

Your Comprehensive Guide to Document Management

Your essential resource for researching and exploring Document Management



What to Expect from This Guide

This comprehensive guide offers a detailed and thorough overview of all aspects of document management, providing you with an in-depth analysis of the subject matter. It is designed to serve as an essential resource for researching and exploring potential solutions, offering a comprehensive understanding of the various tools and techniques available to streamline document management processes.

Additionally, the guide helps you identify your organization's unique needs and challenges, enabling you to develop an effective strategy for managing documents while remaining compliant with relevant regulations. Whether you are a small business owner or a large corporation, this guide is an invaluable tool to help you optimize your document management processes and maximize productivity.

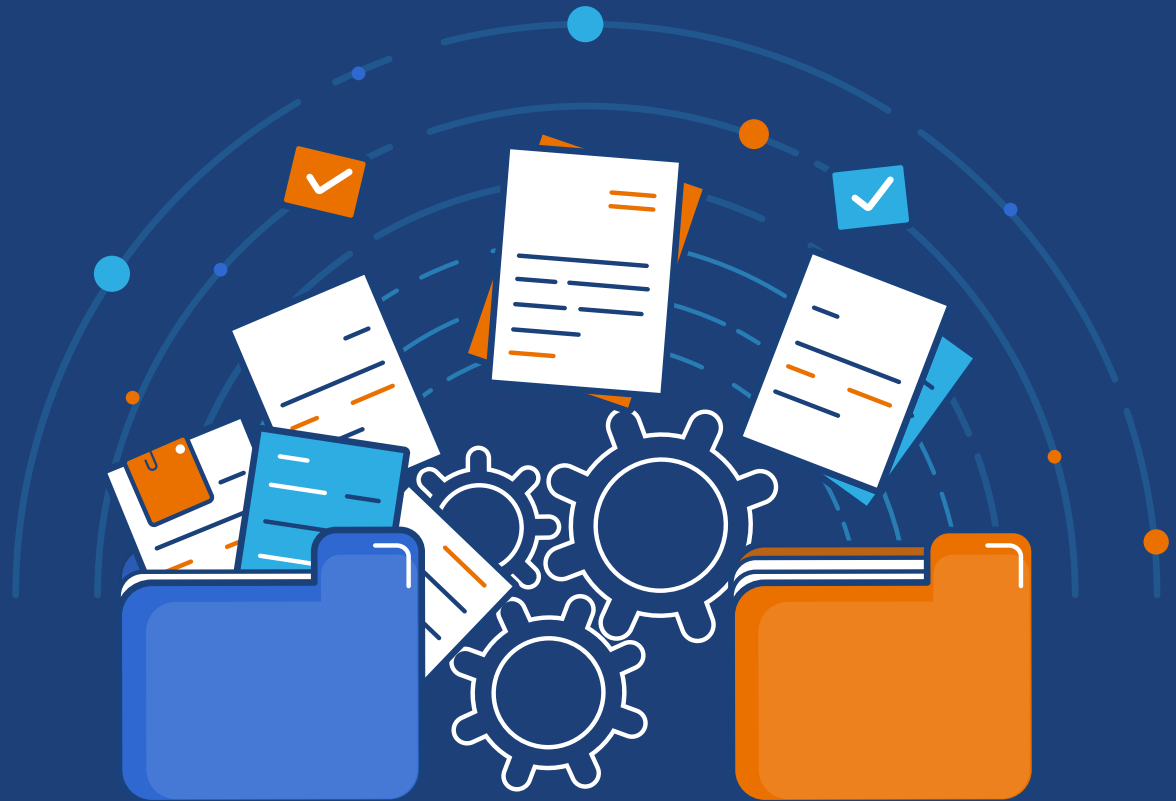


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What is Document Management?

Document management is a critical aspect of modern business operations. From transactions and agreements to employee and customer records, nearly every aspect of an organization relies on information to function, most of which is found within documents.

But as an organization grows, this information can become unwieldy to manage manually, creating disorganization, setbacks, and inefficiencies that prevent your business from reaching its full potential.

Document management software is designed to organize, store, manage, and track documents and content within an organization to simplify processes, improve efficiency, and create competitive advantages.

Why Invest in Your Document Management Strategy?

