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# THE TRUE COST OF PAPER-BASED COMPLIANCE MANAGEMENT



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# PAPER IN 2023

Physical Operating Compliance Management can be defined as the process of ensuring mobile employees and activities across the organization are in line with laws, regulations, insurance, brand standards, policies, and operating requirements. Simple enough, except the landscape of today's business world is growing increasingly complex with exciting new innovations, dynamic changes, and most importantly, an increased emphasis on health and safety across the board.

Compliance and regulations are evolving rapidly with new laws and procedures to follow every week. To manage compliance most still rely on paper to communicate and track the completion of operating policies, procedures, inspections, audits, emergency plans, incident reporting, and many other physical operations activities. Paper just doesn't cut it anymore for businesses and institutions, and physical operating compliance management is in dire need of its own modern-day transformation.

As you explore this paper, we urge you to reflect on your own operations and identify the ways in which you may be incurring preventable costs due to the use of paper-based reporting. While this paper seeks to highlight the various risks and inefficiencies that paper-based compliance results in for leaders in safety, we will also touch on the tools and systems needed to evolve beyond paper, and embrace a new era of compliance management for all!



# THE TRUE COSTS OF PAPER



It is important to emphasize that when this paper uses the term “cost”, we are not only speaking to the direct financial costs that paper-based compliance would have on your business.

By “true cost” we refer to every financial cost, increased risk of safety, and excessive use of time and/or resources involved with paper, which as you will soon enough find out, is a much greater deal with a far wider impact on your operations than you may have previously thought.

There are 2 main areas in which we differentiate the impact of these costs; operational inefficiencies and increased risk factors.

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# OPERATIONAL INEFFICIENCIES

The following costs are categorized as Operational Inefficiencies as they create barriers to optimize your routines, budgets, planning, and overall operations.



## No. 01 – Errors in Data Entry & Analysis

While human error can happen anytime, there is a higher risk involved in manual reporting which can compromise the accuracy and reliability of the data. This can lead to poor decision-making, regulatory violations, and weakened safety.

### Costs:

- \$ *Fines, penalties, and legal fees for regulatory violations.*
- 🕒 *Time spent rectifying errors and compiling data.*
- 👤 *Additional labor required for error correction.*
- ⚠️ *Increased risk to safety due to inaccurate information.*



## No. 02 – Time-Intensive Documentation Process

From delayed inspection response times to the exhaustive process of collecting the right data for compliance, paper reporting will cost you vast amounts of time from your day-to-day just to complete bare minimum operations, and that's before you even get to the often-skipped analysis part.

### Costs:

- \$ *Loss of revenue from delayed operations or non-compliance fines.*
- 🕒 *Heavy amount of hours spent on manual paperwork.*
- 👤 *Additional workforce needed to manage the paperwork overload.*
- ⚠️ *Increased risk during emergencies due to longer response times.*

# OPERATIONAL INEFFICIENCIES



## No. 03 – Storage & Retrieval Challenges

When working with cabinets on cabinets of individual paper reports, finding compliance data you need can feel like a maze, with each step of storing, organizing, identifying, and pulling the appropriate data taking extra time to execute, which is especially frustrating when data is needed quickly for planning or compliance validation.

### Costs:

- \$ *Not finding data leads to regulatory penalties and fines*
- 🕒 *Time spent finding and manipulating the data*
- 👤 *Additional labor required for verifying data*
- ⚠️ *Increased risk to safety due to issues left undiagnosed*



## No. 04 – Underinformed Training & Communication

With the average mobile worker holding around 40% of an organizations institutional knowledge, that is a lot of valuable information that goes with them as your seasoned workers age and retire. Paper limits the accessibility for mobile teams to record key insights that are essential for training and communication.

### Costs:

- \$ *Costs associated with retraining employees due to misunderstandings.*
- 🕒 *Time spent clarifying protocols to employees and performing incomplete inspections.*
- 👤 *Additional training resources required or costs for seasoned consultants .*
- ⚠️ *Increased risk due to improper training leading to safety lapses and delayed response.*



## No. 05 – Loss in Competitive Advantage

While it's no surprise that prioritizing and emphasizing quality safety practices does well for satisfying the people you impact, the opposite effect can also exist if your paper compliance is leading to inefficient resource use, poorer incident response, and lack of compliance to regulations.

### Costs:

- \$ *Loss of revenue from poor customer service*
- 🕒 *Time spent protecting brand reputation in the market*
- 👤 *Additional labor efforts needed to preserve and obtain new clients*
- ⚠️ *Potential job losses and risk of business continuity*

# INCREASED RISK FACTORS

The following costs are categorized as Increased Risk Factors as they can be detrimental to the safety of the lives within the community your business operates in.



## No. 01 – Compliance Gaps & Oversight

Ensuring a safety asset is compliant can be a difficult task with paper when inspections and response times have delays, not being able to verify if an inspection was actually completed, or if any key information to be recorded was missed. And with non-compliance comes a whirlwind of other problems.

### Costs:

- \$ Penalties for non-compliance, legal fees for litigation, loss of business reputation.
- 🕒 Time spent resolving legal issues and rebuilding reputation.
- 👤 Additional manpower for legal and PR efforts.
- ⚠️ Potential harm due to non-compliance with safety regulations.



## No. 02 – Limited Emergency Preparedness

With limited information available and organized, paper reporting can be just as detrimental to emergency prevention than it is to supporting it. A paper checklist can only hold so much information and insight for an inspector to ensure they performed their task to completion, but those key details can be the difference between a peaceful environment and a safety incident.

