

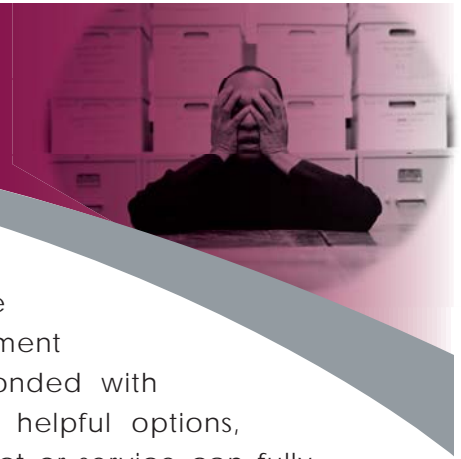


Doing More with Less:

Space-Planning in Records Management

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1. INTRODUCTION

When it comes to office space, the reality is that square footage is becoming more expensive and less available. Leasing costs in New York are now a staggering \$55 per square foot, driven up by an even more staggering new development cost of \$250 per square foot. In Calgary, with a 1.2 per cent vacancy rate, the average rents is \$43.03 per square foot, up from \$42.53 in the last quarter.

Vancouver office space, with a 2.6 per cent vacancy rate, averages \$27.24 per square foot, up from \$26.43. This is a pattern repeated in urban and industrial centers across North America. With so many organizations experiencing rapid growth, combined with the continuing trend of mergers and acquisitions, people simply need more space, making competition for it very fierce.



And while growing business may mean less space, the effect is the opposite for records. Even amidst talk of 'paperless office' solutions, most organizations' file collections are growing rather than shrinking, driven in part by a business culture which is increasing its emphasis on legal accountability. Environmental regulations, labor law and the U.S. Sarbanes-Oxley Act all require complete, reliable records. Now, many records managers looking for a place to store and protect records find themselves having to do more with less.

So how do you fulfill your operational mandate in the face of rising rents and shrinking workspaces? A good RM program is a big part

of the solution. The records management industry has responded with a wide range of helpful options, but no one product or service can fully address such a fundamental challenge. What

is needed is a total records management solution which incorporates different options into a comprehensive space planning program. By applying these options to the information needs, legal risks, and storage requirements of a particular organization, a space-planning program can not only manage the costs associated with storing records but also better enable the organization to meet operational goals.

2. Defining the Program: Records Retention Scheduling and Disposal

Two of the main goals of an effective records management program are to make optimal use of available storage space while keeping records long enough to support business and minimize risk. At first glance, these goals may appear contradictory. Minimizing the use of space for records storage sounds like a good idea, but is it not legally safer to keep all records forever? Not really. Virtually every area of law sets finite time periods for recordkeeping or legal action. Direct records retention requirements typically range anywhere from six months to forty years, after which they can be destroyed. Permanent retention requirements do exist, but some records that are popularly called "permanent" can be disposed of after the company has wound up or facilities are



decommissioned. Similar time limits exist for litigation, investigations, monetary claims, and audits. In short, most records can be destroyed eventually, subject to secure destruction practices and a carefully documented authorization process.

Sorting through and applying these different time limits can be tricky. The key is to identify and apply legal and operational requirements systematically and in the approved, documented form of a records retention schedule. Here are some of the key elements involved in developing and implementing a records retention scheduling and disposal program:



2.1. Functional Records Classification

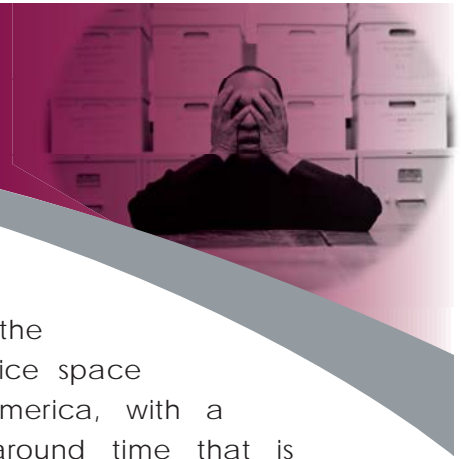
One of the most important first steps in developing a records retention program is to develop a functional records classification scheme. As the cornerstone of any effective records management program, this tool divides records into categories based on the business activities which they support. By focusing on the reason why records are created or received in the first place, this methodology better responds to the dual role of records as information sources and legal evidence. A functional records classification is an effective tool for not only organizing records and finding them later, but also for deciding how long to keep certain categories of records.

