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From Paper to Pixels: The ROI of Outsourcing **Document Scanning Services**

As organizations strive for digital transformation, the transition from paper-based processes to digitized workflows is more than just an operational upgrade—it is a critical business decision that drives efficiency, cost savings, and compliance. For companies handling vast amounts of paper records, outsourcing document scanning offers a streamlined path to modernizing operations. This white paper provides an in-depth exploration of the financial, operational, and strategic benefits of outsourcing document scanning, with verified statistics and analysis to demonstrate the compelling ROI of making this shift.

The Cost of Staying Paper-Based: A Closer Look

Despite advancements in technology, paper remains prevalent in many industries. While it may seem like a manageable overhead, paper-based processes can significantly erode profitability due to high costs in storage, labor, and inefficiency.

1. Storage Costs

The expense of physical storage is often underestimated. According to a study by PricewaterhouseCoopers (PwC), the cost of managing paper records can be up to 31 times the original price of the paper itself when factoring in storage, retrieval, and labor.

- Physical Space Impact: A typical four-drawer filing cabinet holds about 10,000 documents and requires an average of \$1,500 annually to maintain, including floor space, climate control, and security. For large organizations managing thousands of such cabinets, this cost easily escalates into the hundreds of thousands annually.
- Inefficiency in Space Utilization: Office space occupied by filing cabinets could be repurposed for revenue-generating activities. Cushman & Wakefield estimates that the average cost of office space in North America is \$38 per square foot per year, further amplifying the hidden costs of paper storage.

2. Labor Inefficiencies



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Employees spend an inordinate amount of time dealing with paper documents. Research from Gartner shows that the average worker spends **20-30% of their time searching for information** stored in paper documents.

- Misfiled Documents: Nearly 7.5% of all paper documents are misfiled, according to the
 International Data Corporation (IDC), costing approximately \$120 per document to locate.
 If a document cannot be found, the cost of recreating it can exceed \$220, creating
 unnecessary rework and frustration.
- Administrative Burden: AIIM (Association for Intelligent Information Management) reports
 that digitization efforts reduce the administrative time required for document handling by
 over 50%, offering immediate productivity gains.

3. Compliance Risks

Industries such as healthcare, legal, and finance operate under strict regulatory frameworks that demand secure and accessible document management. Paper-based systems often fail to meet these standards, resulting in potential fines.

- Regulatory Challenges: Gartner predicts that 90% of organizations relying on manual, paper-based systems for compliance will face penalties by 2025.
- Cost of Non-Compliance: For instance, under the General Data Protection Regulation (GDPR), fines can reach up to €20 million or 4% of annual turnover, whichever is greater.

Breaking Down the ROI of Outsourcing Document Scanning

Outsourcing document scanning provides businesses with access to high-speed scanning technologies, industry expertise, and secure workflows—all without the upfront investment in equipment, software, or specialized staff. Here is a detailed examination of how outsourcing translates into measurable ROI.

1. Labor Savings

High-volume scanning projects require dedicated resources, but outsourcing eliminates the need for in-house staff to handle repetitive tasks.



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- Cost of Manual Scanning: Assuming an employee earning \$25/hour works on scanning, indexing, and filing documents at an average rate of 15 pages per minute (PPM), processing 1 million pages would take approximately 1,111 hours (or nearly 6 months for one full-time employee). This labor cost alone totals \$27,750, excluding benefits, training, and supervision.
- Outsourcing Advantage: Professional scanning services use industrial-grade equipment
 capable of scanning 120+ PPM, completing the same project in under 2 weeks, often at a
 fraction of the labor cost.

2. Equipment and Maintenance Savings

Investing in high-speed scanners can be prohibitively expensive for companies handling only periodic or project-based scanning.

- **Equipment Costs**: A commercial-grade scanner capable of handling high volumes costs between **\$5,000** and **\$15,000**, with additional expenses for software, maintenance, and upgrades.
- **Hidden Costs**: Maintenance contracts average **\$1,200 annually**, and repairs for industrial scanners can cost **\$500-\$1,000 per visit**, further straining budgets.

Outsourcing eliminates these expenses by shifting the responsibility for equipment and maintenance to the service provider.

3. Improved Workflow Efficiency

Digitized documents are easier to store, search, and share, enabling faster decision-making and collaboration.

- **Search Efficiency**: A study by McKinsey & Company found that digital workflows reduce the time spent searching for information by **60**%, equating to significant labor savings.
- Automation Opportunities: Digital records integrate seamlessly with document management systems (DMS), enabling automated workflows that reduce errors and improve compliance tracking.

4. Scalability Without Fixed Costs



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Outsourcing offers flexibility to scale resources up or down based on project demands without incurring fixed overhead.

• Case in Point: A healthcare provider transitioning to electronic medical records (EMRs) can outsource the digitization of millions of patient records within weeks, avoiding delays that would occur with limited in-house resources.

Key Industry Statistics Supporting Outsourcing

Market Trends

- The global document management systems (DMS) market is expected to grow from \$5.5 billion in 2023 to \$9.7 billion by 2030, with document scanning as a critical driver (Source: Grand View Research).
- AIIM reports that organizations that digitize paper records achieve an average cost reduction of 30% per document due to savings in storage, retrieval, and compliance management.

Environmental Benefits

By digitizing paper records, companies reduce their reliance on physical resources. The
Environmental Paper Network estimates that digitizing 1,000 boxes of paper saves
approximately 24 trees, 1,000 gallons of oil, and 4,100 kilowatt-hours of electricity.

Operational Improvements

 Digitized workflows improve organizational productivity by up to 30%, as reported by IDC, enabling faster response times and more agile decision-making.

The Strategic Case for Outsourcing

While some organizations consider in-house scanning, the reality is that the complexity, cost, and time commitment often outweigh the perceived benefits. Outsourcing provides a faster, more



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secure, and cost-effective path to digitization, particularly for businesses with limited internal resources or expertise.

Security and Compliance

Reputable scanning providers adhere to strict security protocols, including encryption, secure chain-of-custody processes, and compliance with industry standards such as HIPAA, GDPR, and ISO 27001.

Focus on Core Competencies

By delegating scanning tasks to experts, organizations can concentrate on strategic initiatives rather than operational bottlenecks.

Why PROSCAN® Solutions?

When it comes to outsourcing document scanning, **PROSCAN®** Solutions leads the industry with comprehensive, high-quality services tailored to your needs. From secure scanning to indexing and digital delivery, PROSCAN® ensures that your business transitions smoothly to a paperless future.

- **Expertise**: Decades of experience in serving industries with stringent compliance requirements.
- **Technology**: State-of-the-art scanners capable of processing millions of documents quickly and accurately.
- Security: End-to-end data protection that guarantees confidentiality and compliance.

Conclusion

The shift from paper to digital is no longer optional; it is a strategic imperative. Organizations that outsource their document scanning projects unlock substantial cost savings, operational efficiency, and long-term value. As the digital landscape evolves, businesses that embrace this transformation will gain a significant competitive edge.



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Contact PROSCAN® Solutions today to explore how we can help your organization achieve its digital transformation goals while maximizing ROI.

