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# File Act! Or Toss?

By Barbara Hemphill

**P**redictions of a paperless office began more than 10 years ago, yet statistics show that 90 percent of the world's information is still on paper. Can that change? Will it?

After spending more than 20 years in offices from one-person, home-based businesses to large corporations, I contend that a more important question is, Can you find the information you need when you need it, regardless of the form it takes?

I have yet to find a company that is able to manage its electronic information effectively without first learning how to manage its paper. The reason is usually that companies and people don't address these fundamental questions of information management:

- What information do we need to keep or create?
- In what form?
- By whom?
- For how long?

The ability of any individual or organization to accomplish any given task or reach any desired goal is directly related to the ability to find the right information at the right time. Unfortunately, studies show that the average worker spends about 150 hours per year looking for misplaced information.

What should you keep or create? Research shows that 80

percent of the information we keep, we never use. Our fear of throwing out paper is enormous. I've heard participants in my seminars say, "Every time I throw something away, I need it again!" When I challenge them to elaborate, they often respond, "I can't think of an example right now."

Whether it's the fear of not being knowledgeable in one's field of expertise or being asked by one's manager to produce information, the results are the same: overstuffed filing cabinets and full-to-capacity hard drives. For 15 years, I've orchestrated File Clean-Out Days for companies. I used to have nightmares that after one such event, someone would call with a horror story about something he or she threw away and later needed. It's never happened.

Many companies hold their own file clean-out days, yet fail miserably because management didn't create any criteria, approaches, or tools to enable and empower employees to make decisions. Clutter is, in essence, postponed decisions.

So, how do you decide what to keep? Begin with your company's mission and goals. What business are you in? What information do you need to reach those goals? And, of course, what information is required by regulators?

Another important and often-overlooked question is, What information can you create that would add value to your company? Filing cabinets and computer drives are packed with in-

*I've never committed my phone number to memory. I'm saving that storage space for more important information. Besides, it's in my phone book.*

—Albert Einstein

According to a Ferris Research survey cited in *IQ* magazine, the average office worker spends two hours a day, or 25 percent of his or her time, processing email. Yet, email does improve a worker's productivity by 15 percent, saving businesses \$9,000 a year per employee. How's that?

Because email takes the place of more time-intensive communication such as faxing, phoning, and addressing envelopes.

formation that, when readily available, can save time, improve products and services, and generate new revenue streams.

For example, whenever an employee learns a new technique, such as how to create a new report from a software program, a how-to guide can be written and made accessible to all employees on the company's intranet or network. Or consider this: What resource information is in your files that could be packaged and sold to potential customers or given as added value to existing customers?

In what form? Paper or electronic? Only a small part of the information currently on paper is worth converting to a computer-readable format. However, as the quantity of information received and generated increases, electronic storage options become more attractive.

There are basically two approaches to saving information electronically. One involves scanning paper documents and storing them as images. You can view them using a file-viewing tool such as Adobe's *Acrobat Reader*. The other approach is to scan documents and convert their contents to computer-readable format (text) using OCR (optical character recognizing) software. Then there's the issue of how to store the files. Optical recording technologies such as CD-ROMs are relatively inexpensive; magnetic storage using hard drives allows for faster retrieval.

You have numerous other issues to decide, such as color versus black and white,

how many documents to handle on a daily basis, and whether to make a printout.

The obvious advantage to electronic storage is saving space. Speed is also a major benefit and can be particularly attractive when electronic customer information records are interfaced with a telephone system that identifies callers. Even if you have to type a customer's name before retrieving the file, the improvement in customer service can be remarkable. Expense reports, invoices, credit reports, and other documents related to customer accounts are good candidates for electronic storage.

The downside is that if the system is too difficult to learn or too slow, employees will retreat quickly to paper. The biggest threat may be people who believe they're storing vast quantities of critical information on CDs and other digital storage media but haven't considered that the lifetime of such media isn't guaranteed. Remember all of those 5-and-1/4-inch floppy disks for which we now have no hardware?

