



CalCPA

California Society of CPA's

Channel Counties Chapter

Implementing the Paperless Office

Garry Jones - *moderator*

Jason Janzen - *panel participant*

Luis Pelayo - *panel participant*

Gretchen Young - *panel participant*

The Paperless Office

conducting business with less paper



Meet the Panel

Moderator

Garry Jones, CPA and principal of *Garry A. Jones & Associates*, Westlake Village

Panel Participant

Jason Janzen, Tax Manager at *Bartlett, Pringle & Wolf, LLP*, Santa Barbara

Luis Pelayo of *Walpole & Co.*, Santa Barbara

Gretchen Young, Tax Manager at *Holthouse, Carlin & Van Trigt, LLP*, Westlake Village

Did you know...?

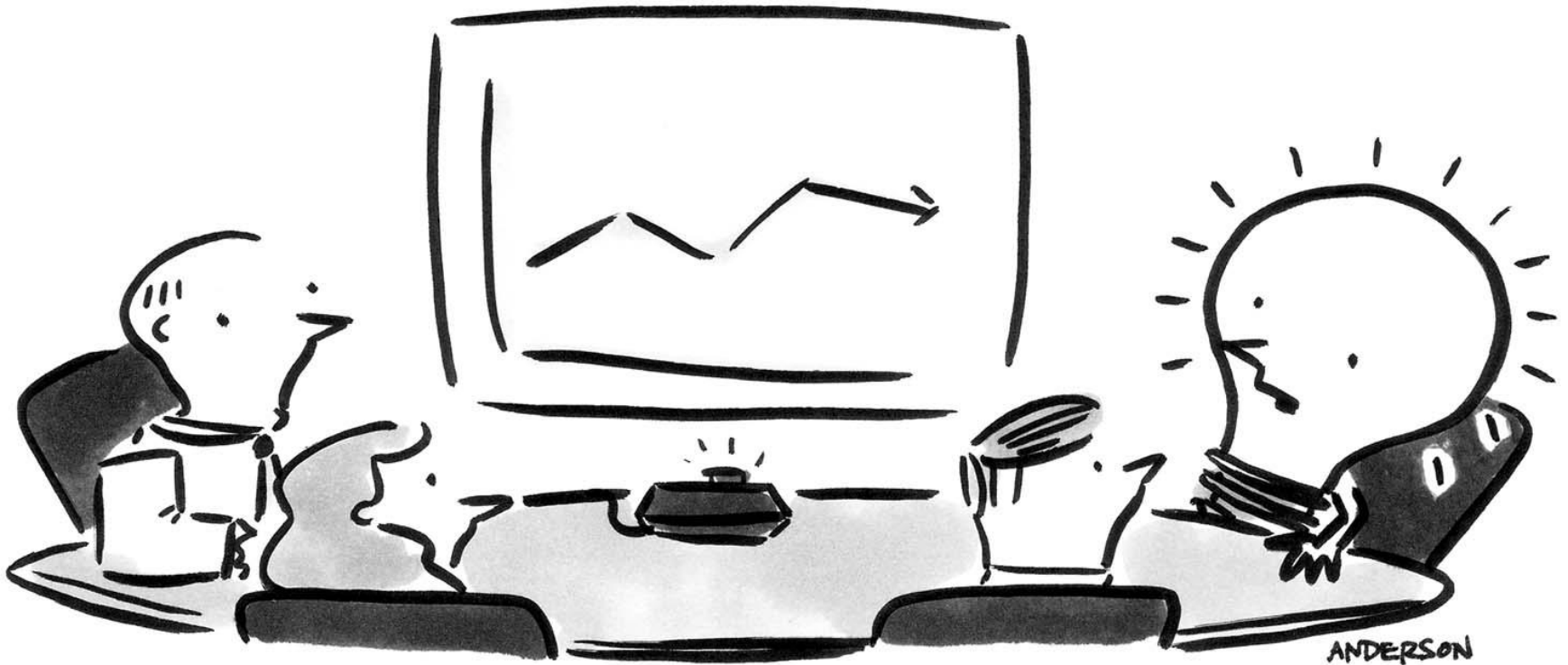
- 📄 A tree can produce about 80,500 sheets of paper.
- 📄 It requires about 786 million trees to produce the world's annual paper supply.
- 📄 In one year Americans consumed 11,916 sheets of paper (24 reams) per person.
- 📄 Recycling one ton of paper typically saves about 6.7 cubic yards of landfill space - that's about 380 pounds of paper.

