



# 10 Simple Ideas for Improving Records Management

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## Introduction

By implementing a few simple changes, firms can improve reliability, productivity and increase profit. You may say that records management isn't a profit center, but it is! Every productivity gain you can implement makes your organization more profitable. I have been working with the information management community for 12+ years and have observed inexpensive changes pay huge dividends for many companies.

Not all of my suggestions will apply to your company, and you may already be doing some or most of these things, but if your organization can benefit from just one of my suggestions, your reading my booklet is worth your time.

### Assign a "Gatekeeper"

Picture an organization with no one in charge. Anyone can order any supply or service from a vendor. Anyone takes anything they need from the supply closet, and no one is there to restock or reorder. In some small businesses there may not be any budgeting process either. Many companies operate records retention this way.

To prevent situations like this, assigning "gatekeeper" or document controller duties to someone in your organization is very important. Firstly, it makes everyone who generates or checks out a document accountable to a specialist. This specialist will also be able to informally train all of your company's employees in archiving, indexing and retrieval procedures. Just having the document controller available to answer questions can be very helpful. For example, this might be as simple as answering a question on the phone about what box number can be used next, or when the next delivery is scheduled.

Secondly, your document controller will act as a clearinghouse for all document traffic. Your document controller will work with your storage vendor and will know where every document is at all times. Your document controller will pinpoint whether a record is at Data Storage, in the file room, or if the CFO has it. This person will eliminate wasting time chasing all over the office looking for the 2009 J-K Vendor File!

Most importantly, the document controller should be in control of the records retention budget. Charge off rent for file room floor space, any deliveries, box, file folder, storage and other expenses to the records budget. This will create a great incentive to retain, dispatch, store and destroy documents in the most productive and profitable way possible!

When the office needs to have a document delivered, the document controller will have to approve that expense. The document controller may determine that a rush delivery isn't

always necessary! With a few hours of monthly maintenance your document controller will improve productivity, profitability and save your company hours of manpower.

## Box Them Up Right!

Oftentimes companies store documents in computer monitor boxes, copy paper boxes, shoeboxes, you name it. This is far from ideal. A good box should be the proper size, secure, strong, and resist crushing.

Using boxes of the correct size is crucial. A box that is too small or large often crushes and deforms documents. It is also tempting to lay files on top of the files in a small box in an effort to use fewer boxes. These files in the top of the box can easily slide out during moving. If the box is too large, files can move back and forth in the box during handling or transport. This movement can shuffle your files like a deck of cards. Try finding the right document in that box.

Retaining records is not just a matter of storage; it's also about protecting them, maintaining order, and locating information. Boxes that have no lid or an ill-fitting lid are unsafe for transporting sensitive documents. The trip from your office across the parking lot to the company car or truck can be windy. When the lid blows off and records scatter across the parking lot, suddenly you have a chaotic situation threatening to scatter your protected information across the city. Remember, if the document is worth keeping it's worth protecting and storing in a good box.

A good records box should not be too heavy when full. It should also fit the documents being stored. Standard records boxes come in legal bankers, letter bankers, letter/legal, check and other sizes. This makes it easy to find a box that fits your needs. I recommend the letter/legal box. This box easily accommodates letter or legal sized documents and rarely weighs over 35lbs when full. Banker's boxes can weigh 70lbs plus when full, and using these could be inviting workers comp claims. The lighter letter/legal boxes do not burst as readily when being stacked or handled.

When selecting a box I look for a one-piece box, with no glued seams. The one-piece box is easier to assemble and stronger as the lid is integrated into the structure of the box. Avoid the glued or taped seams as they degrade over time and tend to burst as they age.

## Schedule Those Deliveries

I have already mentioned this briefly, but it warrants mentioning again. Schedule those deliveries internally. Circulate a memo that lets everyone know routine document delivery and/or pickup is on Wednesday afternoon, or whenever is most productive for your organization. You may even use daily or twice daily service. Whatever the case may be, a schedule forces users to think about whether they really need a stat delivery, or if next scheduled delivery will be sufficient. Sometimes the rush service will be required, often times it won't be.

This approach works best if your company has a document controller. Several of our customers have cut their expenses a third by maintaining a delivery schedule.

## Find Out How Much Your Storage Space Costs

How many square feet is your file room, warehouse or storeroom? How much per square foot does your building cost annually? What are the costs after you include utilities, taxes, insurances, associated labor and other overhead? These are very important questions when making productive and profitable decisions about records retention.

