



How DMS Can Assist Risk Management

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Risks are something all businesses face at any given time. Unplanned or foreseeable risks can cause major operational roadblocks for businesses if proper protocols are not implemented. With the assistance of a Document Management System (DMS), a risk management department can be prepared for anything that hits a business.

Implementing a DMS can greatly reduce complications and increase productivity to better serve your business's needs. At first sight, a DMS can seem daunting, but the payoffs are high when utilized correctly. This blog focuses on exploring and discussing how a DMS can protect

your business and help you see if a DMS is right for your business's needs.

Defining Risk Management

Risk Management is defined as the process of identifying, assessing, and limiting potential threats to a company's capital and earnings. Threats can stem from a variety of things. A few examples are financial uncertainty, legal liability, technological issues, accidents, and natural disasters. Risk Management programs and processes are put in place to help a company understand potential risks and proactively prepare or respond to incidents. The aim is to reduce the cascading impact risks could have on a company in multiple ways. Implementing a DMS could be a successful tool in the Risk Management process to assist in reducing risks and complications. Risk Management is vital because it helps a company bounce back from an incident with strength, purpose, and poise.

Auditing

No one wants to be audited in any shape or capacity. It is a gruesome process without having a DMS in place. A DMS can help organize financial records, sensitive client information, legal assets, and more. When auditing in any capacity occurs, your team is ready to address it with confidence. Consistency and organization are key to prevent audit issues. You must ensure that proper procedures are followed and in place. There could be industry-specific processes your business must follow to maintain compliance. When an auditor comes to inspect your processes and business practices, they will want to fully understand these procedures and how your documents flow through them. If you don't have your business's practices and procedures already documented, this could cost your business weeks and delay auditing. However, a DMS has automatic workflows within, which can automate all the steps within specific procedures. That way, the auditor can see

the lifecycle of some of your documents from beginning to end to ensure you are maintaining best practices for document management and are compliant.

For more information on how a DMS can help with auditing, please visit our [How a Document Management System Improves the Auditing Process blog](#).

Legal Liabilities

Hiring and firing employees is a natural process of a business. When hiring an employee, the [HR Department](#) must ensure they have the correct access to specific information. With user-based or position-based permissions set up, a DMS can help set a new employee up for success. When employees are let go for a variety of reasons, all of their assets and information must be gathered up by HR to protect the company's intellectual property and legal assets. If documents are printed and stored physically, it can be a long and tedious process to track down each and every one of their documents to ensure no sensitive information slips through the cracks which could trigger a lawsuit. Visit our [Recruit, Onboard, and Train Better With a Document Management System blog](#) for more information on how a DMS can be impactful.

Clients hire companies that they feel are trustworthy. Part of that is feeling like their mission-critical documents are safely secured and not mismanaged. With safety features built into a DMS, keep clients satisfied and the client relationship strong. A DMS provides you a wide range of security to help prevent data breaches and keeps you prepared for emergencies. Most DMS provide multiple levels of security so you have full control over document access and what can be done with them. For example, the accounting department should only see client banking information; with a DMS, you can show your auditor who has access and ensure that those documents are secure. This helps to reduce legal issues and if a legal issue does arise, all of

the needed information is at your fingertips.

Accidents and Natural Disasters

Accidents and natural disasters happen at any given moment and with the help of a DMS, data and information won't be lost as well. Using paper documents and filing cabinets create high risk scenarios for human error and disasters to wipe out your physical document assets. However, if a DMS is in place, documents can be digitally stored and indexed for easy retrieval and safe storage. Since the documents would be digitally secured in a DMS, if a structural fire, hurricane, flooding, tornadoes, or other disasters struck your office, the valuable data and documents would be untouched and business could continue on with ease. With a DMS of all vital documents, permissions can be set so the right people have the right access to relevant information. This way, if a physical office was damaged, business could potentially continue on virtually.

Digitally storing documents in a DMS also helps reduce the chances of a physical break-in attempt because sensitive documents are not printed out. Accidents can be as small as accidentally spilling coffee on a client's signature, making it unrecognizable. Or, they can be as big as intentional fraud or theft. Accidents happen all of the time but a DMS can help reduce their likelihood and impact on your business and processes. Instead, a DMS can prevent an employee from carelessly forgetting to fill out vital sections of a form by digitally requiring them in order for the form to continue in the [automation process](#).

For more information on how to go paperless, please visit our [Paperless 101 page](#).

Implement a DMS Today!

With an effective and efficient DMS in place, your company's risk management process can handle any emergencies that come its way. No one likes to think about emergencies, but they are inevitable and sometimes unavoidable. Clearly understanding which DMS features will best serve your business's needs ultimately sets your business up for success. You can get started on research to see which system suits your business's needs. Here at Mindwrap, we have industry-leading experts to help you get that conversation started and get your company moving forward in the right direction. [Contact us](#) today to answer any questions and kick off the implementation process.