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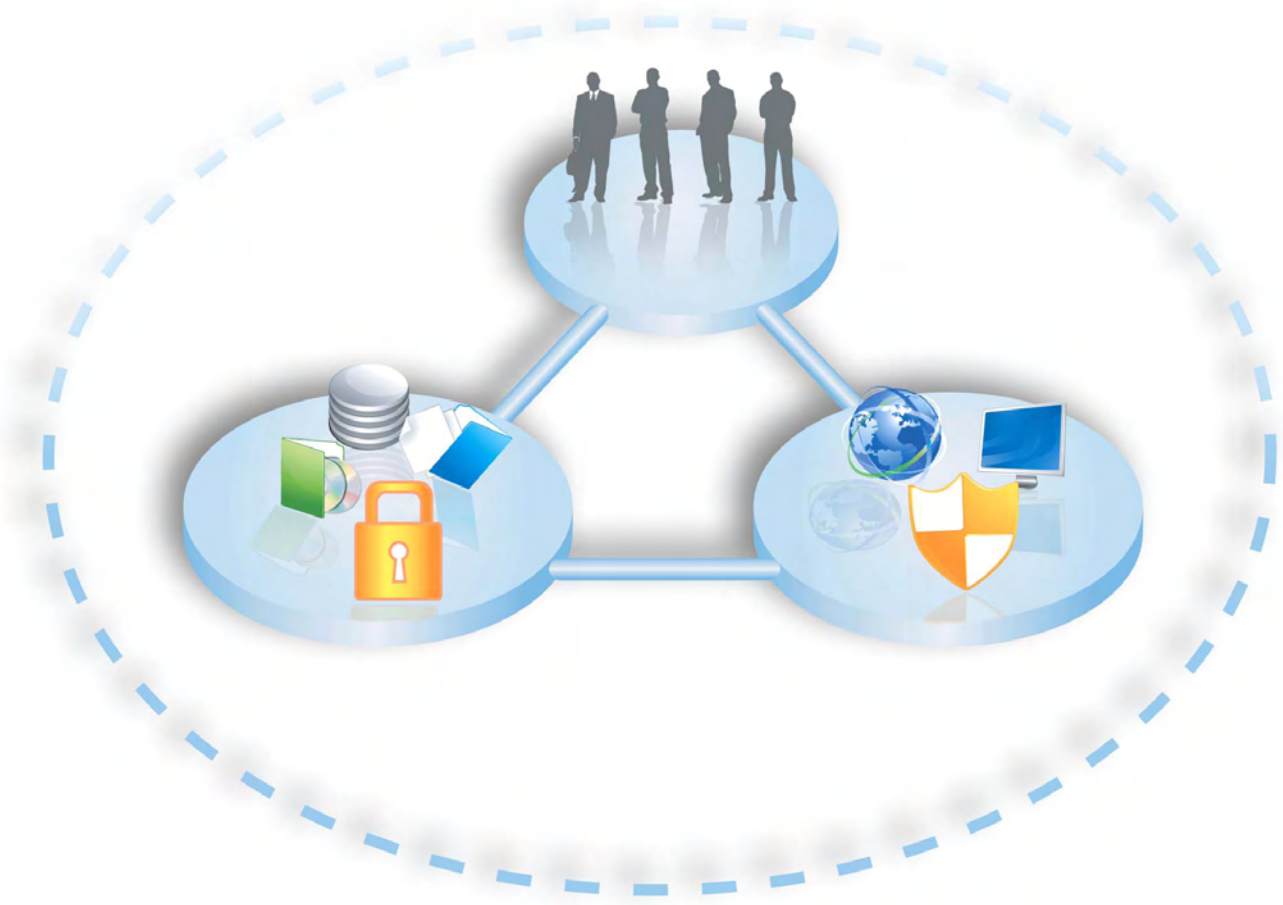
ECM Decision Processes
- who's involved and what are the issues?



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As the non-profit association dedicated to nurturing, growing and supporting the ECM (Enterprise Content 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 8th July 2011 and 18th July 2011, with 342 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 included in the results in this report as their internal business processes are likely to be similar to any other organization. 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 users, vendors, and the channel.

About the author

Doug Miles is Director of the AIIM Market Intelligence Division. He has over 25 years' experience of working with users and vendors across a broad spectrum of IT applications. An early pioneer of document management systems, Doug has been involved in their evolution from technical solution to enterprise infrastructure platform. Most recently, Doug has produced a number of the AIIM survey reports on user issues and drivers for Capture, ECM, Records Management, SharePoint and Enterprise 2.0. He has also worked closely with other enterprise-level IT systems such as ERP, CRM and BI. He has an MSc in Communications Engineering and is a member in the UK of the Institute of Engineering and Technology.

