



# GOVERNMENT BUSINESS COUNCIL INSIGHT REPORT

## **Developing Effective Records Management Strategies**

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A Survey of Federal Program Managers

October 2008



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## Developing Efficient Records Management Strategies

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### *About the Government Business Council*

The Government Business Council is the marketing research division of *Government Executive* magazine. GBC's dedicated research staff partners with companies to study the business trends that are transforming how federal agencies operate and achieve their missions.

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## Pitney Bowes Government Solutions

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### Developing Efficient Records Management Strategies

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#### *About Pitney Bowes Government Solutions*

Pitney Bowes Government Solutions provides the world's most comprehensive suite of mailstream software, hardware, services and solutions to help manage the flow of documents, letters and packages into, within, and out of organizations of all sizes. We offer equipment, software and project management services to create integrated Document Management solutions that seamlessly bridge print and electronic formats, leveraging existing systems with the latest technologies.



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## Research Agenda

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## Research Background

- Federal agencies are finding compliance with the Freedom of Information Act (FOIA) to be increasingly difficult and expensive. The backlog of FOIA requests has tripled over the past nine years. In 2006 federal agencies charged only \$3.1 million in fees, but spent \$241.6 million processing FOIA requests.\*
- Federal agencies must also comply with National Archives and Records Administration's requirements and other federal regulations. The National Archives currently contain more than 7 billion pages of text records. The National Security Archive has over 5 million pages of sensitive documents.
- Records management is becoming an increasingly complex process. From Homeland Security Presidential Directives, to statutory mandates that address cross-cutting mission areas (e.g., Homeland Security Act, Intelligence Reform and Terrorism Prevention Act), federal agencies will have to rely on effective and secure records management.

## Research Goals

- **Determine** the importance of records management in the operation of federal agencies
- **Discover** the challenges federal agencies face to fully implementing a records management system
- **Benchmark** the performance of key functionalities of an effective records management system in the federal sector



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## Methodology

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- Survey sent to 5,000 randomly-selected *Government Executive* subscribers in September 2008
- 163 responses received
- Response rate of 3.3%



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## Research Findings

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# Executive Summary

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## Key Findings

- Federal program managers acknowledge the importance of managing records. Despite moderate progress over the past five years, these program managers recognize the need for improvement in their record management systems.
- Government agencies lack fully effective records management systems to handle the accumulation of files they catalogue and archive.
- Agencies are experiencing a leadership gap in records management. The task is not a priority for many agencies, and moving forward there is a lack clear strategies for managing electronic records. Only one-third of records management systems put in place in the past five years have been implemented fully.
- Program managers believe their current records management systems are secure, but would prefer easier-to-use solutions and more timely means for search and retrieval of documents.
- Despite identifying records management as critical for agency operations, program managers believe their systems are underperforming. Archived records are difficult to locate, and current systems are often not optimized for efficiency and breakdown.

## Survey Methodology

- Online survey of Government Executive subscribers, all GS-12 and higher or Major/Lt. Commander and higher, drawn from a wide array of federal agencies (civilian and defense).
- Resulting sample consisted of 163 qualified respondents from Government Executive's audience of decision-makers in the federal government.
- Survey was executed in September 2008.

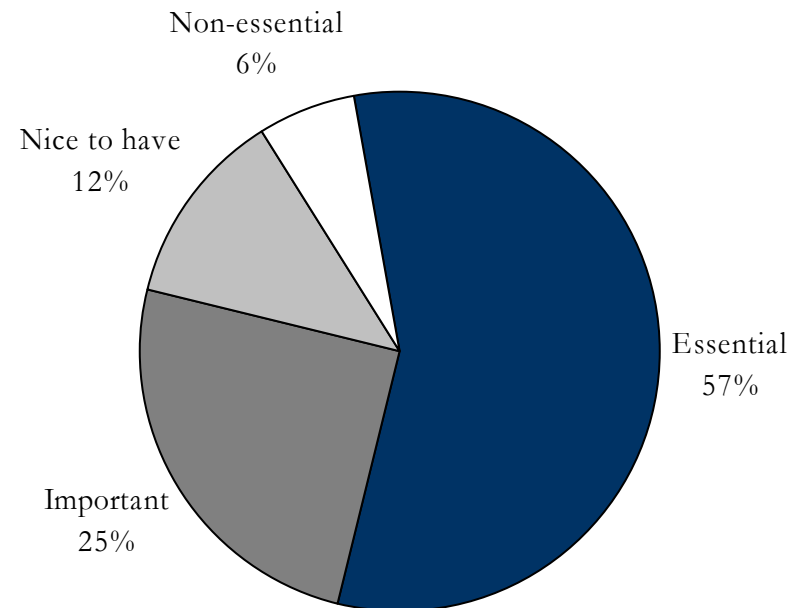
# Records Management Is a Key Component of Successful Federal Operations



- Respondents recognize effective records management as integral for federal agencies to meet regulatory requirements, optimize organizational efficiency and achieve mission success.
- A large majority of federal program managers (82 percent), describe records management as “important” or “essential” to the efficient operations of their agency. Only six percent of respondents believe that records management is non-essential to their mission’s success.

## Rating of Overall Importance of Records Management in Operation of Federal Agencies

*Percentage of respondents*



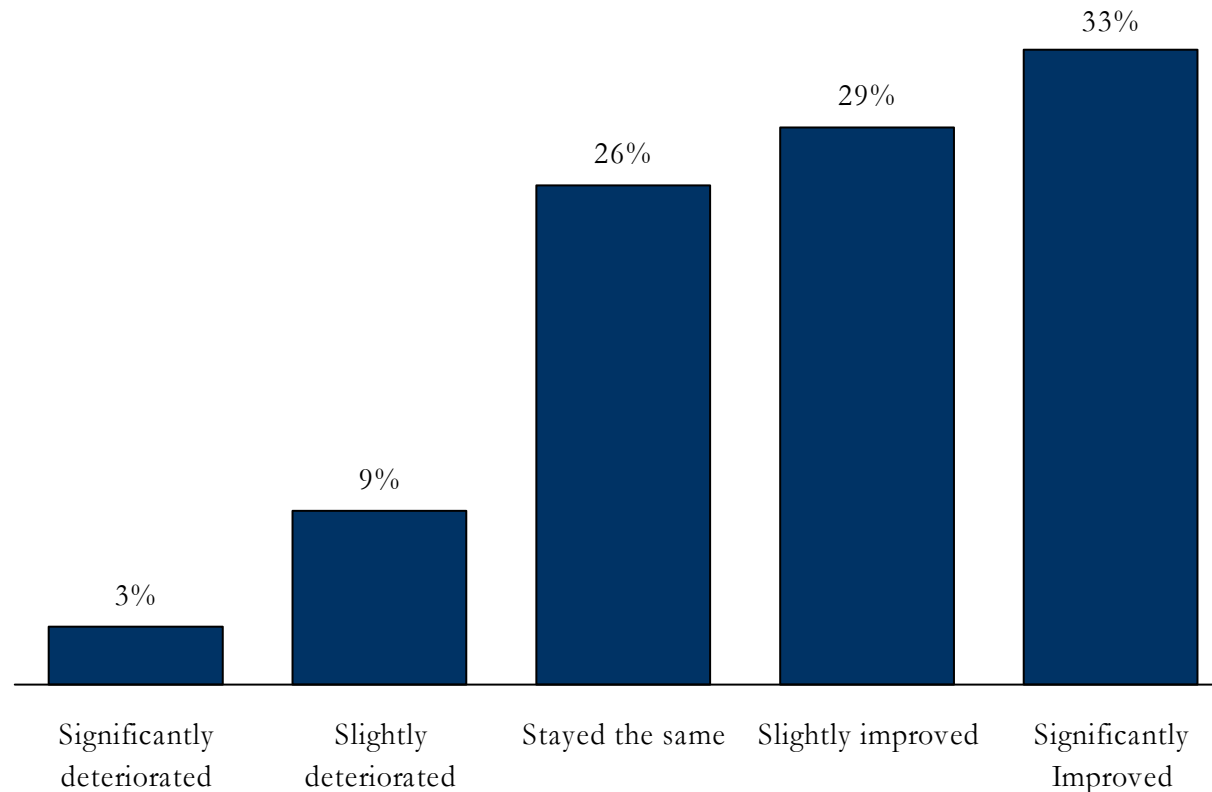
## Broad Change to Records Management Systems over the Past Five Years



