

# **A Brief on the Benefits of Going Green and Taking Your Market Paperless**

Why Deploy Document Management in Your Market

March 11, 2009



## Introduction

As a leader in your organization and your community, you are in a unique position to move the real estate industry forward, in regards to the environment, the use of technology, and making the industry more efficient. Agents and brokerage staff standing at fax machines watching 25 page faxes feed through a fax machine is still the industry norm and is neither time nor resource efficient. Implementing an online document management system for your membership is a significant way for you to help your real estate market 'go green' and 'go paperless'.

Consumers expect virtually all industries to make changes that will benefit the environment and reduce their use of both renewable and non-renewable resources. Going paperless helps the environment in many ways:

- Saves paper, which saves trees.
- Reduces use of toner cartridges, which decreases landfill waste.
- Reduces use of gasoline, which has many benefits.

Just as important, going paperless can save brokerages and individual producers money and improve their profit in many ways, as will be described later in this paper.

Consumers also expect efficient industries that deliver a high level of service around the clock. Today's consumers expect access to information 24 hours a day, seven days a week. Consumers have been able to get the status of their overnight package, or their bank balance, online for years. The ability to do these things, and so many others, online, has been the norm for nearly a decade now - yet we as an industry are just getting started taking the core of real estate transaction documentation (e.g. - contracts, disclosures, inspection reports, title and mortgage documents, etc) online.

Agents and brokerages that use document management systems, which include customer service portals, can provide a new service their clients have come to expect in many other facets of their lives – access to information online. We've been delivering listing information online for years. However, in most cases, once a sales or lease agreement is written, everything moves right back offline.

The rest of this paper overviews the many benefits of taking your organization and its members paperless. We hope you'll read the paper and consider the difference you could make in your marketplace.



## **Help the Environment and Take Some Credit**

Going paperless means going green and that means you are helping the environment. It's just the right thing to do. While much of this document focuses on how going paperless will save your members money, it is important to remember that they'll also be going green while doing so.

As mentioned in the introduction, deploying an online document management system to your membership is an opportunity to help the entire real estate industry in your market go paperless and go green. Moving your market forward in such a way is a newsworthy event and is worth communicating both inside and outside of your membership.

Taking the industry paperless is a great marketing opportunity for your association or MLS. The publicity generated can be a benefit both to your organization and your members.

## **Add Significant Value to Membership in Your Association or MLS**

Members and subscribers are taking a harder look at what they are getting for their dues. Giving them the ability to take their businesses paperless, thereby saving them money and helping them modernize their businesses, is a great benefit to offer.

In the section below we discuss what it might cost them to go paperless on their own. The costs for an individual or company to deploy a document management system are often many times greater, per user, than what it costs an association or MLS that has purchased a site license.

## **Save Your Members Money and Make Your Market More Efficient**

Implementing a document management system, at the market level, by an association or MLS is more efficient and less expensive for everyone. Leveraging the purchase power of the organization drives down the cost per person. Standardizing on one system reduces training costs both initially and on an ongoing basis. For example, if everyone in the market knows the system, there are lower retraining costs when agents move from one organization to another.

An individual subscribing to a document management system will typically pay \$100-\$300 per year; that system may or may not include an internet faxing component. A toll-free faxing system can cost them another \$90- \$240/yr. You can provide your members the benefits of both, at a fraction of the cost of either.



A brokerage can spend hundreds or even thousands of dollars per month on a document management system. Brokerages also often spend hundreds of dollars per month on faxing solutions. We have seen brokerages implement very expensive, locally installed document management systems that can cost tens of thousands of dollars just in hardware and set-up fee (and which have none of the benefits of an online system).

By adding a member benefit that is a small fraction of their dues amount, you can save them a significant amount of money they would otherwise spend on similar technology. And, by saving your members money on document management, you will make your market more efficient overall. Your members can use that money on other expenses that will help them improve their business in other ways (or simply keep more of their existing revenue as profit).