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Table of Contents

About the Whitepaper:

About the Whitepaper 2
Process used and survey demographics 2
About AIIM 2
About the author 2

Introduction:

Introduction 4
Key findings 4

The ECM Vision:

The ECM Vision 4

Three Views of Reality:

Three Views of Reality 5
Line of Business Reality.....6
Compliance and Records Reality.....7
IT Reality 7

Decision-Making Cultures:

Decision-Making Cultures 8

Benefits of Holistic Decision-Making:

Benefits of Holistic Decision-Making 10

Strategies for Compromise:

Strategies for Compromise 11

Conclusion and Recommendations:

Conclusion and Recommendations 12
Recommendations 12
References..... 13

Underwritten in part by:

SAP 14
AIIM..... 15

Introduction

AIIM research indicates that 73% of organizations have a strategy to provide their knowledge workers with a single, integrated view of all of their information assets. They share the vision of a universal content and records management environment, integrated with the business and its processes.

In reality, progress towards this vision is slow. Line-of-Business (LOB), Compliance, and IT owners are likely to approach decisions about the management of content, document processes and records from different standpoints, and with different pressure points. Productivity improvement targets for document-centric business workflows put huge pressure on LOB managers to expedite process change quickly and effectively. Compliance directives and litigation exposure drive compliance and records managers to cover-off risk and impose rules. The IT department seeks unification and standardization to reduce cost and simplify integration. All too often these proprietary departmental views result in short-term investments that fail to achieve organizational objectives, and worse, damage the competitively of the business.

In this paper we explore how different organizations tackle IT decision-making in general and ECM* decisions in particular. Based on a survey of ECM decision makers, we measure how holistic they are in considering the needs and requirements across the enterprise, and what the implications might be of a very narrow approach based on specific departmental needs. At each step in the discussion, we will highlight the implications and recommendations for each of our three constituents: Line-of-Business, Records & Compliance, and IT.

Key Findings

- **Most organizations struggle to align different groups when it comes to IT decision-making:** 37% of our survey respondents considered it "quite difficult" to align groups, and 21% struggle to get cooperative decisions made at all. This rises to 31% of the largest organizations where it is considered to be "impossible" or "very difficult" to align departmental interests.
- **Line-of-Business sponsorship of integration projects is very low:** In 54% of organizations, either no one sponsors or initiates integration projects, or it is left to IT. Only 17% of organizations have an enterprise systems coordinating committee chaired by a senior board member.
- **Progress on integration between line-of-business applications, and document capture and processing is slow:** Only one-third of businesses have integrated document access between enterprise systems and ECM. Only a quarter have integrated document capture and workflow systems servicing multiple processes.
- **Ownership issues are standing in the way:** The two biggest issues with integrating DM/ECM/RM with core transactional enterprise systems (ERP, Finance, CRM, HR, etc.) are not technical. They are "Different ownership, different priorities" and "Convincing process owners of the benefits."
- **Poor IT decision-making is holding businesses back:** Organizations where decision-making is holistic rather than departmental are: much more likely to provide employees with all of the information they need for maximum productivity; are more likely to have maximized the productivity and quality of document-centric process tasks; and have a higher self-evaluation of profitability and success.

The ECM Vision

Perhaps we should start by considering the classic enterprise IT vision for traditional systems of transaction: a single ERP system based around a transactional database that takes care of horizontal functions like finance, order-processing, and stock control, and incorporates specific modules to deal with departmental and line-of-business requirements like supply chain, project management, HR, CRM, help desk and claims processing.

* Enterprise Content Management (ECM) includes document management (DM), document scanning and capture, records management (RM) and collaboration tools.

