

Capitalizing on Content: A Compelling ROI for Change



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About the White Paper

As the non-profit association dedicated to nurturing, growing and supporting the user and supplier communities of ECM (Enterprise Content Management) and Social Business Systems (or Enterprise 2.0), AIIM is proud to provide this research at no charge. In this way, the entire community can leverage the education, thought-leadership and direction provided by our work. Our objective is to present the “wisdom of the crowds” based on our 70,000-strong community.

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Process used and survey demographics

The survey results quoted in this report are taken from a survey carried out between 13th December 2010 and 6th January 2011, with 450 responses from individual members of the AIIM community surveyed using a Web-based tool. Invitations to take the survey were sent via email to a selection of AIIM’s 70,000 registered individuals. Respondents are predominantly from North America and cover a representative spread of industry and government sectors. Employees of ECM suppliers have been excluded from the results in this report as they are likely to inflate estimates of potential improvement. Results from organizations of less than 10 employees have not been included.

About AIIM

AIIM (www.aiim.org) is the community that provides education, research, and best practices to help organizations find, control and optimize their information. For more than 60 years, AIIM has been the leading non-profit organization focused on helping users to understand the challenges associated with managing documents, content, records and business processes. Today, AIIM is international in scope, independent and implementation-focused, acting as the intermediary between ECM (Enterprise Content Management) users, vendors, and the channel.

About the author

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Introduction

In all businesses, content is growing rapidly. Many businesses are being overwhelmed by the sheer volume of documents and content accumulating on shared drives, in email systems, on mobile devices and in paper files. Most managers would accept that productivity, compliance and business responsiveness will steadily decline if nothing is done to manage this content deluge, but do not have comparative measures to make a business case for improvement. Meanwhile, many forward-thinking organizations are taking bigger strides to conquer the rapid growth of content and capitalize on the positive business benefits from knowledge-sharing, collaboration and business process improvement.

In this report, we set out to measure these return on investment (ROI) factors more closely, quantifying the efficiency and operational improvements that a well-implemented ECM (Enterprise Content Management) system can provide, and indicating the potential costs of compliance and security lapses. Given that over two thirds of respondents have some document management (DM) and/or imaging systems in place and that nearly a third have some degree of integrated content management, we also set out to compare the expectations of potential improvement from those yet to invest in ECM with the actual experiences of those who have such systems in use.

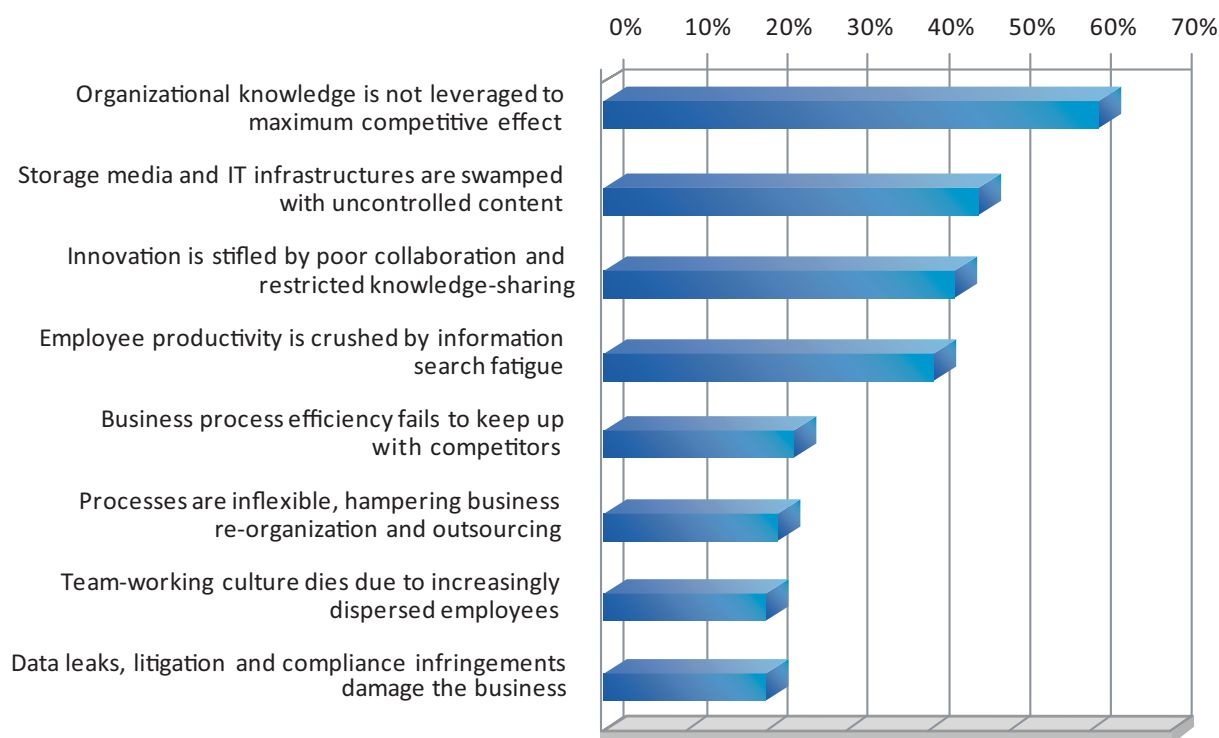
Key Findings

1. "Organizational knowledge is not leveraged to maximum effect" is given as the biggest long-term danger from unmanaged content by 61% of the survey respondents. Over 40% consider the stifling of innovation to be an additional long-term issue for business effectiveness.
2. Respondents report that the time they spend per day filing and maintaining existing information, or searching for new information, averages out at around 37 minutes, ie, 8% of the working day. "Search fatigue" is also considered a significant long-term problem.
3. Accounting for the follow-on benefits of making better decisions and not re-inventing content, the view of respondents is that the productivity of professional staff would be improved by 30% if they could find internal information and documents as quickly and as easily as they find information on the web.
4. By work-flowing processes using scanned forms and automated data capture, the productivity of administrative staff can be increased on average by 33%. Those reporting actual improvements show higher returns than those predicting what could be achieved.
5. Respondents estimate that on average, changing to a culture of electronic-only filing would reduce the office space allocated to filing storage from 14.5% to 5.9% - a 60% reduction.
6. Most organizations could reduce the size of server farms dedicated to unstructured content and emails by between a third and a half if each document or email attachment was stored only once. 46% of respondents consider that storage media and IT infrastructures will be swamped with uncontrolled content if no actions are taken.
7. Customer service levels and response times can generally be improved by 33% if all customer-facing staff can immediately access and share all of the customer-related and case-related information held.
8. Over a third of organizations would have no way of finding out who was responsible if sensitive data was "leaked" to a competitor or to the press by a trusted employee. Only a quarter could readily point to a specific employee based on activity logs. For 60% of the largest organizations, the potential impact of such a leak would be high, and for 13% it would be "disastrous".
9. 40% of organizations would take a financial hit from a compliance breach. 66% would suffer bad publicity.
10. A collaborative, widely accessible team-site environment is likely to improve project delivery by 23% on average in terms of timescales and project costs.
11. Although hard to assess, the improved efficiency from providing office staff with sufficient remote or mobile access to company information that they are able to work efficiently from home or on the road, is likely to be between 20 and 25%.
12. Although the technologies are immature as yet, respondents consider that Social Business Systems or Enterprise 2.0 applications can improve staff productivity and engagement by around 18%.
13. 57% of organizations are spending 10% or less of next year's IT budget for infrastructure projects and enterprise applications on content management projects.

