

5 Steps for Managing an Offsite Storage Vendor Consolidation



For organizations using multiple offsite records storage vendors, consolidating records under one vendor can create economies of scale and improve operations – if they are properly prepared to make the move.

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Although the world has reportedly “gone digital,” organizations continue to struggle with managing large volumes of paper records. Using separate offsite storage solutions by geographically dispersed locations is quite common. Often, though, these locations have few controls to enable compliance with records management requirements.

Following the steps below for consolidating records from multiple locations under one vendor can enhance records management processes, providing a good solution for this challenge.

Editor’s note: Because selecting a new vendor is too complex to cover in this space, this article points readers looking for guidance on that step to *Guideline for Evaluating Offsite Records Storage Facilities*, available at www.arma.org/bookstore.

Step 1: Gather Information

The first step in organizing a vendor consolidation project – before selecting a new vendor – is to create a database or spreadsheet to track the locations, volumes, and types of the organization’s records, as well as the account numbers and contact information for each storage location.

This information will be critical to developing a request for proposal (RFP) for vendor selection.

Identifying Storage Locations

Frequently, the accounting department can generate a list of vendors to whom storage fees are being paid to provide a starting point for a database.

However, it is possible that records are also being stored in internal onsite storage rooms, employee homes, and self-storage facilities. Payments to these locations may not have been coded as “records storage” in the accounting system, so identifying them

| | | | | |
|--------------------------|----------------------------------|--|---------------------------|-----------------------|
| Date Prepared | Contact Name | Contact Address | Contact Phone | Contact E-mail |
| Account Number | Record Owner | Current Storage Location | | |
| Box Number | Box Code Label # | Record Series Code/Name (from retention schedule) | Record Series Description | |
| Records Date From- To | Records Date (Alpha) From- To | Trigger Date | Destruction Review Date | Litigation Hold Codes |

Figure 1: Sample Box Inventory

will likely require additional investigation.

Determining Transition Requirements

Each business unit will have unique requirements for transitioning its records to a new vendor, so begin by surveying each one to gather the following basic information:

- Name of business unit
- Address
- Authorized users and contact information
- Names of users requiring destruction authority
- A list of services needed (e.g., storage, shredding, on-demand imaging)
- Whether box-level or individual file listings are needed
- Whether online box submission will be required or if paper transmittals will be allowed
- Who will perform the data entry (internal personnel or the vendor)

Requesting Record Inventories

Provide a template for business units to use so data submitted from all locations can be merged into a uniform list. Determine the metadata to be captured, and use these fields to create the template. The template might include data fields as shown in Figure 1.

Some business units may not have an inventory and/or may not be tracking all required information. In self-storage type situations, only an estimate of the number of boxes may be available. For these locations, an

inventory will be needed prior to sending the boxes to the new vendor.

Alternatively, the new vendor may be able to perform an inventory (for an additional charge) when it picks up the boxes.

Conducting Box Reviews

If a box review needs to occur, the following questions will need to be answered prior to scheduling the review:

- Who will conduct the review?
- Which boxes will need to be reviewed (all or just a sampling)? This will depend upon the types of records the location has and what metadata is available. Assumptions may be made if the volume of boxes is great. For example, if a business unit location submits only one type of record, it may be possible to assign dates based upon receipt dates. While destruction dates may not be entirely accurate using this method, depending upon the risk associated with the particular record type and the manpower available to conduct the review, this course of action may be feasible. Work with the legal department to develop a defensible process for destruction of large volumes of records for which adequate metadata is unavailable.
- How many boxes need to be reviewed and how long will the review take?
- Where will the review take place? Vendors will likely charge a fee to use their review rooms, so evaluate

whether the cost to deliver the boxes to a company location for review is less than the cost to use the vendor's review room. Consider unpredictability of scheduling for employees who are conducting the review so any delays do not have an impact on the cost of the review.

- Determine what will be done with boxes that are eligible for destruction. Depending upon the vendor's fee schedule, returning the boxes to storage for destruction may be less expensive than destroying boxes on-site and paying permanent removal fees. In some cases, transitioning boxes to the new vendor and having destruction performed there may be less expensive than destroying boxes before the move.

Step 2: Issue Request for Proposal and Select New Vendor

Selecting a new vendor is a lengthy process, requiring much more explanation than can be provided here. *Guideline for Evaluating Offsite Records Storage Facilities* helps users assess the ability of vendors to meet their storage requirements.

This publication (available at www.arma.org/bookstore) includes checklists for records security and protection, service levels, contract terms, and cost comparisons, as well as free online access to a form-enabled, editable Microsoft Word version of the checklists that can be customized and distributed as a request for proposal.

Step 3: Set up New Account

When setting up the account with the new vendor, determine how to differentiate between each business unit's records. Sub-accounts can be established for each business unit location and further sub-divided, dependent upon the organization's structure.

Differentiation could be made by such characteristics as country, region, state, address, department, and accounting codes – or potentially all of the above, depending upon the organization's size and complexity and the vendor's system capabilities.

Once the account organizational structure has been developed, the vendor will need a complete, accurate list of all the business unit locations requiring a storage and/or shredding account and where each account should go within the predetermined structure.

After the vendor has set up and populated the account, ask for a spreadsheet that outlines each account/sub-account, the authorized users for each business unit location, and account mapping information for any accounts that were in existence prior to the conversion. This spreadsheet can be used to track changes to account users and sort out account mix-ups that may arise later.

Designating Required Metadata

Be cautious when designating metadata fields as "required." All inventory from existing locations will need to conform to required fields, or the system may preclude box information from being saved.

Consider generating "dummy" information (e.g., a record series code such as UNK001) for boxes that have unknown contents to get around this requirement until boxes can be reviewed.

