How can you increase your bottom line and go green at the same time? - Document Management

August 04, 2009 - Connecticut

The ownership and day-to-day management of real estate is a very paper-intensive process which quite often results in operational inefficiencies and unnecessary costs. Consider the effort and costs involved managing the constant flow of hundreds, if not thousands of paper documents, spreadsheets, and correspondence in and out of your office throughout the ownership of a property. Experts in document management studies over the years have found that 80% of employees waste an average of half an hour per day retrieving information and companies may spend up to $20 in labor to file a document, $120 in labor to find a misfiled document, and $220 in labor to reproduce a lost document. Decreasing this lost time and eliminating these potential costs are top challenges of administrators of real estate management firms.

Now consider Document Management. According to Wikipedia, a document management system (DMS) is a computer system (or set of computer programs) used to track and store electronic documents and/or images of paper documents. It is often related to digital asset management, document imaging, workflow systems and records management systems. Document management is a solution which offers an incredible opportunity to optimize the entire property ownership and management cycle into a paperless workflow.

By employing a document management strategy, your offices can become virtually paperless by replacing paper documents, file folders and filing cabinets with electronic documents and hard drive space on your computers. Document management can increase operational efficiencies in almost all functional areas within your firm, mitigate potential risks associated with the handling and tracking of paper documents, decrease storage space requirements, increase security of the information on the documents, meet regulatory compliance requirements set by governmental agencies and increase access time to critical information to allow you to make quicker and more accurate decisions.

Typically, the document management strategy you decide on should be unique to your business and support the procedures you have in place. Alternatively, you could use the document management strategy to enhance or replace the procedures you currently have in place. Either way you will be establishing or enhancing your "best practices" for the management of your information. A document management strategy can be as simple or complex as you require. A simple method would consist of several steps. First, create a standard naming convention for all the different types of documents that are processed within your organization and folder scheme to hold these electronic documents. This will allow for easy identification and retrieval of the information. Next, establish a procedure to manually scan the paper document as an electronic document and store the electronic version of the document using the standard naming convention assigned in the appropriate folder that was defined for that document on a computer or server.

There are many other benefits of using a document management solution, and here are a few

examples.

Invoice processing: Offers the ability to automatically scan, store and retrieve invoices. With Optical Character Recognition (OCR) software the data on on the invoice can be automatically extracted ad stoed directly in the management system.

Workflow: A rules based workflow process can be put in place to pass documents from one person to another and if necessary require approval before the document can be passed to the next person. A good example of this would be a purchase order request for capital expenditure. If your firm has a signature requirement for a certain limit on expense spending you can define a workflow that will not allow the PO to continue unless the approval is made.

Disaster Recovery: With the addition of a frequent backup plan all of your critical documents can be stored off-site and restored very quickly.

Security & Distribution: Quick and easy distribution of the electronic document to a multi-person distribution group while maintaining the integrity of the document which is in a format that cannot be easily altered.

More complex document management solutions can be found embedded within real estate management software, like SKYLINE Real Estate software. Document management solutions may be available as a Windows client or as a service on the Web.

As an example, SKYLINE offers the ability to store all of the electronic documents associated with a property for easy and quick access by a user. For example, once a user has identified a property on the system, he/she can store all of the leases, amendments, loan documents, property reports, email correspondences, and any other critical or non-critical documents that have been scanned for that specific property as part of that property in the system. When the user wants to view the property information using SKYLINE, a menu list of all of the related documents associated with that property are displayed and accessed with a click of the mouse.

In today's economy employing technology, like document management with "best practice" operational procedures, is critical in the successful management of any type of real estate property.

John Meedzan is vice president of SKYLINE Real Estate Software, SS&C Technologies, Inc., Windsor, Conn.