### **Help the Real Estate Industry in your Market 'Go Green'**

Have you noticed more and more companies are talking about going 'green'? They are doing it for several reasons – to save money, to help the environment, create a marketable service, etc.

However, they are also going green so because their clients expect them to do their part to help the environment and this includes you. Going paperless is a great way to help the environment. Being able to let your community know its REALTORS® are doing their part is a great story to tell and is the 'right thing to do'

### **Going Paperless Means New Marketing Opportunities for Members**

Using document management solutions to take its business paperless gives an organization an opportunity to tout its support of the environment within its community and market area. Use of a 'green logo' in advertising, marketing material and listing material to highlight what they're doing creates a new marketing opportunity. Positioning their businesses as green businesses also gives members the opportunity to talk about the advanced technology they are using to serve their clients.

Also for those companies/individuals that use a document management system to share documents and other information with their clients online, they can let prospective clients know they offer 24/7 secure access to their online transaction file. This can give them a differentiator while giving them an opportunity to tout their great customer service, their technological proficiency and their 'greenness'.

### **Better MLS Integration**



Document Management Systems deployed by an MLS (or shareholder associations) are usually better integrated with the MLS and can be more efficient to use. Some of the typical integrations are:

- MLS RETS data import into files for auto-population of primary file information – property address, listing agent/broker info, etc.
- Single Sign On from the MLS – this reduces the need for members to log in manually into another system. This also supports the association portal or MLS as the primary access portal for members.
- ‘One-Click-File’ – From an MLS listing detail page, in one click, an MLS user is logged into the document management system, a file for that listing is created (e.g. – 123 Main St.) and the MLS data is populated into that online document management listing file. The user can now begin faxing, uploading or emailing documents into the file.
- ‘Document Direct’ – From an MLS listing, the listing agent can print a fax-in coversheet that allows them to fax-in documents (e.g. – the property disclosure) that will be stored as a PDF in the document management system and display as a link from their listing. The listing agent can also upload documents directly into the document management system, which she can also selectively display on her MLS listing.

### **Replace an Existing Internet Faxing Solution**

Many document management systems include an internet faxing component. This can often replace existing, standalone faxing solutions that have been deployed by the association, brokers and individuals.

Document management systems also have the advantage over standalone systems in that the faxing system is integrated with the document management system, offering several advantages:

- Documents can often be faxed directly into document/transaction files (listing, sale and lease files) where documents can then be accessed by anyone with the permission to do so. This saves time because users do not have to take the extra steps of moving documents from email to PC and then to the document management/storage system.
- Document emailing, faxing, uploading and revision histories can all be automatically logged in document/transaction files, improving the ‘paper trail’ and decreasing business risk for individuals and brokerages.



### **Saves Members on Telecommunication Costs**

Because many document management systems provide faxing that is toll free (usually within the continental United States and Canada), your members and member offices can save a significant amount of money on telecommunications costs by using the outbound faxing feature of a document management system. Their customers can also save money when faxing signed documents back to their agents/brokerages from outside the local area.

### **Saves Members on Money by Reducing the Amount of Consumables Used**

Every time a fax is received by a traditional fax machine, the machine uses toner and paper to print the document. By sending documents directly into a document management system, your members can save on both paper and toner. Not only are documents received as electronic files (e.g. – PDF's), they can then be distributed electronically without the need for further copying, faxing or scanning. Besides saving money, it also results in more legible documents.

Offices can also save on expensive printing drums, as well maintenance contracts, by reducing their traditional inbound fax traffic. When a document management system receives a fax, a copy of the document is also placed in the appropriate online file, as a PDF. In the better document management systems, the fax is also emailed to the recipient as a PDF file to alert them of the inbound fax. The recipient can then forward that document via email as a PDF attachment without having to print the document. Additionally, the brokerage can access the document in the file without anyone having to create a printed copy.