Uploading the Retention Schedule

Loading the retention schedule

into the vendor's system can assist with destruction processes if adequate metadata exists for records. Although, determining what format the vendor requires for the retention schedule upload would have been part of the RFP process, double-check to ensure this has not changed.

There will likely be character limitations requiring abbreviations of record series titles. Retention periods may also need to be converted into periods that a computer system can understand.

Although some organizations may choose to upload the entire retention schedule to the vendor's system, not

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all record series need to be included. For example, record types that exist only in electronic form or those with retention periods of less than one year should never end up in a storage box, so these record types can be excluded.

Whenever the retention schedule is modified, changes in the vendor system will also be required. Check with the vendor to determine its process for updating the retention schedule. Be sure to include this step in retention amendment processes so the retention schedule doesn't become out-of-date, resulting in the potential for non-compliance.

Step 4: Transition to New Vendor

Varying strategies may be needed to transition records. For example, records located at dedicated records storage vendors may require contract terminations and extraction timelines, which will require scheduling and management.

Records located at self-storage facilities may need to be inventoried. Accounts that already exist with the new vendor will require mapping to the new account and applying meta-

data fields.

Discuss all scenarios with the vendor and develop a timeline and processes for managing each type of situation.

Reviewing Contracts with Current Vendors

If this was not done during the RFP process, obtain copies of contracts for current storage vendors. Determine authorized users for each account, as typically, only authorized users have authority to terminate the contract.

Review early termination provisions for each contract and determine

whether to extract the company from the contract prior to the termination date, or wait until the contract ends before moving the records.

This determination will vary depending upon contract terms, volumes of records in storage at each location, and extraction costs with each vendor. Calendar contract termination dates for vendors to be transitioned later so timely written notice can be provided.

Terms of the extraction from the current vendors can also be negotiated. The following steps are candidates for that discussion.

Obtaining Inventory Lists

Obtain an electronic copy of the inventory in a format that can be manipulated (such as Excel) for each storage location so a smooth matching process from old box numbers to new bar code numbers can occur on boxes being transitioned. It may be advantageous to obtain inventory lists prior to giving notice of contract termination, as charges may be assessed for electronic inventories later.

Alternatively, obtain a PDF version of inventories to enable verifica-

tion of information that locations may not have in their inventory. The disadvantage of obtaining the inventory at this stage is that sites will continue to inbound boxes up until the actual transition date, so inventory records may not be complete at the transition date.

Be sure to note the date each inventory list is obtained, so the gap in the inventory can be closed just before moving the boxes.

Also, note which boxes have been checked out from inventory and either have them returned to inventory to maintain the chain of custody or

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permanently remove them from inventory and resubmit them as new inventory at a later time.

Determining Removal Costs

Determine the costs associated with removing inventory from the current vendors. These costs can include fees for retrieval, delivery, handling, data entry, and dock use if boxes will be picked up by the new vendor.

Typically costs are charged by the cubic foot rather than by the box, so make sure all the costs involved are clearly understood in order to obtain an accurate picture of exit charges.

Find out when invoices will be received and how charges will be billed (e.g., weekly or monthly). Determine in advance how the number of boxes received will correlate to the charges on the invoice (e.g., whether weekly shipments will have a separate work order number referenced on each invoice so box totals can be verified).

Verify when payment is expected for boxes being delivered. This may be a factor in planning transition schedules if budgeting is a concern.

Setting Box Removal Schedule

Find out from current vendors the volume of boxes that can be extracted each week. Vendors sometimes do not have the manpower to deliver large volumes in a short time frame, so an extraction schedule may need to be developed.

Also, determine how many boxes the new vendor can comfortably accept each week and how long it will be before box information is available in the vendor's system. Discuss the process for locating boxes in transition in case some urgently need to be retrieved.

Developing Extraction Process

Work with current vendors to develop an extraction process ahead of time. Items to consider include:

- The name and contact information for the onsite manager who will be handling the transition
- When and in what format the boxes shipped will be reported. For example, will the shipping vendor provide a list of boxes being delivered? Or, will the vendor provide a pick list, which may or may not be accurate if all boxes are not located?
- How will boxes be extracted (e.g., by sub-account, location within the warehouse, or some other criteria)?
- How will boxes be transported to the new vendor (i.e., will the current vendor deliver the boxes or will the new vendor pick them up)?
- Is it necessary for the boxes to be delivered or picked up on a specific day or time?
- If the new vendor is picking up the boxes, what size truck will the current vendor's dock accommodate?
- Verify the warehouse addresses where boxes are to be picked up if the vendor has more than one warehouse location.

- Define the process for documenting missing boxes, as documentation will be needed if information contained in those boxes comes into question later (e.g., for litigation or audit).

Step 5: Provide Training

Users will need training on accessing the new vendor's system. Determine when and how the training will be conducted (e.g., web seminar, conference call, or in-person) to accommodate all locations, work shifts, and time zones so all users may attend.

While training should consist primarily of transition issues, the time can also be used to reiterate program information across the organization. Preparing and distributing cheat sheets (including translations in other languages, if applicable) to assist users with utilizing the vendor's system will reduce the volume of questions later.

Keys to a Successful Conclusion

The transition to a new storage vendor can be a lengthy process with many moving parts. To make the transition as smooth as possible, plan ahead and be understanding when mistakes occur. Realize that your vendor has other accounts, and be patient.

Communicate frequently to those affected by the transition. Know that no matter how many communications are issued, some users may remain unaware of the transition.

When the actual consolidation occurs, remain available to trouble shoot as people experience transition issues. Stay calm and help users work through issues that arise.

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