5 Easy Ways to Show ROI for Document Management Software

Written by Renee Floyd

Assessing ROI for a digital document management system can be as simple as imagining a clean, paper-free desk. Try it right now. Nice, isn't it? But it'll take more than pleasant thoughts to convince your boss that converting to a new system is worth the time and effort. Below are five positive changes that can come from adopting digital document management, plus a handy guide to calculating the figures for your own organization.

1. Freedom from pricey paper

This is a great starting point for ROI calculation as the results can be quite accurate. Paper-related costs can be tallied by analyzing the following expenses:

- Rent for offsite document storage
- Filing supplies, such as cabinets and folders
- Shipping of documents to clients, offsite departments, etc.
- Ink, toner and other printing costs
- The cost of paper itself

The **reduction of paper from your business processes** will often produce the most immediate ROI. If you want to be really dramatic, walk into your boss's office, point at a filing cabinet and exclaim "that paper-eating black hole costs us $85 a month!" A declaration like that is hard to ignore.

Woo! We're about to be irrelevant!

2. Time is on your side

A 2012 IDC report found that information workers spent up to 20% of their time filing and searching through paper documents. On top of that, they wasted over 10 hours a week searching for, but not finding, documents, recreating lost documents and other time-consuming tasks. These figures can be attributed to the problems inherent in hardcopy document management.

By implementing document management in a digital format, companies can allot more time to using information and less time to finding it. Instead of wondering who has a report or combing through archives for hours, employees can instantly retrieve documents within a digital repository through a simple search.

Finding a document is about as easy as finding the animal in this photo.

3. Data safe, boss happy

If you think losing one file is frustrating, imagine losing thousands of them in a flood, fire or other disaster. Rather than cutting back on current unnecessary expenses, a disaster recovery plan is all about avoiding future ones. Ask your superiors if maintaining rooms full of paper documents is worth millions of dollars in restoration costs.

Digital: The difference between a pro surfer and this person.

4. Bye-bye busy work

What can you do with all the time saved through digital document management? More work, obviously! By spending less time on processing contracts, invoices and customer inquiries, companies increase their work capacity and potential for growth.

First, make sure your team can handle faster workflow.

5. Space, not waste

We've just gone over what to do with extra time, but what about all that extra space? Look around your office and imagine what it could look like without all the file cabinets and storage rooms. All of that space could be used more productively. Just remember, a productive environment isn't solely about rows and rows of workstations.

You could make a ball pit with the crumpled-up documents you no longer use.

ROI Resources

You don't have to take the advice in this post at face value. Calculate your own ROI and decide if document management software is the right choice by using this helpful calculation guide: Create Your Own Cost-Benefit Analysis

The above resources are for preliminary purposes. If you're ready to build a case for document management, check out the Document Management Handbook available for download from our website. It will help you evaluate different document management products and system requirements so you can make more informed decisions.