Additionally, sharing of electronic documents can save a significant amount of copier, paper and toner usage. Paper based brokerages have one thing in common – almost every document an agent generates is copied for the brokerage's file. By sharing an online copy of the file, redundant paper copies of the documents become unnecessary. Making it electronic and accessible (securely) online also provides the benefit of ease of access by anyone with the security privilege to access that document.



## **Make Your Members More Efficient**

A more efficient industry is a benefit to everyone. Working with paper files is simply less effective and less efficient. Finding paper files in filing cabinets and manila folders is more time consuming and has a serious limitation – they can only be accessed when you are physically located with the files. Taking businesses paperless means fast access to files from virtually any computer anywhere.

Additionally, using traditional fax machines to fax documents is very time consuming. A person using a fax machine must first find the documents, print the documents (if they are electronic and they don't have an outbound computer based faxing system), walk to the fax machine, fax the document and wait for the sent receipt. With the typical fax taking 30 seconds per page to be transmitted, received, printed and confirmed by the receiving fax, it can take 10-15 minutes for a 25 page fax to send and confirm success. In a busy office with a shared fax machine, returning to the fax machine for the fax confirmation receipt is often not an option.

Using the outbound faxing feature of a document management system, the user can simply select a document, type-in the recipient's name and phone number (or import from the included contact database), then click on the send button. Once the fax is complete, the sender will receive an Email notification that the fax was successful and the sent fax will be logged in their account fax log. With many systems, if the document is related to a specific listing, sale or lease transaction file, the outbound fax will be logged in that specific transaction file.

## **Lower Brick and Mortar Costs for Brokerages**

Because a document management platform gives people the ability to access and work on listing, sale and lease files from virtually any internet connected computer from anywhere at any time, files and documents are easily shared and accessed from home offices. This enables agents, staff and assistants to work remotely. More home-officed staff and independent contractors can give a brokerage the opportunity to lower the amount of required office space. There are more and more brokerages, including brokerages with 100 or more agents, that have actually gone 100% 'officeless'.

Additionally, as files are moved online, the amount of onsite file storage needed can be reduced. The amount of space allocated to filing cabinets can be reduced and that space can be used for more productive desks. Or, the amount of space needed and used can be reduced. This can also save a brokerage in money spent on new cabinets themselves. Office grade filing cabinets are expensive and can only be removed by going paperless.



## **Reduced Offsite Storage Costs for Members**

Many brokerages store files at an offsite rental storage space such as a local self-storage facility. Many medium and large brokers rent space and services from companies that provide document storage and retrieval services. These services can be very expensive. The expense of storing and retrieving offsite documents lies not only in the direct cost of the storage facility, but also in the cost of gas and staff time to go to the facility, locate the document and bring it back to the office. The brokerage often then needs to fax or copy and mail the documents to a third party. All of this can consume hours of time.

Storing transaction files, and other business documents, online allows individuals and companies to lower or remove their onsite and offsite storage costs. Accessing a document or file can be done in minutes or even seconds. Documents can often be searched by the file name (often the street address), timeframe, listing/selling agent, etc. Once located, documents and/or files can be emailed or faxed directly from the system without the person ever having to leave their chair.

## **Better Business Continuity and Disaster Protection**

Another major benefit to companies and individuals in deploying online document management systems is protection against both manmade and natural disasters. Natural disasters such as hurricanes, earthquakes and tornadoes are risks against which many businesses and people consider taking precautions.

However, other, more mundane and often manmade disasters can also threaten the safety of documents and businesses. Fire is one such event. Another is flood. What many people don't think about is that floods don't always come from natural events. Many business have had their paperwork (and other items) destroyed by faulty sprinkler systems or even by the stopped-up, overflowing plumbing in an upstairs office suite. We have even heard stories of files being destroyed by rodents.

Online document management system vendors in real estate have spent millions of dollars to create secure, redundant systems and facilities for the online storage of documents. Electronic documents stored on these systems in these facilities are generally much safer than paper documents stored in filing cabinets in offices, in the trunks of cars and in home offices. These systems are also backed-up more often and more rigorously than electronic documents stored on PCs, laptops or even office based servers. The money spent to ensure the safety of the transaction files and business documents that can be stored on a document system is, alone, enough reason to deploy a document management system.