I spoke with my friend Shawna Hale at C.B. Richard Ellis Tulsa, OK (if you need space in town, she's the hammer.) in March 2011. At that time Shawna showed me that rents for office space in my hometown, Tulsa, OK, range from about \$10.00 per square foot per year to as high as \$20.00 per square foot per year. Shawna also showed me that well-maintained existing office space in Tulsa was selling in the \$85-\$125 per square foot range. Remember, we are talking about Tulsa, OK, and we don't have a real estate bubble here.

At those kinds of prices, which don't include insurances, utilities, furniture, shelving, maintenance, etc., it can be more productive and profitable to free that space for generating revenue. A very modest 15X20 file room can cost as much as \$6,000 per year in rent alone, not to mention forgone profit that could be generated by some other use of that space. It might even cost as much as \$37,500 to buy that floor space. A records storage facility (think Data Storage, Inc.) can often store the contents of that same file room for as little as \$100.00 per month. Making a change like that can seriously help your company's bottom line.

## Get That Stuff Out!

Filing and pulling files can be labor-intensive activities. One way to minimize those activities is to purge documents from your file room as soon as possible. It doesn't make sense to continue to handle, sort and work among these files once they become inactive. Which is simpler, filing a new file into ten thousand files, or one thousand active files? I'll take one in a thousand. Reduce the number of working files by purging inactives. Removing less active files quickly and filing these by year makes it easier to find any misfiles that may arise. These less active records may be purged for storage elsewhere in your offices, or offsite with Data Storage.

The point is, take these files out of the daily scope of work. It has to happen eventually, and moving less active files earlier makes your file room more productive today. Timely document archival can help keep sensitive documents away from the prying eyes of unauthorized users, which brings us to our next point.....

## Limit Access

Not everyone should have access to every document. Does the intern need to see the 2010 profit and loss statement? Do you have HR, workers comp or other sensitive files under lock and key? If you don't have these and other documents with privacy concerns under limited access, you probably should. With the rise of Sarbanes-Oxley, HIPAA and identity theft, privacy and confidentiality are growing concerns. Even corporate espionage, (stealing your client list or worse) can be a problem.

Use your document controller to help you limit your exposure to these liabilities. This person will know your policy and will also know who has permission to access various types of documents. They will also maintain a chain of custody for each document, (who signed it out, when they returned it) which will increase accountability among end users, and make it much easier to deal with breaches in confidentiality or privacy.

Getting documents out of your office can be an enormous boost to security. Any facility that is off-site and can be locked is preferable to storing sensitive documents in a supply closet. My company, Data Storage, Inc., for instance has state of the art security, and confidentiality agreements issued for all of our clients. Our clients can rest assured their documents are supervised at all times and under lock and key.

I have heard a number of stories over the years about a client firing an employee, and that person later came back to "shoot the breeze" with friends in the office, and stole documents while they were there. It can happen in any organization. (Remember Sandy Berger) Data Storage has turned away requests many times by users who were not authorized to access documents, or weren't even employees of our clients any longer. If one of these disgruntled types sabotages relationships with a key client of yours, let alone steals them, what would that cost?

## **LIMIT ACCESS!!!!!!**

### Establish a Retention Schedule and Procedure

Our clients often discover eight-year-old documents with no destruction date. The dilemma with such a document is, "Should this document have been destroyed at seven years, or should it be kept for ten years?" To be safe, most of the time the document ends up being kept ten years. The person who generated the document is probably long gone, and the risk

*Limit storage and management costs, destroy documents regularly.*

involved in destroying the record early is too great. Not having that destruction date available often leads to draining profits away by paying for unneeded storage.

Scheduling destruction doesn't take a great deal of time when the document is being created. All of the information about that record is available, and the best destruction scheduling decision can be made as the record is being archived.

A good retention schedule describes the document, when it was created, when it should be destroyed, and who should sign off on the destruction when its retention life nears its end. Here are a few suggestions for yours.

## Records Destruction

*Timely, secure records destruction is the best legal and ethical way to dispose of a document and control records management costs.*

### A Suggested Document Destruction Procedure

When it's time to consider disposing of a document, there are a number of things that should happen.