With the adoption of automation tools and solutions on the rise, many companies are making document management a part of their wider strategies to help with:



Compliance



Risk



Cost Reduction



Productivity



Collaboration



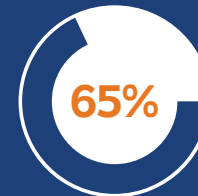
Customer Service

With growing economic pressures and a far more competitive labor market, many organizations are continuing to double down on investments in intelligent information management solutions like document management. This trend can be summed up with the following statistics from AIIM:



4.95

The average number of information management systems within an organization has risen from 3.14 to 4.95.



Almost two-thirds (65%) of organizations have achieved significant digital transformation, up from 46% in 2018.



20%

Information Management



16%

Information Governance

Information management (20%) and information governance (16%) are the top skills organizations, departments, and individuals from all demographics require.

Understanding Documents

To effectively manage your documents, it's crucial that you understand the documents themselves. This includes the key differences between paper and digital records, the lifecycle of a document, and the regulations that contribute to your document management strategy.

Paper Vs. Digital Documents

Digital document management offers a tangible advantage over its paper counterpart, leading to a gradual conversion towards this method throughout most industries.

Paper Documents are difficult to organize and easy to misplace. Even the best manual filing system will contain some degree of ambiguity and will be unable to enforce where documents are filed by you, your co-workers, and your staff. Unless there are multiple copies, physical documents can only be accessed by one individual at a time and are subject to environmental risks such as floods, fires, weathering, and tearing.

Digital Documents, by contrast, offer controls and enforcement methods that ensure documents are stored and indexed correctly. These methods also offer the ability to search by index fields, keywords, and other data points, making documents significantly easier to retrieve. With more durable storage methods and the capacity for automated backups, digital documents can even survive adverse conditions, ensuring they are available for years to come.

Document Lifecycle

Each document within an organization has a unique lifecycle that contains the following elements:



Creation: A document is generated with information intended to fulfill a specific purpose.

Approval: The document is either green-lit for use by management or is sent back with suggested revisions.



Storage: The document is kept in a secure but accessible location until it needs to be referenced.

Distribution: The document is called upon by either a workflow, via a search, or some additional method.



Archival: The document is stored until its mandated retention period ends.



Destruction: The document is deleted or discarded once the mandated retention period ends to reduce risk and liability

Regulations in Document Management

Document retention and data privacy regulations contribute to how organizations manage their documents.

Documents like invoices, employment records, contracts, and more are all legally mandated to be kept for specific amounts of time. During audits, organizations must be able to produce these documents or face steep fines. Fines for failing to produce an I-9 form, for example, which proves eligibility to work in the United States, can be upwards of \$10,000.

Certain types of information, including personal health, financial, and identifiable information, require reasonable safeguards to maintain as well.

By offering a fast and convenient way to retrieve documents during audits and controlling who has access to protected information, document management solutions help organizations abide by these regulations and avoid penalties.



Benefits of Document Management

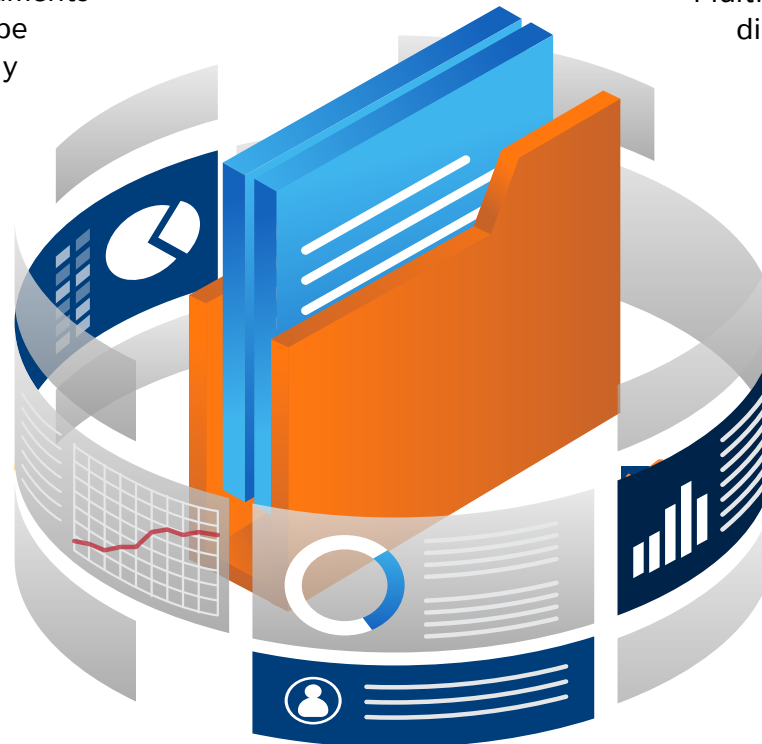
Effective document management offers organizations a slew of benefits, including:

✓ Increased Security and Compliance

With regular audits that call for documents and personal information that must be safeguarded, organizations frequently implement document management solutions to automate document retention, provide convenient access to records during audits, and restrict access to protected information to only those trained and authorized to handle it.