- Federal agencies have been active in their attempts to modify existing systems. While a quarter of program managers observed no change in their agencies' records managements systems in the past five years, 62 percent experienced improvement.
- One quarter of respondents acknowledge no change to their agency's records management processes. Only 12 percent believe their agency's systems have in some way deteriorated in the past five years.

### Progress of Records Management in Federal Agencies Over the Past 5 Years

*Percentage of respondents*



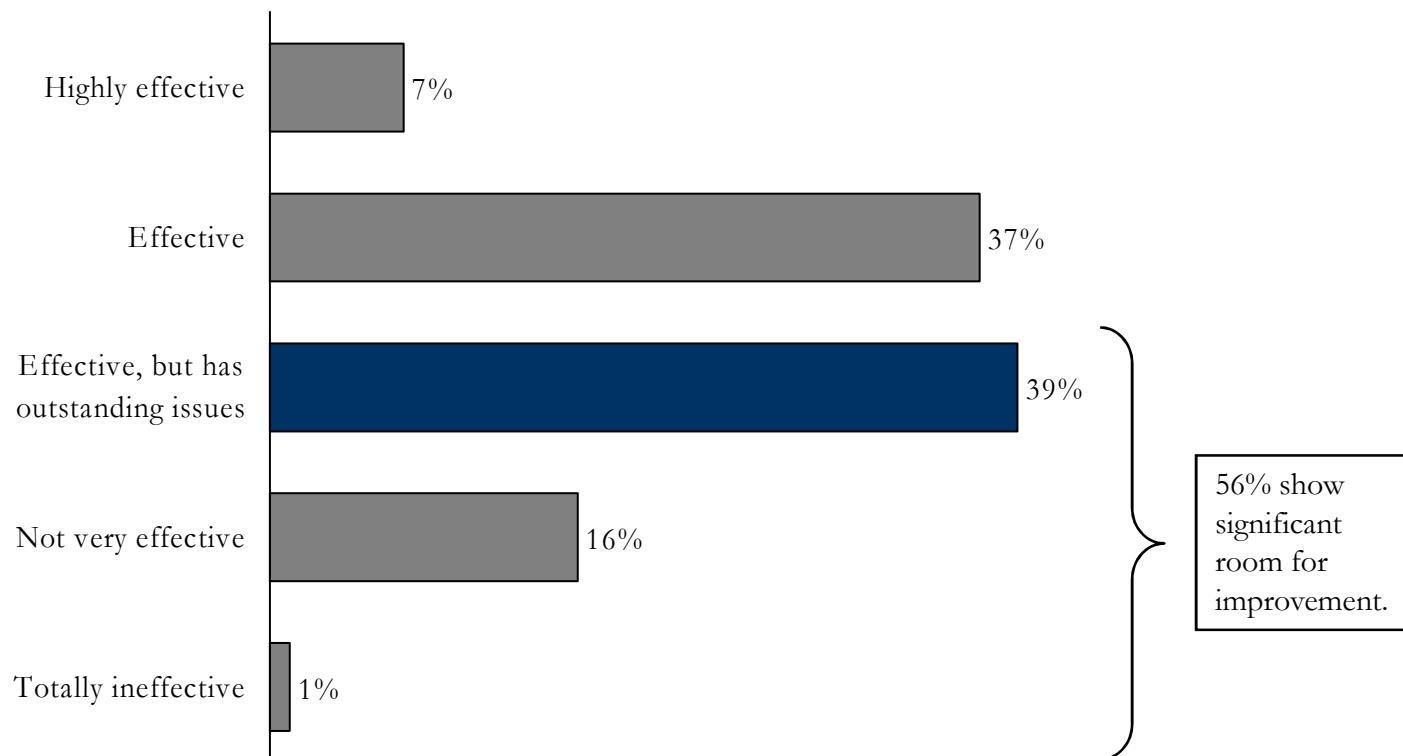
## Despite Progress, Agencies Experience Unresolved Performance Issues



- Federal agencies have been unable to find holistic solutions to their records management inefficiencies. Despite progress, federal agencies do not yet have fully effective records management systems.
- Current records management solutions are not optimal. While a sizeable minority of respondents (44 percent), are content with current systems, only seven percent believe their existing systems to be “highly effective.”