2.2. Records Retention Scheduling

At its most basic level, a records retention schedule may be described as the cross-referencing of a records classification scheme with different records retention requirements. The process begins with extensive research of the various statutes, regulations, and industry standards that apply to the organization. Any direct retention requirements or legal limitation periods found in these sources should be carefully documented, as should any practical need to keep information for business use. Each category of records should then be assigned a standard retention period which takes into account all applicable requirements. Depending on how centralized records management controls are in an organization, the records retention schedule may divide the retention period into active and inactive retention.

2.3. Purging non-records

While many of an organization's documents are official records of its business, it may also have a significant volume of convenience copies, outdated drafts, obsolete reference sources and other redundant material. As long as a complete, reliable record of a given activity exists in the official file, there is no reason to keep associated non-record material after its immediate usefulness has passed. Non-records usually can be destroyed

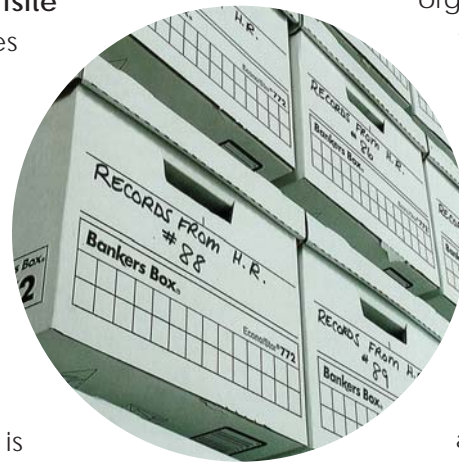


with minimal authorization and documentation, provided that the destruction method is secure against unauthorized access to confidential information. It is therefore recommended that organizations identify and purge non-records on a periodic basis, as well as upon completion of a major project or initiative.

2.4. Offsite and Near-site Storage

Many records are referenced rarely once the file closes or a certain period of time passes. Yet legal requirements or limitation periods may dictate that those records be kept for a number of years. Rather than take up scarce, expensive office space while providing little added value, these inactive files can be transferred to an **offsite storage provider**. Most urban centres offer commercial records storage outside the more expensive real estate of the downtown core. These service providers typically store records in high density warehouses, dramatically reducing the annual storage costs per unit of files.

Traditionally, offsite storage is associated mostly with inactive records, which are retrieved on rare occasions only. However, with space costs at an all time high in many cities, some organizations are embracing **near-site storage** of active file collections. One example of near-site storage service is our Centre of Excellence. Located in the growing energy center of Calgary, Alberta, TAB's near-site facility offers a more cost-



effective storage alternative to the of the highest office space costs in North America, with a file retrieval turnaround time that is comparable to that of in-house storage.

2.5. Documented records destruction

Once a record has reached the end of its scheduled retention period, it is usually eligible for destruction. All records destructions should be accounted for via a documented approval process. One key task in building a records management program is to identify corporate stakeholder departments, such as legal, tax and audit departments. Many organizations require these stakeholders to review lists of records for which destruction is pending. Where necessary, they can identify any records that are relevant to actual or planned litigation, audit or investigations. Where this is the case, destruction of relevant records should be postponed pending the outcome of legal proceedings. Postponement may also be required if records are responsive to a personal information access request under applicable privacy law or to meet some other operational requirement for information.

