

Death of a Paper Salesman? An Analysis of Going Paperless

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With the "going green" movement and the rising costs of operating a business, many companies are opting – or at least attempting – to go "paperless." There are various challenges and triumphs on the road to paperlessness, but is it worth it? Can a true paperless office be achieved? And, is it finally time to ditch the Rolodex?

Is it Worth the Hassle?

There are numerous advantages to going paperless. Electronic records allow for better organization and accessibility; documents can be retrieved instantly and multiple people can view a given document at the same time. Digital storage can also reduce the need for physical storage space and may result in cost savings due to the reduced manpower necessary to locate, update, and review records and documents. Electronic records provide a better way to search for and track information, as well as promote day-to-day efficiency by making it easy to update information and generate reports. This is especially true if the documents are put through the optical character recognition ("OCR") process, which makes them fully searchable by a simple Boolean query. Electronic retention protects against loss of documents since a company is not limited to the original paper document. And, of course, going paperless saves trees, giving a company instant environmental "street credibility."

However, these advantages must be weighed against the disadvantages electronic records can

pose. The privacy rights of customers and employees can be violated in an instant if access to certain sensitive or confidential documents is intentionally or accidentally granted. This raises concerns of possible identity theft and leaves companies vulnerable to hackers targeting confidential or personal information contained in databases or shared network drives. Going paperless carries serious upfront costs in the form of labor, equipment, and infrastructure. Although these initial efforts will likely result in future savings, they can be substantial and even prohibitive. If a company is in litigation and wants to introduce a particular document into evidence at deposition or trial, the document could be subject to an authenticity challenge if a signed document is only maintained in electronic form (although there are regulations and protocols to reduce this risk). Entirely paperless companies are in danger of losing vital records and documents if a database were to crash. Finally, there is the daunting obstacle of obtaining across-the-board buy-in and formulating a paperless rollout plan, with the former perhaps being most difficult.

Even though the disadvantages are plentiful, many of these potential pitfalls can be avoided or mitigated. Access to sensitive or confidential information can be controlled by encrypting laptops, password protecting databases, and restricting access to files and folders. Authenticity challenges in litigation are infrequent, and it is rare when a true original is required. Lastly, although a catastrophic database crash could result in loss of records, an individual

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could just as easily lose or intentionally destroy a paper document.

Companies must therefore balance the advantages and disadvantages of electronic records to determine whether going paperless fits with their business operations and requirements.

Can It Be Done Without a Major Headache?

Going paperless can be achieved with minimal irritation, but only if a business has across-the-board buy-in, a plan, and solid infrastructure.

— Step 1: Buy-In

Once a company decides to go paperless, the real challenge begins: buy-in. This means getting the executives (those in charge of the purse strings) and the workforce (those who will be in charge of the conversion from paper to electronic form) excited about – or at least committed to – going paperless. Although many view the task of going paperless as insurmountable, the pros and cons listed above may provide some inspiration.

— Step 2: Plan Development

After buy-in is achieved, a company must develop a paperless plan identifying the types of documents to be converted. This plan begs the question of whether to (1) go paperless for current and future documents only and keep all prior documents in paper form or (2) conduct a total overhaul of *all* documents and records regardless of vintage. This choice ultimately boils down to time and money, both of which are needed in large quantities to accomplish the task of scanning a voluminous backlog of archival documents.

Arguably, the best approach is a hybrid electronic and paper office, retaining signed originals in paper and electronic form, and all other documents in electronic form only. It is important when scanning original signed documents not only to preserve the

integrity of the document by ensuring the electronic copy is legible, but also to scan in color (despite the larger resulting file size) so that the quality of the signature is not degraded. Once a company has developed its paperless plan, it must educate and train its workforce accordingly.

— Step 3: Infrastructure

Finally, a company must establish solid infrastructure to support its paperless office. This includes purchasing the appropriate equipment and deciding how it will store the electronic documents and information. A company will need to invest in heavy duty scanners, and possibly retain an outside document management vendor, to handle the conversion. Once scanned, the documents and information must then be stored. The main data storage options are databases and shared network drives. Both options provide ways in which to restrict access, thus maintaining privacy of medical, financial, and other information. Encryption of files, folders, and laptops can provide extra safeguards against accidental or intentional disclosure of such protected information. Yet, information protection is inversely proportional to information accessibility: the more safeguards a company employs, the less accessible the protected information becomes.