### Effectiveness of Existing Records Management Systems

*Percentage of respondents*



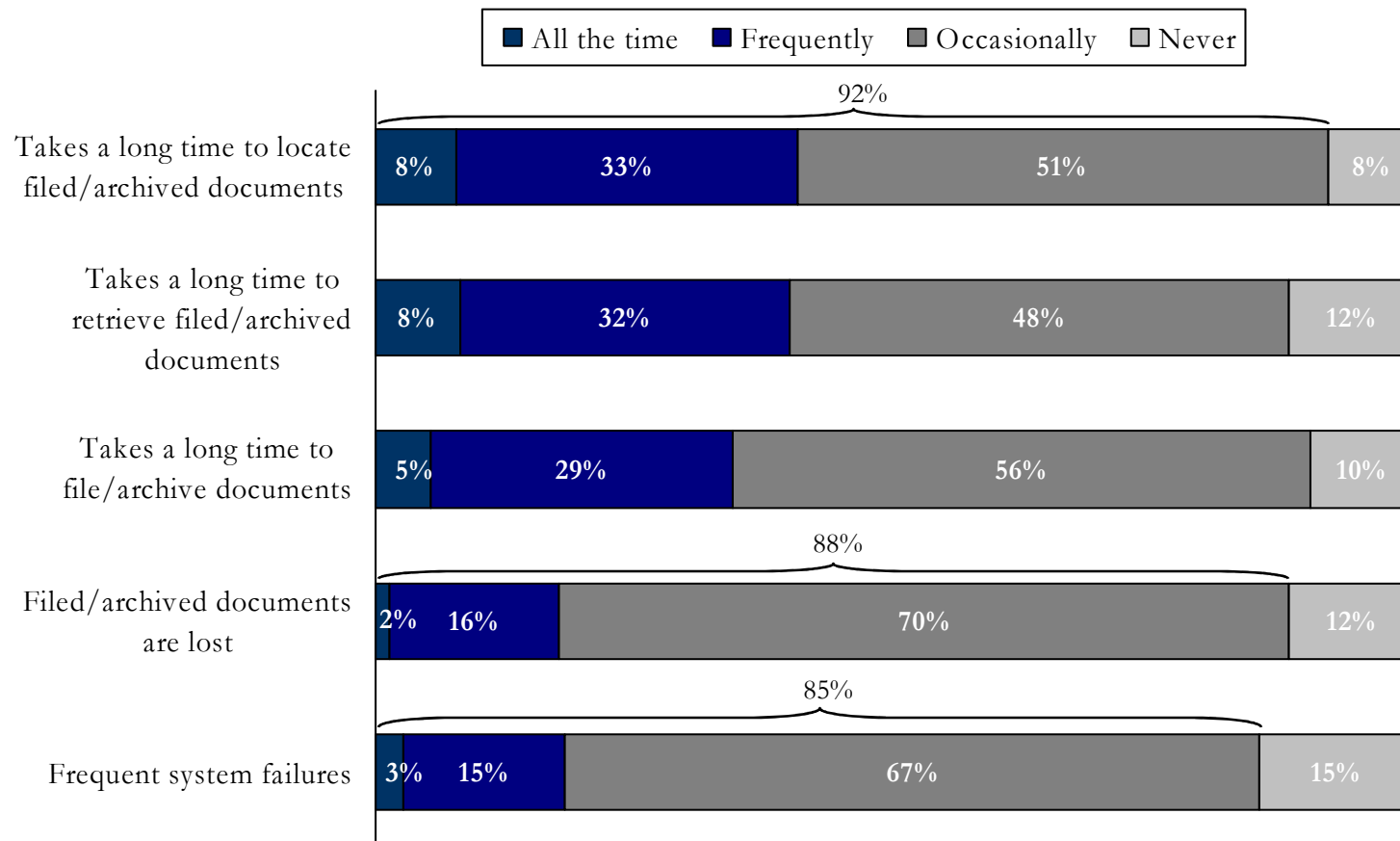
# Ineffective Records Management Systems Adversely Affect Productivity



- Federal agencies face severe consequences from inefficient records management systems. Operating costs increase due to time and resources required to duplicate or recover lost documents.
- The loss of files is commonplace in most agencies. A full 88 percent of respondents “occasionally,” “frequently,” or “all the time” lose filed documents.
- Overall, current records management systems are unreliable. A majority of program managers, 85 percent, experience “frequent system failures,” along with 92 percent of respondents, who experience lag time when locating records.

## Frequency of Records Management Challenges

*Percentage of respondents who experience each challenge*



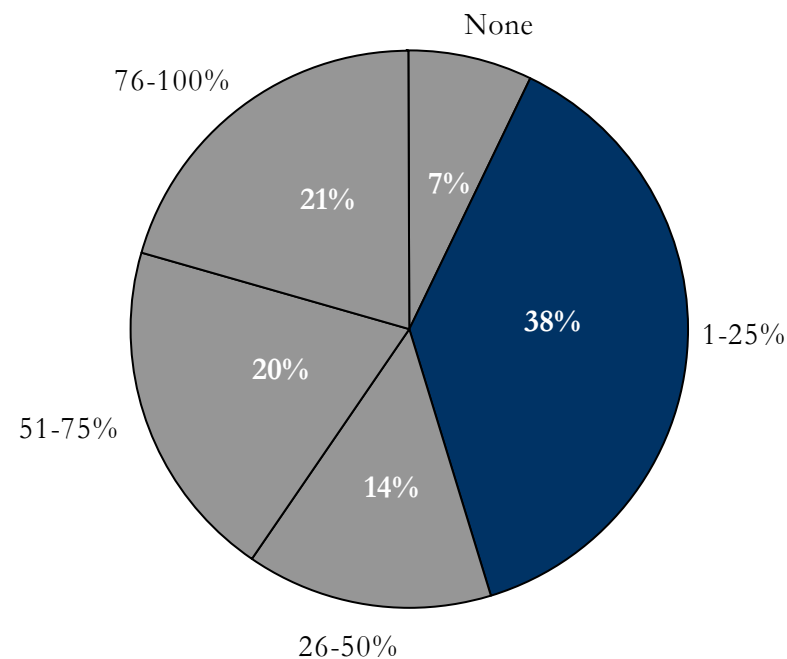
## Many Federal Agencies Rely on Outdated, Hard-Copy Archival Processes



- A majority of federal agencies continue to file and archive paper documents. This manual system can increase the time it takes to locate and retrieve information at a later date, in addition to consuming limited physical storage space.
- Though the majority of respondents' agencies (93 percent), archive at least some documents electronically, most agencies (59 percent), store less than half in electronic form.
- A small number (7 percent), do not archive any of their agencies' documents electronically.

### Percent of Documents Archived Electronically

*Percentage of respondents who archive documents within each range*



On average 44% of documents are archived electronically.

# Program Managers Are Increasingly Implementing Electronic Solutions

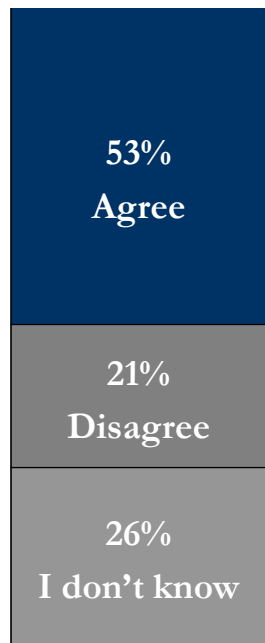


- In recognizing the significance of records management in effective agency operations, program managers are increasingly turning to electronic systems to meet their agencies' needs. Many program managers, however, are still lacking such a system or are unaware if one exists at their agency.
- Over half of federal agencies have implemented an electronic records management system, yet most agencies still rely heavily on print documentation for archiving. Only 41 percent of respondents store most of their records in digital form.
- More than one quarter of respondents are unaware of the existence of an electronic records management system at their agency.
- Over half of agencies' electronic records management systems (61 percent), have been implemented within the past three years.

