To determine your savings, complete the following tables:

1. Your Current costs
2. Cost of using Paperless
3. Savings

1. Complete the following to determine your current costs:

Cost Category	Description	Example	Actual
File Storage and Retrieval	A. Number of files stored each day	240	
	B. Number of files retrieved each day	60	
	C. Total (A+B) daily filing	300	
	D. Minutes required to store or retrieve a file	5 min.	
	E. Files per hour that can be stored/retrieved (60 ÷ D)	12	
	F. Hourly salary	$30.00	
	G. Cost per file (F ÷ E)	$2.50	
	H. Daily labour cost for filing: (C x G)	$750.00	
	I. Annual labour cost for filing: (H x 250)	$187,500	
Misplaced Files	J. Average number misplaced files per day	9	
	K. Minutes spent locating a misplaced file	30 min.	
	L. Hours spent daily: (J x K) ÷ 60	4.5 hrs	
	M. Annual cost of misplaced files: (L x F) x 250	$33,750.00	

Cost Category	Description	Example	Actual
Lost Files*	N. Number of files lost per year	300	
*Click Here for Important Message	O. Estimated cost to recreate a file	$100.00	
	P. Annual cost to replace lost files (N x O)	$30,000.00	
Copying Files	Q. Number of pages copied each day	1600	
	R. Estimated cost of photocopy (hardware, maintenance, labour, materials) (.10 is average)	$0.10	
	S. Annual cost of copying (Q x R x 250)	$40,000	
Space	T. Number of filing cabinets	60	
	U. Space allocated to filing and access to cabinets (T x 12 ft^2)	720	
	V. Cost per ft^2 office space	$20.00	
	W. Annual cost for offsite file storage and retrieval from archive, include staff time and transport costs	$10,000.00	
	X. Annual cost for file storage (U x V) + W	$24,400.00	
Distribution	Y. Number of pages faxed per day.	200	
	Z. Annual labour cost for regular faxing (F x Y x .04hr. x 250 days per year)	$60,000.00	
	AA. Courier and postal charges for distributing files	$75,000.00	
	AB. Total distribution costs (Z + AA)	$135,000.00	
Supplies	AC. Annual cost of paper for copying, faxing	$1,500.00	
	AD. Annual cost for file folders	$1,500.00	
	AE. Annual cost for filing furniture (cabinets, drawers)	$4,000	
	AF. Annual cost for microfiche	N/A	
	AG. Annual cost for supplies (AC + AD + AE + AF)	$7,000	

Cost Category	Description	Example	Actual
Disaster Recovery ***Click Here for Important Message**	AH. Cost to replace/recreate all files currently on premises not currently archived.	?	
	AI. Lost labour	?	
	AJ. Replacement cost for filing cabinets	?	
	AK. Other...	?	
	AL. Total Disaster Recovery costs (AH + AI + AJ + AK)	?	
Total Cost of NOT using PAPERLESS (I + M + P + S + X + AB + AG + AL)		$457,650.00	

2. Cost of Using Paperless

Cost Category	Example	Actual
a) Backfile Conversion, on site, 1,000,000 pages	$CALL	
b) Installation on customer network	$0	
c) Hot-line customer and technical support	$0	
Total cost of using Paperless	**$CALL**	

3. Expected Savings in first year

Description	Example	Actual
Current Cost	$457,650	
Cost of Paperless	$	
Net Savings	**$BIG BUCKS**	

Internet: www.paperless.com Email: imaging@paperless.com

Tel: 800-387-9001 Sales & Support

Continental Avoids Millions in Fines

At Continental Airlines, the biggest incentive for an imaging system was not how much they could save, but **how much money they could avoid paying in fines.**

The FAA has strict regulations on airplane maintenance. Every seven years the airline goes through a "white glove" inspection by the FAA. They have to produce a record for every time a bolt was changed on an airplane. If they can not produce the maintenance records, they are **fined $10,000 for every time the airplane took off or landed**. And they are fined for every part on the plane that they cannot produce maintenance records for - **costing them Millions of dollars.**

Continental turned to imaging in 1988. They've got a Cygnet 300 gigabyte optical jukebox and a 200 dpi black and white scanner from a company that is now out of business. They're running Kodak's KIMS document management system (which Kodak doesn't sell anymore) on a network of five DEC VAXs and 10 workstations (mostly DEC terminals and a few PCs).

