shows how companies can improve data management, increase data efficiencies, and decrease paper consumption as well.

Document Management Software (DMS) systems are not only for large companies. Even with smaller offices, DMS systems can effectively help companies collaborate on documents that need modification and/or tracking. Although organizing the shared drive with an electronic file hierarchy structure and establishing guidelines on document naming conventions can be effective, it does require more work to manage and maintain.

Understanding key benefits of a DMS system, along with choosing a product carefully, will begin the process of implementing a DMS system. Next, it will be important to develop a strong plan that engages employees to use the system effectively.

The Benefits of Document Management Software

DMS systems have more robust functions of input, storage, search and access of data than the mere file management tools that come on computers such as Windows Explorer. DMS systems allow users to find data not only through a file hierarchy structure. These systems have additional information related to a document such as keywords, categorization, and indexing which makes searching and finding data much easier. It also compresses data so that it has the ability to store significant amounts of documents in a smaller amount of space, increasing server efficiency. DMS systems also have autoarchive and autodelete functionalities that make adhering to record retention and compliance guidelines instantaneous.

DMS systems also increase document sharing functionality within an organization. These systems can be located on a server or through the intranet or Internet. This is particularly useful as organizations have multiple locations and increase remote workers in the U.S. and internationally. No longer do employees have to rely on their server or hard drive to access data but can have it centrally located. It can essentially be accessed quickly anywhere, on any computer system, within that moment the information is needed. According to the Communication Industry Trends Survey of 2007, many firms are increasing their accessibility of electronic documents with more than 50 percent making more than half of their documents available over the Internet through DMS systems.

Although the cost of DMSes can be pricy, paper management costs money, too. Paper management not only includes the price of paper but all the activities that go along with paper management including printing, filing, organizing, purging, and disposal. A study done by Coopers & Lybrand estimated the cost of paper management to be about \$50 per document. Another study by PricewaterhouseCoopers found that more than \$120 in labor is spent just to search for misfiled documents. All of that adds up when you have millions of records and documents to manage. It's estimated that by installing DMS software, an organization can save an average of 500,000 pages of paper. Using a DMS system usually can prove to be a significantly better return on investment in data and knowledge management along with reducing paper and printing costs.

Considerations in Choosing or Upgrading to a Document Management System

Hundreds of DMS systems are currently on the market. Although the basic functionality is similar, it is important to consider multiple factors before choosing or upgrading to a DMS system. These items are important because it will inherently affect the use and trust employees have on a DMS system. Employees who trust the DMS system to save, retrieve, and manage documentation easily, quickly, and reliably will be more apt to use and adopt the system. Some DMS systems were designed with a focus on an industry or profession. These DMS systems have additional features and functionality specifically related to that industry. Other DMSes are more broad-based and can be used with any profession and/or industry and customized accordingly.

Some key issues to consider before purchasing a DMS system include the following:

- **Size of system required.** Determine how much file storage your organization is currently using on the server. If possible, do a date sort of the data on the hard drive and determine in a one-year period the amount of data that was accumulated. This will help you determine how much storage will be needed on an annual basis.
- **Scanning functionality.** It is important to have robust scanning options when moving towards a paperless office. Survey employees to determine what types of documents and frequency in which employees scan data. Once the data is scanned, determine if employees need data converted into other formats beyond the standard PDF.
- **Search functionality.** The search functionality is probably one of the more important aspects to consider when choosing a DMS system. This is a key element for finding and retrieving data quickly. It is important to have the ability to search by multiple fields such as keywords, date created, author, etc. Make sure the system is speedy and can display results in 5-10 seconds. Having robust search functionality builds trust with the system, and employees will have a tendency to adopt the system more quickly.
- **Ease of use and user training.** Any new software in an organization requires staff training. Make sure the DMS system seems user-friendly and intuitive to non-IT related employees. Engage a few employees to test the proposed DMS system, and observe the ease of navigating the system. Be sure to inquire about the type and cost of training programs the vendor offers.
- **Permissions.** To ensure confidential data is secure, it will be important to understand the function of access rights within the system. Ideally, the system should allow the author of the document the capability to grant permission to the appropriate job level and/or specific individuals.
- **Recognition and integration with other systems.** The DMS system should easily integrate and recognize other major software systems used by the organization. It will be important to test various document formats and files to ensure capability. Make sure that the DMS system can search email profiles to find specific emails.
- **Retention.** Regulatory compliance and document retention is more important than ever. Make sure the DMS system has strong retention functionality. Fields should be available to denote how long a document should be retained. Industry-specific DMS systems should have the compliance guidance built in to the system. If the system has an autodelete function based on the retention inputted, be clear on the system process of those deleted documents.
- **File hierarchy structure.** Make sure the system has the ability to create and design a file hierarchy. If a system has a robust search function, a file hierarchy becomes less vital. However, file hierarchies are still important for users who think of data and documents related to a specific file structure.
- **Scalability and transferability.** As with all systems, eventually an organization will outgrow them. First determine if the prospective system has the capacity and functionality to grow along with the business. If your company decides to use another DMS system, determine if the data can be easily migrated into a new more robust DMS system.
- **Upgradability.** Ask the DMS vendor how many upgrades it has had in the past five years. It is important for the vendor to have a few upgrades to show improvements in the system, but if there is a significant upgrade every year, this cost might need to be budgeted annually.
- **Backup.** Although all companies have an internal backup system, the DMS system should also have its own backup utility. Find out what type of format or encryption code is used. Be clear on the restore process if data is ever needed and/or lost.

Using the DMS System Effectively

Once a DMS system has been chosen and installed and you have migrated the data, now comes the hard part[md]getting your employees to use it! A DMS system is only as successful as the adoption within an organization. The following are key suggestions to engage employees in utilizing a DMS system.

- **Provide training.** As with any new IT system, the more comfortable users feel with using functionality, the more likelihood they will use the system. Studies show that after two hours of IT training, most users have difficulty retaining any more knowledge thereafter. Consider having quarterly training sessions that will continually offer knowledge on the functionality of the DMS system.
- **Create record and retention guidelines.** It is vital that employees know what document retention is and realize what types of documents an employee is responsible to keep and maintain. Although this may seem like common knowledge within an organization, it is in fact one of the top reasons why companies lose important data. If employees are not clear on which data is important to retain, they often will delete and/or not keep the data well organized. Creating clear retention guidelines will also help the user input accurate data in the retention fields of the DMS system.
- **Provide clarity of use between the DMS system and server.** Users need to understand what type of documents should be saved in the DMS system versus on their hard drive, shared drive, and/or personal drive on the network system. Often companies will ask employees to save all personal information along with drafts and temporary data on their hard drive or personal drive to reduce the clutter within the DMS system.
- **Show staff how to use the DMS system to reference documents.** Instead of attaching documents to email, ask the staff to provide the location of the document and/or link in the email. This forces users to utilize the system as well as limit multiple versions. It's an easy way to ask users to begin to navigate the DMS system.
- **Gain feedback from employees.** Conduct an employee survey bi-annually to discover challenges of the DMS system and frequency of use. This can help guide IT staff on what changes or customization is needed to improve and increase usage of the DMS system. Gaining feedback will also gauge which users might need additional training or assistance to use the system regularly.

Conclusion

Using DMS systems effectively within an organization ensures that data and knowledge is safe, accurate, and accessible. With that comfort, employees feel more apt to reduce paper and rely on the DMS system. It is one important step to becoming a paperless office.

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