



The Key Differences Between Document Storage and Document Management

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Filing is a no-brainer when managing a small organization. However, scaling companies quickly find increased business and employees meaning an increase of documents that will need filing. Maintaining physical filing systems is only practical for so long— document

management systems are great long term solutions that can eliminate many of the document storage issues scaling businesses have.

What is the difference between document storage and document management systems? At first glance, they're certainly similar. Both provide an alternative to the inconvenience of physical files. Document management and storage are similar but each have a unique purpose within your organization. In this blog, we will define and explore both document storage and document management systems and highlight the distinct features and value of each.

Document Storage

Document storage, particularly online document storage, is just that. Digital documents are stored in a digital format, making them accessible from an organization's storage system. Document storage keeps your documents stored in one place to allow for easy access. For example, your business may use document storage to hold all your documents from current or past clients to make it easier to share and access within your organization.

Implementing the right solution is largely dependent on what an organization requires. You can retrieve secured documents within document storage; however, it can make it difficult to navigate and search for what you need easily. If you want to make sure your documents, videos, audio files, etc. are safe and sound and you don't find yourself in need of particular indexing then document storage could be the system best fit for your business.

Many online document storage systems have back-up and storage capabilities: [DropBox](#), Google Drive, iCloud, etc. Many businesses see these systems as a "no training required" option when storing their documents. That said, document storage may not be the best choice regarding the safety of certain business documents.

While proper business-focused electronic file storage is a great solution for the simple private, mostly static archival of important documents, electronic file storage alone lacks practical use for more heavily trafficked files. Documents that are moved around and used within your daily business's process need to be optimized, storing them isn't enough when it comes to a scaling organization's security needs.

Document Management

Document management, often referred to as a Document Management System (DMS), is software that manages and tracks your electronic documents, images, audio files, videos, etc. DMS holds capabilities similar to document storage but allows for the implementation of, indexing, automation, document scanning, integrations, and workflow solutions. These tools are easily tailored to each organization's unique needs. Yes, document storage is a part of a DMS, however, its main purpose is to simplify business processes, like document accessibility and distribution.

A DMS is a great choice within a business when there are specific documents that are used regularly within your business. These could be invoices, contracts, or just regular day-to-day documents. With a DMS, there are workflows that allow documents to flow seamlessly throughout specific processes within an organization.

We've worked with many clients who didn't see the need for a DMS until they began to flesh out their business processes. Document storage is fine for simple archiving of important files, but lacks the extensive capabilities of a DMS to use those documents within your business workflows.

Key Differences

Now that you have a better understanding of each system let's dive into what makes them so different. The key difference between document storage and document management is that the core function of document storage is to archive your documents safely, while document management's core function is to organize, automate, and manage documents within your business process.

Integration

A document management system allows you to integrate document or data capture within your existing computing environment. With DMS, files of any type can be uploaded and managed using collaboration and automated workflow tools. For integrated capabilities like digital signatures, DMS is the better choice.

Workflows

As mentioned above, document storage does not have workflow capability. Within a DMS however, [workflow](#) solutions can be set up to step up productivity by making sure the right people receive the right document at the right time. Workflows can apply custom rules and logic for your particular business flow and allow for increased efficiency and compliance. As a document moves through the workflow, the person assigned to the document will be able to collaborate, edit, or sign and that document will continue to progress through the designed workflow. This automation helps with the stress of tracking down your colleagues to ensure that a document gets to where it needs to be on time.

Indexing and Search Tools

Whether working with a DMS or document storage system, locating documents should be simple. Most document storage solutions allow users to create custom folders for certain documents and search by document type or name. With a document management system, there is an advantage when it comes to finding documents within the

platform. DMS allows users to search based on whatever data is meaningful to them, such as invoice numbers, SSNs, mortgage account, names, dates, and much more. Indexing and query screens are easily deployed implementing whatever search terms you wish. This works with scanned images as well. For example with Optix if you have a paper document that needs to be scanned, it will be converted to text using Optical Character Recognition (OCR) which allows you to extract fielded information from scanned images. That way, scanned documents, as well as word processing files can be easily found within the system.

Security

Both document storage and document management systems allow for varying levels of security when it comes to protecting your documents. Both systems can be password protected to ensure that your company and client information is safe. DMS offers an advantage, with the ability to define access by role, unauthorized users will not see sensitive information. DMS also keeps a record of who has accessed or edited documents within the system, from first click to document sent. Although both document storage and document management have security features, DMS allows for more customization and granularity when it comes to user access and security levels. For example, client contracts can have a certain accessibility feature where only the people working on that client can access their documents.

What's Next?

With a better understanding of document storage and document management systems consider what would best suit your business. Both document storage and document management systems cost money to deploy, however there are some key cost differences between the two. While document storage may seem cheaper upfront, it actually requires more manual effort from your employees than a DMS, leading to a lower ROI due to associated labor costs. With a

DMS like Optix, the automation capabilities and robust indexing features actually create less work for your employees — reducing those labor costs over time and providing a more significant ROI than a document storage system.

If you're seeking a way to keep your documents secure and accessible, document storage may be the correct solution within your business. If you are looking for a more customizable and automated way of storing and managing documents daily, a document management and workflow system like Optix could be exactly what you're looking for.

As a document management system company we may be a little biased, but in the end, both document storage and management deal with different sets of priorities and processes. As a consumer, you must think of what system best fits your daily business processes. [Contact us](#) to learn more about Optix, a document management and workflow solution that will improve your day-to-day processes and give you the tools to perform at your best.