Paper & Your Office

- 📄 Typical business offices generate about 1.5 pounds of wasted paper per employee each day.
- 📄 Financial businesses generate more than two pounds per employee daily.
- 📄 At least half of the paper produced each year is used in printers and copiers to produce office documents.
- 📄 As much as 93% of all office waste is paper, most of it recyclable.
- 📄 Eliminating office paper from your waste may reduce your waste bill by as much as 50%.

The Concept

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"I think I have an idea."

What is a paperless office?

- 📄 The concept of the less paper office is to be able to conduct business while minimizing or eliminating the need of paper documents.
- 📄 A paperless office creates, stores and manages documents using digital imaging.



What does the *less paper* office look like in action?

In a less paper office you might see staff...

- ⇒ Using voice mail for telephone messaging
- ⇒ Using a palm pilot for mobile calendaring
- ⇒ Using e-mail for communications
- ⇒ E-filing income tax returns
- ⇒ Using websites to present the company's information
- ⇒ Using CD based reference materials
- ⇒ Using online research and reference tools
- ⇒ Paying client and vendor bills electronically
- ⇒ Creating documents in digital formats only

What prompted you to consider going paperless?

- 📄 Limited office space
- 📄 Accessibility to needed documents
- 📄 Disaster recovery
- 📄 Keep up with current trends
- 📄 Need to work from multiple offices or locations
- 📄 Cost considerations
- 📄 Inability to attract younger technological oriented professionals
- 📄 Don't want to buy any more file cabinets

How did you define the project?

- 📄 Decide what paper to eliminate
- 📄 Determine what paper must be kept
 - Documents with seals
 - Documents requiring original signature
- 📄 Determine a universal file structure