Business Consequences of Content Proliferation

Despite the view of some respondents that information deluge is an inevitable aspect of modern business, most feel that business well-being can be seriously undermined.

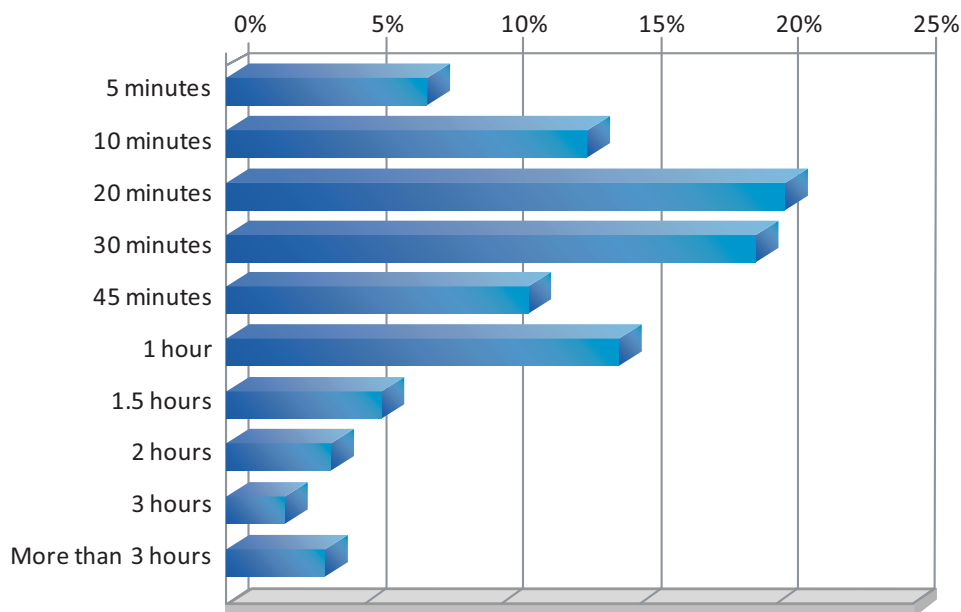
Figure 1: Which three of the following do you feel are the biggest long-term dangers of continued content chaos for your organization? (N=386)



There is a strong feeling that utilization of organizational knowledge is the first thing to suffer in a badly managed environment, causing the organization to lose its competitive position due to poor decisions and a lack of accumulated corporate expertise. Next comes the inevitable pressure on storage systems and IT infrastructures, but innovation is considered to be another significant victim of poor collaboration and restricted knowledge-sharing, followed by the productivity impact of information search fatigue.

These primary drivers are predominantly knowledge-based rather than process-based. Process efficiency and flexibility take their place behind these factors as important drivers, and as we will see, can produce the most tangible benefits. However, our respondents are twice as likely to cite the lack of knowledge-exchange as the biggest long-term danger to the business. In particular, when we asked, "How important to innovation is the ability of your staff to exchange information and ideas freely?", overall, 53% considered it very important, including 19% saying "absolutely vital" - rising to 27% in the largest organizations.

Figure 2: How much time per day do you spend managing content chaos — specifically either filing and maintaining information you have, or searching for information you need? (N=392)



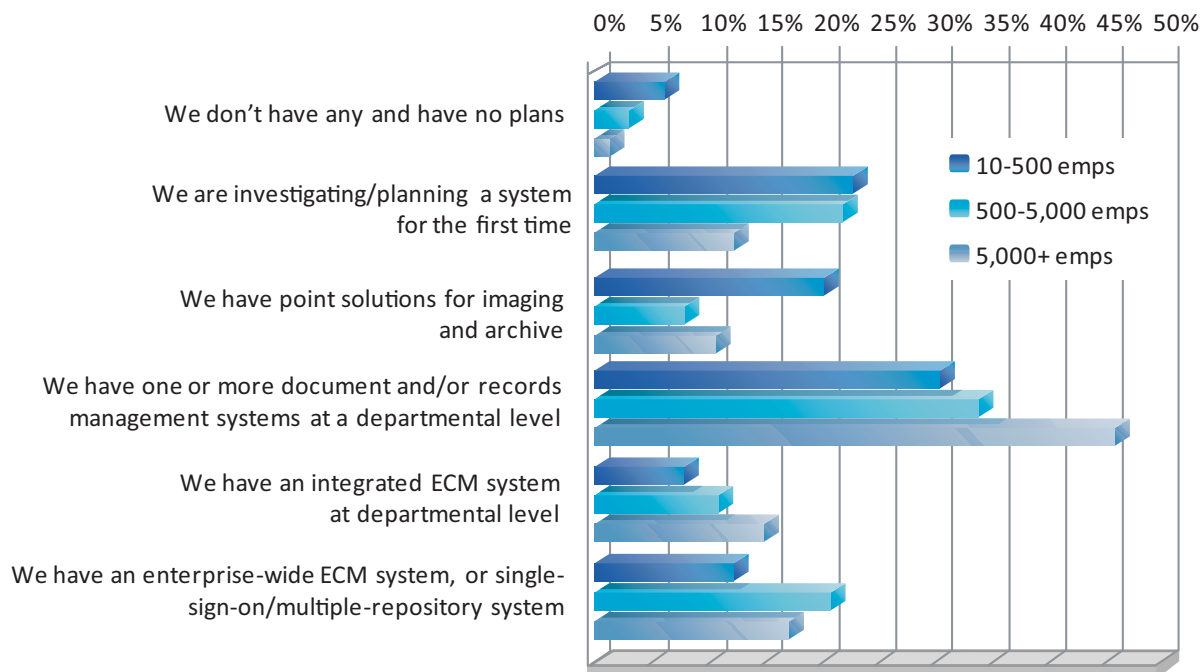
Time spent searching for information is a commonly quoted statistic, and a strong indicator of the mismanagement of content. In this survey, we included time spent managing information as well as searching for it. The overall average time spent is 45.2 minutes, with a median of 37.5 minutes, or around 8% of the working day.

It is the role of Enterprise Content Management to conquer content, bring it under control, and release the knowledge base within it. However, even where such systems are in place, care is needed to consider just how much of the paper and electronic content in the business comes under its management, and how universally this information is searchable and accessible across the whole of the enterprise.

ECM Adoption

The survey was taken across the AIIM community, where we would expect to find a higher adoption rate of DM and ECM systems than in the wider business community. Around a third have some form of integrated content management beyond just documents, with a further third having departmental electronic document and/or records management systems. Surprisingly, 24% of the largest organizations still have no management system for electronic documents and other content.

Figure 3: How would you best describe the maturity of your document, records and content management system(s)? (N=407)



As we can see from *Figure 4*, when we break ECM into its constituent parts, the picture is more varied, particularly the availability of functions such as email management (only available to 28%) enterprise search (available to 24%) and Enterprise 2.0/Social Business Systems (available to 18%). We can therefore assume that a degree of content proliferation exists even in those companies who have access to some ECM functionalities.

