

Going Paperless Cost-Benefit Calculator

Before you start:

- ✓ Determine cost-benefit (economic justification) by function
 - Map manual, paper process vs. optimized process
 - Create roadmap for implementation in phases by function
 - Identify Digital Policies and Procedures that need to be created
 - Identify technology, tools, hardware and software required

Getting started:

The following tables are broken into sections. Enter in the blue area for each row your firm's employee quantity of employees or dollar amount.

Getting Started	Count
Number of employee dealing with filing process (billing or accounting)	#
Average yearly total compensation (\$) of billing employees	\$
Number of administrative employees	#
Average yearly total compensation (\$)	\$
IT personnel total yearly compensation (\$)	\$

Monthly Labor Costs	Count
Administrative staff reductions (hours saved)	# of hours saved:
IT staff time saved	# of hours saved:
Hours spent by each employee filing per month:	# of hours saved:
Hours spent by each employee retrieving files per month:	# of hours saved:
Hours spent by each employee locating misplaced files per month:	# of hours saved:
Hours spent working with offsite storage company per month:	# of hours saved:
Wasted time eliminated through automation	# of hours saved:
Wasted time eliminated through process improvement	# of hours saved:
Time and Material Billing	# of hours saved:
A/P approval and routing	# of hours saved:
Subcontractor payment approval	# of hours saved:
A/P, A/R, P/R documents	# of hours saved:

*Labor Savings # Employees X Mthly Hrs Spent X Average Hourly Rate

Notable facts:

- 50% savings in admin productivity, 50% cost reduction per transaction (Cedar Enterprises Solutions Baltimore 2005 ROI study) and payback in 12 months from implementation.
- Avg. document filing admin cost: \$23 per hire and fire, \$25 per file admin cost.
- The average cost of retrieving a misplaced document is about \$153.
- Approximately 25% of all misplaced documents are never found.
- IT professionals spend 50 to 75% of their time educating people on things they should have known.

Monthly Costs	Count
Offsite Storage Cost of Paper Files (monthly fee):	\$
Average monthly service/retrieval fees: \$	\$
Cost of paper each month: \$	\$
Cost of toner/ink for printers, copiers and faxes each month: \$	\$
Repair/service costs on office equipment each month:	\$
Additional office supply costs	\$
Postage/UPS/FedEx bill	\$
Electricity	\$

Notable facts:

- Virtualization reduces power usage, pointing out that operating 25 desktops at an average of 14 cents a kilowatt-hour can run into the thousands of dollars.
- Document management and dual monitors pointed to productivity increases of 10 percent to 20 percent. Reusing information on other engagements

Yearly / One-Time Costs	Count
Office space rent cost of space filled by filing cabinets	\$
Equipment costs	\$

In addition, to the cost-savings created above, there are many Value-Added Measures such as:

- ✓ Improved Client Service
- ✓ Improved Selling Effectiveness
- ✓ Improved Documentation Completeness
- ✓ Improved Work Environment (Quality, Productivity, Retention)

What is the dollar impact of new clients by providing more efficient services?

Implementation Costs:

	Overview	Phase	Cost - Annual or One-Time	Cost
Hardware				
Document Management Server	Required	Day 0	One-Time	\$TBD.00
Scanners	Required	Day 0	One-Time	\$TBD.00
Additional hardware	Optional	TBD	TBD	\$TBD.00
Software				
Document Management Software	Required	Day 0	One-Time	\$TBD.00
Invoicing / Billing	Required	TBD	One-Time	\$TBD.00
Conferencing / Meeting	Required	TBD	TBD	\$TBD.00
eForms, eSignatures, & eDocs, Email-to-Fax Software	Required	TBD	TBD	\$TBD.00
T&A, T&E	Recommended	TBD	TBD	\$TBD.00
Workflow	Recommended	TBD	TBD	\$TBD.00
Portal	Optional	Advanced	TBD	\$TBD.00
Collaboration / Knowledge Sharing	Optional	Advanced	TBD	\$TBD.00
Content Management Software	Optional	Advanced	TBD	\$TBD.00
Process Improvement and Planning				
Champion / Committee	Determine # employees involved		# of people	# of people
Function Head(s)	Determine # employees involved		# of people	# of people
Planning	Determine functions		60 hours	\$TBD.00
Process Mapping, Optimization	Determine processes		60 hours	\$TBD.00
Standards, Policies, and Procedures	Create P&P		60 hours	\$TBD.00
Selection	Choose H/S		20 hours	\$TBD.00
Information Setup	Data management		20 hours	\$TBD.00
Implementation			20 hours	\$TBD.00
Integration			20 hours	\$TBD.00
Training				
Training Time (hours) by Function	Required		10 hours	\$TBD.00
Basic Training (per person)	Required		20 hours	\$TBD.00
Administrator Training (total hours)	Required		20 hours	\$TBD.00
TOTAL			TBD	\$ TBD.00

Don't Expect the System or Paperless to Solve Your People or Process Problems.

Do Expect Cost-Savings and Efficiency.