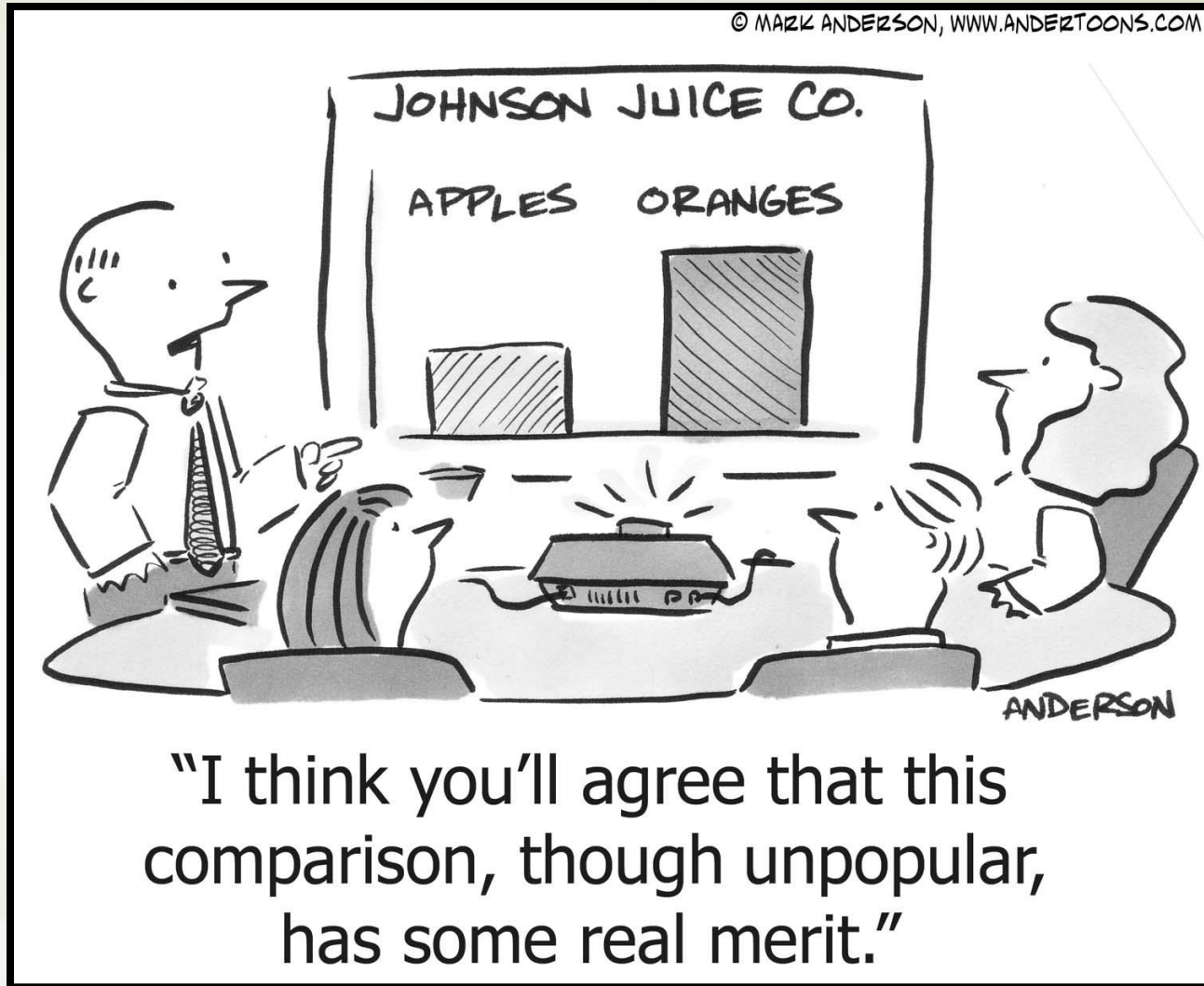


Were outside consultants considered?

- 📄 Guidance through the process
- 📄 Solutions to problems
- 📄 Skilled with technology
- 📄 Outsource scanning



Cost vs. Benefit



What immediate benefits were expected?

- 👉 Operating efficiencies
- 👉 Space saving resulting in lower storage costs
- 👉 Ability to view a document by more than one person at a time
- 👉 Easy document transmission
- 👉 Quicker client response time
- 👉 Reduced reliance on memory
- 👉 Safekeeping of data
- 👉 Affordable cost of technology

What obstacles were expected?

- 👎 Upfront cost for additional computer hardware and software
- 👎 Level of computer skills needed: low-tech (or no-tech) staff will not function well
- 👎 Staff resistance
- 👎 Disruption of current process
- 👎 Fear of losing data
- 👎 System is useless without electrical power

What were the critical factors in your decision to go paperless ?

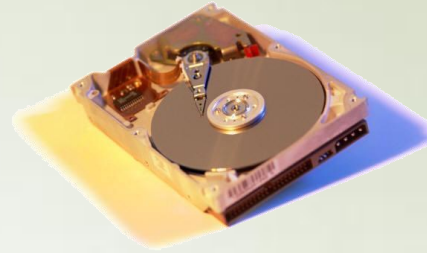
1. Cost savings
2. Space savings
3. Remote data access



Saving Space



Or



- 📁 A single drawer in a filing cabinet will hold approximately 10,000 printed pages. To store the same 10,000 pages electronically requires 500MB (megabytes) of .5GB (gigabytes) of hard drive or computer disk storage space.
- 📁 A 4 drawer filing cabinet would then require about 2GB (gigabytes) of hard drive storage space.
- 📁 That means that an 80GB hard disk drive has the capacity to store 40 four-drawer filing cabinets of documents. That is a lot of documents.
- 📁 An 80GB hard drive now costs less than one 4 drawer filing cabinet and can contain 40 times the documents!

Saving Money



- 💰 It takes *five minutes* to retrieve and replace a paper file
- 💰 An employee works with ten paper files per day, that's *216 hours* a year - over five weeks' time - spent walking files around.
- 💰 At \$20/hour, that's **\$4,300** per year!
- 💰 A system that lets employees find and work with those documents without ever leaving their desks can instantly slash those costs.

The Process

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"We're going to be taking baby steps for a while, so I've taken the liberty of ordering booties for all of us."

