

THE COST FACTOR IN RECORDS AND INFORMATION MANAGEMENT

Information and data are costly and valuable resources that should be managed in the same manner as other costly and/or valuable resources. In order to improve and reduce the management costs it is essential to determine and measure the costs involved in the collecting, processing, distribution and storage of information. To achieve this, financial information, among other things will assist and enable the following questions to be answered:

- Is the information needed and is it worth the cost?
- Is the information and data being processed in the best way and at the least cost?
- Can existing methods be changed or streamlined to save money and improve operations?
- Are there duplications or other unnecessary steps and how much can be saved by eliminating them?
- How else can information costs be reduced without compromising quality?
- Should the organisation automate or use more recent technology and how much will be saved by this?
- How much should be charged for an information product?
- What is the risk in dollars of taking or not taking certain actions?

It is difficult to quantify the cost of information. It is estimated that a high percentage of activity and its costs relates to the preparation, obtaining, processing, storing and outputting data and information for use in running an organisation. In addition to personnel costs, information activities incur expenditure in the following areas:

- Facilities such as rent and other overheads.
- Supplies obtained for processing, e.g. pencils, paper, pens and other items.
- Maintenance – the cost of maintaining the facilities and equipment used for processing information. To this must be added the indirect costs for

maintaining equipment partially used for information activities, e.g. vehicles used to collect information.

- Telecommunications are used entirely for information purposes and are a fully accountable item.
- Transport and travel expenses incurred for the purpose of obtaining, verifying, correcting or delivering information. This item must include costs such as hotel accommodation, meals, and other living expenses.
- Training of personnel involved in various aspects of information processing is another expense.

Effective management of information and information resources is essential in reducing costs, and improved information management can save significant amounts of money. Many organisations incur excessive costs because of a number of factors.

- Duplicate collection of information, including cases where two divisions or departments within the same organisation carry out independent surveys to obtain the same data.
- Costs of unreliable information. Unreliable information is that which will no longer be current, accurate or complete, requiring work to correct and leading to poor managerial or operational decision making based on uncorrected and unreliable data.
- Costs of failing to obtain or use pertinent information as can happen when for instance over-payments are made to benefactors because critical data about the recipients is not available.
- Failure to use current information processing technology.
- Inability to retrieve stored information, such costs must include the resources expended in unsuccessfully attempting to obtain information and the problems involved in making decisions without the needed information.
- Collecting data that is not needed. Many systems are designed at a time when there is a real need for certain information or data. However, changing circumstances may reduce or cancel the need for this once needed data. To continue to collect and process such data will be expensive and resources should be applied towards reviewing information needs and eliminating the collection and processing of data no longer needed.