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clients and their associated paperwork and an EDMS can help a firm streamline the document flow throughout the office.

Jim True • Oct. 01, 2012



Accounting firms and their clients are turning to Electronic Document Management System (EDMS) to replace paper files and documents in an office and enable users to send electronic documents through the same steps a paper document or file would

follow. An EDMS is primarily used to increase efficiency and eliminate the costly

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These records should be kept confidential and an audit trail kept of all access. An EDMS is a step up from the point solutions like spreadsheets and word processors as it is a firm wide solution. It must be easy and straightforward to use and ideally integrate with other applications the office is already using with minimum effort.

The goal of many accounting firms is to be as efficient as possible when dealing with clients and their associated paperwork and an EDMS can help a firm streamline the document flow throughout the office. Below are the five most common ways a DMS can help generate more profitability in a business.

Benefit #1 – Instant Access

One of the largest benefits to using an EDMS is the ability to access documents at any time, from anywhere. No more running back and forth to the file cabinet or asking an assistant to track down a relevant file or document. Think of the time savings that can be felt across the firm when it only takes seconds to find any document.

With instant access, two users can work on the same client simultaneously and have access to all relevant documentation. For example, if a client calls with a question while a another staff member is preparing that client's tax documents, the person handling the question can still access the necessary documents in the folder to answer the question.

A web interface adds another layer of accessibility by allowing you to lookup your documents from any computer anywhere, so you no longer have to copy and carry around large briefcases or file folders of documents. If a client calls late or while you are out of the office, it's simple to find the document they are asking about and answer their questions on the spot.

This secure and instant access of documents saves huge amounts of time and cuts

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takes place involves workflow. Whether that process is limited to a single individual or multiple people, a series of steps is completed to formulate the workflow process. Every organization has some sort of document workflow process in use.

Whether that document workflow consists of client records, annual reports, email, snail mail, or other documents, workflow of documents occurs every single day. Once the realization regarding how often document workflow occurs each day, one begins to consider ways to improve and streamline the document workflow process so as to maximize time and cost savings.

The easiest way to implement electronic workflow is to select a software package that can mimic the way documents are currently routed physically.

Benefit #3 – Search and Retrieval Capabilities

Many firms today store documents across three or four separate locations: centralized paper-based file cabinets, paper-based file cabinets in employee's offices, folders on shared server drives, and local desktop hard drives.

As a result, multiple searches are often required when the exact location of a document is unknown. This is especially true when the person who created or filed the document is unavailable. Most companies try to centralize all filing to a single file room and a server, eliminating storing of business documents on local hard drives and file cabinets in people's offices. This is usually the first step toward making the transition to an EDMS.

There are a variety of ways to search for electronic documents. Most EDMS use one or more of the following:

Structural Search

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Keyword and Document Title Search

An EDMS allows users to index documents with a title and keywords. Those words can be entered later in a search field and a list of documents associated with these words will be presented.

The more words associated with a document, the more specific the searches that can be performed. The fewer words, the more likely you would receive a longer list of documents returned by the search. Unique words in a document title or keyword can be used to produce very narrow searches. For example, searching for a specific invoice number from a specific vendor in the title of a document could result in immediately locating a single document.

Full Text Search

Full Text Search (FTS) is yet another way to search for a document. FTS involves looking for a document based on a word or phrase that may be contained within. FTS first and foremost requires that documents contain text. An EDMS that provides full text search indexes the text contained in all the documents within a database.

As documents are filed and indexed, they become searchable using the EDMS FTS feature. This is a straightforward process for documents like emails, MS Word, MS Excel and other text-based documents. However, scanned documents do not contain text (a scanned document is an image) so they must be converted to a format that contains text and is searchable (i.e. searchable pdf).

Benefit #4 – Integration with Other Accounting Applications

It is now possible for small and medium-sized firms to achieve levels of application

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As a result, data is entered twice, which take additional time and increases the possibility of data entry errors. Using an EDMS that integrates to third party applications eliminates double entry of basic data. For example: An EDMS can automatically create and update electronic client folders using data from the accounting system.

Benefit #5 – Disaster Recovery

According to research by the University of Texas, only 6 percent of companies suffering from a catastrophic data loss survive, while 43 percent never reopen and 51 percent close within two years.

- If you come into work one morning to find your office has been destroyed, would your business recover?
- Would you lose all of your paper documents?
- Are electronic documents that are scattered across many different workstations now useless?
- Have you lost valuable email messages?
- What would you do?

Paper documents stored in file cabinets are susceptible to fire and flood. You cannot recover a paper document that has been destroyed by a fire or a flood. But the problem goes beyond your paper files. Electronic documents stored on workstations and servers across your operation are equally vulnerable to catastrophic loss.

Nobody wants to think they might need to implement a disaster recovery plan, but proper planning could enable your firm to survive a disaster. What processes do you have in place for backing up critical data? Consider where and how your paper

documents are stored. Think about important electronic documents within your

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In the event of a disaster, the goal is to be able to quickly procure a temporary office, install computer systems and restore all required documents and information that enables a business to function. The biggest differentiator between a backup plan and a disaster recovery plan is maintaining a copy of your critical documents in an off-site location.

BONUS Benefit #6 – Return on Investment (ROI)

An EDMS can be a very valuable tool for accounting firms. Take a look around your office and plug in numbers that make sense for your firm and see what your ROI would be with this ROI calculator: <http://www.cabinetng.com/downloads/ROI-Calculator.xls>.

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