

# A Document Management Buyer's Guide for HR Professionals





## What is Document Management to HR?

On the surface, document management software sounds like a simple concept. An interface to organize files, not unlike the default file explorer on computers, but it's so much bigger. It's a solution to numerous issues that human resource departments, both big and small, have been dealing with for years.

The goal of document management isn't just to be a convenient place to store and retrieve documents. DMS can reinvent how HR professionals in all industries handle their paperwork and how they plan their routine operations. It does this through several different ways by applying new technology to previously established processes.

### About This Buying Guide

This guide contains two main sections. The first examines what document management software is, the features and functions included in high-quality solutions, and what HR professionals can potentially do with such a system. The second section covers a handful of critical questions an HR department should ask when considering implementing a document management solution.

# What Does Document Management Software Do?

To understand what a document management solution can do and what it's meant for, let's examine what we mean when we talk about documents. These are the essential forms and official records that HR professionals need to operate and stay compliant with the law. These include W-4 forms, I-9 forms, benefit information, performance reviews, nondisclosure agreements, FMLA information, and so much more. These documents are all involved in the everyday processes of businesses that need to be copied, shared, approved via signatures, archived, and retained for a mandatory amount of time.

Of course, document management isn't limited to just dealing with these types of files. Nearly any type of file can be uploaded to a document management system, including video, audio, and other types of data.

What separates document management solutions from other software, is what it does with these types of files. Its core purpose is to make organizing documents easier in a digital environment over a physical document filing system.

## Never Lose a Document

A good document management solution should make it so you never lose a document ever again. Existing in a digital environment comes with the benefit of having every piece of data you uploaded, in one place. Having it all in a single location means nothing, however, if there isn't a way to quickly find what you're looking for.

Having a powerful search function is essential to a DMS that sells itself in an intelligent organization. Many file explorers are only able to search or sort based on simple metadata like the file name, date of creation, users, and file size. The next level of search functionality involves optical character recognition (OCR) technology. This specialized software is able to recognize printed or written characters on a scanned image of a document, allowing other programs to interact with the text and record it as data. OCR plays into DMS by allowing users to search for documents using any words contained in the document, despite it being an image.

## Organize Smarter

DMS is supposed to be a means of making the archiving of an important document easier. Offices spend so much time making sure their archives, namely filing cabinet rooms, are in order and organized in a way to make it easier to file and retrieve documents. This involves a lot of redundant work such as creating the same file structure for every new client or project. DMS has the advantage of allowing users to not have to repeat work, by being able to craft their universal file structures and simply copy them over for reuse.

Intelligent systems are able to utilize OCR to identify what type of form is being uploaded and can be programmed to automatically file the document in a predesignated location, or even create the necessary location.





## Better Access and Better Control

One of the central advantages of having digitized documents is the expanded options you have for accessing them. Systems that are accessible through software as a service model, can be accessed from any computer over the internet in a browser.

While having all of your documents on the cloud is convenient, there's also a need for strong security and access control to ensure that sensitive information can only be viewed by authorized personnel. This can be done by employing strong, password-protected encryption. Physical documents have no inherent form of security besides locking them up, but digital documents can be encrypted so only designated users on the system can interact with them.

As a form of internal security, permissions are an essential part of keeping strict control over sensitive documents. A must-have feature with any software solution that allows for multiple users is a user permission setting for administrators to set. Putting users into groups allows admins to mass apply for permissions, so they cannot access documents or perform actions that they aren't authorized to.

## Rethink Your Human Resource Processes

One of document management's primary goals is to not just be a way to store documents, but a way to rethink how we interact with them and how they play into the way we conduct business. Document management has the distinct advantage of working in a digital space where the system can perform automatic actions on documents when certain requirements are met. This is an automated workflow.

As paperwork flows through an office,

it can be difficult to keep track of where a document needs to go - who needs to review and approve it, who needs a copy, where it needs to be archived, and how long does the company need to retain it. All of these actions can be automated with document management.

We mentioned before that document management utilizes OCR technology to recognize the values in fields to help file them. That information can be further used to tell the system to perform certain actions like notifying a user to review the document. Most workflow tools use conditional instructions that make up a tree of requirements and actions, allowing you to program a number of processes that save time and make you more efficient.



## What Document Management Isn't

Finally, it's important to glance at what doesn't constitute a conventional document management system, despite being labeled as such. Often document management solutions are pigeonholed into a category with cloud storage services. While cloud storage services share some similarities with document management solutions such as being able to securely store and share high volumes of data, they lack the essential features, such as intelligent organization and automation tools, to reinvent and streamline your HR processes.

# Is Document Management Right for You?

You've read about what document management is and what it does, so now you may be wondering if it's the right fit for your department.