1. The document type must be determined. Is the document an invoice, an h/r file, an old lease, or a stock certificate? This is the most important factor; an expense report does not need to be kept as long as a lease contract or workers comp claim.
2. Reference your company retention schedule. (Risk management or your attorney will have to help prepare this.) The retention schedule will let you determine the destruction date.
3. If the date is nearing, request the responsible parties to sign off on the destruction of the document. This "signing-off" is necessary because pending litigation, billing disputes or other circumstances can lengthen the useful life of the document. Only the "responsible party" would have this info.

After everything checks out, give Data Storage written orders to destroy the documents, and request a certificate of destruction upon completion of the work.

## Automate Destruction

After a retention schedule and destruction procedure is available “automating” execution of your destruction procedure makes sense. Once a month, quarter or year, print a report listing documents ready for retention review. Execute the destruction procedure at that time. Destruction should be scheduled for the same time or times each year and carried out faithfully. No one enjoys this task, and it tends to be pushed aside, and excess storage expenses are incurred as a result. Timely destruction leads to profits.

## Either Refile, or Don't Refile

Filing archives can present a problem. Here are two examples:

Example 1. A doctor's office requested an inactive record to fill a patient's request for information. Data Storage delivered the file; the staff made copies and now need to figure out where to put the file.

Example 2. CorpCo. Inc. requested a file on a terminated employee who is suing for wrongful termination. The attorney copied the entire file. Where should he put it?

The doctor's office in example one didn't do anything to change the useful life of that document. If they shelve it at the office, they'll have to box it up again later, leaving empty space in an older box in storage. They would also store that file for years longer than necessary.

The most efficient option is to refile the chart in its original archive box. The box stays full (more storage for your money), and the document gets destroyed on time. This example might sound unimportant, but years of neglecting refiling have a real effect on productivity and profitability by increasing the volume of storage space required.

CorpCo better keep their file. If they send it back to storage, there is a good chance it could be destroyed when its original box is slated for destruction. It could be instrumental in winning the suit and you don't want it destroyed too early. The legal action this file is involved in changed its destruction date. It should be kept with files with a similar life span. Preferably files from the same lawsuit.

To recap, if you are only copying a record, it should probably be refiled, if you add to the file or use it in the course of ongoing work, you should revisit the destruction date and find a new home for that record.

## No Self Storage

Self-storage facilities can seem a convenient and inexpensive way to store your records, but they are not ideal. Self-storage companies often cannot prevent the storage of gasoline, paint,

propane tanks or other hazardous or flammable materials in the same building as your records. In Oklahoma meth labs are routinely discovered in self-storage units. I don't want a meth lab to damage my records.

We have received thousands of boxes of records from self-storage facilities over the years and a large percentage of them have been damaged in some way. Drainage many times is not ideal so boxes on the floor often get wet. Roof maintenance is often lacking, so leaks are common. These storage closets are also hot, or cold, dusty and dirty. Termites and rodents often damage self-storage documents as well.

In order to store efficiently, shelving is essential. Add up the cost of the shelving, labor to erect the shelves, labor to move the boxes to storage, and labor to drive to and from your office to service the records. (What's it worth to drive to storage in the snow and ice?) Among the less obvious expenses are the employee trips "to storage." The employee often wants to just get out of the office. After getting the file they needed they stop at the dry cleaner, Quik-Trip and the house on the way back to the office. After all this, add in the deposits and monthly rent on the unit and suddenly that is an expensive, time consuming closet.

The idea that self-storage is cheap and convenient is deceiving, so storing with a records storage center makes sense. A facility like Data Storage has around the clock staff available to answer questions, provide advice, pull files, fax information, merge or purge files, shred documents, pickup or deliver records and a long list of other services. Security and fire monitoring are standard at records centers, not at self-storage. We even sweep the floor for you at Data Storage; you can't get that at a self storage.

## Conclusion

To recap:

1. Assign a "Gatekeeper"
2. Box them up right
3. Schedule those deliveries
4. Find out how much your storage space costs
5. Get that stuff out
6. Limit access
7. Establish a retention schedule and procedure
8. Automate destruction
9. Either refile, or don't refile
10. No self-storage

Paper records are economical and efficient means of storing information. Careful

management and implementing a few of these ideas will insure that your records management functions will be productive cost effective for years to come. I hope you have found my booklet useful and informative. I welcome your suggestions and feedback, so feel free to contact me, Scott Hambrick, at [Data Storage](http://Data Storage) (918)664-6164 or [scott@datastorageinc.com](mailto:scott@datastorageinc.com).

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