How do I approach the project?

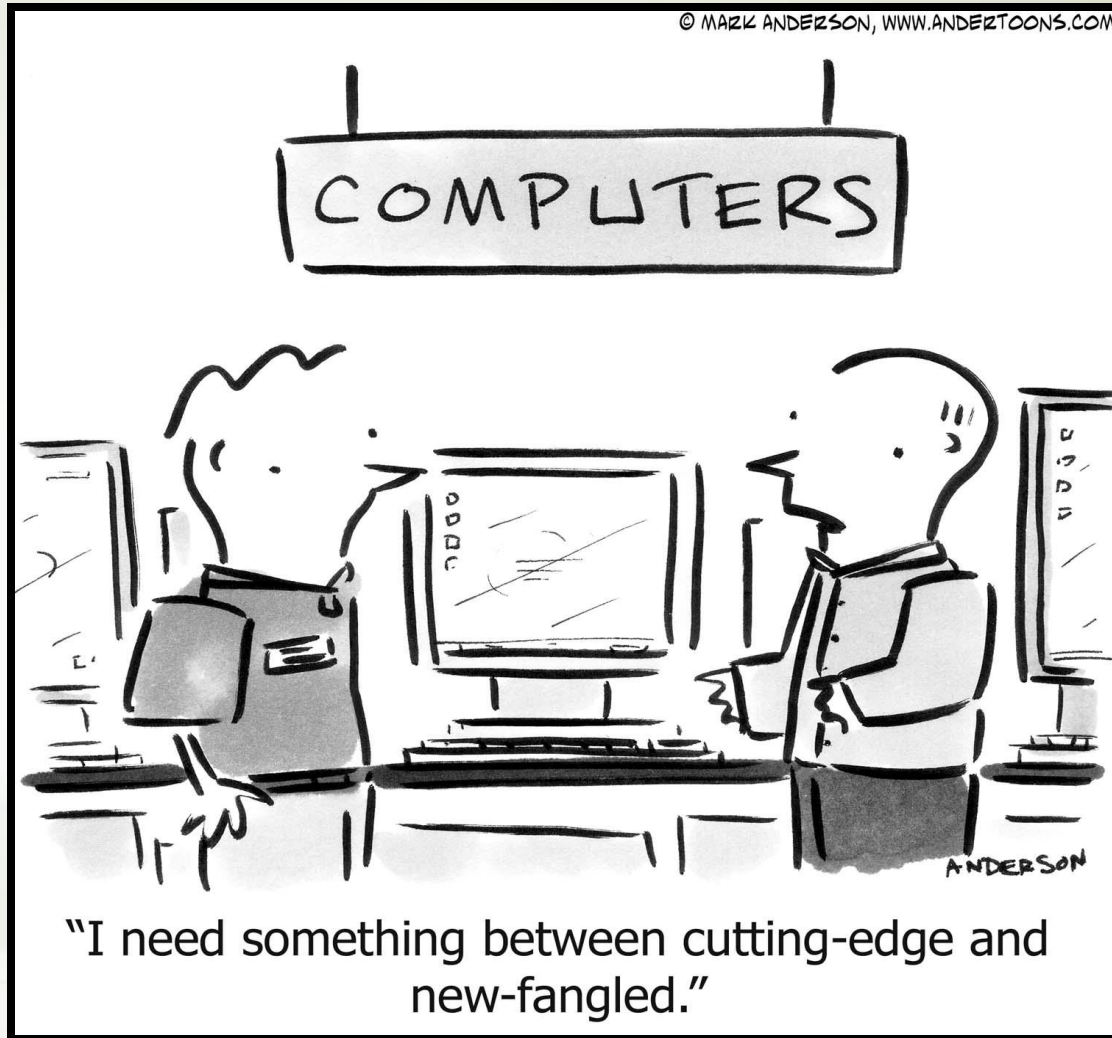
- ✓ **Step 1 - Develop a plan**
 - Consensus of the partners
 - Assign a project leader
 - Technical research
 - Resources to be applied

- ✓ **Step 2 - Monitor the plan**
 - Set a goal for the project length
 - Set interim milestones

