



**BLUE PAPERS - MAY 2008**

MARILYN T. BOTA

***Introduction***

Since corporate scandals became daily news earlier this decade, Records Management and Archiving practices are now an extremely visible but not necessarily a better understood topic. To add to every U.S. company's confusion, the recent revisions to the Federal Rules of Civil Procedure make "knowing what you have and where you have it" the difference between a strong defense or, in the absence of a strong defense, the consideration of a large settlement. This doesn't just apply to large companies, though they are often the target for litigation with their perceived 'deep pockets'. Small and mid-size businesses also face considerable risk and expense as a result of poor practices.

When I speak of records, it's the content that defines the record; it doesn't matter if the record is a paper document, an e-mail, a CD or microfiche. Unfortunately, e-discovery is so hot a topic for white paper publications that paper documents have virtually been forgotten. And despite all the talk of the "paperless office", the on and off ramps of the information highway continue to be paved with paper.

Let's continue with definitions by explaining what is meant by "record retention". To some, it means saving everything forever. In an efficient and effective records management program, it means saving the right material, whether in paper or electronic format, for only as long as there is a legal,

regulatory or business requirement based on record retention requirements as defined in the company's policy. Not keeping records that memorialize events related to statutory, regulatory, fiscal, operational, contractual, or historic activities within an organization, or to prepare for litigation is just as bad as keeping them for too long. Inconsistent destruction of documents is no better. An effective records management program sets rules, disposal review dates and a method to archive necessary records.

***Paper vs Electronic Records***

Although much deserved attention is being given to electronic records management, this paper is focused on the archival management of paper records. Virtually every enterprise that has been in business for any length of time has accumulated a vast quantity of paper based records that require archiving. Without a proper records management program it may be difficult to locate needed records on a timely basis and archived record volumes may continue to grow because of the lack of, or the disregard for, prescribed destruction review dates.

***Now is the time to review your approach to archiving your paper records***

For many organizations out of sight is out of mind, but you can follow the funds flow. You're fortunate if it's just a few additional filing cabinets purchased to store growing volumes of paper records in your office. Additional space, whether office space, self-storage units, or stand-alone records facilities, gets more costly for archiving paper-based business records. You may have outsourced archiving of paper docs to a professional records management storage provider for warehouse space and varying levels of management. And most likely, you have looked at the costs associated with

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archiving but became frustrated by the lack of data or a satisfactory alternative.

### ***Seek out the root cause at your business***

If this sounds familiar, maybe you are dealing with the symptoms of the problem rather than the cause; causes such as:

- The lack of a well-defined retention period for the various record types that you are required to archive - Many organizations simply keep everything for seven years; in some cases this is too long, in others, not long enough. Even worse, some companies just keep everything... forever.
- The regrettable effects of "just in case" retention - Companies may find that their employees disregard the official retention period and keep records "just in case" the item may be needed beyond the prescribed disposal date. Best of luck to any business trying to prove consistent treatment of records.
- No centralized index of archived material - All too often, especially in situations where the records are archived in-house, separate inventories are maintained in varying locations and in different, binders, spreadsheets or Word documents. Time spent searching for records needed multiply as it becomes a fragmented exercise. More dangerous, is the dependency on one person responsible for maintaining an inventory. If that person "wins the lotto", the knowledge base necessary to find your business records is lost in the distant thoughts of a former employee.
- No clear responsibility for reviewing records management contracts - Routine price increases with your provider may now have you paying higher rates than you previously understood. Most records

management contracts provide for a 3% per year (CPI) increase; storage and service rates that may have seemed reasonable in the beginning may now be significantly higher than expected.

The common hidden costs associated with the storage of archived materials continue to grow. These costs start with the time it takes employees to locate records to the fixed cost of space. A typical single four drawer file cabinet occupies six square feet of expensive office space.

One final point: It's hard to accurately measure cost avoidance if you get managing your paper records right-retaining obsolete records in any format can cost more than you'll believe possible during an investigation or litigation.