## Implementation of Electronic Records Management Systems

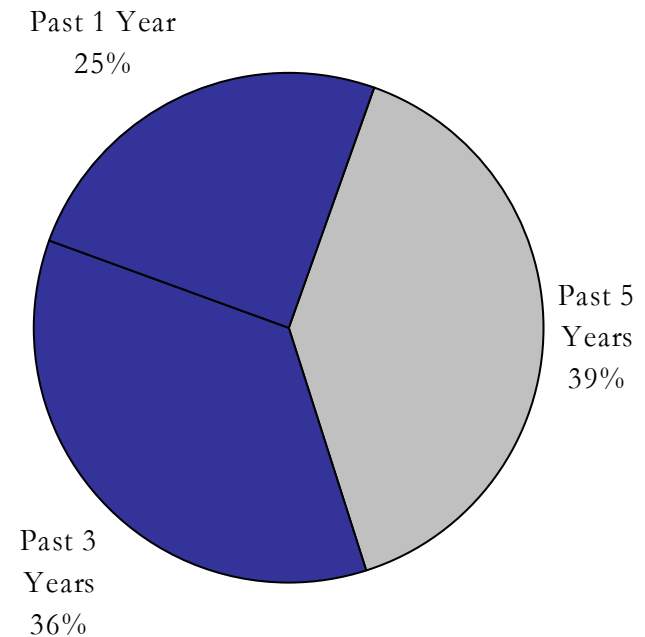
*Percentage of respondents*

“My agency has implemented an electronic records management system”



## Year of Implementation

*Percentage of respondents who have implemented an electronic system*



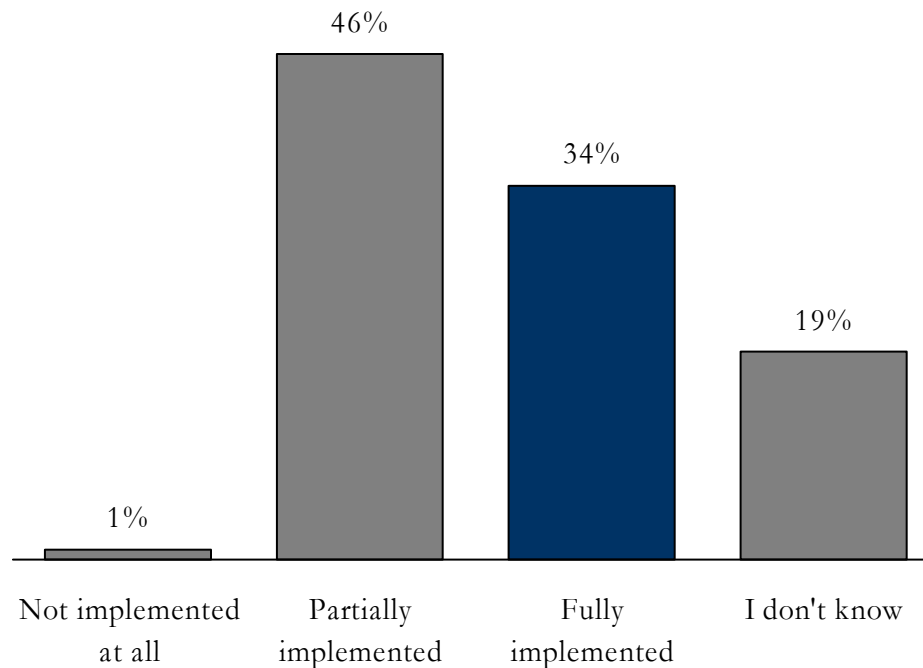
# Implementation of Electronic Records Systems Warrants Additional Attention



- Although respondents understand the important role of records management in mission success, federal agencies have not fully implemented their current electronic systems.
- Only one-third (34 percent) of the agencies implementing electronic records management have fully implemented systems.
- One fifth (19 percent) of respondents who know that a records management system exists at their agency are unaware of the extent to which the system is implemented.

## Implementation of Electronic Records Management System

*Percentage of respondents who have implemented an electronic system*





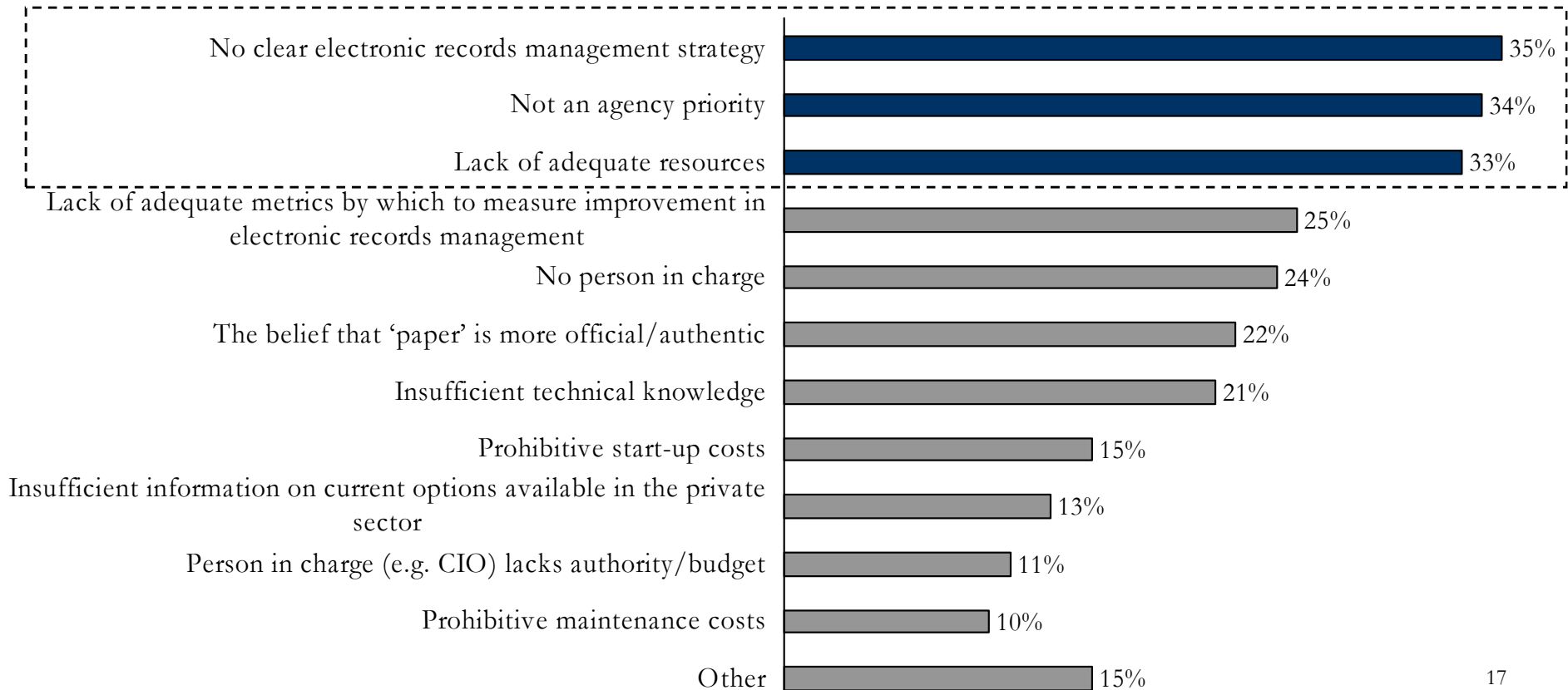
# Leadership and Strategic Gaps Stall Implementation of Electronic Systems



- Conflicting priorities, and a lack of clear strategy and resources have resulted in fragmented implementation of records management systems for one-third of program managers. Nearly one quarter of respondents (24 percent), acknowledge there is no one person in charge of this effort at their agency.
- Program managers struggle to measure the progress of implementation, resulting in agencies being unaware of the inefficiencies in their current records management systems.
- Despite identifying “lack of adequate resources” as a concern, most respondents do not believe start-up and maintenance costs prohibit implementation (15 percent and 10 percent, respectively).

