

# SPOTLIGHT ON COSTS

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## Putting a price on document-based business processes

Documents make business information actionable. As such, documents have become a kind of currency in today's information-driven economy. Yet the labor costs that result from the various tasks necessitated by the creation, distribution and archival of documents can exact a steep toll. An IDC study<sup>1</sup> into the cost of information work found that participating organizations spent on average per worker per week:

- » \$334 to create documents
- » \$196 to file and organize documents
- » \$115 to manage document routing

The good news is that in the same study, IDC found that there are significant savings opportunities to be had by streamlining the full-spectrum of document-intensive processes:

"Automating content workflow or business process tasks could eliminate nearly a full workday a week for an information worker who performed all of them today, leaving that worker with the time to work on more productive tasks."

### Getting started

The first step in increasing the efficiency of document-based business processes is to get a handle on the cost, risks and value associated with your business documents. Here is a quick look at some things you should know:

#### Some document generation costs are hidden

According to ALL Associates Group, the Fully Burdened Cost of generating a typical document is between \$0.51 and \$0.70 per page.<sup>2</sup> As the chart below illustrates, only 10 percent of the expenditures that make up this per-page cost are visible hard costs.

Line item	% of total
<b>Visible hard costs</b> hardware costs, toner and inks, paper (plain and special), click-charges, service and maintenance, power, telephone charges, etc.	10%
<b>IS support and infrastructure</b> help desks, second-level support, installation and setup, asset management, assessment, testing, local support staff, training, print servers, network connections, mainframe conversions, print formatting software, pre-processing equipment, etc.	10%
<b>Administration and purchasing</b> product and services selection, internal requisitions.	5%
<b>Document production</b> end user production time and energy, waiting time and intervention activity, hand finishing, walking to copiers, fax machine interaction, etc.	28%
<b>Document management</b> the "before and after" costs and processes, including filing, storage, indexing microfiche, scanning (and not scanning), binding, folders, retrieval, postage, enveloping and distribution, mailroom, pre-printed forms, electronic forms, document creation, waste disposal, etc.	47%

## Some business documents are riskier than others

In an effort to protect data integrity and privacy, many government entities have created legislation that requires strict attention to information security issues. Here are just some of the regulations (and fines) organizations must be concerned about:

### Sarbanes-Oxley Act

Also known as:	SOX, SARBOX
Effective date:	Varies by section
Enforced by:	The Securities and Exchange Commission
Affected industries:	All
Deadline for compliance:	Public companies with market capitalization of more than \$75 million: November 15, 2004 Other public companies: April 15, 2005
Summary:	The Sarbanes-Oxley Act was enacted in response to an upsurge in accounting scandals involving large corporations. It is part of an effort to increase visibility into the financial management of public firms. This legislation updates several provisions of the Securities Exchange Act of 1934 and adds new provisions for oversight, as well as increased fines and penalties.
Penalty for non-compliance:	Up to \$5 million or 20 years in prison
Full text:	<a href="http://www.law.uc.edu/CCL/SOact/soact.pdf">www.law.uc.edu/CCL/SOact/soact.pdf</a>

### Health Insurance Portability and Accountability Act of 1996

Also known as:	HIPAA
Effective date:	April 21, 1998
Enforced by:	The Health and Human Services Office for Civil Rights
Affected industries:	Healthcare and hospitals
Deadline for compliance:	Varies by size
Summary:	HIPAA mandates the privacy and security of protected health information. The two primary components of HIPAA are health insurance reform and administrative simplification.
Penalty for non-compliance:	Up to ten years in prison and steep fines
Full text:	<a href="http://aspe.hhs.gov/admsimp/pl104191.htm#1174">http://aspe.hhs.gov/admsimp/pl104191.htm#1174</a>

### Fair Credit Reporting Act

Also known as:	FCRA
Effective date:	October 26, 1970
Enforced by:	The Federal Trade Commission
Affected industries:	Financial services
Deadline for compliance:	Varies
Summary:	The FCRA was amended by the USA PATRIOT Act in 2001, and also by the Fair and Accurate Credit Transactions Act of 2003. The purpose of the legislation is to ensure the accuracy and fairness of credit reporting.
Penalty for non-compliance:	Violators are liable for damages, costs of a suit and attorney's fees, as well as fines of up to \$1,000 per violation and punitive damages.
Full text:	<a href="http://www.ftc.gov/os/statutes/fcra.htm">www.ftc.gov/os/statutes/fcra.htm</a>

### Some business documents are business critical

Inside any organization, there are documents that exist to make critical processes possible. These include everything from blueprints and building plans to management reports and employee manuals to purchase orders and invoices—the documents without which nothing would ever get done.

## Why not let the experts handle it?

HP Managed Print Services (MPS) enables organizations to capitalize on business information to create competitive advantage by helping them to:

- » Manage information from the moment it is created to the time it becomes obsolete
- » Capture, manage, retain and deliver information to comply with ever-changing business needs and industry regulations
- » Protect critical information on the network

## How HP can help

HP has been an industry leader in printing and imaging innovation and reliability for more than 20 years. Whether you need to buy one printer, consolidate your devices under a single, standardized contract or you want to improve and transform the way you manage your printing environment, HP has the expertise, experience and technology to deliver the right solution, right now.

Looking for more accountability, agility and a better return on your printing and imaging investments? HP MPS can:

- » Quantify the total costs of your existing imaging and printing infrastructure
- » Help you identify savings opportunities and reconfigure your environment to take advantage of them
- » Provide ongoing supplies, service and support designed to meet your company's unique business needs
- » Monitor performance to maintain cost-effective operation over time

Your local HP representative can help you to explore a variety of cost-effective strategies for enhancing your imaging and printing environment today and into the future.

## Want to know more?

- » To find out more about HP's remote print management and job accounting solutions go to [www.hp.com/large/ipg](http://www.hp.com/large/ipg)
- » To learn more about HP Managed Print Services visit us online at [www.hp.com/go/mps](http://www.hp.com/go/mps)
- » For the remaining whitepapers in this series plus the latest research, tips and tools for lowering costs and improving IT visit the HP Printing and Imaging Resource Center at [www.hp.com/large/ipg](http://www.hp.com/large/ipg)

## Notes

1. IDC White Paper sponsored by HP, The Information Lifecycle Management Imperative, Doc #201273, July 2006
2. IDC Special Study, Managed Document Services: An Opportunity Assessment, Doc #06C5002, October 2006

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