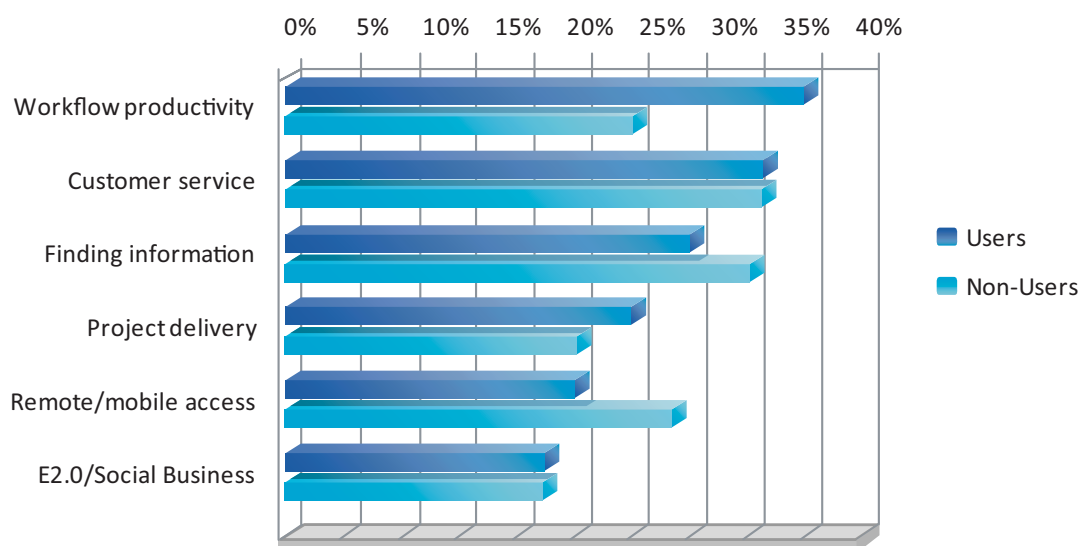
Figure 4: Which of the following ECM functionalities are currently available in your organization or operational unit? (N=394)



Business Improvement Factors

We asked both users and non-users of ECM systems for their estimates of how much staff productivity, process throughput, customer service, staff engagement and project delivery could be improved, or have been improved by the use of ECM technologies.

Figure 5: Average estimates of business improvement factors, users and non-users. (N=187)



See Appendix 2 for full questions detail.

We see from *Figure 5* that estimates based on actual users experience for workflow productivity gains and project delivery improvements are higher than projections by non-users, indicating results that are better than expected. On the other hand, information finding and remote access improvements can be over-estimated by non-users. For customer service and E2.0, projections and experiences are similar. The statistical distributions vary considerably. For example, views on remote access improvements are widely spread, whereas views on workflow and customer service peak quite strongly at the median. The full results are given in Appendix 2, and are summarized here.

- On average, respondents using workflow and automated data capture from scanned forms estimate a 36% productivity improvement for administrative staff, compared to an estimate of 24% from non-users. Over 60% of users report an improvement of more than 25%,
- Ready access to up-to-date customer data and correspondence can readily produce improvements to customer service levels from customer-facing staff of 33%, with over half (57%) estimating a 25% improvement or more.
- An efficient enterprise search across all available internal content, matching the capability of web-searches, could improve the productivity of professional staff on average by 30%. Better decision-making and less re-work of existing content are likely to be factors in this estimate. Again, 60% estimated a 25% improvement or more.
- Estimated improvements in project timescales and costs from collaborative team-site environments are more variable, with a 24% improvement reported from users and 20% from non-users. Here 41% reported a benefit of 25% or over.
- When we asked how much would it improve (or has it improved) the efficiency of office staff to have remote or mobile access to company information in order to efficiently work from home or on-the-road, the average response was 23%, with 45% estimating a 25% improvement or more.

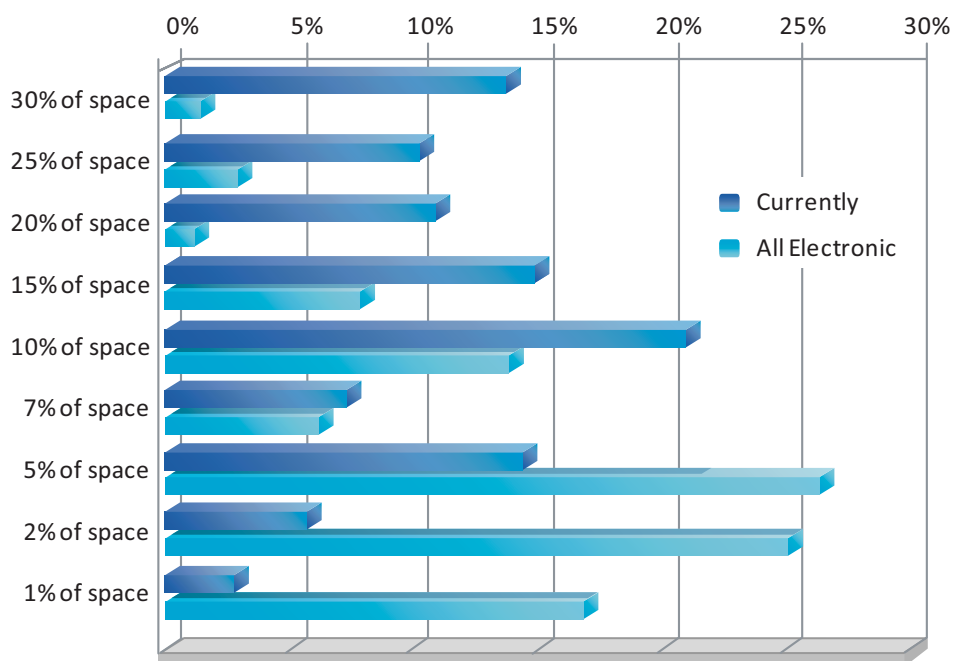
- Increased productivity and staff engagement from the ability to share opinions, find expertise, answer questions and communicate activities via staff blogs, micro-blogs, social sites and other Enterprise 2.0 technologies are estimated in the survey at 18%. However, these are the least mature products, with the lowest sample size of actual users, so are quite difficult to measure.

Whilst all of these business improvement factors are based on estimates, they point to an overall improvement in staff effectiveness of 20% to 30% from better use of content management tools when related to information processing tasks, project participation and customer response.

Storage Space

A recent AIIM survey² showed that paper usage is still increasing in 27% of organizations, with 39% at last seeing a reduction. Not all of these paper sheets end up in filing cabinets, but previous surveys have indicated that paper records are still on the increase overall. In many cases, the quantity of existing paper records could be decreased by setting and enforcing retention periods and disposal policies, but the most significant reductions are achieved by adopting an all-electronic filing culture, in association with an electronic records management system.