## Roadblocks to Implementing Electronic Records Management Systems

*Percentage of respondents selecting each answer*



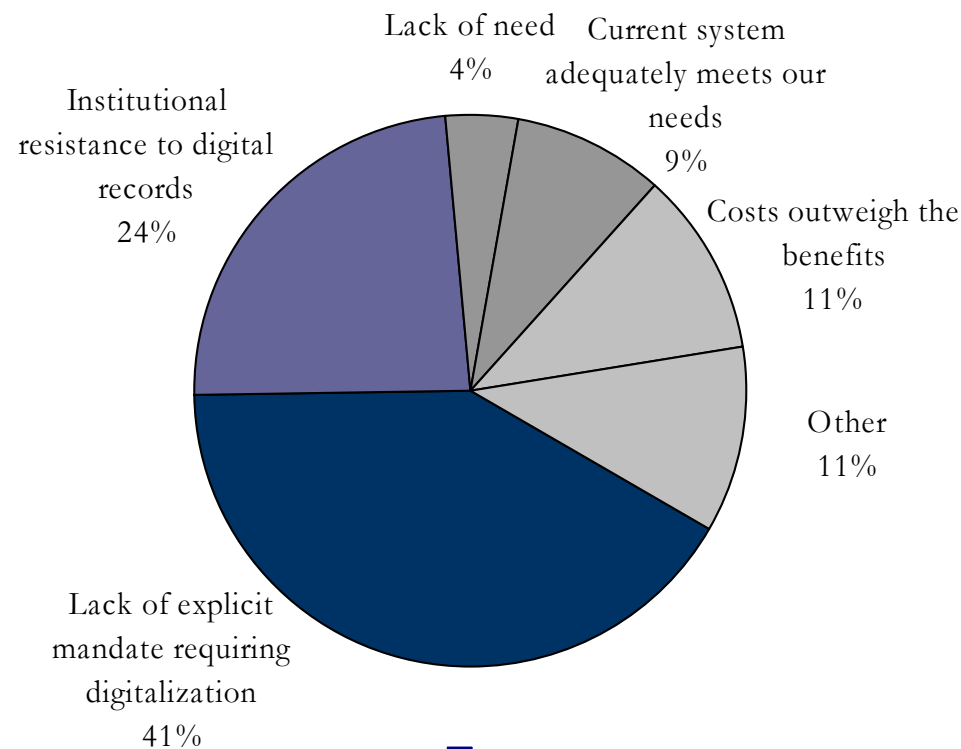
## Mandates, Not Needs, Determine Agency Priorities



- Without clear policies requiring digitization of federal records, agencies have been resistant to electronic records management. Program managers who do not consider records management a priority still acknowledge the need for improvement of their current systems.
- Among agencies that do not prioritize electronic records management systems, 41 percent of program managers identify the lack of an explicit mandate as the primary reason. Respondents cite institutional resistance to digital records as the second most common reason (24 percent).
- Only four percent of respondents identified “lack of need” as the reason records management is not prioritized at their agency.

### Factors Impeding Agency Focus on Electronic Records Management

*Percentage of respondents selecting “not an agency priority”*



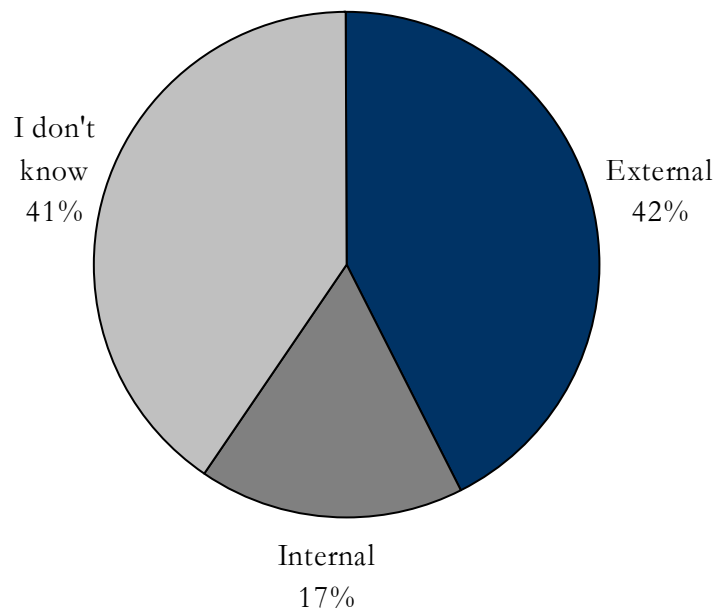
# Most Electronic Records Systems Are Managed Internally



- Although internally-managed records management systems are commonplace, some federal agencies lack the technical knowledge to fully implement and successfully manage these systems.
- Those agencies that have electronic records management systems in place frequently use an external vendor to implement them (41 percent), however many respondents are not aware of how their agency's system was implemented (42 percent).
- The majority of respondents' agencies (57 percent) are managing their electronic records management systems in-house, in contrast with the mere 17 percent that implemented their system internally.

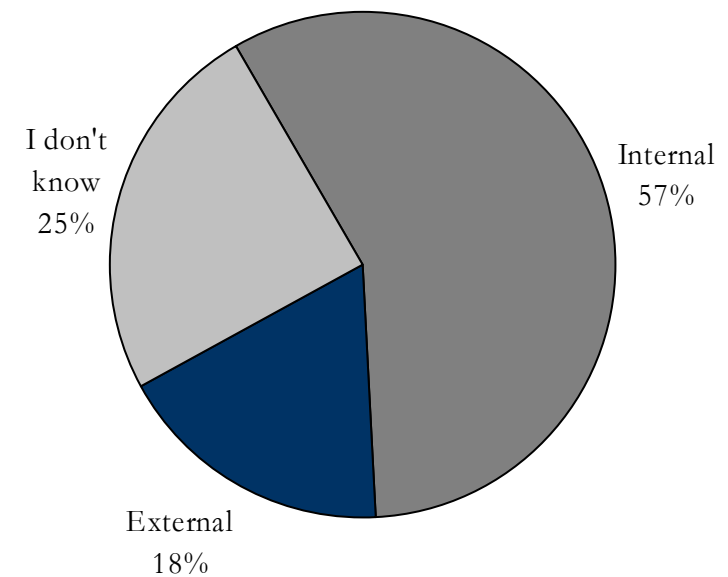
## Implementation of Electronic Records Management Systems

