

Anglia Business Solutions

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ARE PILES OF PAPERWORK KILLING YOUR BUSINESS?

SITPRO has just published a fascinating study on the cost of paperwork in the perishable food import/export sector. It makes sobering reading. For example, the industry generates one billion pieces of paper annually and 90 per cent is destroyed. The cost of administering this mountain of paperwork amounts to 11 per cent of the supply chain value. That is one huge overhead in a sector struggling to cope with reducing margins.

It also pointed out that the bulk of the costs were invisible, wrapped up in the day to day processes that are part of the procedures. These cover the cost of documentation generation, printing, administration, collection and delivery, entering data from the documentation, obtaining certificates, telephone calls, emails and general verification. It mentioned that duplicate consignment data is keyed in a staggering 189 million times annually, while the cost is more than £1 billion per annum.

Clearly, continuing to operate in this way is unsustainable from both an ecological and financial angle. Nevertheless, many companies continue to operate their key processes using paper. This begs the question of how they view administration. Is it beneficial to the business or a necessary evil? The reality is that using paper for communication is going to be with us for some time. What is changing is the means of getting the words and images on paper. Handwriting customer or product information on paper drastically limits the accessibility of that information. Trying to analyse that information subsequently is both inefficient and time consuming. By contrast, modern information systems can quickly capture and distribute data.

One of the major challenges of the food industry is to work out which of their customers or product lines is most profitable. Trying to pull this information together from disparate islands of data can be difficult, particularly when some of that data is in handwritten form. The ever-changing nature of the supply chain where both costs and value are added to low value items moving at high velocity makes capturing the necessary data on a regular basis impractical.

However, systems are evolving where data can be captured electronically at the required level of detail to produce this vital information. Examples now exist where paperwork has been eliminated from the supply chain with impressive results with better customer service, improved use of labour, reduced waste and increased profitability, which may help win business as retailers ramp up IT systems. It may be worth assessing how soon paperwork can be replaced electronically, as carrying inherent invisible costs may not be sustainable in the long term. ■

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