

INDUSTRY ANALYSIS

Modernising physical records management

Jump-start digital transformation and reduce the costs and risks of physical records retention, says Jon Roscow, commercial director, ROW, at FileTrail

The shift to remote work in 2020 advanced the digital transformation efforts of organisations worldwide. In law firms and corporate environments alike, the migration from paper-based processes to electronic files, online applications and digital workflows is happening faster than ever before.

Yet, while remote work is driving more digital transformation and electronic records management, that does not alleviate the need to store physical files. Many organisations still hold large volumes of physical records onsite and in offsite storage, without any insights around where they are in their lifecycles – including when they're due for destruction – hampering efforts to go truly digital. Often accumulated over decades, these records are expensive to store and manage and expose the firm to security, litigation and compliance risks, as nobody knows exactly what the firm has.

To accelerate their digital transformations, firms can move towards a more paperless future by dealing with that backlog of ageing paper records. Getting started involves establishing protocols both to deal with old records and to automate workflows for retention and destruction on an ongoing basis – preventing the backlog from ever growing back.

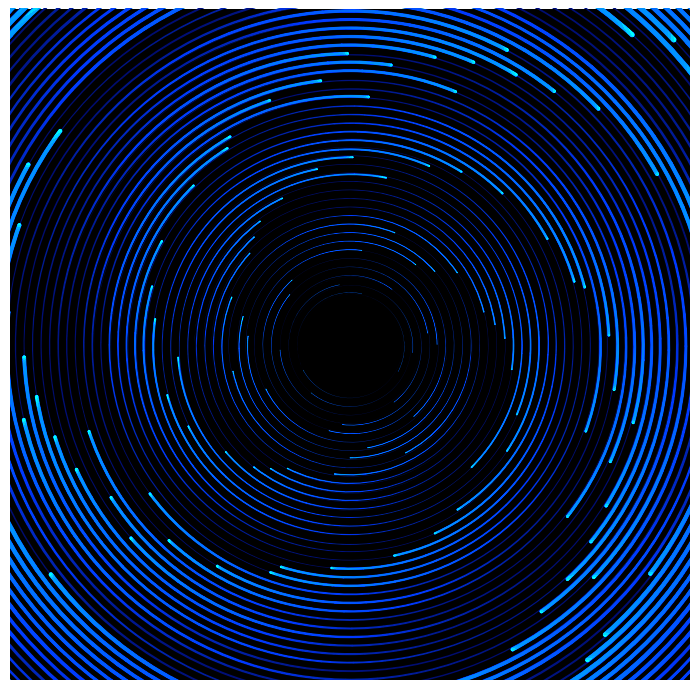
Keep or destroy?

Firms looking to go paperless may be tempted to digitise everything, but converting several decades-worth of physical records has proven cost-

prohibitive for most organisations. Before taking that route, use a newer records management (RM) system to work out what you have and where it is – then determine whether your firm really needs to keep everything.

Moving away from physical storage

Some firms may find it easiest to cull large batches of ageing records and scan the rest only as needed. For others, scanning everything may be a viable solution if the type of work they do requires records



to be kept for long periods of time. Once records are scanned and the paper copies destroyed, storage costs are significantly reduced – just be sure to have a system in place to track the scanned records, preferably with a unified view of all records across all repositories.

Rather than postponing the day of reckoning through mass digitisation, many organisations find it best to begin dealing with the backlog of records now.

Reviewing best practice

Firms with large volumes of physical records to dispose of may need to approach the process in phases. Modern RM systems can help to quickly determine who the main reviewers are – but, the older the matter the less likely it is that the responsible party is still with the firm, so limit the review to a small group with the knowledge to quickly confirm whether there is reason to keep records beyond a certain age and give blanket approval for destruction.

With a modern RM system, the entire process is in the cloud, making it less cumbersome and more transparent than legacy systems. They also make it easier to break up a large disposition (destruction) review into a series of smaller reviews for a more manageable workload for the responsible parties involved. Today's RM systems enable frequent

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reviews – quarterly or even monthly – imposing a lesser burden on those involved than reviews conducted annually. By presenting shorter lists of records for destruction more frequently, the process is easier, which results in significant cost savings.

Forecasting ongoing costs for physical records storage and destruction, combined with expected savings on future storage, also helps in planning the approach to destruction. Firms that successfully implement a regular disposition practice factor in the costs to destroy large volumes of files, but also create a destruction timeline for when those costs will be recouped through savings on offsite storage.

Getting rid of files that are no longer necessary not only saves money in storage costs but also reduces the risk of those records being subject to discovery at some point. When questions arise, firms can justify no longer holding onto records by demonstrating consistent, thorough deletion of files subject to disposition according to their retention policies.

Digital files forward

Once you've dealt with a stockpile of paper records, make sure a new one doesn't take its place.

As more legal documents are signed electronically, the need to circulate printed documents is declining, and this reality became clear during pandemic-induced remote work. Now, as offices reopen, firms are starting to adopt more digital processes on a permanent basis, implementing new applications that enable paperless workflows and phasing out paper wherever possible.

No digital transformation initiative is complete without dealing with physical records. By reducing the costs and risks of allowing records to continue to accumulate unchecked, risk and governance leaders can help their firms operate more efficiently and sustainably, adapt more quickly to future disruptions and position themselves for success. ▀

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