✓ Reduced Costs and Increased Productivity

The costs of paper, ink, toner, on and off-site storage, printer rental, and maintenance add up to an exorbitant amount that could be completely sidestepped. Combined with productivity increases that reduce paid hours spent on document retrieval, collaboration efforts, and more, the savings become even more apparent.



✓ Improved Collaboration

Multiple file versions can often be confusing, and disjointed processes for passing off documents to approvers and other collaborators can lead to severe bottlenecks. Automated document routing, version control, editing marks like redactions and approval stamps, and other collaboration tools ensure your organization can work collectively and efficiently.

✓ Enhanced Customer Service

When information is time-consuming to retrieve, customers are often left waiting for answers. By providing readily available access to countless records, your team can be ready to field any question that comes their way.

Finding The Right Document Management Solution

With so many diverse options on the market and an enormous amount of information to parse through, finding a document management solution that meets your organization's needs can be challenging. But by understanding the different types of options, your own document needs, and the features that will be key to your success, you can quickly narrow your search and find the right solution for your business.

Types of Document Management Software



On-Premise - With an on-premise solution, your organization owns the software, which also means bearing additional responsibilities and costs. This often means paying for the price of the software upfront, as well as any hardware and maintenance costs for the on-premise server. An experienced technician will also be required to keep the system running smoothly.



Cloud-Based - With a cloud-hosted solution, the responsibilities and costs of server maintenance are shifted to the provider for a monthly or quarterly cost. Adding additional resources for your solution can also be as easy as flipping a switch, and for web browser-based solutions, cloud hosting has the added benefit of document access from any authenticated device.

Because many organizations find the shift in responsibilities and added benefits of cloud hosting appealing, it has become the preferred option industry-wide for many years.



Uncovering Your Document Needs

Document type and volume will be the most important aspects for determining the resources necessary for your document management solution.



Document Type: The breadth of information and detail on each document and the number of pages will determine how much digital space it will occupy. Invoices, for example, are typically a single page with a fair amount of white space. Contracts, by contrast, are often several pages and full of detail.



Document Volume: The volume of documents you plan to handle regularly significantly affects these resource requirements. Each instance of a specific document type within your solution will take up its own digital space, creating a multiplicative effect on your storage requirements.

In addition to storage, these metrics affect the processing power and ready access memory (RAM) needed for processes like workflows and document capture.

Key Features to Look For



Workflow Automation: Workflow automation is a powerful tool capable of automating the indexing, storage, and archival of documents, tracking and managing retention schedules, or even routing documents through approval processes like invoices.



Advanced Search: If your organization works with high volumes of documents, advanced searching options help you find what you need. Drilling down to specific documents by layering index fields or applying Boolean logic (and, or, not, etc.) to distinguish how to layer these fields can filter out irrelevant results.



Version Control: If your documents often have different iterations throughout their lifecycle, being able to filter by document version can provide insights into what these documents contain and when.



Collaboration Tools: For documents that require revisions and edits throughout their lifecycle, the ability to add comments, redactions, stamps, and other editing marks eliminates the need to download or even print the document for these changes.

Creating an Effective Document Management Strategy

Creating an effective document management strategy involves a blend of best practices to apply to your organization's goals.

Setting Clear Objectives

To establish your goals, look for areas of improvement within your business with highly repeatable processes and a proven return on investment from others in your field. A bank, for example, may need quick and easy access to loan and credit files, or a manufacturer may need to store heat certifications or material safety sheets. It's also important to understand why you're automating these processes. Is it for better compliance, improved productivity, enhanced customer service, or something else entirely?

Identifying Stakeholders

Identifying who will be affected by this new solution ensures that their voices are heard and that their buy-in is considered, which can drastically affect the rate of the solution's adoption. Key factors to consider are who will use the solution daily, support it, and manage change within their departments or divisions.

Establishing Document Management Policies

Understanding the privacy compliance regulations and retention schedules of your area will govern how you develop your policies. In the absence of effective regulations, it's worth considering who within your organization will need access to each document type and for how long each document will be relevant.



Document Capture and Scanning

In order to transition towards digital document management, many records must be scanned in from paper form. While this can present some challenges, there are also proven methods to make this experience as painless as possible.

