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Business Solutions

The Hidden Costs of Onsite Storage

Efficient document management is the foundation of success in the legal sector. However, traditional onsite storage solutions, such as filing cabinets and shelves, often come with hidden costs that can burden law firms financially and environmentally.

This collaborative whitepaper between Storetec and Elless explores the overlooked expenses associated with onsite storage specifically within the legal sector, shedding light on the financial and environmental implications and proposing solutions for optimisation.



The Cost of Onsite Storage in Legal Firms

In the legal sector, where documentation is abundant and confidentiality is vital, the need for onsite storage is undeniable. Yet, the financial implications of traditional storage methods extend far beyond the initial purchase cost. Consider the average law office, where filing cabinets occupy valuable floor space. In major legal hubs like London, where real estate costs are substantial, the rental fees for this floor space can range from **£85 to £150 per square foot annually**. When multiplied by the number of cabinets required to accommodate a firm's filing needs, the financial impact becomes significant.

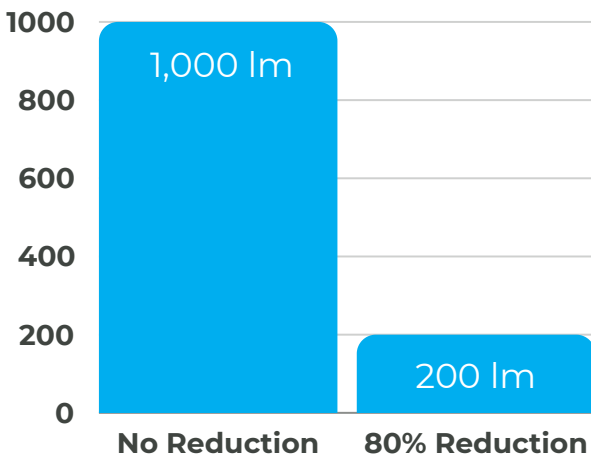
Furthermore, the environmental impact of onsite storage cannot be ignored. Each filing cabinet contributes to carbon emissions through energy consumption for heating, cooling, and lighting. Studies suggest that a single filing cabinet can emit approximately **0.25 tonnes of CO2 annually**, exacerbating the environmental footprint of legal firms.

Case Study: Reduction in Filing and Non-Filing Material

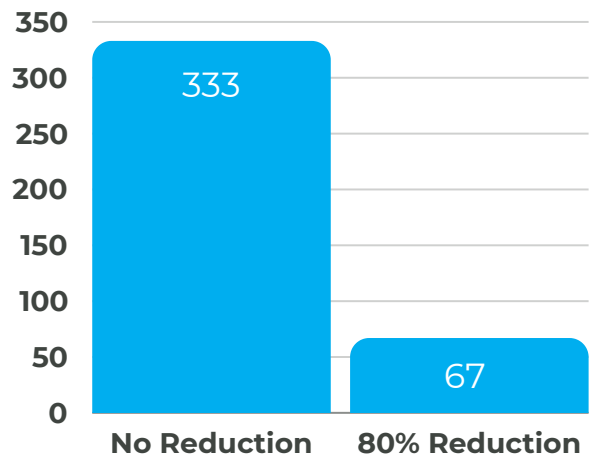
To illustrate the potential savings associated with transitioning to more efficient storage solutions within the legal sector, let us consider a hypothetical scenario for a typical 1,000 person office:

No Reduction vs 80% Reduction in Filing and Non-filing Material

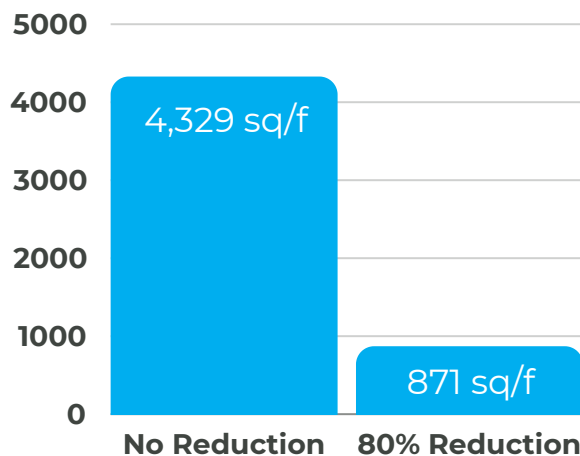
Total filing capacity in linear meters (lm)