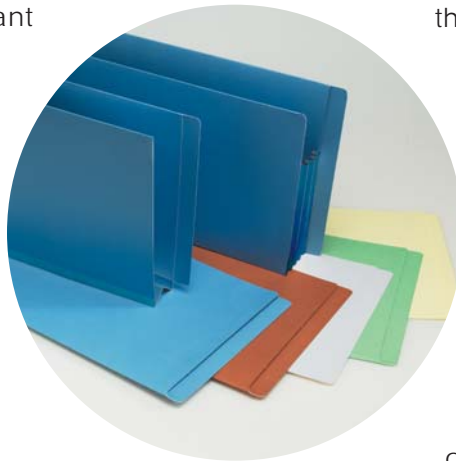
Otherwise, once disposal sign-off is obtained, records can be destroyed using shredding, electronic data wiping or another method, which provide reasonable guarantee against information being recoverable. Records management staff or another authorized records custodian should certify the destruction. All



records disposal documentation must be retained permanently in case any of the destructions are called into question.

3. Making it Happen: Equipment and Supplies

From a space-planning perspective, one of the main goals of records retention scheduling and disposal is to minimize the volume of records media stored at the worksite. As important as these strategies are for effective records management, they can only go so far on their own. There will always be a certain volume of records which must be kept in the office. These may include active records which are still used by departments on a daily or otherwise regular basis. Some business contexts may even require onsite retention of older inactive records, such as records which are needed to respond to environmental or safety-related incidents.



Fortunately, there are onsite storage options that help make the best possible use of physical space. As a critical step in building and implementing a records management program, an organization should work with space-planning and file room design professionals to proactively incorporate smart, proactive choices in file storage equipment and supplies. An organization's choice of filing cabinets, shelving, folders and labelling design all have a profound

impact on the amount of floor space necessary to store and use a given volume of records.

3.1. Vertical vs. Lateral Filing

Vertical filing cabinets feature pull out drawers, with files arranged from front to back. The flaw of this design is that the storage unit requires an area of floor space which is twice the size of the unit itself. Consider the example of a vertical filing cabinet whose drawers are 3 feet deep. In order to access files stored at the back of the drawer, you will need at least three feet of open space in front of the unit so that the drawer can be pulled out to its full length. Three feet of vertical file storage occupies at least six feet of floor space.

Lateral filing systems avoid this problem by arranging files from left to right. All files are equally close to the front of the drawer or shelf. Although some lateral cabinets feature pull out drawers or shelves, they need only be pulled out far enough to accommodate the length of a single file folder. If a three foot vertical cabinet were

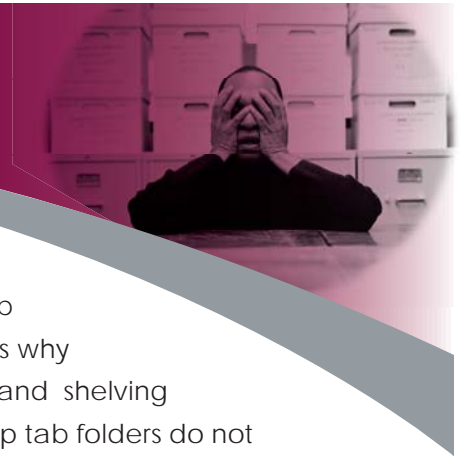


Tradition pull out vertical cabinet

VS.

Lateral cabinet



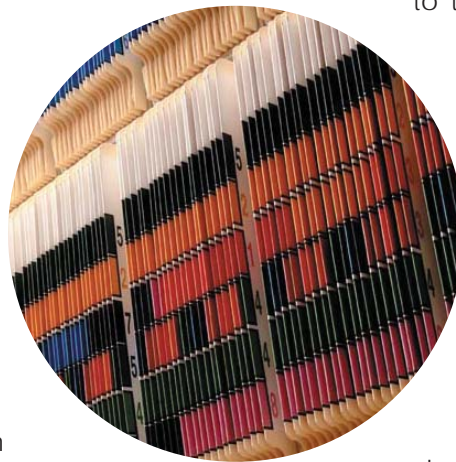


converted to a lateral format, the required clearance space in front of the cabinet will drop from three feet to no more than fourteen inches, the length of a legal-sized folder. An even more dramatic reduction can be realized by combining lateral filing with end tab labelling, eliminating the need for pull out shelves and drawers entirely.