- ✓ **Step 3 - Modify the plan as needed**





- ✓ **Step 4 - Continue with steps 1 - 3 until completion**

The Components






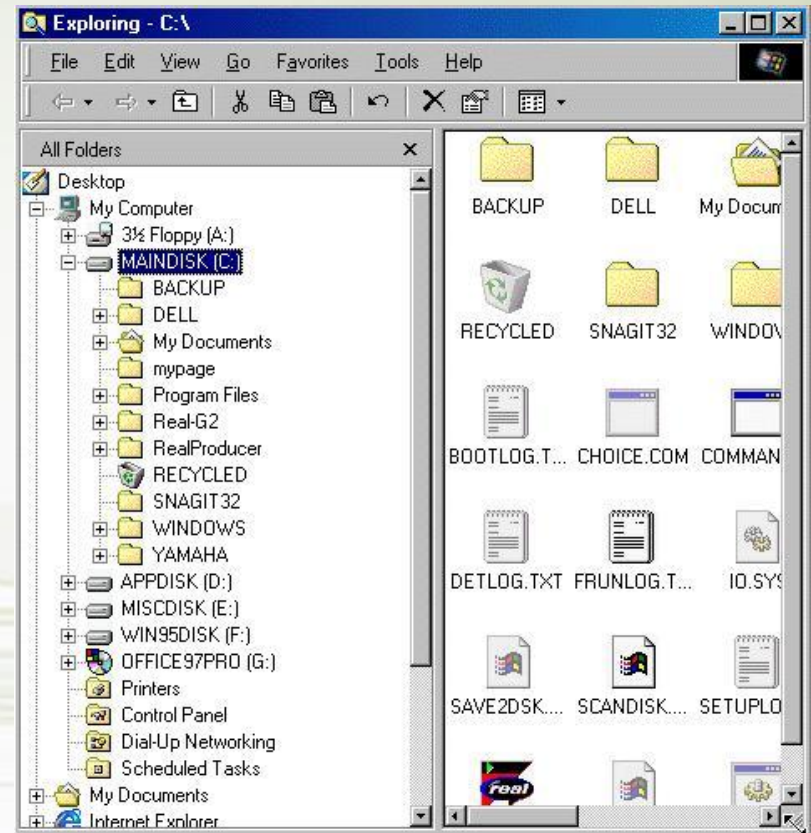
What software programs were evaluated and then chosen?

Types of programs

-  Standard program, such as Windows Explorer
-  A more sophisticated document management system, such as DMS by Lacerte
-  Industry specific program
-  Optical character recognition (OCR) program

Other considerations

-  Vendor stability
-  Price
-  User base



What hardware technologies were considered?



Digital Scanner with ADF

Dual Screen Monitors



Data Backup System



Networked Computer System

Technical Difficulties



What challenges were encountered?

Hardware

- Scanner speed inadequate
- Server speed diminished by heavier traffic load
- Not enough or too many scanning stations

Software

- Software learning curve too steep
- Software support not adequate

Personnel

- Inadequate staffing - too many of too few
- Poor attitudes towards new technologies
- Difficulty in training

Other

- Revision of process
- Ongoing maintenance
- Data Integrity matters
- Length of project
- Speed of results
- Security Issues

What were the interim effects on the organization during implementation?

- 📄 Disruption of traditional document flow
- 📄 Some staff rendered technological inept
- 📄 Frustration due to lack of understanding of the new process



How did your initial expectations compare to the actual results?

- 📄 Budget
- 📄 Cost vs. Benefit
- 📄 Effectiveness
- 📄 Ease of implementation
- 📄 Ease of use



What advice can you offer to firms considering going paperless?

- 📄 Get a comprehensive plan.
- 📄 Obtain a buy in for all parties, especially the partners.
- 📄 Set milestones so progress can be measured.
- 📄 Develop and use a good file naming structure.
 - The company or client short name or initials.
 - A detailed description of the document content.
 - The date the file was received or created.

What do you intend to do next?

- 📄 Expand the paperless concept to new areas
 - ✓ Client billings
 - ✓ Time tracking
 - ✓ On-line vendor bill pay
 - ✓ Client presentations
- 📄 New equipment



Questions & Answers



Thank You!

Moderator

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