

PRACTICAL 9: Importance of Going Paperless

“Going Paperless” is a term that was coined not so long ago to describe the processes of “reducing the amount of paper used in a business context, exchanging printed pages for digital documents especially in internal processes.”

Common paperless areas of choice by companies include receipts, invoices, tax returns and pay checks, among others. Areas that manual work adds no real value to the company and the steps required to have its work done are too time-consuming.

It should not be a surprise that, once this wave started, it was only a matter of time for it to become bigger. This happened mainly because of the rise of modern technology that is taking over companies worldwide, digitalising several processes that were previously made with tons of paper.

Seven reasons why going paperless may be beneficial for your small business:

1. Document organization

The ability to quickly locate and disseminate information may enhance your company's efficiency and professional image. Spending time hunting through piles of paper slows down response time in an age when most answers are only a few keystrokes away. By scanning electronic copies of receipts and invoices, documents can be sorted, filed, and organized for quick retrieval when it matters most.

2. Client communication is faster and less expensive

By maintaining a customer email list, you can instantaneously communicate sales and special offers without incurring postage and printing expenses. With the advanced technology of smart devices, most people have immediate access to emails. While it increases efficiency, electronic communication also decreases storage costs as the amount of paper copies littering your office will begin to dwindle.

3. Paperless files are easily saved and retrieved on the go

With the advent of photo-scanning apps, business travellers can easily back up expense reports without needing to save a pile of papers to bring back to the office. Electronic files can also be shared with co-workers over a network or via email. Shifting to paperless documentation also makes the transportation of data more efficient, without the need for cumbersome fax machines or document couriers.

4. Automatic backups

When you accidentally throw out an important paper, it's usually gone forever. However, maintaining electronic files allows for multiple backup points. Data can be saved on flash drives, in the cloud, or to an external hard drive. For vitally important financial data, cloud-based accounting systems provide automatic backups on a pre-scheduled basis, which eliminates the need for small business owners to set aside time for manual backups.

5. Data security

Customers will always be concerned about privacy and data protection, which requires companies to respond by implementing proper data security procedures beyond locked filing cabinets and paper shredders. Many of today's cloud-based accounting systems offer bank-level data security to protect financial and customer information, which is more than most small companies with limited technology staff can afford to build in-house.

6. Environmental friendliness

According to the Environmental Paper Network's most recent State of the Paper Industry report, paper usage in North America is decreasing while the amount of paper recovered for recycling is increasing. Companies are striving to recycle, yet office copy paper alone still accounts for over 20 percent of the total paper usage in the United States. But being green is more than just reducing paper production. A paperless environment may also mean less energy consumption. Small businesses use less energy when printers, faxes, and copiers are inactive.

7. Financial benefits

The savings of going paperless extends beyond just the cost of the paper, which can be substantial. The cost of other office supplies like ink cartridges also decreases. Additional upgrades or replacements to expensive office equipment such as copiers and fax machines may also decrease in a paperless office.

The shift toward a paperless environment increases each year as new technology becomes available to improve data storage and electronic communication. Taking action to reduce paper usage may help your business be more efficient and enhance the level of security that guards your most valuable information.