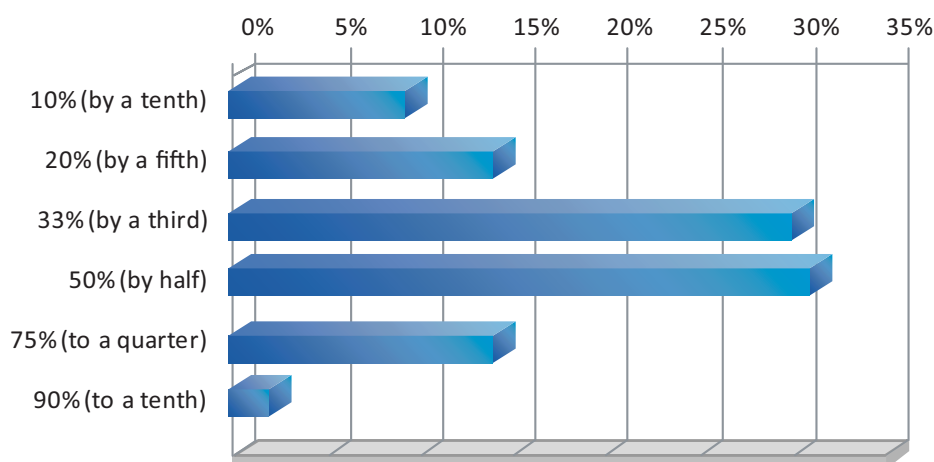
Figure 6: How much of your office space would you say is currently used for storing paper documents? How much would be used if you could change the culture to one of electronic-only filing? (N=405)



On average, 14.5% of office space is currently used for storing paper documents, although a significant proportion of organizations are using nearly double that. With an all-electronic filing culture, respondents estimate that office space used for storage could be reduced to 5.9% - a 60% reduction. If reflected in overall office leasing and service costs, this would produce a saving of 8.6%.

Even within the electronic environment, ad-hoc storage of documents, and in particular the practice of attaching documents to emails and circulating them widely for comment, creates a proliferation of duplicate copies.

Figure 7: Across your network file shares, email systems, content repositories and branch offices, by how much do you think you could reduce the disc storage space if only a single copy of every document or attachment was stored? (N=405)

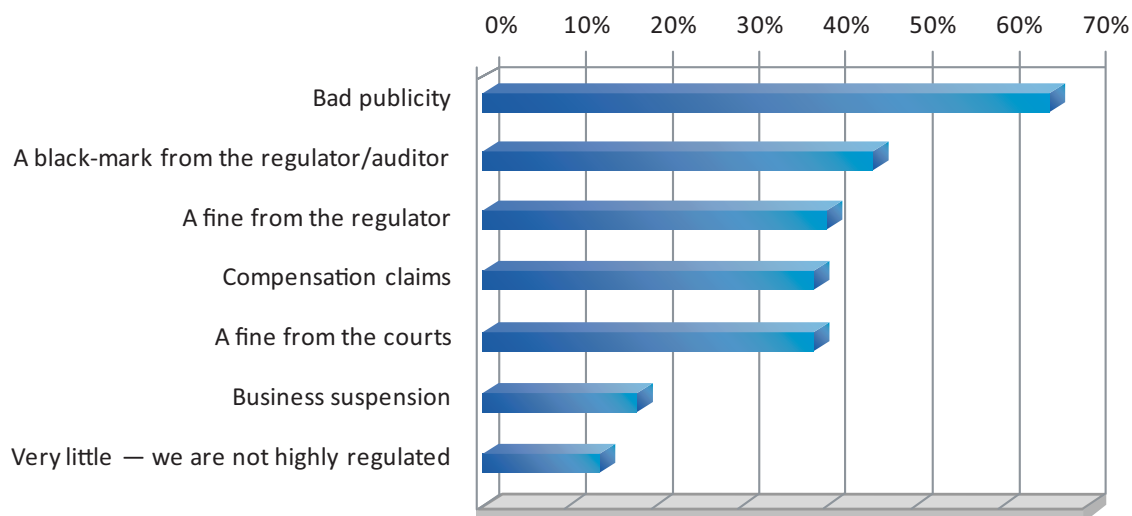


An efficient content management system, and in particular, utilization of a collaboration system that uses just one shared copy of each document, could reduce the disk space allocated to unstructured content by 41.2% on average. 47% of respondents estimated a 50% or more reduction. Since unstructured content is considered to constitute 80% of stored data (as opposed to that stored in transactional databases), this could produce a near halving of server-farm requirements for around half of the respondents, with a significant contribution to green policies.

Compliance and Legal Risk

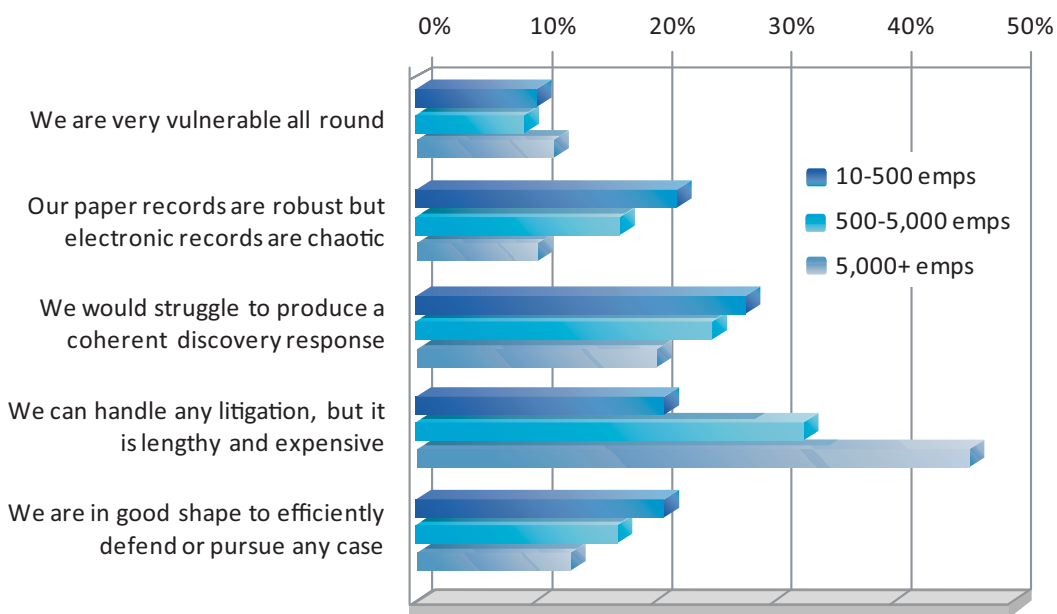
In recent years, industry regulators and law court judges have become much more aware of the availability of electronic document and email records systems. They are likely to be much less tolerant of an organization where content is out-of-control. Electronic documents and emails have become fully accepted in court, and discovery requests will extend across any type of relevant content.

Figure 8: Which of the following could be the consequences of a compliance breach in your organization where you had failed to keep accurate records, failed to satisfy a regulator's audit or had allowed records to be inappropriately exposed? (N=366)



Two-thirds of organizations would suffer bad publicity from a compliance breach, but 40% could also suffer financially from fines or compensation claims, with 18% facing possible business suspension.