3.2. End tab vs. Top-tab

End tab file folders are designed to hold labels on side rather than a protruding tab at the top of the folder. Because end tab labels are immediately visible from the outside of the cabinet, there is no longer any need to pull out lateral drawers or shelves. This in turn eliminates the need to reserve space in front of the cabinet to accommodate pull out drawers. End tab folders also allow organizations to fit more usable filing rows within the same amount of floor space. First, end tab folders are shorter because they avoid the protruding top tab and do not require hanging folders to hold them in place. Shelves and drawers designed for end tab folders are shorter than their top tab counterparts, and less height per row means fitting more rows into the same space.

However, the efficiency of end tab folders goes well beyond their physical size. In order to be usable for browsing purposes, folder labels need to be clearly visible at eye level. Few users of active files would appreciate having to climb a ladder or stepping stool



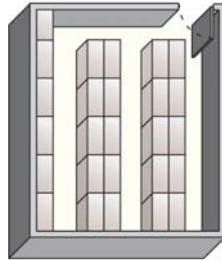
to read the top tab of a file folder. This is why so many cabinets and shelving units designed for top tab folders do not go higher than three or four rows. By moving retrieval information from the top of the folder to the side, end tab filing systems can sit higher in cabinets or shelves while still keeping critical retrieval information at eye-level. A color-coded labelling system adds further efficiency and convenience by making retrieval information much more visible. A colour-coded end tab solution can allow as many as seven usable filing rows, increasing the utilization of available floor space by up to 140%.

3.3. Mobile vs. Stationary Shelving

When combined strategically with end tab folders and colour-coded labels, lateral filing cabinets and shelving can have a dramatic impact on the amount of floor space needed to store a given volume of files. However, when floor space is really at a premium, further efficiencies can be realized by converting from stationary filing equipment to a mobile shelving solution. The most efficient stationary filing systems in the world require extra space between shelving bays for users to access the files. Mobile shelving bays are equipped with rollers which sit on tracks in the floor, allowing users to create openings between shelving bays as needed. Instead of one aisle for every two rows of stationary shelving, a mobile solution can function with as little as one aisle, which users move

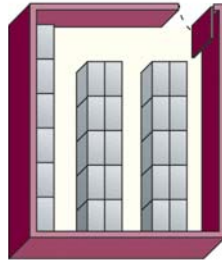


to access files in a given row. This functionality greatly reduces the footprint for the overall filing system. For example, by replacing seven stationary shelving aisles with one mobile aisle, the overall space utilization of an already efficient lateral shelving system is increased yet again by more than 100%.



Traditional Filing Equipment

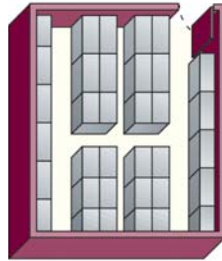
4-drawer lateral rollout cabinets with locks
 Linear Filing Inches (LFI): 3,432
 LFI/Sq.Ft: 10.73



High Density Fixed Shelf Cabinets

7-high lateral end-tab locking cabinets
 Linear Filing Inches (LFI): 6,240
 LFI/Sq.Ft: 19.5

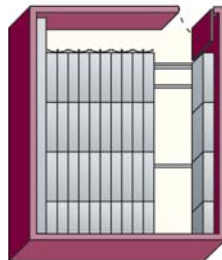
*Space usage improved by 82%**



High Density Open Shelf Systems

7-high lateral end-tab shelving
 Linear Filing Inches (LFI): 8,232
 LFI/Sq.Ft: 25.73

*Space usage improved by 140%**

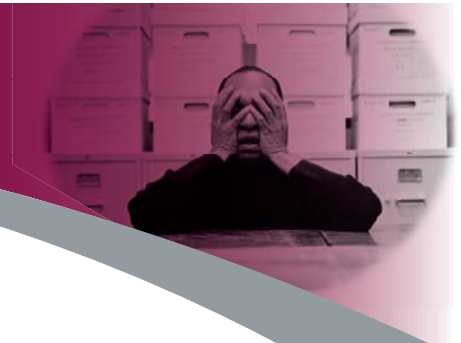


Mobile System

Compacting end-tab shelving
 Linear Filing Inches (LFI): 15,050
 LFI/Sq.Ft: 53.6

*Space usage improved by 339%**

*Versus traditional filing equipment.