By following these steps, including the unofficial step of actual implementation, a business can transition into the paperless world with minor interruption and without compromising data security.

Can Human Resources Really Be Paperless?

Perhaps one of the biggest challenges in the paperless office is the Human Resources ("HR") department – a veritable cornucopia of highly confidential personal information. The pros and cons of a paperless HR department closely follow those listed above. As an added bonus, electronic employment records could help facilitate an employer's obligation under state and federal statutes and regulations to retain certain employment records for re-

quired periods of time by making it easier and more cost effective to store and retrieve such documents. Although many statutes – including the Age Discrimination in Employment Act, Fair Labor Standards Act, and Family and Medical Leave Act – seem to implicitly or explicitly allow electronic retention of certain employment documents, there is no overarching rule authorizing employers to retain electronic-only copies of such records. The good news is that most statutes and regulations do not specifically prohibit this practice. In fact, over a decade ago, President Clinton signed the Electronic Signatures in Global and National Commerce Act, which gave electronic contracts the same weight as those executed on paper (with few exceptions), thus signaling the transition to a paperless society.

Certain statutes, including those mentioned above, also require that some information (such as medical or health information) be stored separately from personnel files. Historically, this meant storing personnel files in a locked file cabinet and storing medical and other information in a separate locked file cabinet. In the digital age, however, it is unclear what "stored separately" really means. Companies can electronically store medical information "separately" from employment records by using databases (e.g., Human Resource Information System) or electronic folders with restricted access, passwords, and encryption serving as the lock and key. This problem is particularly acute in the healthcare industry, where storage of highly sensitive medical information occurs frequently. Many hospitals utilize database systems with restricted access, including passwords and fingerprint recognition, to combat hackers and other data security breaches.

In HR, employees sign an inordinate amount of documents – offer letters, employee handbook acknowledgment forms, performance reviews, termination letters, etc. The dilemma of whether to keep signed originals in this context is particularly perplexing, and the same authenticity issues raised above present themselves in the employment arena. In most instances, the goal for HR departments

should be partially paperless, since certain documents and signed originals should be maintained in both paper and electronic form.

Aside from storage of employee information, companies can communicate information to employees electronically. Employee handbooks, for example, can be maintained on a company intranet or e-mailed to each employee. Employees can then review the handbook electronically, sign the acknowledgement form, and the form can be scanned in color and saved in an electronic folder or database. What about payroll information? Although state laws differ on this topic, many states allow businesses to automatically deposit wages into an employee's bank account and then provide an electronic pay stub, thus obviating the need for paper.

Ultimately, whether HR goes totally or semi-paperless, it must be consistent as to which documents it keeps in paper or electronic form.

Death of the Business Card? Paperless Networking and Marketing

With the rise of social networking websites and increased reliance on smartphones, networking and marketing have become effortlessly paperless. The death of the business card is nothing new; since the advent of e-mail, people have been attaching "vCards" – electronic business cards – to e-mail messages to exchange contact information. The recipient can then add the sender's information to his/her Outlook contacts or other electronic address book. Smartphones have made it even easier; the "Bump" application on the iPhone and Google Android allows users to literally bump their phones together and instantly swap contact information.

But what about the beloved Rolodex? A trophy of a well-networked career, perhaps, but a mechanical device you can only access at the office simply cannot compare to the utility of having hundreds of contacts at your fingertips at all times, especially in light of telecommuting and flex time. Social net-

working websites have also played a part, with websites such as LinkedIn serving as a virtual business card and even full-blown resume. At technology conferences, people are now swapping Twitter handles instead of business cards.

The marketing world is trying to harness the power of social networking websites. Mail advertising is a lost art. E-mail spam is passé. Yet, with social networking websites, businesses are getting consumers to come to them, even "liking" company pages on Facebook or following companies on Twitter to get the best coupons and discounts.

Paperless networking and advertising are becoming ubiquitous, and the possibilities are limitless.

Is Paper Becoming Retro?

With the wealth of existing technology surrounding us, and the ever-increasing pace of advancements in electronics, will people in the future question whether to go paperless or just do so as a matter of course? Is the paper salesman truly dead? Is Dunder Mifflin obsolete? The answer to all of these questions is "probably," but it will take more than a few decades before there is a wholesale abandonment of all things paper.

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