Proven ROI with Document Management

Why do you need a Document Management System (DMS) and what will it do for your organization? The following pages outline a few of the key problems that DMS solves and how it provides proven return on investment for INTERAC users.

Doing More with Fewer People

Everyone is trying to do more with fewer people, and in these times, the need for efficiency is even more critical. Time spent filing, searching for documents, re-filing, and managing the boxes full of archives is time wasted.

This heavy construction firm implemented the Document Management System from the outset. All the staff began using DMS as they learned the system, so now it is second nature to look in DMS when documentation is needed. Everything is being kept in DMS, even non-accounting related documents, because it makes them easy to store and retrieve.

"After a year's work there were roughly 40,000 documents stored in DMS. No longer to are people away from their desks trying to locate paperwork; now they are all able to retrieve what they need directly from INTERAC. In fact, all the paperwork is being shredded after it is scanned into DMS, eliminating all the time and expense of filing the steady stream of paper that flows through the office.

We have benefited from DMS in several key ways. Most importantly, the time saved in the accounting process has made it possible to handle the same volume of work with 4 staff instead of 6. That is a significant savings in both time and dollars. Utilizing DMS has made it possible for each of them to remain at their desks instead of spending time at the file cabinets.

The ability to email documents directly from the INTERAC applications makes it quick and easy to send backup information internally as well as to customers and vendors. This has greatly reduced the turn-around time to respond to questions and issues. Emailing also provides a record of what has been sent and when.

Through Terminal Services, even the people in the remote offices are able to retrieve the documents they need, so they no longer need to interrupt someone in the accounting group to help them locate it. This has been another factor in the improved productivity of the accounting team."

Avoiding Overpayment of AP Invoices

A large steel erection company, was looking for a way to increase accuracy and prevent overpayment of Accounts Payable invoices by providing access to all the relevant documentation to project managers and the management team so that numbers could be verified prior to payment.

"We've seen the most benefits from DMS in scanning our AP invoices. Because the invoices are scanned at the time they are keyed, any Project Manager can view the invoices at any time through Job Manager. They can compare prices and quotes from the past, check delivery dates, etc. Even though it was possible to verify this info in the past, it required walking back to AP, pulling a specific invoice and check copy and researching at that point. Therefore, seldom did anyone take the time or effort to do this. With DMS, there is no doubt we've saved significantly by scanning the invoice copies. The owner enjoys reviewing scanned invoice copies periodically in his down time to

ensure we are receiving accurate pricing on such items as rentals, fuel, and material."

Multi-Office AP Processing & Approval

This heavy civil and industrial general contractor providing new construction, plant maintenance and turnaround services to a diverse range of industries was searching to improve on the .time spent matching AP invoices with PO's and receiving documents to verify and approve them for payment.

"The primary issue addressed by the Document Management System was the need to manage the Accounts Payable process at the main office in a timely fashion, while having the appropriate field staff review and approve the invoices for payment. Implementing the Document Management System eliminated the need to keep copies of the documents in the field offices, which made it possible for vendors to submit their invoices directly to the accounting office for payment. This significantly streamlined the entire Accounts Payable process. Now the accounting staff have immediate access to all the documents from within the INTERAC applications, so they never have to leave their desk to find what they need.

Area managers and supervisors are now able to review all their invoices through Job Manager, significantly reducing calls and interruptions in the accounting office. All the documentation they need is now directly accessible to them through their Job Manager connection. There is no longer any need to keep copies of everything in the field offices."

Electronic Approval System

With a staff of over 80 employees, including project managers, field managers, registered architects, engineers, land planners, estimators, financial managers and administrative staff, this company, established in 1908, offers customers a continuum of services from site selection to design and budget analysis, through construction and facility occupancy.

"A primary goal of DMS was to enhance the accounts payable process. One of the main challenges was getting incoming vendor invoices approved for payment in a timely fashion. Frequently the project managers were not in the office or readily available to review and approve their invoices. Paperwork was often misplaced as it was routed from desk to desk. Keeping track of all this flow of paper was very inefficient. DMS remedied these issues.

The Approval System has been a very effective tool in streamlining this entire process. Incoming documentation is now scanned immediately, coded with the appropriate vendor information and routed directly to the appropriate project manager for review and approval. Using the automatic DMS email notification, each project manager receives an email reminder that documents are pending. Now the AP clerk is able to monitor all the pending documents and hold the appropriate people accountable. As the invoices are approved and released, they flow directly into the AP process for payment.