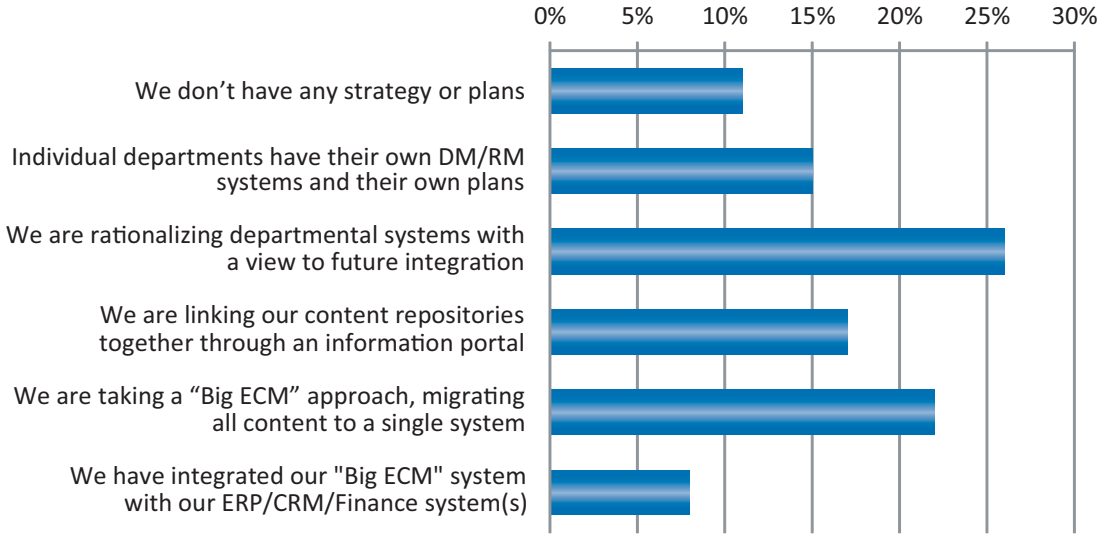
Some organizations will choose to include best-of-breed applications for specific areas and needs, but in order to comply with financial requirements, these applications are likely to be close-coupled to the core transactional system. From an IT viewpoint, these systems have a common data platform, a single sign-on security environment, and a uniformity of client interface.

When we extend this vision to include unstructured content, we envision a common content management platform providing the basic requirements of security, search, process workflow, and lifecycle management. We may add additional modules for capture, data recognition, collaboration, e-discovery, case management, and so on, or we may choose to make use of best-of-breed integrations, but these will all be tied back to the underlying records repository.

If we pull these two concepts together, we would envision a close-knit integration between the transactional systems and the content management systems, intersecting where needed. For example, a paper invoice is captured and ingested into a document workflow, validated by the sales-order process, circulated in a workflow as a document for approval, paid as a financial transaction, and archived as a record. A project proposal document may be version controlled through collaboration in ECM, costed in the project management module, agreed by all parties through a workflow, tracked as a contract in records management and filed as a contract order in ERP. A case file may involve a group of documents linked together and referenced to a customer number in CRM, connected to various call-desk reports, and work-flowed through a refund approval process leading to a final compensation payment.

Sadly, this ideal vision is not always the case. Although 49% of organizations in our survey have integrated their accounts payable workflow with scanned invoices and 47% have achieved a degree of content integration, only 8% consider they have achieved full integration between ERP and ECM for document search and access.

Figure 1: How are you dealing with the documents and records held within your main ERP, CRM, HR and Line of Business systems?



Three Views of Reality

Within the ERP world, it has taken nearly three decades to align transactional systems. Any multi-national operation will have faced standardization issues between countries and divisions, exacerbated by mergers and acquisitions, which increase the diversity of databases and finance systems. The primary driver for standardization, which operates at the highest level in the business, is that of reporting - primarily from a financial view, but also for sales targets, KPIs, and increasingly, the business intelligence that drives competitive advantage. On the whole, this high-level driver has created a strategy in most large organizations that an exception case needs to be made before a specific business requirement can be met by sourcing applications outside of the ERP framework.

The ECM reality, on the other hand, is that frequently there is no over-riding corporate priority to align