### Costs:

- \$ Property damage costs, medical expenses, legal liabilities in case of injuries.
- 🕒 Time spent on emergency response due to lack of organized information.
- 👤 Additional workforce and equipment needed for emergency response.
- ⚠️ Increased risk to safety and potential loss of lives.

# INCREASED RISK FACTORS

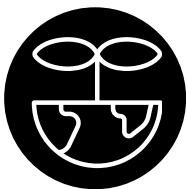


## No. 03 – Lack of Accountability & Transparency

Sending our operations teams to complete inspections and procedures they are responsible for is only half the battle, ensuring you can hold them accountable for those responsibilities and keep transparent communication and updates on their activities is a whole other component that shapes how reliable your compliance management truly is.

### Costs:

- \$ *Loss of investor confidence, potential legal costs for internal investigations.*
- 🕒 *Time spent resolving internal disputes and clarifying compliance status.*
- 👤 *Additional workforce for internal investigations and audits.*
- ⚠️ *Potential harm due to lack of clear protocols and accountability.*



## No. 04 – Environmental Impact

We can't forget a very pressing issue in today's day and age is climate change, with many regulating bodies enforcing new rules to suppress the effects of global warming. While paper compliance is not a leading factor, heavy and continuous use of paper reporting doesn't help alleviate its burden to the environment or contribute to your institutions ESG goals.

### Costs:

- \$ *Potential fines for environmental non-compliance.*
- 🕒 *Time spent dealing with environmental audits and assessments.*
- 👤 *Costs associated with implementing eco-friendly practices.*
- ⚠️ *Long-term impact on biodiversity and ecosystems.*

As you can now see, the “true” costs of manual paper reporting in physical operating compliance management are not to be ignored as they can impact all aspect of your operations, your teams, and your communities. While the financial, social, and economic implications can look different depending on your business and industry, there is no denying that paper has its fair share of challenges, and there is really only one important question you need to ask yourself as a director or manager still working with paper-based reporting; **“What comes next?”**.



# DIGITAL TRANSFORMATION

Have no fear, the next generation of Compliance Management is here! To meet today's demands for regulations, optimized operations, efficient training and employee retention, and many other needs from physical operations, the industry leaders are turning to new innovations in compliance technology to save on the costs that paper couldn't prevent, and leverage new opportunities for improvements and safety success.

Key Indicator	Digital Compliance
<b>Errors in Data &amp; Analysis</b>	<i>Real-time data capture and location/asset specific tracking to ensure accurate and timely operating data while eliminating the risk of errors.</i>
<b>Time-Intensive Documentation</b>	<i>All data is captured in real-time and retained in a single source, for easy access and for data driven discussion with key stakeholders.</i>
<b>Storage &amp; Retrieval</b>	<i>Cloud-based systems keep all data and records organized and stored in the cloud for easy access.</i>
<b>Training &amp; Communication</b>	<i>Build workplans that align with training procedures to ensure new employees have a clear understanding of requirements.</i>
<b>Competitive Advantage</b>	<i>Ensure important tasks don't get missed and quality of service is maintained.</i>
<b>Compliance Gaps &amp; Oversight</b>	<i>Ensure quality compliance at all times with end-to-end issues management, reports, and full situational awareness of safety assets.</i>
<b>Emergency Preparedness</b>	<i>Improved situational awareness of assets and operations ensures managers are prepared for disaster.</i>
<b>Accountability &amp; Transparency</b>	<i>Compliance management down to the location or asset ensures accountability and transparency.</i>
<b>Environmental Impact</b>	<i>Cloud-based solutions make paper a thing of the past and reinforce organizational ESG commitments.</i>







# MEET COMMAND CENTER

Command Center is SaaS-based grab-and-go technology that combines the flexibility of near-field communications (NFC) technology with the smartphone to cost-effectively ensure adherence to all daily physical operating requirements associated with health & safety, fire code, environmental, commercial insurance, brand standards, etc. It's the only solution to provide a single version of the truth regarding operations and provide access to real-time, accurate operating data that can be used to increase efficiencies, reduce overall risk and help save lives, money, and time.



## Eliminate All the Paperwork Required to Keep the Doors Open.

- Create **unlimited work plans** based on your compliance calendar.
- Design workflows tailored to your operations to be **sequenced or ad-hoc**.
- Optimize response times to issues using **automated alerts** based on operating policies.
- Directly link to specific assets or locations for **end-to-end life cycle management** using Near Field Communications Technology
- Assign work plans to **individuals or teams**

	<b>OPERATING PROCEDURES</b>		<b>EMERGENCY RESPONSE</b>
	<b>INSPECTIONS &amp; AUDITS</b>		<b>INCIDENT REPORTING</b>
	<b>OPERATING PERMITS</b>		<b>ASSET MANAGEMENT</b>

# CONCLUSION

To summarize compliance is transforming and how we manage compliance is transforming along with it and for good reason.

Paper-based reporting is no longer enough to cover the costs of operational inefficiencies and the increased risk factors associated with it. In fact in today's operations, paper can not only prevent improvements, but causes its own fair share of additional burdens on managers and directors in safety and operations. From long response times, cumbersome data analysis and compliance reporting, and the increased risk of incidents caused by the system built around paper compliance, these are costs that are detrimental to your business continuity, reputation, and performance.

The future is digital, and Command Center is the ideal solution to give you opportunities to optimize your operations, eliminate risk, and ensure compliance every step of the way so that you can better save money, save time, and above all, save lives.

**Want to learn more about Command Center and see if it's a good fit  
for your operations?**

## CONTACT US

[www.zendelity.com](http://www.zendelity.com)

[info@zendelity.com](mailto:info@zendelity.com)

613-369-4330

Suite 202, 308 Legget Drive,  
Kanata, ONT, K2K 1Y6