4. Realizing the Benefits: Space-planning in Action

This paper has outlined a wide range of options which can impact both the volume of organizational file collections and the space required to store those collections. In order for these options to support business efficiency, legal compliance, and cost reduction, organizations must take the right actions in the right order and apply clear metrics for measuring success.

The table below presents a high level Space Management Plan. It incorporates all of the options discussed above and shows typical outcomes in volume reduction and space savings. It is up to each organization to apply strategies and choose equipment and supplies based on their own record-keeping requirements, business priorities and cost challenges. Nevertheless, the example shown below is effective in demonstrating the value that effective space-planning can bring to any organization.

Figure 1: Sample Space Management Plan

Phase 1: Reduce volume of records stored onsite - Dispose of non-records - Schedule and destroy eligible records - Send inactive records offsite	Volume reduced
	50%
Phase 2: Reduce floor space for onsite collections - Convert from vertical to lateral shelving - Implement colour-coded end tab labelling - Install mobile shelving system	Improved Space Utilization*
	339%
End Result: Only half the overall office space required to store more than three times the usable records storage space.	

5. Conclusion: Beyond Space

The techniques and tools discussed in this paper make up a comprehensive space-planning program that brings together the sometimes conflicting interests of space utilization and records preservation. The most immediate benefits of these steps are direct cost savings and a freeing up of valuable space for other business functions. However, the benefits of effective records management do not end there. By attending to the space issue first, many organizations will realize other benefits over the longer term.

Decreased legal risk: Keeping records longer does not always mean less risk. When records are kept in excess of retention requirements or legal limitation periods, they can still be called into discovery during a lawsuit or other proceeding. Even when direct liability for the original activities supported by the records has passed, they can still reflect negatively on your company, influence a current case, and require detailed review by expensive legal resources.

***Versus traditional filing equipment.**



Privacy Compliance: Records management traditionally focused on keeping records long enough to support legal compliance and risk management. A common tendency was to err on the side of caution and keep everything for longer periods of time “just in case.” With the advent of privacy legislation in many jurisdictions, this focus has partly shifted toward minimizing the retention of certain records. Most privacy laws expressly prohibit keeping “personal information” longer than necessary to meet the purposes for which it was collected. Similar limits apply to the amount and type of information which an organization collects and compiles as records. By eliminating outdated or inappropriate information, an organization can reduce legal risk and improve space utilization at the same time.

More Reliable Retention:

It may sound like a paradox, but tools and techniques for reducing record volumes can also help protect certain records over the longer term. By getting rid of what it doesn’t need, an organization is better able to manage what it does need. Effective space-planning frees up scarce space for critical records and facilitates fast, reliable retrieval of those records. This in turn supports efficient business operation and legal compliance, especially when laws require storage at the corporate head office or fast response to incidents and information requests.



options such as shared filing systems, corporate retention schedules and offsite storage allow an organization to better control the content and handling of records. This decreases risks to the organization’s assets, operations and people. Records storage and handling practices are based on accepted standards, not individual habits, reducing the likelihood of critical evidence being lost or confidential information falling into the wrong hands. Also, by reducing copies and versions of the same record, business units have more reliable information on which to base decisions and perform activities.

Improving business performance through more reliable information is one of records management’s highest goals. An effective space-planning program supports this goal, from initial cost savings through to improved efficiency and compliance. The final result is a more positive spin on the concept of doing more with less. Rather than just allow for the continued existence of records management in the face of cost challenges, effective space-planning and professional file room design can build the profile of a records management program by directly adding value to an organization’s overall operations.

Centralized control: When coordinated by a Records Management department or other centralized authority, space-efficient

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