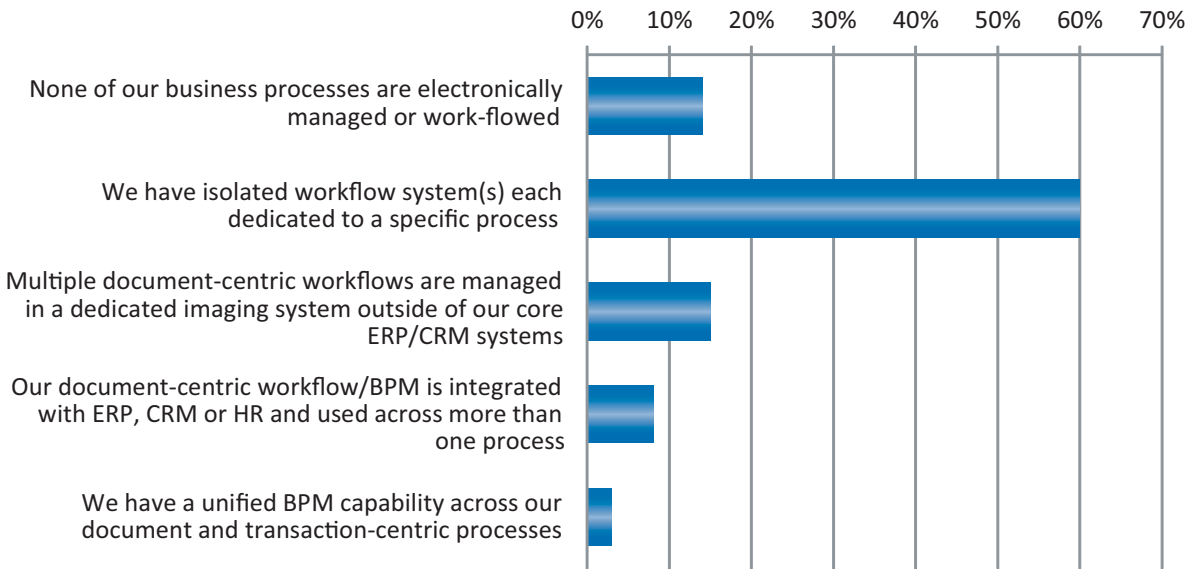
document processing, content management and records management systems. In particular, if there is no vision for information access, transparency and compliance across the organization – a true information strategy - then there is no benchmark against which individual decisions can be measured. In addition, consolidation has come much later to ECM suppliers than with ERP, allowing for a more diverse marketplace, and some lack of homogeneity even within so-called single-vendor suites. The potential for users to further integrate business processes between structured and unstructured systems is therefore handicapped at the start by the non-uniform nature of existing systems – as reported by the 20% of respondents in our survey who do not have a standardized ECM system and the 18% who do not have standardized transactional systems.

Taking this potentially fragmented infrastructure as a backdrop, let us now consider the motivations and drivers that create the reality for each of our constituent groups.

Line-of-Business Reality

Document scanning and forms capture has been a tool in the business manager's toolbox for over 20 years. Removing paper from the process is a standard technique for improving productivity and increasing flexibility. AIIM surveys[1] consistently show that these techniques can readily achieve payback in 12 to 18 months. Under pressure to continually reduce process costs, it becomes very easy for LOB process owners to invest in point solutions to drive document-centric workflows through the process, particularly core processes that are forms driven, such as claims processing or customer on-boarding. The integration links to the main enterprise systems will frequently be customized for that specific process.

Figure 2: How would you describe your current level of Business Process Management? (N=287)



As we can see from Figure 2, there is some move towards integration of document workflow and BPM across multiple processes, driven by investment in distributed capture systems that consolidate scanning and recognition activities, but the dominant situation is one of isolated workflow systems dedicated to specific processes. With the increase in electronic delivery of previously paper-based forms – as emails, PDFs, web-forms, etc. - there will be a further tendency to respond with unconnected point solutions running in parallel with scanned input, whereas an integrated capture platform could more usefully apply consistent technology across multiple tasks.

The requirement for records keeping within a dedicated process environment may be for a simple file-copy at the input to the process, or it may be a case archive at the end of the process. In both situations there is likely to be a very low probability of future retrieval and for the LOB manager, the time and motivation needed to standardize a classification scheme and taxonomy for these records is very low. Funnelling these records into a corporate records management system is likely to add complexity and delay.