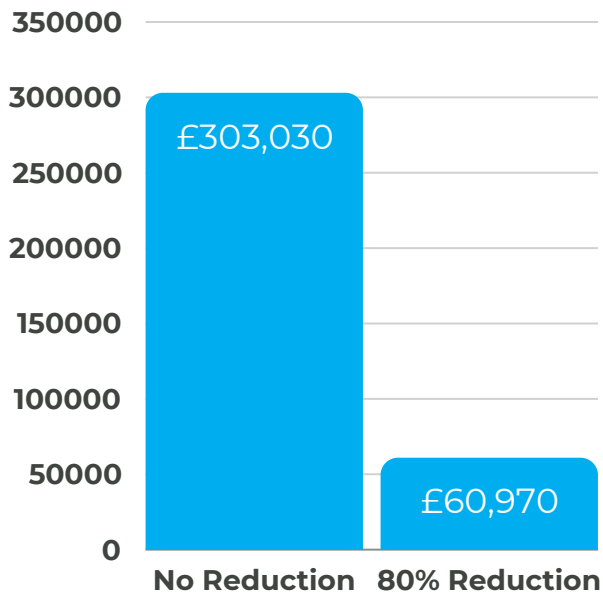
No. of three-high filing units equivalent



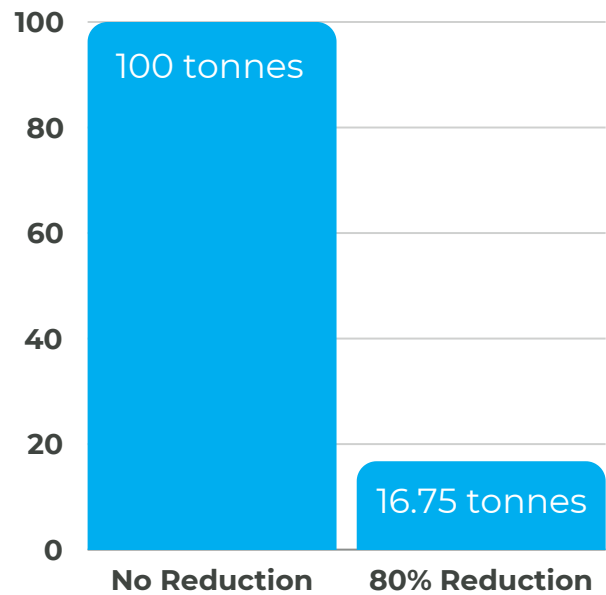
Floor space occupied in square feet



Annual floor space cost in £ (London average)



CO2 emissions per year in tonnes



Savings

The transition to more streamlined storage systems presents substantial financial and environmental benefits for legal firms:

Approximately

£242,060

annual savings in floor space rent

Approximately

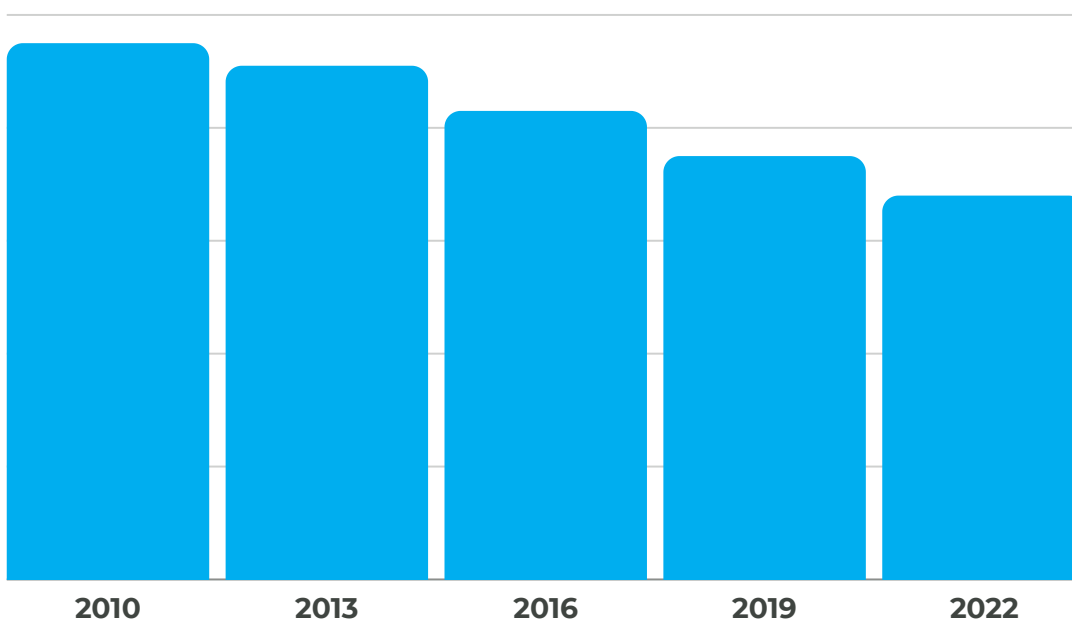
83.25 tonnes

reduction in CO2 emissions per year



4 Reasons Legal Firms Are Spending Less On Records Management

To enable a true comparison of archiving costs in the legal sector, we have measured the annual archiving cost per fee earner in each practice. The chart below, highlights how this measure continues to fall over time, and provides some startling statistics:



What is causing this reduction in annual archiving cost?

1. Introduction of a retention policy

The introduction of the General Data Protection Regulation (GDPR) put a spotlight on the risk of retaining documents longer than you were required to. Since then, most legal firms have introduced a retention policy. The result? Storing everything forever is no longer the only option.