✓ Importance of Efficient Scanning

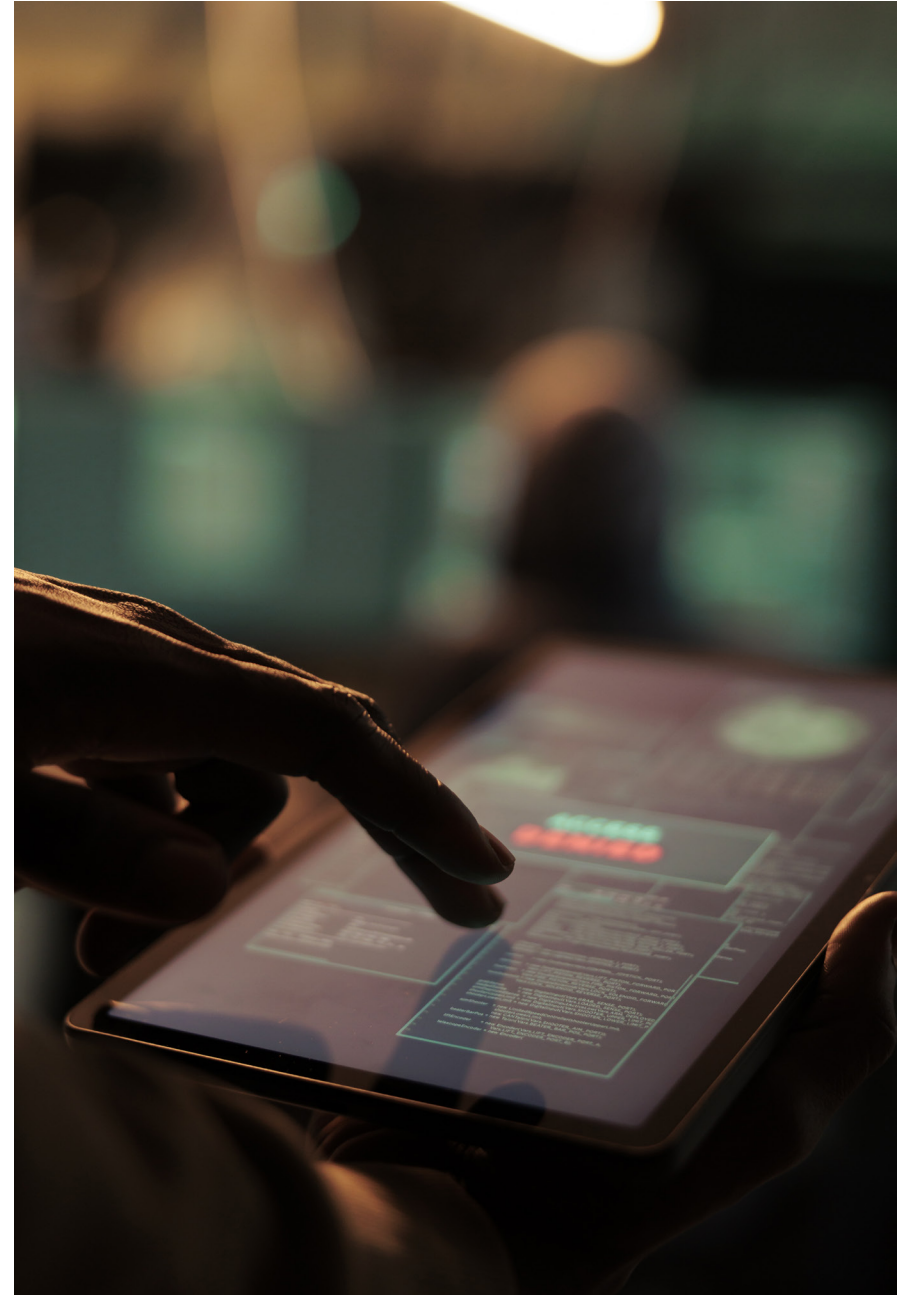
When it comes to document capture, scanning leaves an impression. The scanner is what the users will interact with when loading documents into your solution, and as such, a poor experience can decrease morale and the adoption of the new solution.

✓ Choosing the Right Scanning Equipment

The potential for scanner contention, fixed settings that affect file size, and lack of scalability for high volumes of documents make multi-functional printers a casual scanning tool only. To optimize file size and add efficiency and convenience to the process, a high-volume desktop scanner for employees who frequently digitize documents is the ideal choice.