Figure 9: How would you describe the litigation-readiness in your organization, or business unit, as regards the legal discovery process across your records in general and emails in particular? (N=366)

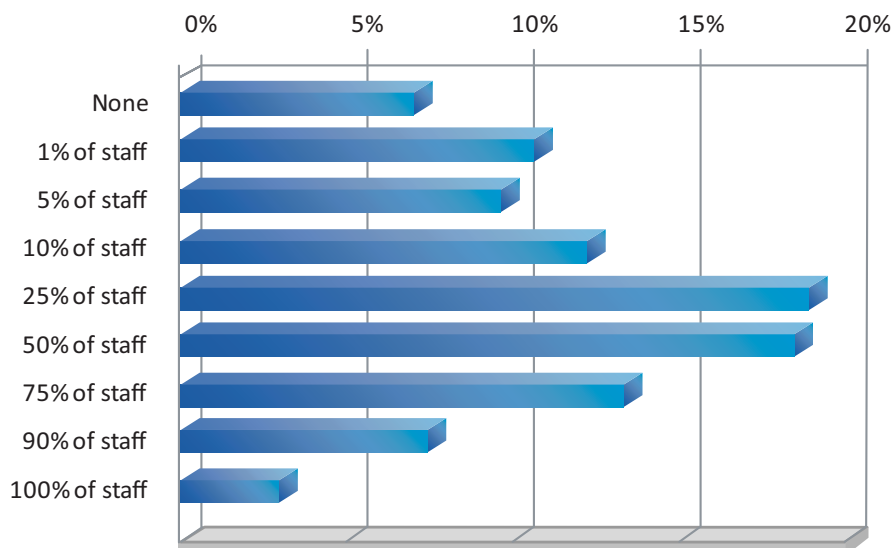


Regarding litigation readiness, 49% overall would struggle to produce a coherent discovery response, and even amongst the largest organizations, the figure is 40%. For most of the remainder, handling litigation is lengthy and expensive. Only 27% of these largest organizations have e-Discovery systems, which provide automated search and hold functions, and early case assessment.

Security

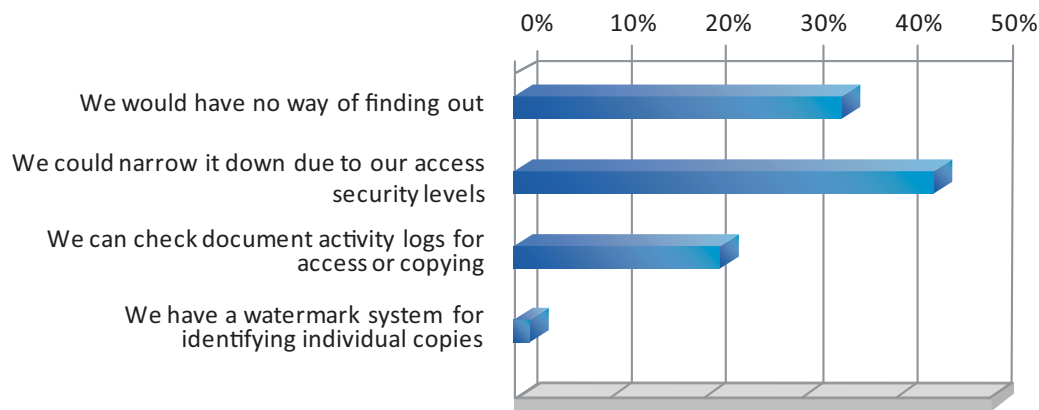
Data security is a constant risk factor for any organization. The increasingly mobile workforce extends that risk to much less secure media, with most companies having at least a quarter of their professional staff carrying unsecured copies of data on a variety of mobile devices. Only 7% of organizations claim that none of their staff carries unsecure data.

Figure 10: What proportion of your professional staff would you say have unsecured copies on laptops, smart-phones, USB-sticks or home computers of company confidential documents, proprietary designs, customer lists, email lists or staff details? (N=396)



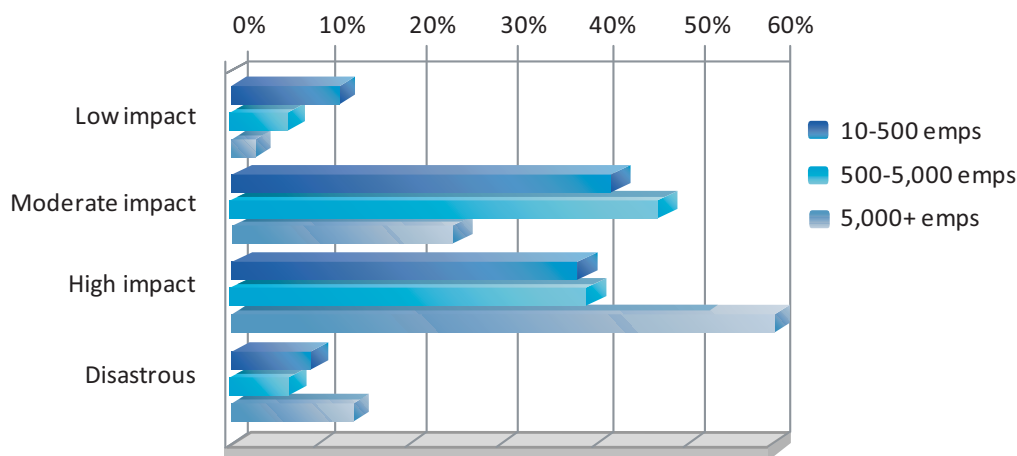
No matter how secure the IT system itself is, the risk of the wrong employees seeing the wrong documents is likely to increase considerably in a chaotic content environment.

Figure 11: If sensitive data was “leaked” to a competitor, or to the press, from within your organization by a trusted employee, how readily could you identify who was responsible? (N=397)



If data is leaked, over a third of organizations (34%) have no way of finding out who has leaked it. Only a quarter (22%) could readily point to a responsible individual. A good content management system will have audit trails that can be analyzed to highlight document access and copying. Even greater traceability comes from a watermarking system.

Figure 12: If sensitive data was “leaked,” how could it potentially impact your business? (N=397)

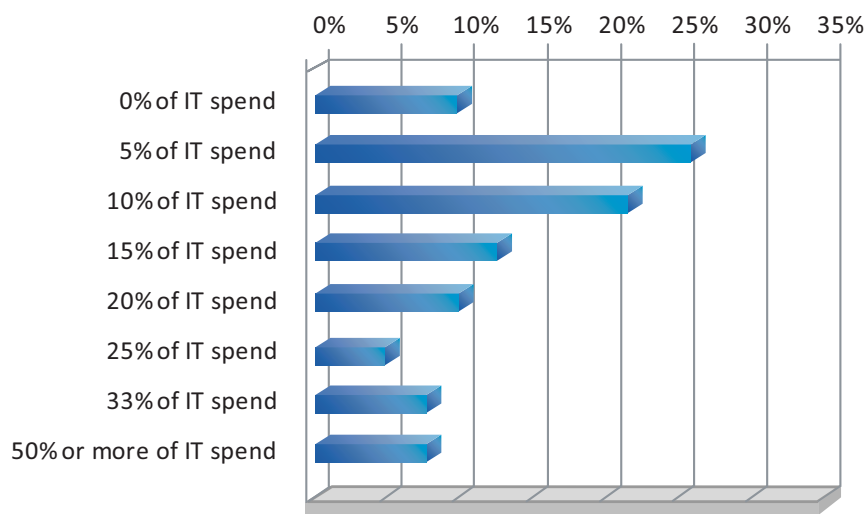


The highest impact of data leak would be felt by the largest organizations, with 60% considering the impact to be high, and a further 13% considering it potentially disastrous. Recent high profile data leaks have highlighted the potential consequences that can result if there is insufficient granularity of security against different document classes.

IT Spend on Content Management Projects

We have indicated in the report that there are significant savings to be made by investment in content management systems, not just for basic document management, but also for workflow, search, e-discovery, collaboration and social business. With such high potential gains to staff productivity and effectiveness, one might feel that content management would be a significant element in IT budget allocation for enterprise projects.