## Who Will Use it? How Many?

You want your investment to have the most return, so you want to make sure your company is using the solution correctly. Most document management solutions, especially those that follow SaaS models, compile a quote based on the number of user licenses you need.

If you are a small business and have a single person who is in charge of filing paperwork, then one license may be sufficient. However, if your paperwork is constantly in motion then it would be beneficial for more employees to be users. Anyone who generates paperwork, the employees who fill out forms, send out invoices and receive documents from clients, should be a user. Supervisors and managers that are responsible for reviewing company transactions, approving contracts, and other functions should have access.

Whether it's one or a dozen, you want to make sure they're all being used to their full advantage by the employees you appoint as a user on the system. So ideally, you want to purchase licenses for employees who heavily deal with the company paperwork. If you don't envision an employee making full use of the platform, then the extra license for them may not be worth it.



## Determine the Cost-Benefit

The cost of your typical document management platform comes in the form of an annual fee and therefore an item on your yearly expenses. To weigh whether or not this expense is worth it, it's prudent to determine if such a solution will produce income or eliminate other expenses.

Drafting a cost-benefit analysis is useful for presenting to colleagues and supervisors when proposing an investment in new technology that can potentially save the business resources. For document management, creating a cost-benefit analysis is as simple as listing the expenses used on the tasks that document management eliminates, simplifies and streamlines, then comparing it to the expense of paying for the solution.

Expenses DMS Eliminates:

### Operational Costs

- Printing Paper
- Printer + Upkeep and Maintenance
- Ink and Toner
- Filing Cabinets / Storage
- Labor for Filing and Retrieving Documents
- Delivery for Physical Documents

### Preventative Costs

- Natural Disaster Recovery
- Security Breach Recovery
- Non-Compliance Fines

Calculate how much your department spends per year on each of these expenses, factoring in the possible costs associated with unforeseen events like disasters, security breaches, and compliance violations. Depending on your current HR practices, the costs of using paper documents can be staggering.

Document management doesn't just eliminate definitive costs, but saves money and time by opening up more opportunities through certain resource-free benefits:

- Less space dedicated to the storage of documents means using it for something else or allowing you to downsize.
- Automation and sharing tools allow you to streamline HR processes to save more on labor.
- Faster and higher quality service improves customer satisfaction.

If the benefits of eliminating dozens of operational costs and the added benefits that come with implementing such a system point to outweighing the annual expense, then a document management solution is likely a worthy investment.

## Create Goals

In order to get the most out of your investment in a document management solution, it's important to plan ahead what you want to get accomplished when implementing such a system. Setting a goal, such as completely taking your office paperless will help you determine the number of users you need to be signed up in order to accomplish the project.

Another goal to aim for is revamping your entire paperwork process with the purpose of becoming more efficient and reducing the overhead from completing simple tasks.

Whether your main goal is to improve data security, to improve customer service or increase the overall convenience of accessing your files remotely, implementation of a document management system is rarely as simple as installing some software. Most document management solutions require at least a small amount of training for admins and users to get a handle on how the platform works and how to properly execute on the

company's goals for the system.

No software solution is worth anything if it isn't implemented correctly. To make your implementation of the system as efficient as possible, it may be in your best interest to appoint an implementation team. Depending on how widespread the changes you desire may determine the size of the team, but it should have a team leader who takes the point in determining dates, hardware/software needs and training for the rest of the office.

## Introductory and Continual Support

Service is one half of the SaaS model. A quality DMS is a constant partner to their clients, especially since their product is consistently updating and running over the web 24/7. It's first important to go with a service that is there with you for the entire implementation process. Many systems can come custom-made for your HR department's needs, so having a liaison there to get to know your department and understand your specific goals is crucial to having a successful launch. Having an expert on hand gives you the opportunity to start with the right workflows and automated processes to get those projects off the ground as soon as possible.

After implementation is complete, it's important to have continual support going forward. Having multiple dedicated representatives for both technical support and billing is the sign of a service that is consistently dedicated to your success. Rather than a service that cuts communications as soon as your check has cleared, find one that becomes a loyal partner throughout the course of your service.







Document management has the potential to revolutionize a company's entire HR processes and help people rethink how they do work. We've gone beyond the surface level of what document management is and explained it's potential through the use of intelligent organization and automation. As businesses both big and small continually adapt to changing times and newer technology, overhead becomes a consistent issue everyone tries to tackle in order to stay afloat. Every dollar spent on labor becomes more precious and needs to be wisely spent. Many companies waste their labor on mundane tasks that they don't realize can be automated through simple computer instructions. All it takes is a willingness to upend traditional practices and embrace a fully digital way of managing human capital. Document management isn't a complete rejection of paperwork, as it will always be a part of business, but it's about changing how we view paper and how we work with it.

**Let's Talk**