✓ OCR Technology for Text Recognition

Optical Character Recognition (OCR) can significantly reduce the amount of time needed to enter documents into your ECM solution. By translating squares of ink and white space into computer-legible pixels and text, OCR technology can help you automatically index documents and share this data with other solutions you use. The ideal scanner settings for OCR technology are 300 DPI and black-and-white coloring. This allows for sufficient OCR legibility without inflating file size.



Organizing Documents

Document management offers multiple avenues for organizing records, including folder structures, metadata and tagging, and version control. The best-designed solutions use each of these avenues in the proper scenarios.

✓ Folder Structures

Folders add layers of organization to your records, but with a well-indexed database that takes advantage of current search techniques, there is very little practical need for them. They do, however, add visual comfort that makes the solution more natural to end-users.

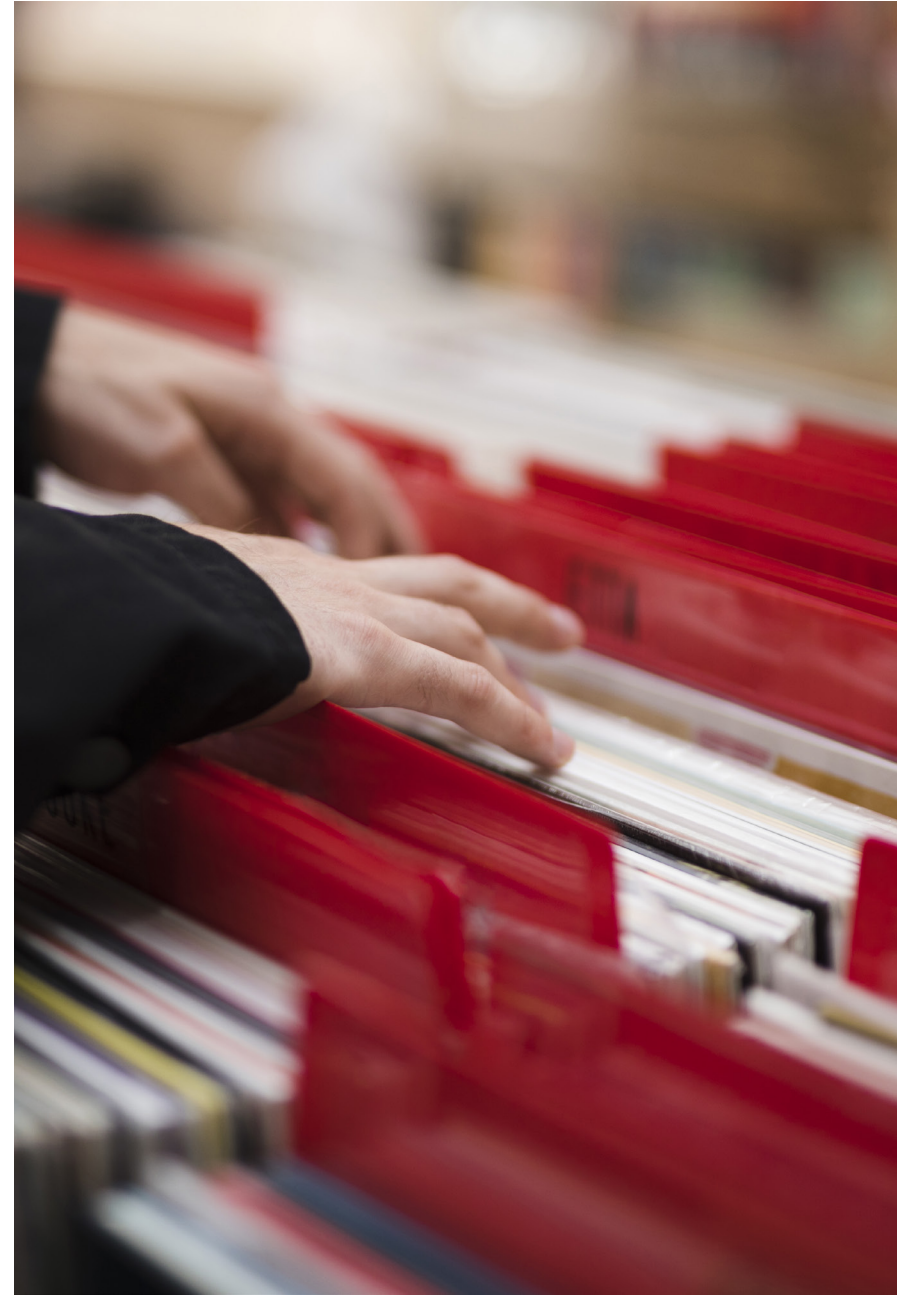
One practical application for folders is that access permissions can be applied in mass using folders, reducing the risk of leaks and ensuring protected data can only be accessed by trained individuals.