Tom Morley, systems administrator; says he's able to keep the equipment going because the in-house staff was so involved in the project. "Back then, you had to get your in-house MIS people very involved in imaging because you didn't know which companies were going to be around to support you," he says. **"Today's environment is much more stable."**

The system cost $500,000. Morley says it has paid for itself many times over in the four and a half years it has been installed in FAA fines that were avoided because they could produce the maintenance documents.

Continental will also be saving on storage space (Morley isn't sure how much yet) because **the FAA just gave them permission to throw away all paper documents.**

Information Disaster Planning: An Integral Component of Corporate Risk Management[1]

It is now widely accepted that we do live and work in an information society. Information has 'come of age' as an essential corporate resource and asset and must be subject to deliberate strategic planning processes like any other resource or asset. Furthermore, it must be managed and protected accordingly. No organisation in the '90s can afford to ignore the threat of disaster. Information disaster planning should be an integral part of the risk management program of the whole organisation. Loss in dollar terms is potentially as significant as loss for any other asset, and in reality is often more critical because information loss is so much harder to replace without careful proactive planning across the whole organisation. More than ever before the organisation that plans together survives together.

By MARGARET E. PEMBER

Business risk analysis and management is the carefully planned preparation at the corporate level to counteract major business threats (including risk analysis of opportunities) and to provide for the provision of business continuity during and after crisis situations. Business continuity planning is no longer considered a luxury, but rather a necessity: in fact. it is mission critical. Many organisations never fully recover after a disaster, largely due to a simple lack of foresight and planning. Organisations need to plan for the worst to optimise their chances of survival. Emphasis should be on loss prevention techniques: the identification of the potential risks and the development of worst case scenarios to eliminate and control or contain the identified risks. The essential issue is corporate survival. The faster an organisation can swing into disaster recovery mode the greater the savings in time and money, and the more likely the preservation of the business enterprise and reputation. The ability to act quickly and effectively is critical in limiting loss.

The overriding aims of disaster planning are to ensure employee safety and minimise loss or extent of damage, that is, to save lives and reduce a potential catastrophe to a manageable problem through informed and intelligent planning, and to get the organisation back in business as soon as possible. Effective disaster planning should reduce likelihood and severity of disaster, reduce anxiety and speed recovery. In effect, planning should be pro-active (before the event), rather than re-active (after the event). It is necessary to investigate thoroughly the disasters possible in the particular environment (macro and micro) and develop contingency plans to protect, minimise, salvage and restore business operations from the disaster scenarios identified.

THE BENEFITS ARE OBVIOUS

There is no single correct information counter-disaster planning solution for all organisations. Much depends on the overall risk management objectives and their prioritisation at the company level, but the basic premise is the same: isolate the risks, eliminate or minimise wherever possible, and where not possible, transfer the risk. Risk management is an expensive exercise, but in the aftermath of a disaster that has been successfully weathered, the benefits are obvious, and in hindsight very economic. As well as the clearly demonstrated value of proactive planning in risk minimisation through the identification of potential hazards, etc., another factor in favour of risk management disaster planning is the reduction in the anxiety level, the constant worry about what could happen. Too many 'successful' companies simply cease to exist after a disaster, and not all these disasters are of the cataclysmic type. Careful and informed planning for the survival and continuation of the business in the advent of a disaster (of any type) significantly reduces stress and anxiety levels. "The best way to prevent a disaster is to plan for one." Planning reduces the degree of vulnerability. Crisis management should be viewed as an extremely critical and effective corporate management tool, no small part of which should be information disaster planning.

ACCEPTANCE OF RISK

One commonality of successful, viable, dynamic companies in today's business environment is a strong commitment to the principles of risk management, and hence, disaster planning. The ability of the organisation to meet the objectives of the corporate risk management program is an important indication of the plan's probable effectiveness in the advent of crisis. These companies accept the premise that a disaster of some kind is inevitable, it will happen at some time, and thus plan accordingly. The research statistics are just too clear-cut to refute. National Fire Association (US) figures show that 40% of organisations that suffer a major disaster go out of business within a year. A study by Datapro Research maintains that 43% never re-open and a further 29% go under within two years. A survey of insurance companies supports the findings that a company without a disaster recovery plan for its computer systems has a less than 10% chance of surviving a major disaster. Ineffective or poor risk management inevitably develops into crisis management. Good risk management will avert many crises and thus may be transparent to many in the organisation.

[1] *Pember, M.E. (1996). Information Disaster Planning: An Integral Component of Corporate Risk Management. Records Management Quarterly, Volume 30, No.2, April, pp 31,32.*