

Organizing Business Papers for Maximum Productivity (and Minimal Stress)

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Paper. Just the mention of the word can cause individuals, business owners, and executives alike to shudder. The 1980s promise of a paperless society is only a distant memory. Instead, we now have a very real paper explosion. In 1990 Alvin Toffler's book *Powershift* estimated that the United States was producing 1.3 trillion documents a year—an amount sufficient to wallpaper the Grand Canyon 107 times! By 1995 the United States was producing 4 trillion documents annually.

Paper is just one form in which business information is used. Others include mailing lists, electronic files, data backups, handwritten notes on Post-its®, and photographs.

Essentially, records represent an institution's past, present, and future. Developing a good system to preserve the organization's information is a critical element in the overall systems strategy (i.e., the optimal interaction of all of the things, ideas, people, actions, and information in your organization). The strategic or business development plan should include, at a minimum, the organizational system, people system, and records information management system.

During the past year, the management of business records has come under close scrutiny from the media, government regulators, stockholders, and others. The recent criminal trial of Arthur Andersen, LLP, for destruction of audit records in the Enron investigation led to the sudden and dramatic demise of one of America's best known professional-service firms. This case demonstrates the significance of recordkeeping issues as well as the importance of systematic

compliance with records retention policies and procedures. The Sarbanes-Oxley Act of 2002, widely viewed as one of the most important pieces of U.S. corporate-reform legislation since the Securities and Exchange Act of 1934, includes important record-keeping provisions. One provision specifies retention requirements for certain types of records for all U.S. public companies and public accounting firms, regardless of size.

An effectively designed and implemented records and information management system can boost an organization's productivity while preventing or minimizing record-keeping

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problems. By properly implementing records management principles, a business can

- ensure compliance with state and federal laws and regulations (i.e., Code of Federal Regulations and applicable state laws)
- identify vital records for organization and effective retrieval
- improve the flow of information within the organization
- implement strategies for preserving information and records of long-term or historical value
- establish employee accountability for records management through performance standards
- protect critical information against loss or destruction

Good records and information management requires systematic development of several components:

- **Definitions:** Develop a clear policy statement to define *record* within the context of the institution's mission, administrative rules, and compliance with state and federal laws. Define records management roles and responsibilities at all levels of the organization.
- **Standardization:** Develop standard procedures for the storage, retrieval, protection, preservation, and destruction of recorded information within business operations.
- **Filing-system and file-naming conventions:** Design uniform file-naming standards using any combination of customized or business-classification index standards. Standards should support an electronic filing system. Paper and electronic hierarchical filing systems should mirror each other.
- **Records retention guidelines:** Systematically develop guidelines specifying how long records are to be kept to address the company's legal, fiscal, regulatory, administrative, and historical requirements. These determinations should be made through consultation and collaboration with legal, tax, and finance professionals.
- **Purging procedure:** The procedures should include timely and secure destruction of records when their prescribed retention periods elapse; a cost-effective arrangement for storing inactive records that must be retained for legal, fiscal, regulatory, or administrative reasons; and accession or transfer to the organization's archives of records

designated for permanent preservation.

- **Maintenance and training programs:**

For the records management program to be effective, the records manager must rely on others to assist in carrying out its objectives. Program maintenance should include periodic audits and reviews to ensure program policies are current and being implemented correctly. Training and other communication should focus on the program's goals. They can utilize articles designed for the public or for the institution's board members, employees, or donors, as well as continuing training workshops to outline basic program policies and procedures.

A strong records and information management system can provide an organization with a significant return on investment.

Effective records and information management can contribute greatly to a company's bottom line. By complying with legal statutes and regulatory requirements, a company can avoid fines and penalties, minimize its storage requirements for recorded information (office space, equipment, and supplies), and reduce labor required for the organization and retrieval of important information. Efficiency in handling existing information within the organization can be significantly improved. The stress, contention, and frustration present in many organizations because of inadequate information systems can be reduced.

A strong records and information management system can provide an organization with a significant return

on investment, in several different ways:

- Quick and convenient information retrieval can reduce labor costs (not to mention headaches).
- An alternative such as microfilm or off-site location reduces the cost of storing seldom-consulted vital documents.
- Customer service is enhanced when answers to questions about transactions and problems can be given quickly because paper documents, computer databases, and other records are organized properly.

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- "Knowledge-based" information is a marketable asset. Customer relationship management programs, purchasing habits, and preferences are, in effect, products that can be sold to interested parties (subject to privacy laws and regulations).
- By complying with legal statutes and regulatory requirements, a company can avoid fines and penalties.

Good information systems take time to design and implement. The management of a business should demonstrate its support of the records and information management program through the allocation of staff time and resources for these initiatives. The overall benefits – maximizing your organization's productivity while alleviating stress – will continue to affirm the value of the records management program.

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