✓ Metadata and Tagging

Metadata and tagging are crucial to any document management database. By associating documents with key information, such as vendor names and invoice numbers for invoices or employee names and job titles for certain employee records, these files become instantly searchable using this information.

✓ Version Control

Some documents, such as contracts, undergo drastic changes throughout their lifecycle, and having multiple documents with similar metadata, tags, and content can get incredibly confusing. Version control condenses all of these document versions into a single indexed record. By selecting a date, these documents can then be viewed as they were at any point in time.



Ensuring Security

Many organizations work with sensitive information, including personal health, financial, and identifiable information, that can result in steep fines if not properly handled. Fines for violating HIPAA, for example, can be as high as \$25,000.

Even if your organization's information isn't protected by law, the promise of secure, careful handling of data builds trust and puts others at ease. Document management solutions offer several key ways to protect this information, including:

✓ User Roles and Permissions

By granting document access for sensitive information to specific user accounts within a document management system, you ensure that only individuals trained to handle this information can view it. This narrow pool of access also reduces the risk of leaks.

✓ Document Encryption

Data encryption is a powerful tool for preventing unauthorized access to information. By locking information in a format that requires a specific key from an authorized account, all information is rendered useless to would-be hackers. It's also important to consider whether the solution encrypts data in storage, during transit, or both, as doing one without the other creates points of vulnerability that can be exploited.

✓ Compliance Certifications

Tell-tale signs that a cloud document management provider is serious about protecting your data are the security compliance certifications they have acquired. Standard operating procedures, or SOC compliance certifications, show that organizations are fluent in the best practices



for preventing and truncating breaches, while HIPAA compliance, an essential certification for using document management in healthcare, shows that providers know how to protect personal health information.

✓ Audit Trails

If unauthorized activity is suspected or activity fails to adhere to best practices, audit trails are exceptionally useful. These logs contain all interactions with a record over a set period of time, including who accessed the record, when it was accessed, and what changes were made.

Retrieval and Search

Search capability is one of the most essential functions of any document management solution, but surprisingly enough, there are several variations of this functionality in the industry and some products.

✓ **Index Searching** allows users to filter search results for their documents by specific words, numbers, and phrases associated with the document. For example, a deal jacket for a car may include VIN, make, and model as index fields.

✓ **Full-Text Searching** looks throughout the entire contents of each document for data relevant to your search. This form of search is incredibly useful for e-discovery, contract searching, and other searches for specific phrases and details.

✓ **Filters, Sorting, and Logic** can be used to further drill down on a search. For example, layered searching involving multiple keywords can be used in tangent with Boolean logic (words such as and, or, not, etc.) to show results that include, exclude, or require those additional words.



Document Versioning

Documents will likely change throughout their lifecycle, including edits, revisions, and approvals. Being able to track these changes and the various versions of the documents that result from them is essential for collaboration, recovering from unintended errors, and providing a trail during audits.

✓ Tracking Changes

Audit trails provide a full history of changes to a document, including who made the change, what was changed, and when. These trails show auditors that you are in full compliance with regulatory standards and can even help determine the cause of a breach.

✓ Version History

The version history of a document allows you to see what that document looked like at any given point in time. This tool is incredibly helpful for looking at past terms of agreement for contracts and restoring previous versions of documents in the event of unintended changes.

✓ Restoring Previous Versions

By selecting a previous version of a document in its version history and setting it as the default version in the database using version control, previous iterations of a document can be restored as the current one.



Compliance and Legal Considerations

When it comes to managing documents, several legal factors can affect the features you may benefit from in a solution:

✓ Regulatory Compliance

Retention mandates for documents such as invoices, contracts, and proof of employment require these records to be held for a set amount of time. This period varies by state; you can avoid steep fines and penalties by automating this process to delete documents only after their expiration.

✓ E-Discovery

Legal disputes are situations every organization tries to avoid, but should the need arise, being able to produce all records necessary for the case will help to bring about a swift resolution. Even records not typically maintained in your document management solution can be captured, indexed, and searched for relevant information.

✓ Data Privacy

With various types of personal information to protect and steep fines and legal repercussions for negligent breaches, account-based access permissions highly limit these liabilities. Meanwhile, security measures such as encryption and cloud-provider certifications like SOC and HIPAA compliance ensure your host is also doing their part to protect your data.