Figure 13: What proportion of your IT project-spend is allocated to content management projects next year, compared to infrastructure projects and other enterprise applications? (N=237)



What we can see is that 57% of organizations allocate 10% or less of their IT project-spend to content management projects. Obviously, this may be dependent on project phases and timing, and the major investment could have been in the past, but all organizations should be reviewing their allocations regularly to ensure that they pro-actively optimize their content management systems and social business applications against the potential returns that have been indicated in this report.

Conclusion and Recommendations

Based on the experiences of users and potential users of ECM systems, we have seen that proliferating content undermines the effectiveness of organizations, and presents long-term dangers of reduced competitiveness, stifled innovation, and poor productivity. We have compared estimated benefits from potential users and the experiences of those who have systems in place across a number of possible applications of ECM. Each one has shown an average improvement in performance of between 18% and 33%. In four out of the six performance factors compared, users have considered the improvements to be equal or better than the potential improvements estimated by non-users. Process productivity improvement from data capture and workflow provided the strongest improvement indicator, likely to be realizable as a tangible financial return of the order of 33%. Even the much less tangible benefits from business social media and Enterprise 2.0 produce an average improvement assessment of 18%.

In addition, we have found that the office space allocated to paper filing systems, and the disk space used for electronic document and email archives, can be reduced by between 40 and 60% by all-electronic, non-duplicate, filing policies within a managed and controlled system.

Compliance and security breaches can also seriously impact the business, in both financial and public relations terms. Poor document control and a lack of electronic records management is unlikely to impress auditors and regulators, and has serious implications for the costs of litigation and discovery.

A comment from one respondent suggested that outside of the IT and Records departments, content chaos was considered to be an inevitable consequence of modern business communications. A well-planned, user-friendly implementation of a modern ECM system not only conquers content, but also provides a positive change to leverage business effectiveness and capitalize on shared knowledge. We have shown that in users' own estimates, improvement factors of around 25% are the norm for any one of a number of employee performance and productivity measures. When combined together, these benefits make a very strong case for increasing the allocation of IT spend dedicated to content management and collaboration systems.

References

1. "State of the ECM Industry 2010", AIIM Industry Watch,
www.aiim.org/Research/Industry-Watch/ECM-State-of-Industry-2010
2. "Capture and Business Process ", AIIM Industry Watch,
www.aiim.org/Research/Industry-Watch/Capture-and-Business-Process-2010

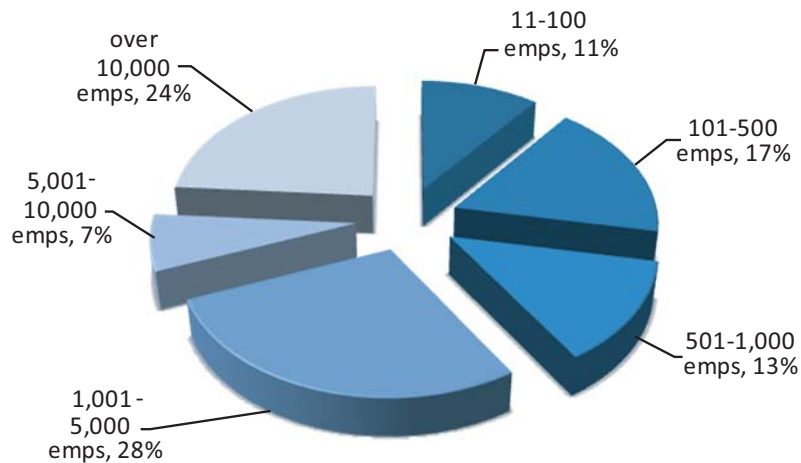
Appendix 1 - Survey Demographics

Survey Background

The survey was taken by 450 individual members of the AIIM community between 13th December 2010 and 6th January 2011, using a web-based tool. Invitations to take the survey were sent via email to a selection of the 65,000 AIIM community members

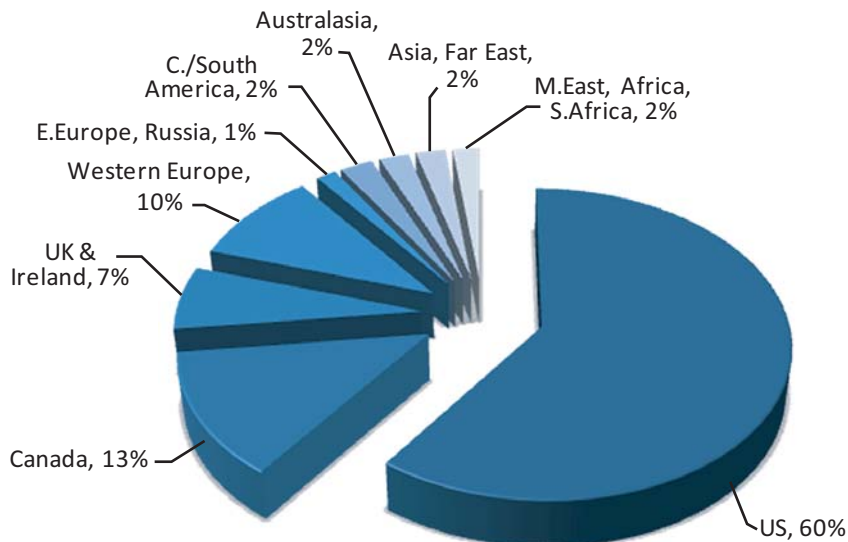
Organizational Size

Organizations of 10 employees or less and ECM suppliers are excluded from all of the results in this report. On this basis, larger organizations (over 5,000 employees) represent 31%, with mid-sized organizations (500 to 5,000 employees) at 41%. Small-to-mid sized organizations (10 to 500 employees) are 28%.