*Percentage of respondents who have implemented an electronic system*



## Management of Electronic Records Management Systems

*Percentage of respondents who have implemented an electronic system*



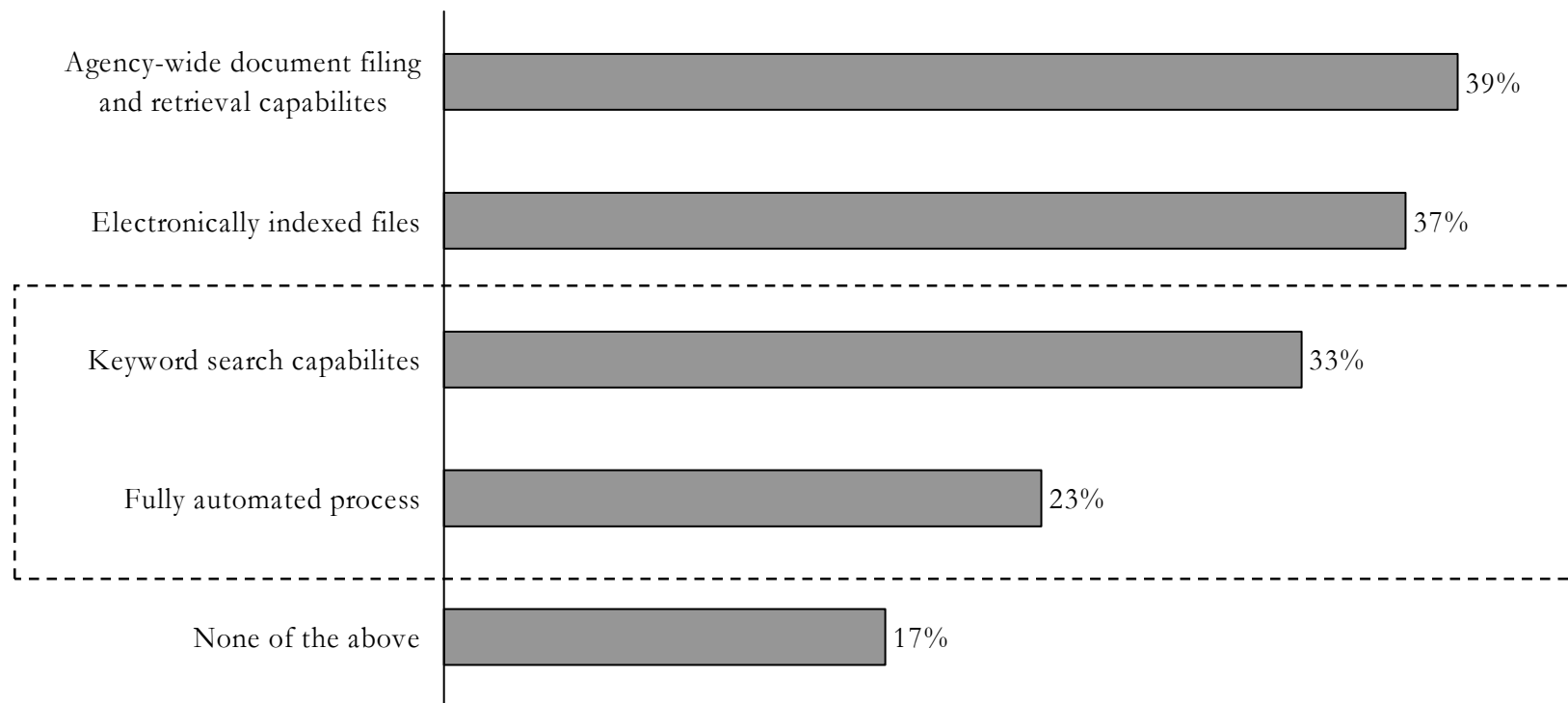
# Full Benefits of Records Management Systems Have Not Been Realized



- Records management systems often lack the core functionalities required to significantly improve the efficiency of document handling processes.
- Over three-quarters of respondents' agencies do not have fully automated process for records management and two-thirds lack keyword search capabilities.
- Only 39 percent of respondents have agency-wide filing retrieval abilities, and 37 percent have an electronic index of their files.

## Federal Records Management System Attributes

*Percentage of respondents selecting each answer*



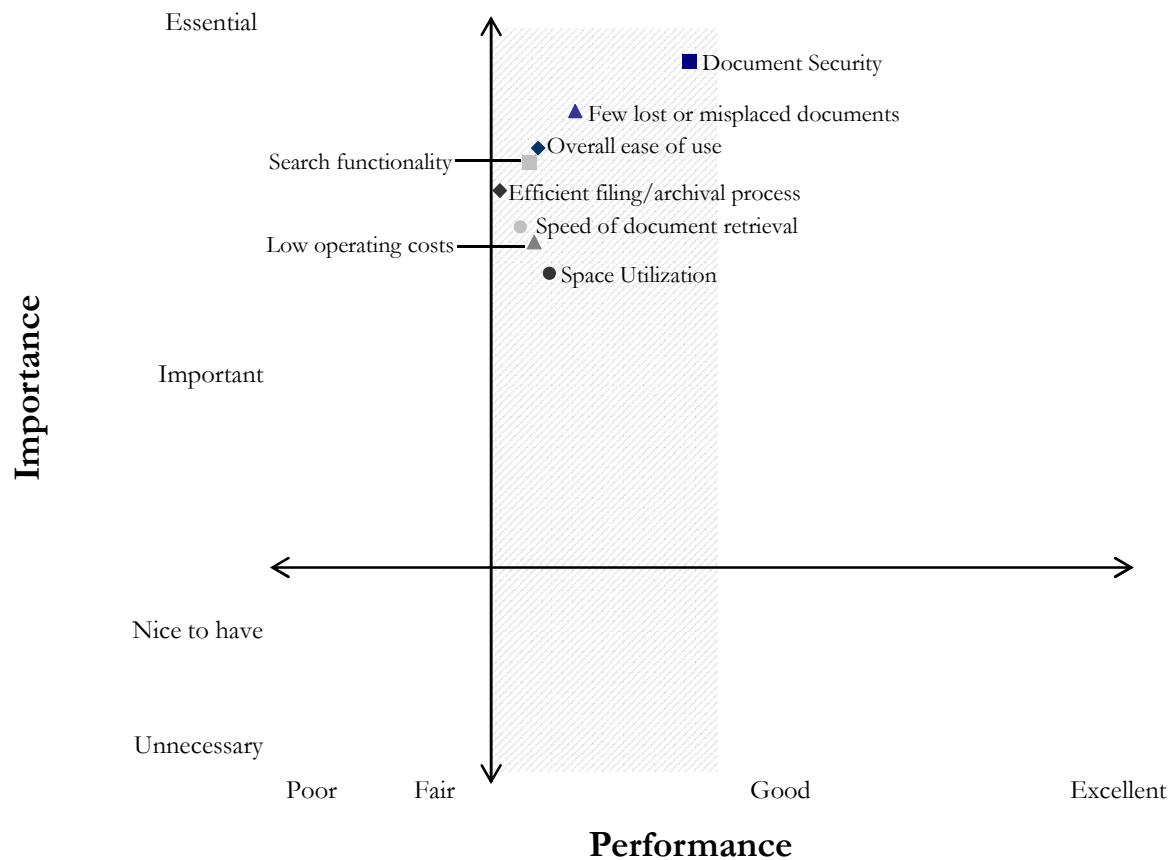
# Room to Improve and Expand Records Management, Both Paper and Digital



- Program managers are not satisfied with their inferior records management systems. Respondents rate key features for effective records management systems as either “important” or “essential,” yet, none of these features are performing at a satisfactory level (defined as an average rating of “good.”)
- Document security is ranked as the most important and highest performing feature. Maintaining the status quo – in which in which records are difficult to locate, documents are lost, and systems breakdown – puts document security at risk.