Backup and Disaster Recovery

Backing up your data is incredibly important as it protects against disasters such as human errors, hardware failure, malware attacks, power failures, natural disasters, and more. Backups can save tremendous time and money if any of these events occur. In fact, 90% of businesses fail within 2 years after a disaster in no small part due to the loss of crucial information.

✓ Disaster Recovery Planning

Like all solid business plans, a continuity plan should begin with clear and defined objectives. Make sure to define what scenarios the plan should cover and set measurable goals to ensure your plan meets expectations. What level of productivity do you wish to maintain after a disaster? What profit margin do you believe your company can meet? These metrics will help you test your plan's viability in the event of a disaster to ensure it's getting results.

After setting these goals, it helps to establish an acceptable downtime. Doing so will assist significantly in deciding when and under what conditions your plan should be activated. Finally, it's time to set priorities. Understanding what business-critical functions you can support during a disaster will help maintain a reasonable revenue stream. It's also essential to account for the other processes and operations your business-critical functions rely on.

✓ Offsite Storage

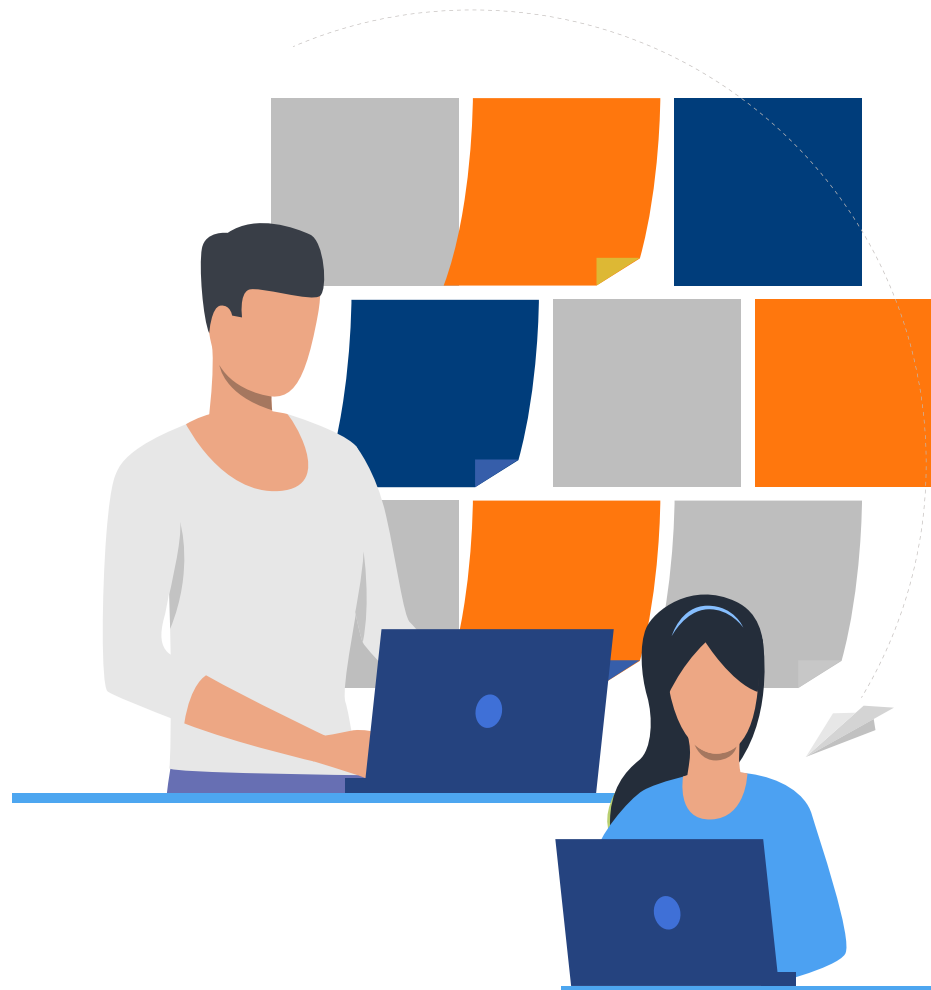
Backing up your database to an offsite storage drive ensures that if a disaster occurs at one location, your data will be safe at another. With cloud document management solutions, these backups are handled for you, allowing you to focus on more business-centric tasks and ensuring these backups adhere to best practices.