### ***What you can do***

Some things don't need to be reinvented. You'll likely get some free advice and ideas by exploring the services of a professional records management consultant for direction and a professional records storage & management company for archiving. The good news is that it's not hard to find professional records storage & management companies with systems and processes vetted to ensure the following:

- ✓ Archived materials are reviewed for disposal in accordance with your records retention program. You have the power to set rules without associates' emotional attachments to records. Documents in a reliable third party's control are no longer archived longer than necessary or "just in case". Your program is then defensible, as it is applied consistently. This also controls growth

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of archived records volumes and minimizes cost.

- ✓ Good records management companies have technology to provide easy access and search capability. The most efficient providers make your inventory available on-line through a secure web-browser. The best can be customized to your particular needs.
- ✓ Improvements are quantifiable. Make it your vendor's job to provide periodic metrics on fixed and variable expenses associated with archiving your paper records. Customer centric records management providers have this capability and more.
- ✓ Hidden costs are driven out. Replace filing cabinets with a reconfiguration of valuable office space. "Burn the boats" by donating all unnecessary storage units to your favorite non-profit organization and reap the tax deductible donation. Associates become more productive because finding needed records will be faster.
- ✓ Records management is everyone's job but it shouldn't be a core function of most businesses. Outsourcing to a records management provider frees up fiscal and human resources to focus on your real business.

If you are already using a professional records storage & management company, congratulations. There's one more thing to consider; when was the last time you analyzed an invoice? Contracts typically have inflation clauses that increase pricing by 3 to 5% year-over-year. Consider re-negotiating the contract or changing to another reputable provider. There are great

companies that you may be using, but it's always good business to get a fresh perspective of the services, and competitive pricing available.

### ***Choosing the right records management vendor for your business***

These are a few questions to consider with a records management storage vendor:

- What is the company's reputation in the marketplace for customer service?
- How automated are their processes? Fewer human touches mean fewer errors.
- Can you access summary reports of your files/boxes on-line; can you order/retrieve on-line; can you mistake-proof your retrievals with descriptions that have required fields?
- What quality controls do they have in place to "inspect what they expect"? Make sure to physically walk through their operational procedures, emulating one of your boxes or files.
- How flexible are they in customizing a solution that is appropriate to your needs?
- How transparent is their contract?
- How secure are their facilities and how effective is their fire suppression system?
- Study the proposed fees associated with transportation, retrieval and disposal.
- Are the named executives involved on a day to day basis in the business; and, how extensive is their experience in records management?

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- Does the company offer a broad range of records management solutions? Do they also offer services related to back-up tapes and electronic records? Do they offer secure document destruction of customer data and proprietary papers?
- Is the prospective company focused solely on record related services or are they also a moving company or some other enterprise?
- If you already have a records storage provider and are re-negotiating, review the section on termination. Fees associated with retrieval and delivery are reasonable; accepting unreasonable termination penalty costs should be considered carefully.

### **Summary**

By entrusting your archived records to a professional records storage & management company, you can ensure the consistent application of sound records management principles, thus helping control costs and minimizing business risk, legal and regulatory exposure. You can also improve accessibility to your records through inventory management systems and web-based search tools. Finally, always choose a vendor that gives you the confidence to rest easy knowing that your records are archived in a safe and secure environment specifically designed for archiving business records.

### **About the Author**

As president and CEO of Bluestone Process Dynamics, Marilyn Bota brings over 20 years of GE executive, international business, design engineering, and document life cycle management experience. She developed programs introducing quality, records management and consultative selling in the aircraft engine industry and at

Genworth Financial, formerly GE Financial. Her role prior to leaving GE was VP, Records Management where she created and implemented a company-wide Records Management program, as well as comprehensive business policies to assist all associates in compliance.

Program development, leading change and focusing on the client experience are Marilyn's areas of expertise. Marilyn credentials include Six Sigma Quality Leader and Master Black Belt certifications, MBA from Xavier University and BE degree in Structural Engineering from Youngstown State University.

Marilyn is the Chairman of the Board for Junior Achievement of Central Virginia and serves on other non-profit boards related to educating at-risk youth and children with Autism.