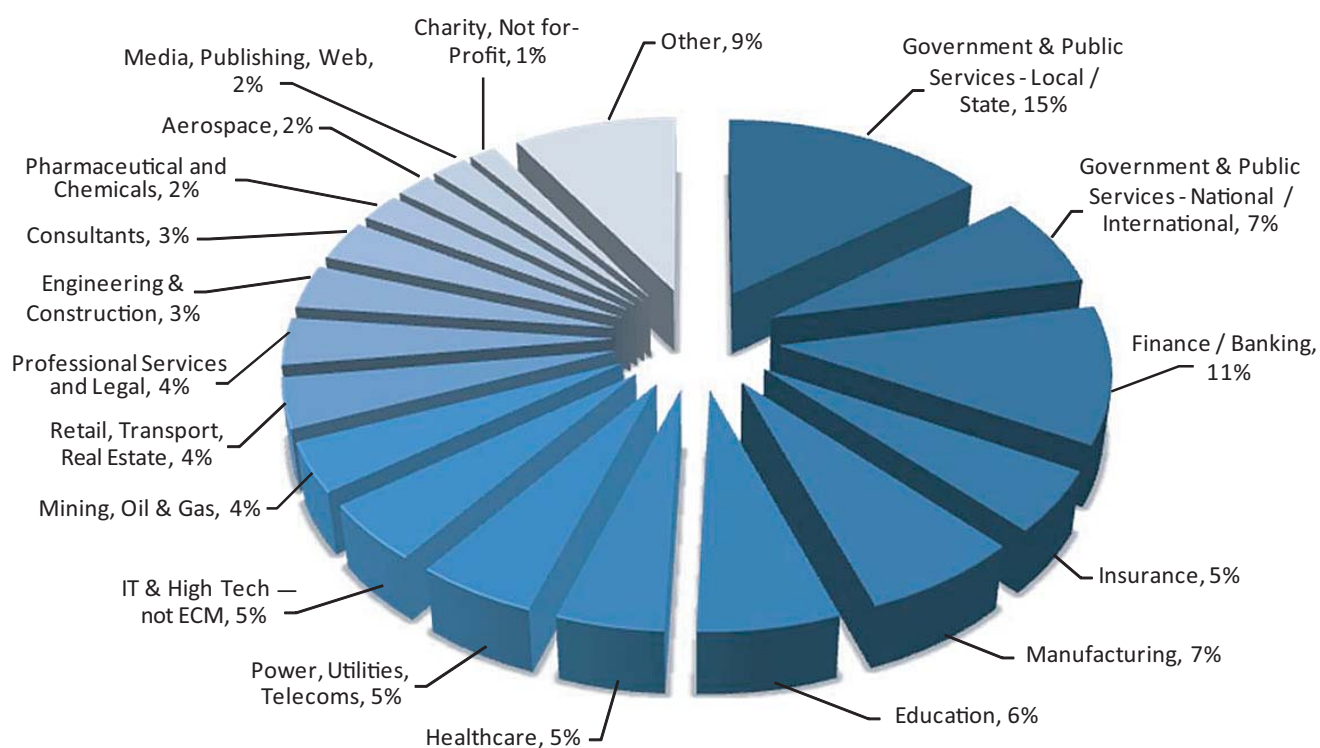
Geography

US and Canada make up 73% of respondents, with 18% from Europe.



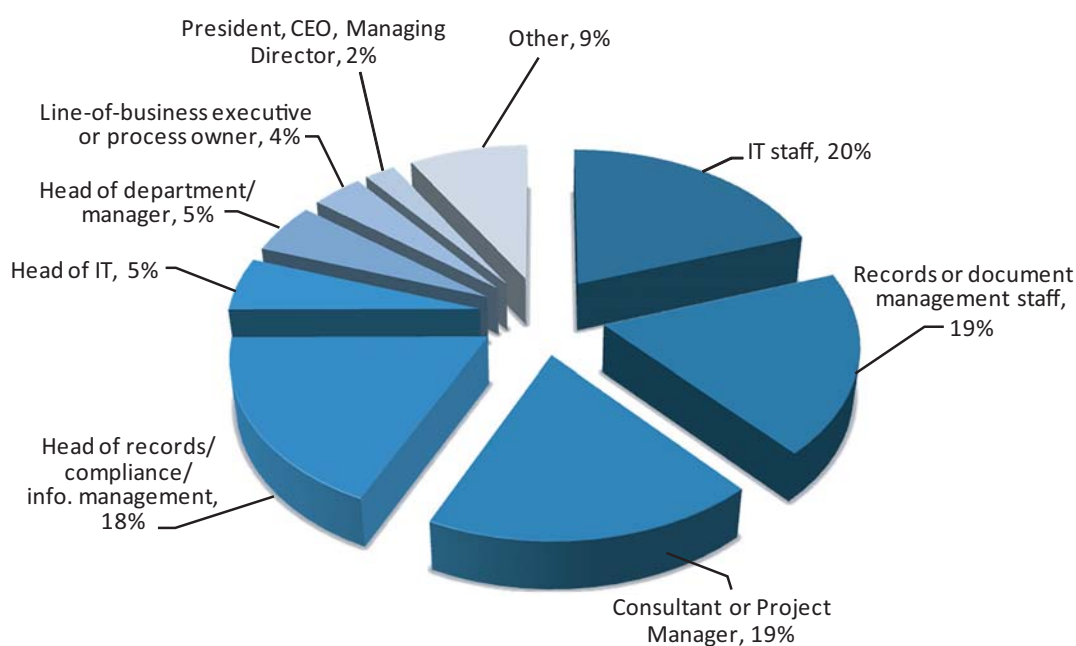
Industry Sector

Local government and public services represent 15%, and national government 7%. Finance, Banking and Insurance represent 16%. The remaining sectors are evenly split.



Job Role

Records or Information Management disciplines make up 37% compared to 25% from IT, although a further 19% are consultants or project managers. Line of business managers make up 11%.



Appendix 2

Business Improvement Factors - Questions in Detail

Figure 5a: How much more productive do you think the administrative staff in your organization would be (or are) if their processes were work-flowed, using scanned forms and documents, with automated data capture?

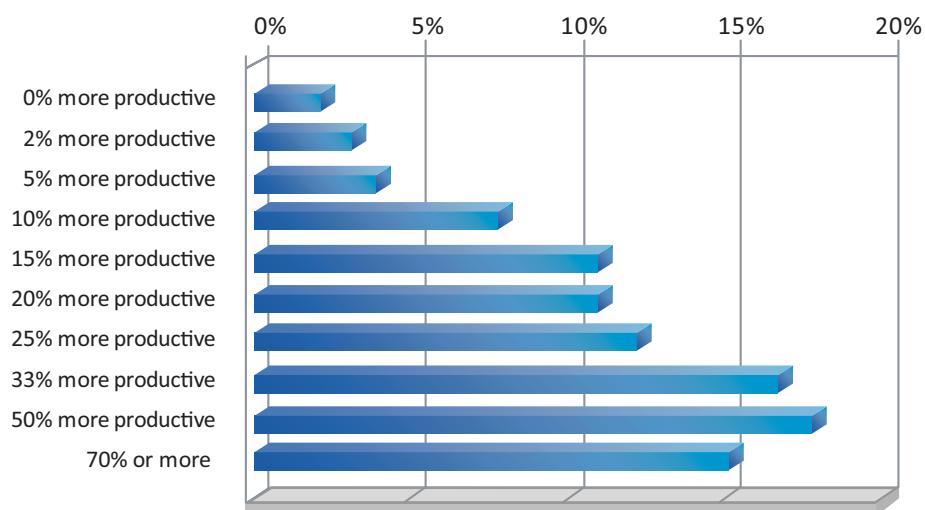


Figure 5b: By how much do you think customer service levels and response times could be (or have been) improved if all of your customer-facing staff could immediately access and share all of the customer related and case-related information that you hold, including the latest inbound correspondence?

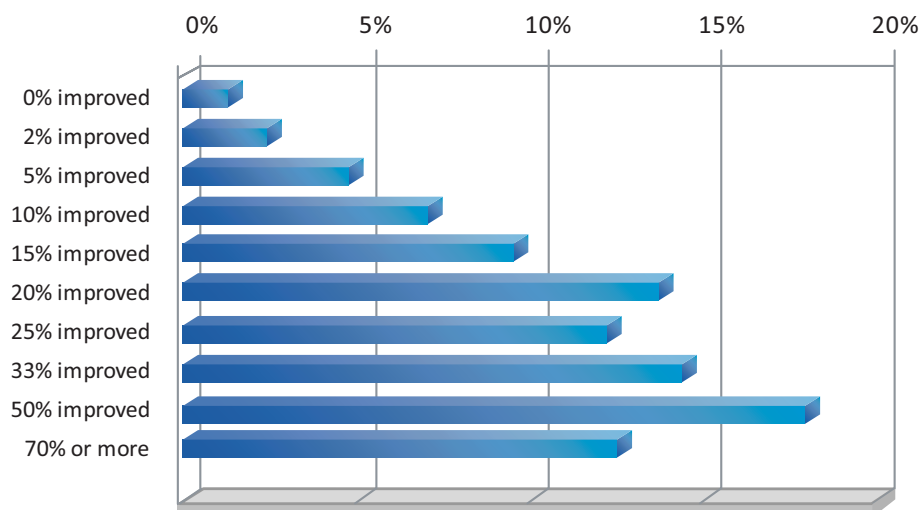


Figure 5c: How much more productive do you think professional staff in your organization would be (or are) if they could find internal information and documents as quickly and as easily as they find information on the web?

