

The paperless office

On its way, at last

No longer a joke, the “paperless” office is getting closer

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STEPHANIE BREEDLOVE and her husband founded Breedlove & Associates 16 years ago to help families who (legally) hire a nanny with the crushing burden of paperwork that this entails. There are pay stubs to be sent, federal and state tax returns to be filed, pay schedules to be updated and other trails of exceedingly boring paper. Much of the firm's small office in Austin, Texas, is taken up by 100 paper-filled filing cabinets. An office manager spends 25 hours a week shuffling paper between desks and drawers. At peak times, says Ms Breedlove, the office becomes “a sea of paper,” with colour-coded stacks on conference tables, floors and chairs.

With luck, this will soon be a thing of the past. Last year Breedlove decided to go paperless. It is now about halfway there, says Ms Breedlove. The constant flow of information between Breedlove and its clients now goes via e-mail, with forms attached as PDF files. The next step is to roll out an online service so that clients can log on to manage their accounts. Only the Internal Revenue Service still insists on paper for some things, says Ms Breedlove, but even it claims to be going electronic soon.

Fewer trees will die and less ink will be squirted, but that is not her primary motivation, she says. It is that everyone—clients and staff—is sick of paper. The clients tend to be young, middle-class families with toddlers; they are good with technology and already pay bills online, use e-tickets on planes, e-file their tax returns and Google recipes rather than using cookbooks. And Breedlove's 16 employees are in their 20s, native to Facebook and instant-messaging and baffled by the need for paper. Now everybody is happier. Next year the firm expects to be completely paperless.

A decade ago this scenario was brought up only in sardonic jokes. Instead of the paperless office promised by futurists, offices and homes seemed to be drowning in more paper than ever. In the digital era people were exchanging much more information, but neither technology nor behaviour had caught up. They were printing e-mails for archiving and Word documents for marking up by hand. A 2001 book, “The Myth of the Paperless Office”, summed up the conventional wisdom.

But as it turned out, that was the very year when demand for office paper began declining. David Pineault, a paper expert at InfoTrends, a consultancy, estimates that office workers in rich countries will reduce their consumption of “uncoated freesheet” paper (called “woodfree” in Europe)—the sort used in offices—every year for the foreseeable future. Some market segments, such as high-quality paper for photo printing, may buck the trend. But overall, Mr Pineault is “bearish” on paper.

“It's a generational thing,” says Greg Gibson, in charge of North American office paper at International Paper (IP), the world's largest paper-maker. Older people still prefer a hard copy of most things, but younger workers are increasingly comfortable reading on screens and storing and retrieving information on computers or online. As a result, IP has closed five uncoated-freesheet mills in America in the past decade, and the industry is consolidating. IP is investing instead in poor countries, where demand is still growing.

As new generations of office workers leave university—where their class notes and syllabuses are online these days—they take their habits with them. They like digital information because it reduces clutter. It can be “tagged” and thus filed into many folders instead of just one physical file. It can be searched by keyword. It can be cut, pasted and remixed. It allows for easier collaboration, through features such as “track changes”. It can be shared across an ocean as easily as across a desk. Increasingly, it resides in the internet “cloud” and can be accessed from anywhere, not just in the office. By contrast, paper tends to get torn, stained, burnt, soaked and lost.

But within every trend, there is a smaller and countervailing micro-trend. Even as people in rich countries print, copy and file less paper, says Mr Gibson, they demand more beauty in the few things they do still print. Colour printing has been rising sharply, thanks in part to better printers. The old rules have been inverted, says Mr Gibson. People used to take a few photographs and print them all; now they take vast numbers but print a few. Firms used to print reams of forms at headquarters, then disseminate them to subsidiaries, where many were wasted. Now they distribute information, and employees print only what they need.

Surviving print jobs tend to be on what is known as “higher bright” paper, which is smoother, heavier and offers better colour contrasts. It is a small part of today's office-paper market, but is growing by 8% a year, says Mr Gibson. Whereas copy paper costs about \$4 per 500 sheets, he says, better-quality paper costs up to \$7, and thus offers higher margins. By appealing to the senses, where screens are still second-best, such paper is the industry's hope.

Information thus appears to be becoming paperless roughly as transport has become horseless, says Paul Saffo, a technology visionary in Silicon Valley. When cars came along, the number of horses in America dropped at first, but the number is now roughly back to where it was in the late 19th century. As a share of the trips people take, horses have become insignificant. But they are thriving for special occasions and sport. Paper, too, has a future—for the fine copy of the “Iliad”, the women's fashion magazine and the memorable certificate. But nobody, least of all the staff at Breedlove, will shed a tear for those stacks of tax forms on the carpet.

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