



# Shredding 101 for Small Business Owners

BY BAILEY JUNG

Being a small business owner is not easy these days. Working long hours, wearing multiple hats, and trying to cut expenses while increasing sales are challenges we all face. In fact, every small business owner I know could use 25 hours a day.

Although most small business owners recognize the importance of privacy protection, few have the time to really understand privacy legislation, like BC's Personal Information Protection Act (PIPA), which came into effect on January 1, 2004.

While PIPA is only in effect in one province, its basic principles should apply to businesses across Canada. This new privacy legislation requires all private sector organizations, from mom-and-pop stores to large national corporations, to comply with rules on the collection, use and disclosure of personal information. The new law also requires businesses to develop guidelines and procedures for retaining and destroying personal information. What all this means is that there is now a requirement under the law for businesses and organizations to be as careful in the disposal and destruction of documents containing personal information, as they are in collecting and maintaining them. Many business owners have the mistaken belief that being compliant just means having a privacy policy statement prominently displayed in the office somewhere, or posted on their website.

Identity theft is one of the fastest-growing crimes in Canada. Small business owners are often so busy running their business that they haven't taken the time to really understand privacy and security issues. Many small businesses have

employees who lack even the most basic training in how to handle potentially sensitive information. Tidbits of information that appear harmless are often discarded by employees only to be retrieved by dumpster divers later on.

In an effort to save on cost, some businesses purchase small office shredders for their employees to use. While this is a good start, shredding in-house using a small office shredder can be quite costly in the long run, once the indirect costs are factored in. Small office shredders are not designed to shred piles of documents on a continuous basis. They are suitable for home use, such as shredding pre-approved credit card applications and blank cheques, but are generally inadequate for businesses that generate even modest amounts of paperwork each day. As a result, office shredders often get overworked and eventually break down. Although most office shredders claim to be able to handle six to 10 sheets per pass, my experience is that most can only handle two to three sheets at a time without jamming. Many office shredders still cannot handle paper clips or staples, and thus require staff to manually remove them before shredding. The distaste most people have for shredding inevitably results in some documents containing sensitive information finding their way into a trash can. Shredding in-house also takes employees away from their core responsibilities, resulting in lower productivity.

From a security standpoint, there are good reasons why internal personnel should not be responsible for shredding sensitive information. First, they often lack

the proper training in recognizing what is potentially sensitive and what is not. Documents that should be destroyed may end up in the trash can or recycling bin. Secondly, employees are the most likely to realize the value of certain information to competitors. As such, some employees may have an economic incentive to profit from their access to it.

Outsourcing the shredding needs of a small business can save a business time, money, and the inconveniences of doing it yourself. The high-capacity industrial shredders used by most professional document destruction companies can shred in minutes what it would take hours to do using an office shredder. For example, there's no need to spend time removing paper clips, staples, and other binding materials. Using a professional document destruction company is quick, efficient, and provides a company with peace of mind that sensitive documents have been destroyed properly and professionally.

Companies that take privacy issues seriously understand that it is simply good business to do so. Failure to adopt sound privacy policies and procedures could result in damage to your business reputation and customers scrambling to your competition. Although document shredding is not new, businesses are starting to recognize that it's fast becoming a necessary business practice.

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