## Performance vs. Importance of Specific Records Management Features

*Respondents' average ratings of each feature*

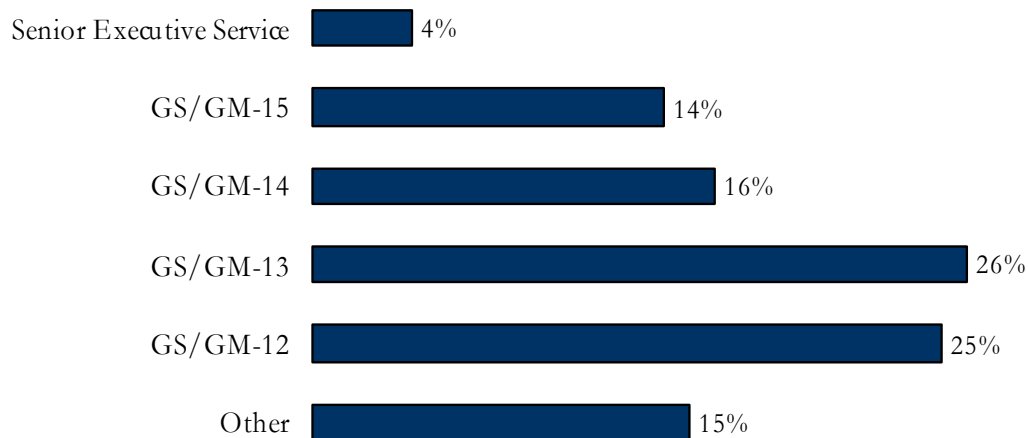


# Respondent Profile



- Respondents were randomly chosen from Government Executive’s audience of federal decision makers. The 163 respondents reflect an array of levels, experience and agencies.

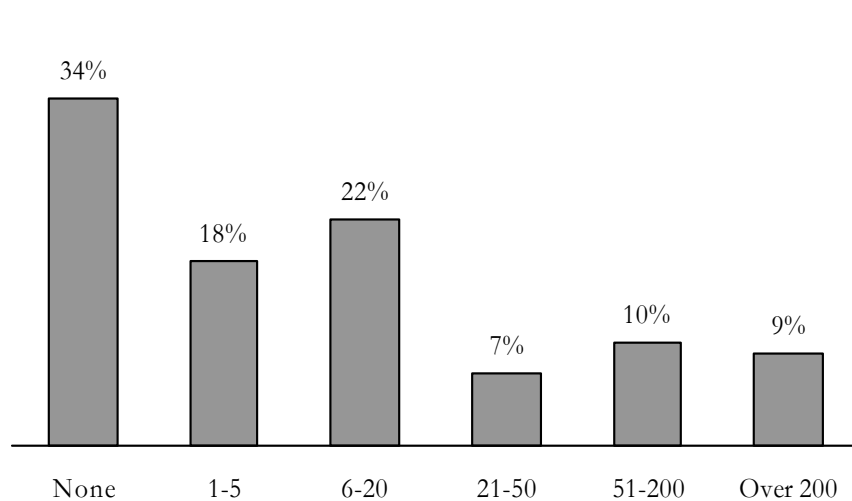
## Job Title



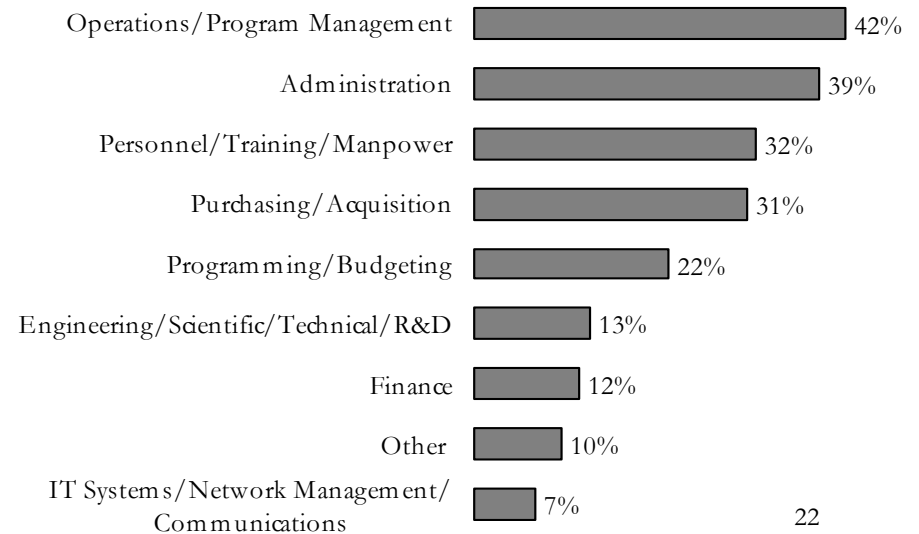
## Wide Variety of Departments and Agencies Represented

- Defense
- Army
- Air Force
- DHS
- Navy
- USDA
- DOJ
- DOE
- SSA
- VA

## Number of People You Oversee



## Decision-Making Authority





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## *A Word from Our Sponsor*

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The image features a photograph of the United States Capitol building in Washington, D.C., with its iconic dome and neoclassical architecture. The building is set against a background of a blue sky with a large, semi-transparent graphic of a hand holding a pen, overlaid with a purple-to-blue gradient. The text 'Pitney Bowes Government Solutions' is positioned in the upper right quadrant of the image.

# Pitney Bowes Government Solutions

The Pitney Bowes logo, consisting of a stylized grid of horizontal and vertical lines forming a square shape.

**Pitney Bowes**

*Engineering the flow of communication™*



# Today's Document Processing

Challenges	Ask Yourself..
Records management and document management may not be integrated	Are your documents part of an information workflow process?
Concerns with regulations and controls	Are there specific areas where there are problems with document control, integrity or security? Do lost or misfiled documents result in significant financial, service or regulatory compliance issues for the organization?
Paper driven processes such as constituency communications restrict workflow innovations	Does paper go through a process that drives a transaction that is core or critical to the operation? Are there response issues with document access and retrieval?
Rising costs of storage, labor and space	Are there any methods besides paper being used for retention? (e.g., microfilm, fiche, etc.?) Is off-site storage for paper files utilized? Is it a point-of-service or financial pain?

