



Midwestern State University Small Business Development Center

October 2008



Are Your File Cabinets Overflowing?

"Wow! What shall we do? Our file cabinets are so full it's almost impossible to fit more files into them! I guess we'll just have to buy a few more cabinets, but I have no idea where we will be able to put them!"

Does this predicament ring a bell with you? If so, you may want to consider outsourcing your records storage and shredding for several reasons. First, you might be surprised to learn that your own records management activity is more expensive than outsourcing it would be. For example, the federal government found that the cost of a typical square foot of office space is 14 times the cost of the same amount of space in a records center.

An office with just a few employees can generate over 100 pounds of paper waste a month. It can take many hours of valuable office personnel's time feeding a few sheets slowly into a small office shredder. It is far more efficient, economical, secure and convenient to collect these materials in a secured container and outsource the shredding than for you to try to keep up with it.

When your employees do the shredding you have two options. First, you either have entry-level employees shred, in which case you may expose sensitive personnel records and competitive information to individuals not meant to see it. Or, you can use managers or long-service employees who are busy fulfilling their important roles with other work. Neither situation should be acceptable. *But wait* (as they say in T.V. and radio commercials), there is a more important reason to outsource your shredding! It is to reduce the risk and potentially serious consequences of identity theft.

The Texas Shredding Law (HB-698) has been described as the toughest document destruction law in the United States. It requires businesses to shred documents with a broad range of personal information that could be used to commit identity theft. Included are such items as Social Security numbers, birthdates, e-mail addresses, and much more. Failure to protect such confidential data can result in fines up to \$500 per record and the recovery of reasonable attorney fees incurred in bringing an action.

If an issue arises with regard to conforming with the law, having outsourced the shredding can provide proof of your compliance. If you do your own shredding you lack certification of your having complied with the law.

Iron Mountain Inc., headquartered in Boston Massachusetts, is the world's largest records storage and shredding service company. It has a whopping \$2.7 billion in annual sales. Here in our region records management and shredding services are provided by Albert Records Management, a division of Albert Moving and Storage. They store over 2 million documents, and they recycle and shred over 400 tons of paper per year. You might want to contact them at 940-696-7080 to explore the extent to which you need to be in greater compliance with the Texas Shredding Law (HB-698).

Dr. Jim Lundy is Director of the Center for Management and Leadership Development, Dillard College of Business Administration, Midwestern State University



Funded in part through a cooperative agreement with the U.S. Small Business Administration. All opinions, conclusions or recommendations expressed are those of the author(s) and do not necessarily reflect the views of the SBA. The MSU SBDC is a member of the Northwest Texas Region Network. Co-op # 7-603001-0048-22

Reprinted with permission of Midwestern State University Small Business Development Center



www.PaperPigShredding.com



4401 Barnett Road
Wichita Falls, TX 76310
Phone/Fax: (940) 696-7080
www.AlbertRecordsManagement.com