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HSI	13,603.61	-172.86
NIKKEI	11,739.12	-102.85

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Dow	10,470.51	-94.88
Nasdaq	1,989.34	-18.17
S&P	1,171.71	-12.07

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AN INTRODUCTION



## Biz IT

Published March 21, 2005

# Moving towards a paperless world

## US\$25b-US\$35b is spent annually in the US on filing, storing and retrieving paper. Going paperless is the way ahead, says ROLAND LIM

COMPANIES and government bodies today need to deal with a rapidly increasing quantity of information. According to research house Gartner Inc, it is estimated that organisations in 2004 had to handle 30 times more data than in 1999.

Despite the proliferation of electronic communications such as e-mail, many enterprises still have to deal with growing quantities of physical hardcopy documents.

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**Swamped: The typical office worker spends over 40 per cent of his or her time looking for information, while professionals spend over 500 hours annually reviewing and routing files, and another 150 hours looking for incorrectly filed documents**

searching for lost files.

A PricewaterhouseCoopers study found that in an average organisation, 19 copies of each document are made. The organisation will also spend US\$20 on labour costs to file each document. If the document is mis-filed, it will cost another US\$120 in labour costs to search for the misfiled document. The study also found that one out of every 20 documents is lost. This in turn leads to an additional 25 hours to recreate the document. Overall, an average of 400 hours per year are spent

Other studies cite similar surprising statistics. The typical office worker spends over 40 per cent of his or her time looking for information, while professionals spend over 500 hours annually reviewing and routing files, and another 150 hours looking for incorrectly filed documents.

International Data Corp (IDC) estimates that in the US, US\$25-US\$35 billion is spent annually on filing, storing and retrieving paper.

Beyond time and cost inefficiencies, another factor that is forcing enterprises to take a closer look at document management is regulatory compliance. To be compliant with regulations such as Sarbanes-Oxley and Basel II, enterprises need to ensure that documents are stored and retained for a suitable period of time before destruction, and remain easily accessible when needed.

## Paperless in Singapore

In Singapore, there are many examples of organisations which are already on the paperless path. In 2004, the National Skin Centre digitised its hardcopy medical records and was the first medical institution here to go paperless. Last year also saw insurance company Great Eastern embarking on its project to go paperless by equipping some of its agents with a Fujitsu Tablet PC.

Singapore's courts have also set up an Electronic Filing System since 2000, while the Inland Revenue Authority of Singapore (Iras) has allowed electronic filing of income tax returns since 1998. Late last year, Iras said it will introduce more electronic services to allow individuals and corporations to settle their tax matters online.

With more digital documents being created, digital document management solutions are needed as organisations address the inefficiencies that come with dealing with physical documents. An IDC study found that worldwide document management software revenue for workgroups and departments was worth US\$252.4 million in 2002, and is set to grow to US\$417.0 million by 2007.

Besides addressing time and cost issues, digital document management solutions also offer enterprises a whole host of benefits, beginning with facilitating a disaster recovery plan.

Traditional hardcopy documents are usually stored in one centralised repository which is susceptible to damage from natural disasters or fire. Digital documents, on the other hand, can be backed up onto storage media easily, and another copy can be kept in a separate physical location. Unlike paper which could yellow with age and become illegible, digital documents will not deteriorate.

Digital documents also offer the advantage of being easier and faster to search, and can be tagged with keywords to aid filing and searching. Access to the documents can be controlled with access control tools to only allow authorised staff to gain access to confidential documents. Some organisations have also seen human resource benefits as they were able to redeploy staff who used to manage the physical documents to other departments.

An essential part of going paperless encompasses converting existing hardcopy documents into a digital format. This involves the use of scanners, which could be standalone models or MFDs (multifunction devices) which integrate a scanner with a printer, and sometimes a fax too.

Standalone scanners range from desktop models to production models that can handle high volumes that scan up to 90 pages a minute. These scanners are recommended for enterprises with specialised scanning needs, such as those performing a high volume of scanning, requiring the flexibility to scan from different media such as slides, or needing exceptional image quality.

Like standalone scanners, MFDs also come in a wide array of choices, ranging from lower-end models that integrate an inkjet-based printer, to high-end colour copier-based models. While MFDs offer a space-saving benefit, the scanners integrated into them are often more suited for general office use and might not be appropriate for high volume scanning. Their image quality might not be comparable with high-end standalone scanners.

Scanned documents are compressed before they are saved so as to optimise storage space and reduce network traffic. Popular file formats used include Adobe's PDF format and TIFF format with G4 compression.

### **Storage and retrieval**

Once the documents are scanned, they have to be stored and managed. A

myriad of document management software solutions are available to handle this, and most of them will have the ability to tag and index the documents to facilitate search and retrieval. These solutions will also allow an administrator to manage access rights to the documents so as to ensure that confidential documents do not end up in the wrong hands.

However, going paperless does not just encompass getting the hardware and software for a digital document management solution. Very often companies have to re-engineer some business processes and train their staff to use the new system. Additionally, due to the vast increase in the amount of digital documents handled, organisations might need to beef up their network and storage infrastructure. Despite these factors, organisations which have seen the benefits of going paperless are certainly not looking back.

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