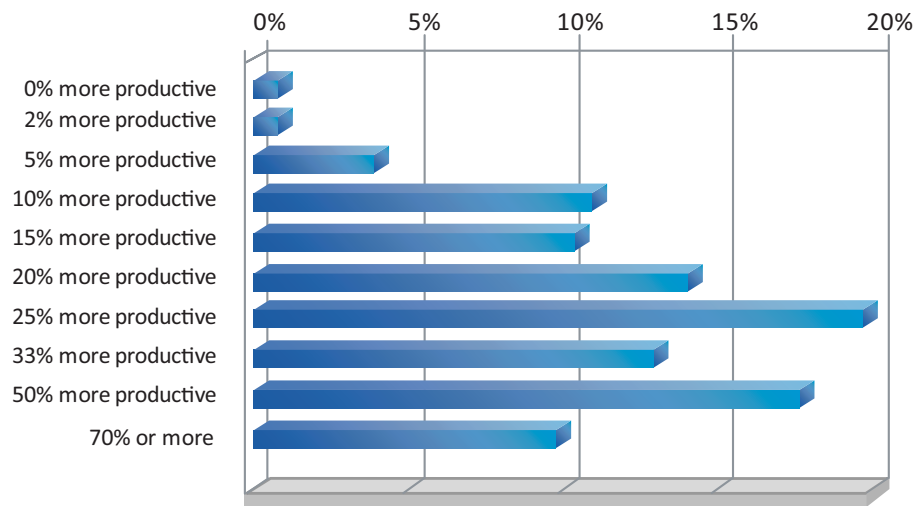


Figure 5d: In terms of timescales or project costs by what factor would you say a collaborative, widely accessible team-site environment can (or has) improved project delivery in your organization?

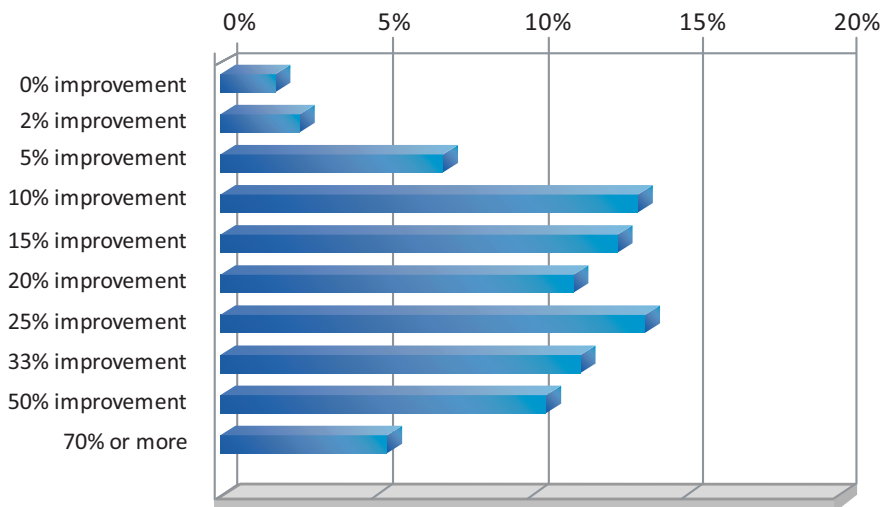
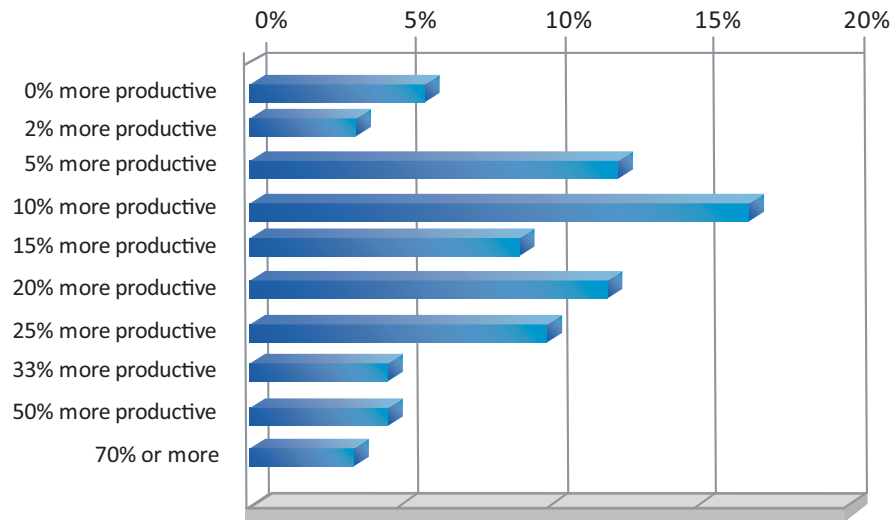


Figure 5e: What productivity or staff engagement factor would you put on the ability to share opinions, find expertise, answer questions and communicate activities via staff blogs, micro-blogs, social sites and other Enterprise 2.0 technologies?



Appendix 3

Open ended comments:

“What comments do you wish to make about the detriments of content chaos in your organization?”

- Time is critical in our business and the slow-down of getting decisions made, partly due to information chaos, is costly and increases the cost of poor quality.
- Searching servers, non-indexed disk back-ups and data to tape is expensive and time consuming.
- We continue to feed our digital landfill by purchasing additional storage rather than establishing a retention policy.
- If you plan to attack content chaos, it is a full time job!
- Our processes are mired in a paper morass that shows no sign of abating. The organizational culture needs to evolve to ensure successful process evolution.
- I have long wished to establish a capture-on-entry workflow process here. Currently, we only scan documents after they have been processed.
- No one outside of IT or Records really seems to care about content chaos but accept it as the way things are today.
- The addition of more content in our decision-making would improve the accuracy and effectiveness of our decisions.

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OpenText, the global leader in enterprise content management, helps organizations manage and gain the true value of their business content. OpenText brings two decades of expertise supporting 100 million users in 114 countries. Working with its customers and partners, OpenText brings together leading **Content Experts™** to help organizations capture and preserve corporate memory, increase brand equity, automate processes, mitigate risk, manage compliance and improve competitiveness.

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AIIM (www.aiim.org) is the community that provides education, research, and best practices to help organizations find, control, and optimize their information.

For over 60 years, AIIM has been the leading non-profit organization focused on helping users to understand the challenges associated with managing documents, content, records, and business processes. Today, AIIM is international in scope, independent, implementation-focused, and, as the representative of the entire ECM industry - including users, suppliers, and the channel—acts as the industry’s intermediary.

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