Project managers are now able to log into their Approval System in-box remotely, allowing them to review and release documents 24/7. They no longer need to return to the office to access and review their paperwork."

We have divisions in several cities and multiple states. These divisions used to mail us their payable packets (invoice, packing slip, purchase order) which we would use for data entry and then file. They are now scanning these document at their office and thru our VPN's, the images are on our servers and the people in AP simply attach the images as they key the data into the INTERAC AP application.

In summary, we are extremely happy with the application and plan to expand its usage in the coming year."

Ease of Access to All Kinds of Documentation

This public accounting firm with two partners, two CPA employees, two staff accountants and other support staff, made the decision to implement the DMS system several years ago.

"The main benefit for our firm is using DMS to "store" client tax returns and information. Our tax preparation software produces PDF files that are 'added' to the DMS system. We also scan in a large amount of client information. The DMS system allows us to easily store and recall literally thousands and thousands of W-2's, 1099's, brokerage statements, handwritten notes and work papers. Previously we had returned all of this information to the client and rarely retained copies because of the burden of copying and storing these documents.

The storage space required for the DMS documents is minimal. We originally purchased a separate 320GB hard drive to house all of our DMS files. We anticipated this amount of storage space would last three to five years. We prepare approximately 2500 tax returns each year and based on current usage, the disk will hold at least 10 years of information!"

Reducing Archival and Storage Expenses

A heavy industrial contractor found significant savings in the man hours required to manage the filing and maintenance of their paper archives.

"With a volume of about 600 invoices and 120 checks per week, DMS has eliminated five double wide file cabinets full of paperwork that no longer has to be filed and stored. This has also helped to eliminate documents that were frequently 'lost in the shuffle'. Not only do the documents not get lost, there is no longer a need to locate paperwork in the files and then re-file it when a review is necessary. Once it is attached to a record through DMS, it is always available to anyone who needs it.

The Document Management System more than pays for itself every year, with an estimated savings of $36,000 per year just in man hours saved from not needing to file, locate, re-file, and store all those cabinets and boxes full of paper."

Reducing Archival and Storage Expenses

This large national electrical contractor began investigating imaging systems to deal with the 100 -120 boxes of AP related paper being generated every year.

"On July 1, 2006 (the beginning of our fiscal year) we went live with DMS for accounts payable for all 9 of our companies. Thru the 1st 11 months we captured over 100,000 images which are available to our users through Accounts Payable, Job Cost, General Ledger and Depreciation. Most importantly, we have implemented the new process without adding additional personnel.

While the AP department was concerned about the up-front time required to attach images to all transactions, they quickly realized that the back-end savings were so great, that they now love the system."

Demonstrating Its Value with Proven ROI

It is very easy to illustrate the return on investment in the Document Management System. Using the simple example below, you can compare the current costs for managing your documentation with the potential savings DMS could offer.

Costs for Paper Based System	Example		Cost/Month
Average Hourly Wage	$15.00		
Number of employees handling documents	5		
Number of documents retrieved & distributed daily per employee	10		
Average time to retrieve a paper document (minutes)	1.5	1500	$375.00
Number of new documents received / generated daily	100		
Average time to file a paper document (minutes)	1	2000	$500.00
Office space dedicated to file storage (10 sq. ft. per file cabinet x $10 yr per sq. ft.)	100	sq/ft	$83.33
Office supplies costs dedicated to file storage	20	$/month	$20.00
Off-site Storage ($10 yr per sq. ft.)	100	sq/ft	$83.33
Monthly Costs Summary (20 working days)			$1,061.67
Annualized Costs Summary for a paper based system			$12,740.00

Costs for an Electronic Document Management System	Example		Cost/Month
Average Hourly Wage	$15.00		
Number of employees handling documents	5		
Number of documents retrieved & distributed daily per employee	10		
Average time to retrieve an electronic document (minutes)	0.5	500.00	$125.00
Number of new documents received / generated daily	100		
Average time to scan or attach an electronic document (minutes)	0.5	1000	$250.00
Document Management Software Annual Renewal	$560.00		$46.67
Monthly Costs Summary (20 working days)			$421.67
Annualized Costs Summary for DMS			$5,060.00

Monthly Savings Summary		**$640.00**
Annualized Savings Summary		**$7,680.00**
DMS Software Purchase Price		$3,500.00
Training & Implementation Costs		$200.00
Desktop Scanners @ $500 ea.	3	$1,500.00
Remote Scan software for Terminal Server ($207 per scanner)	3	$621.00
Total Implementation Costs		$5,821.00

Months to Positive ROI	**9.10**