***There has been a continual increase in migration from paper to digital, aided by technology, regulatory and legislative requirements***

# What Are Your Most Important Documents?

## Transactional

- Claim Forms
- FOIA Requests
- Grant Proposals
- Legal Documents

## Compliance

- Vital Records
- Fiscal or Tax
- Legal
- Historical

### ***Do documents really matter? What do the industry experts tell us about users?***

- 90% Say organizational information is unmanaged and 80% of it is unstructured
- 89% Managing documents is important to strategic / mission goals
- 88% Managing electronic information will be important in future litigation
- 76% Say project collaboration is the driving force behind their ECM initiatives
- 70% Management of documents is more important than it was two years ago
- 67% Say MS SharePoint has not been implemented, largely due to lack of any built-in workflow (92% of Federal Government owns licenses, only 15% actually use it, 58% have no plans to)

### ***However . . .***

- 39% Said no one owns the problem

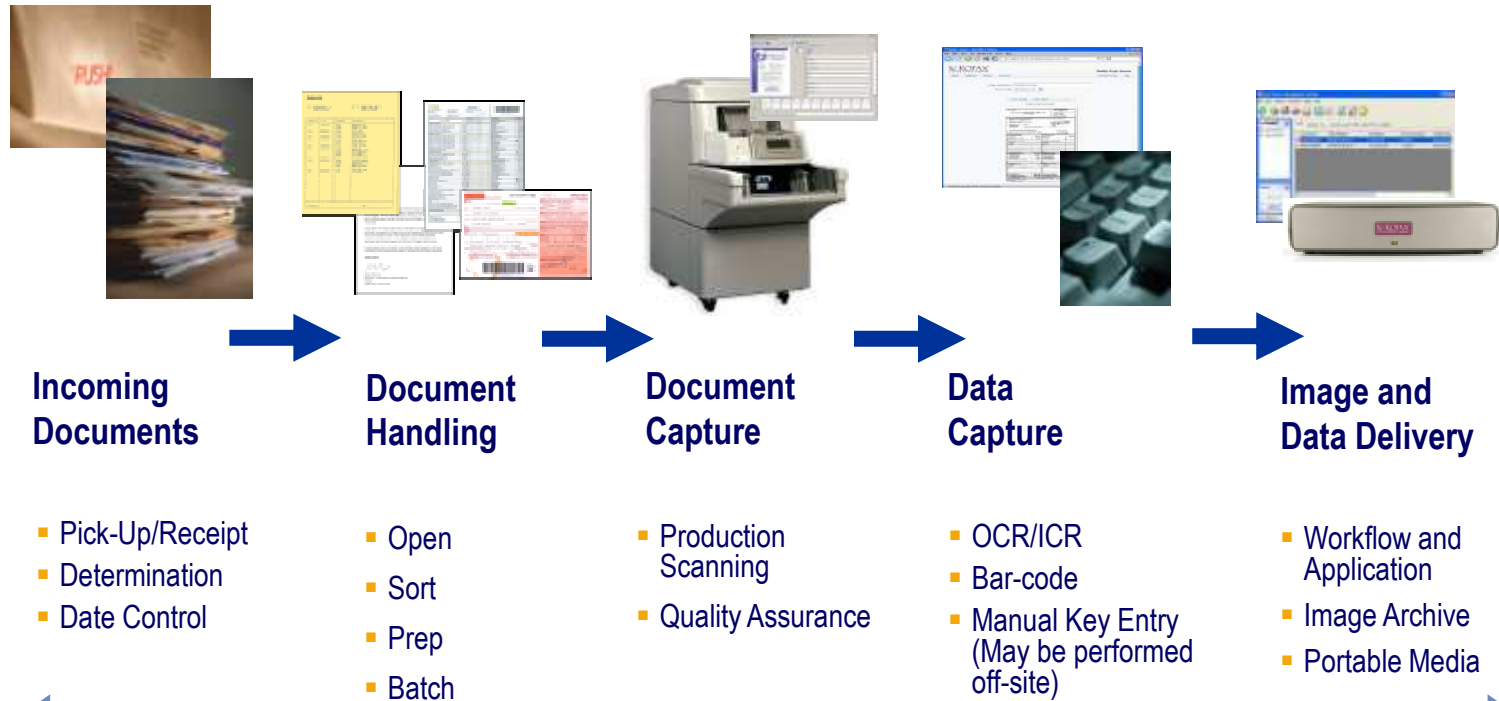
# Key Industry Statistics

- **Electronic Content Management Experts from ALLM have cited that:**

- It costs **\$20** in labor to **file** a document
- It costs **\$120** to **find** a misfiled document
- It costs **\$220** to **reproduce** a lost document
- **3%** of **all** documents are misfiled
- People spend **5 to 15%** of their work day **reading** documents
- People spend **50%** of their document-related time **looking** for the document
- 200 pieces of paper costs about **\$19** to send plus a **\$4** fuel surcharge
- On average, it takes roughly **15 minutes** to locate a document. So, in a departmental group with 21 employees processing just 10 documents per day, that adds up to **\$200,000 per year!**
- What is the answer for ROI? **Stop** losing/misplacing documents, **increase** visibility, **eliminate** paper storage costs, and **ensure** the physical protection of your valuable data.

Emerging industry trends to manage these challenges include **Distributed Capture, PDF/A files, Managed Services, Service Oriented Architecture (SOA), and Software-as-a-Service (SaaS)**

# High-Level Process Flow



**Full Spectrum of Services Available Both On Site and Off Site**



## Operational Management

- Quality Assurance
- Flow and Custody Control
- Reconciliation
- Reporting



## Records & Information Management

- Retention
- Retrieval
- Destruction



# Government Document Processing Solutions

## Hands-on Oversight of Critical Document Processes

### Inbound Document Processing

- Transactional Documents
- Ad Hoc Documents
- Distributed Capture
- Consolidation and Centralization
- Security and Compliance

### Records & Information Management

- On-site Operation Optimization
- Off-site Storage Management
- Records Compliance Services
- Security
- Back File Conversion
- Blowbacks
- Consulting and Integration

### On-Site/Off-Site Offering

- Local, On-site Processing
- Secure Off-site Processing
- Off-Site Indexing
- Back File Conversion
- Local, Regional and National Processing

# Engineering the Flow of Communication™

## Benefits For You

### Provide Control

- Improve staffing - both direct and indirect to reduce costs
- Maximize space requirements/floor space
- Avoid fines and penalties
- Reduce delivery delays

### Optimize Process

- Redesign workflow for labor reductions of up to 10% to 25%
- Introduce operating controls
- Use proven transition methodology

### Improve Integrity

- Eliminate filing errors
- Introduce access controls
- Reduce risk with tighter records control

People, process and technology to integrate and customize document management

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## Document Management Professionals Who Can Help You

For questions or additional information, please feel free to contact:

**Erik Monsen, Director**

**Pitney Bowes Government Solutions**

**4200 Parliament Place, Suite 204**

**Lanham, MD 20706**

**(301) 731-6546**

**[Erik.Monsen@pb.com](mailto:Erik.Monsen@pb.com)**

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## Pitney Bowes Government Solutions

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### Developing Efficient Records Management Strategies

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#### *About Pitney Bowes Government Solutions*

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# GOVERNMENT BUSINESS COUNCIL

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