## **Help Members Reduce Legal Exposure**

Reducing legal exposure is one of the top reasons individuals and brokerages implement document management systems. Good document management systems automatically create an audit trail whenever someone:

- Accesses and manages a file
- Faxes or emails a document
- When a document is received by the system via upload, email or fax.
- A client logs-in to the Customer Service Portal
- A new version of a document is uploaded

Many other system activities will trigger a log entry by the system.

In many cases vendors will keep all transaction documents online for the legal retention period in your state. This makes retaining and accessing documents in an organized fashion much easier than with paper files.

Additionally, good document management systems provide users with the ability to produce an indexed PDF of either all documents in the file or an indexed PDF of the entire transaction including all audit information on that file (log-ins, views, document versioning, buyers, sellers, agents, brokers, emails in/out, faxes in/out, etc.) in addition to the documents for that transaction file. This sort of archival document can easily be emailed, faxed or printed from the system in seconds or minutes for a state auditor, attorney, insurance company representative, etc.

## **Save Gas and Travel Time for Members**

Home 'officing', discussed in the 'Lower Brick and Mortar Costs for Brokerages' section above, also saves gas and travel time. This saves everyone involved money and is also good for the environment.

Less gas and time is wasted driving home or to the office to get paper documents because online file storage allows brokers, staff and agents to access files from virtually any internet connected computer. Brokers can from access and review transaction files from where ever they are, rather than driving to where the paper files are located, as they do today.

Virtually any agent you speak with can tell you about a time (or perhaps many times) they had to drive to the office in the evening to retrieve a document for a client (and then usually had to spend time faxing or driving the document to the client). Broker owners and office managers will have similar stories about retrieving documents from the office for review when called-on by a harried agent or upset client.



In both scenarios being able to access, review and distribute (i.e. – email or fax) a document from their home or other location (e.g. – hotel business center, conference computer kiosk, etc.) saves gas and time.

### **Better Organization for All Involved**

Working with online files is simply easier. Getting rid of the paper clutter and being able to find files and documents easier every day. The Wall Street Journal reported that the average executive spends a total of six weeks per year searching for missing information on messy desks and in messy paper files.

Document management systems enable users to find documents faster and greatly reduce the chance of a document getting lost or slipping into another file or stack of papers. They know where everything is and can access it fast.

### **Better Customer Service Delivered with Greater Professionalism Benefits the Market as a Whole**

Today's consumers don't always need something to be done for them to be happy. Providing them online tools is a great way to make them happy. Modern consumers like to feel in control and have the ability to self-serve when they want information. If they can't contact their agent at mid-night, but can access their documents at any hour of the day or night, the agent/broker will be perceived as providing a great service. Providing clients with electronic documents and a branded, online customer service portal for access to those documents is something that will improve customer service for almost any agent or broker.

Electronic documents are often more legible and can be distributed, on demand, much easier than paper documents. Further, branded customer service portals, emails and faxes generated by a document management system will give the agent and broker that consistent professional image they want to convey.

'A rising tide lifts all boats' - improving the service and professionalism your members deliver, in general, helps the reputation of all of your members.



## Take Your Association or MLS Paperless

Ask us how. More and more of our association and MLS clients are using document management systems to take their own organization paperless, including using our system to manage membership applications and other related paperwork.

---

---

To learn about our suite of paperless technologies, visit [www.instanetsolutions.com](http://www.instanetsolutions.com).

Free live and recorded webinars available at [www.instanetsolutions.com/training](http://www.instanetsolutions.com/training).

To get more information, pricing and a customized demonstration for your organization, please contact Joe Kazzoun at [joe@instanetsolutions.com](mailto:joe@instanetsolutions.com) or 512-480-8757.