Training and User Adoption

No one likes change, and it can be difficult for an employee who has been working the same way for 20 years to see that better options are now available. Despite this, there are a few key ways to help your organization embrace its new solution.

Help End Users Feel Vested by involving them in the solution selection process. Hear their concerns and input and explain the factors that made the final decision. This will help ease concerns about the suddenness of the change and show them that you are working with their best interests in mind.



Provide Tools for Success such as knowledge bases, solution education, and formal classroom training. Some document management providers offer these tools for free to help their customers make the most of their solution, and taking advantage of these offers can help more apprehensive employees see the benefits and hit the ground running.

Case Studies

Elder Care Alliance

Elder Care Alliance is an association of residential senior living communities and one age-restricted multi-family community throughout California. With difficulty communicating and overseeing contract-related policies and conflicting digital locations for storing these contracts, Elder Care Alliance began looking for a solution to help manage these challenges.

Researching several solutions but quickly landing on Square 9, Elder Care Alliance immediately took advantage of the solution's audit trail to easily track contract changes. They also benefited greatly from automatic notifications to keep tabs on upcoming contract renewals and Square 9's integration with DocuSign, which has helped ElderCare to save paper and avoid printing costs.



"It's very easy to use, it's visually very simple, it's user friendly, it's easy to figure out, it's reasonably priced, and it's got potential to really expand in the future."

– **Kat Haas,**

Corporate Records Administrator for Elder Care Alliance.

Summary

Document management is an essential aspect of modern business operations that helps organizations manage information effectively. It involves organizing, storing, managing, and tracking documents, which leads to reduced costs, increased productivity, enhanced security and compliance, improved customer service, and collaboration.

To implement an effective document management strategy, organizations must overcome several obstacles and consider various factors. These include identifying their unique needs and challenges, finding the right document management solution, creating an effective document management strategy, capturing and scanning documents, organizing documents, ensuring security and compliance, retrieving and searching documents, managing document versioning, complying with legal regulations, backing up and recovering documents, and training and adopting users.

Although implementing a document management strategy can be challenging, the benefits of an efficient workplace far outweigh the effort required. With the right tools and techniques, organizations can streamline processes, reduce errors, cut costs, increase productivity, improve collaboration, and enhance customer satisfaction. Additionally, investing in document management tools and solutions can help organizations stay competitive in today's fast-paced digital economy and achieve their business goals.

Common Document Management Terms Glossary

Before we dive in, it's important to note that a unique set of terminology has developed around document management to help describe some of the processes involved more simply. Below are some of the most common terms used in document management.

- ✓ **Optical Character Recognition:** Also abbreviated as OCR, it refers to the use of software to transform characters in image files into computer-legible text.
- ✓ **Capture:** Refers to obtaining data from outside sources, including paper documents, PDFs, emails, web forms, etc.
- ✓ **MetaData:** Information used to provide information about other data. Commonly used to organize and categorize records in an ECM solution.
- ✓ **Structured Content:** Well-defined data structured for use in certain software. A common example is a database.
- ✓ **Unstructured Content:** Data that lacks a well-defined format and may not be easy to integrate into business software.
- ✓ **Archive:** Refers to a location for documents not typically used daily or, as a verb, refers to moving documents to this type of location.
- ✓ **Workflow Automation:** Streamlining and automating a series of manual tasks within business applications, such as document routing or retention scheduling.
- ✓ **Version Control:** Refers to restricting access to certain versions of a document, usually to enforce the use of the most current version.
- ✓ **Search and Retrieval:** The use of search engine functionality to locate and retrieve records within an ECM solution.
- ✓ **Indexing:** The act of applying metadata to files within an ECM solution for easier searchability
- ✓ **Audit Trail:** A record of changes to a database or file.
- ✓ **Compliance:** Adherence to applicable regulations such as mandated retention dates for documents, System and Organization Controls (SOC), and the Health Insurance Portability and Accountability Act (HIPAA).
- ✓ **Access Controls:** Refers to restricting access to records or information, usually for security or compliance purposes.



square9
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Why Square 9

Square 9 Softworks is a generative AI-powered platform that removes the frustration of extracting data from documents, forms, and all external sources, so you can harness the full power of your information. Release your team from repetitive tasks while your work flows freely in areas like accounts payable, order processing, onboarding, contract management, and more. The Square 9 platform captures your unstructured content, transforms it into clean, searchable data, and securely shares it across your organization to accelerate your decisions and actions.

Contact Square 9 for a no-obligation discovery session and see how transforming your organization can lead to a more efficient, secure, and informed agency.

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