Obsolescence is a big challenge, but the biggest hurdle for most companies is the cost of equipment and training, and time for implementation. In my experience, the answer is a carefully managed approach using the best attributes of electronic and paper storage. The more effectively a company learns to manage paper, the easier and more cost-effective it will be to move to electronic storage. Who should keep it? Unnecessary duplication is a big factor in poorly managed information. Not only does it take up

### The Art of Wastebasketry

Determine whether you want to keep a piece of paper by asking yourself these five questions:

1. Does this really require any action on my part? Just because you receive information, even from your boss, doesn't mean you need to keep it. If it doesn't require action, file or toss it right away.
2. Does this exist elsewhere? Is it on your computer or on the Web? Is the original filed somewhere? Is it necessary to keep a hard copy if it already exists on the computer?
3. Is it recent enough to be useful? Does it make sense to keep an article with information that will be outdated before you need it? Instead, keep track of the source of the information so you can get the latest version.
4. Can I identify the specific circumstances when I'd use this information? If you can't so that you can file it for future reference, it's unlikely that you'll remember you have it, let alone be able to find it later.
5. Are there any tax or legal implications? Outdated information in your files can create unnecessary problems. Retention guidelines that are established and enforced create fewer legal problems than unidentified or unenforced ones.

If you answered *no* to all of the above but you're still uncomfortable throwing away a particular piece of paper, ask one last question: What is the worst possible thing that could happen if I didn't have this information? If you can live with the answer, toss it!

unnecessary space, but it also creates unnecessary risk. If you have multiple copies of the same document, how can you be sure that the document you retrieve days, weeks, months, or years later is the correct one?

A simple first step to solving that problem is The Originator's Rule, which states: *Whoever generates a document is responsible for its retention.* Instead of five people on a committee filing minutes, one person should be responsible for the master file. Other people can choose to keep a copy, but not by default because they're afraid to throw it away.

Every company with computers has at least one information systems person. Although many companies have a person in charge of records retention, he or she is often brought into the picture only after the files are full or the information is no longer used on a regular basis. Why not have someone in charge of making and implementing decisions about current information?

Digging through a departed employee's paper files or searching frantically on his or her hard drive for a desperately needed document is a horrible waste of time and produces immense stress. It's essential to create a system so that when someone leaves suddenly, the company won't be in jeopardy due to lost or unretrievable critical information.

How long should you keep it? One big advantage of electronic storage can, if you're not careful, become a big disadvantage. Bill Gates learned that in the monopoly trials when he was called to account for messages sent to his email box years previously.

The issue of how long to keep such personal information as bank statements and expired insurance policies triggered me to write the first edition of *Taming the Paper Tiger* in 1988. I learned quickly that most businesses faced the same dilemma: Employees are scared to throw anything away because their boss might ask for it, and many bosses are afraid or don't take the time to make a decision about records retention. Even when they do, the decision often breaks down in implementation.

Ask any 100 employees, "If you had the time, do you know of items in your files you could toss, comfortably?" Ninety-nine would answer yes. But how many people go to work and think, "Well, I don't have anything better to do today, so I think I'll clean out my files." If they do, it's quite likely that

someone will interrupt and say, "We have to finish this proposal. *What are you doing?*"

Through the years, I've seen company after company face the problem of hundreds and even thousands of boxes of so-called archives in storage rooms or offsite storage facilities. When management finally realizes the cost and risk, it decides to do something. By then, the people who created the documents are long gone and current employees have little energy for making decisions about something that doesn't affect their work or lives.

There's no quick fix for years of postponed decisions, but you can head off the problem. Today's mail is tomorrow's mail, so forget the past and start over. In our company's money-back program, The 24-Hour Miracle, we teach people to make decisions about information starting with the papers on their desks—after all, that's where the most important stuff is. You have only three choices for any piece of paper: file, act, or toss. We call it the FAT System. When we finish with the desk, we move to the papers on the floor. Isn't that where you put all of your good intentions?

Paper is here to stay, at least for the foreseeable future. Don't let technology fool you. In fact, research shows that introducing email into a company increases paper printing by 40 percent. Let's face it: Paper's portability makes it desirable. A printout of a complex email message that requires thinking, discussion, and meetings, and that people make handwritten notes on, can be more valuable than the original electronic document. On the other hand, the ability to send information electronically and let users determine whether to print it is perhaps the best of both worlds.

Before this article reaches you, more new technologies will have surfaced for storing and retrieving electronic information. But don't put the cart before the horse. Decide whether to go electronic or remain paper-based only after a careful analysis of what information is important to you and your company.

Now, work happily ever after! □

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□ The world produces between one and two exabytes of unique information per year, which is roughly 250 megabytes for every man, woman, and child on Earth.

□ Amount of digital storage needed for email equals 11,285 terabytes.

Exabyte: 1 billion gigabytes  
Terabyte: 1 trillion bytes

Source "How Much Information?"  
UC Berkeley School of Information and Management