2. Robust policing of such a policy

While a retention policy is beneficial, it does not in itself help to reduce the cost of archiving. To be successful, the policy needs to be robustly policed with strict standards and rules. We suggest working alongside your supplier who will be able to inform you when a document can be destroyed.

3. Two-tier storage solution

Identifying inactive records that are rarely accessed and if required, can be retrieved within 48 hours (as opposed to same or next-day delivery), could be a game changer. Once categorised and sorted, these records can then be transported to off-site, long-term storage, away from more expensive city centre locations. It might sound simple, but many of the best solutions often are!

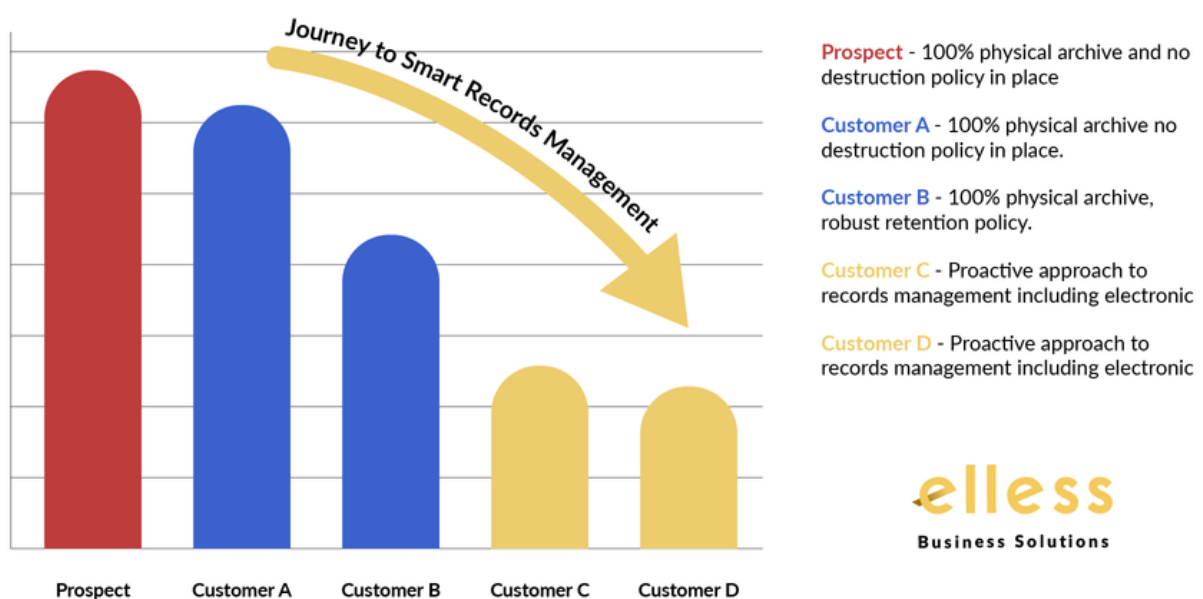
4. Digital workflows

The capabilities of modern document management software means that many documents are now digitised or born digital – leaving little room for physical archiving. Clearly, this has played a big role in reducing the volume of physical documents being sent to off-site storage suppliers and therefore, lowering a law firm's archive storage costs. When combined with a 2-tiered storage system, there are some serious savings to be made. The paperless office is becoming more and more inevitable and, if you haven't already, it's time to embrace it with open arms.

Case Study - Smart Records Management

Elless Solutions were tasked by a large UK legal firm to take a deeper look into the firms archiving costs with a suspicion that they were paying too much. Using a comparative measure from the legal sector, they benchmarked their archiving spend on a cost-per-fee-earner basis.

Legal Sector - Archiving Cost Per Annum Per Fee Earner



By suggesting the following actions, Elless were able to reduce the clients archiving spending by **more than 50%**. Not only would they save on costs, but their service would be improved through the speed of access to internal clients, and compliance risks would be reduced by not holding records that should have been destroyed.

- Introduce a destruction policy in-line with compliance regulations.
- Split archives by active and inactive for a clearer and easily accessible system.
- Introduce digital processes and digital delivery, freeing up space from physical documents and creating smoother access to files.

Conclusion

Efficient document management is critical for legal firms, yet the hidden costs associated with traditional onsite storage methods can impact both the bottom line and the environment. By reassessing current storage practices and adopting innovative solutions, such as digital document management systems or offsite storage facilities, legal firms can realise significant savings while reducing their carbon footprint. The case study presented underscores the tangible benefits of optimising storage management within the legal sector, emphasising the importance of proactive measures in achieving both economic efficiency and environmental sustainability.

In conclusion, the true cost of onsite storage in the legal sector extends beyond financial expenditures to encompass environmental impacts and opportunities for improvement. By addressing these hidden costs and embracing modern storage solutions, legal firms can enhance their competitiveness, reduce their environmental footprint, and pave the way for a more sustainable future in the legal industry.