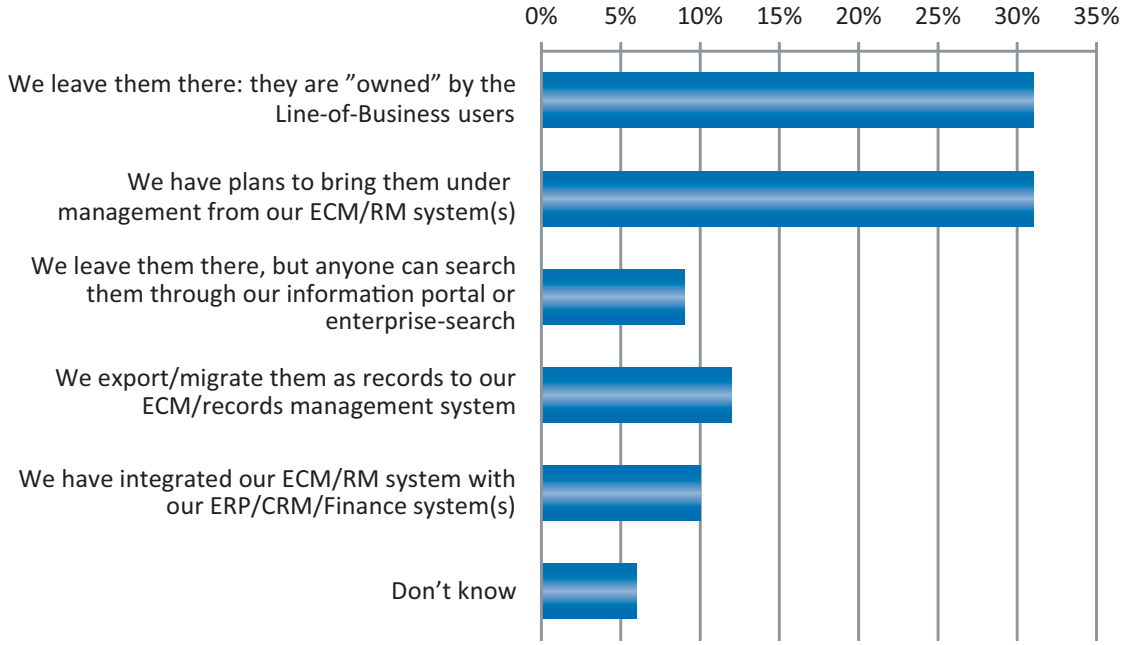
Compliance & Records Reality

The problem for compliance managers and records managers is that it is very difficult to make a financial business case for investment in a records management system. Compared to a forms-capture activity that will streamline a core business process and produce solid returns, the potential costs of non-compliance or litigation are littered with probabilities and intangibles. Hard-nosed CFOs are seldom impressed by the potential time-savings per day for staff searching for information, although the CEO may be more seduced by positive measures to leverage corporate knowledge and promote collaboration between project teams.

The biggest problem for the compliance managers is that the work required to align an information and records keeping strategy across the organization, and the technical skills needed to provide seamless content access and records lifecycle management across multiple business systems and repositories, are considerable. Even if senior management adopt a strategy to achieve "universal staff access to information in a secure and compliant way," it is unlikely to become as empowering a mission for ECM as "financial and performance results within 5 days of month-end" has been for ERP.

As mentioned earlier, ERP, finance and CRM systems are more likely to be mature within the business, and there will be a reluctance to re-open the hoods to connect up ECM systems or sweep content to external records management systems, although we can see from Figure 3 that there is much good intent to do so.

Figure 3: How are you dealing with the documents and records held within your main ERP, CRM, HR and Line of Business systems? (N=291 excl. 17 don't knows)



SharePoint may add another dimension to the compliance managers' issues, starting out as a project collaboration system, but eventually becoming the active document management system of default for many departments, particularly where ad hoc processes are involved. Defending the role of existing content and records management systems, and creating integrations to SharePoint becomes something of a battle, while imposing degrees of security and governance within SharePoint itself is made more difficult by its open structure and constant revisions.

IT Reality

Established LOB processes may well be utilizing scanning systems, recognition servers, BPM workflow systems, and local image archives quite successfully, but they are often on legacy platforms and from many different suppliers. Unfortunately, the benefits of pulling these systems onto a single platform, and integrating that platform with standard infrastructures, may seem to be not worth the risk. These are core processes, and pulling them apart to re-build them will involve major change management with the staff, as well as potential business disruption. The LOB managers may be content to replace and extend systems on a process-by-process basis, often with IT's blessing - especially if the funding is not coming from the central IT budget.

The push from Compliance & Records is likely to be establishing e-discovery systems across existing records repositories. They would then like to extend that into all the other content repositories in the business, including those currently held on the main enterprise systems, even though that may involve a number of potential version and location incompatibilities. However, both the IT department and the compliance department may consider email to be the big priority - and the big headache. IT would love to maintain a “delete after 3 months policy”, but this takes no account of recent legal rulings. Yet it is simply not cost-effective in storage space to “keep them all”.

Meanwhile, senior management may like the idea of universal information search, and this can be achieved using enterprise search tools – although it may not help the records and compliance team with their legal holds and records retention periods. On the other hand, retention periods would actually be a good thing for IT as it is the only way to keep a cap on ever-rising storage costs.

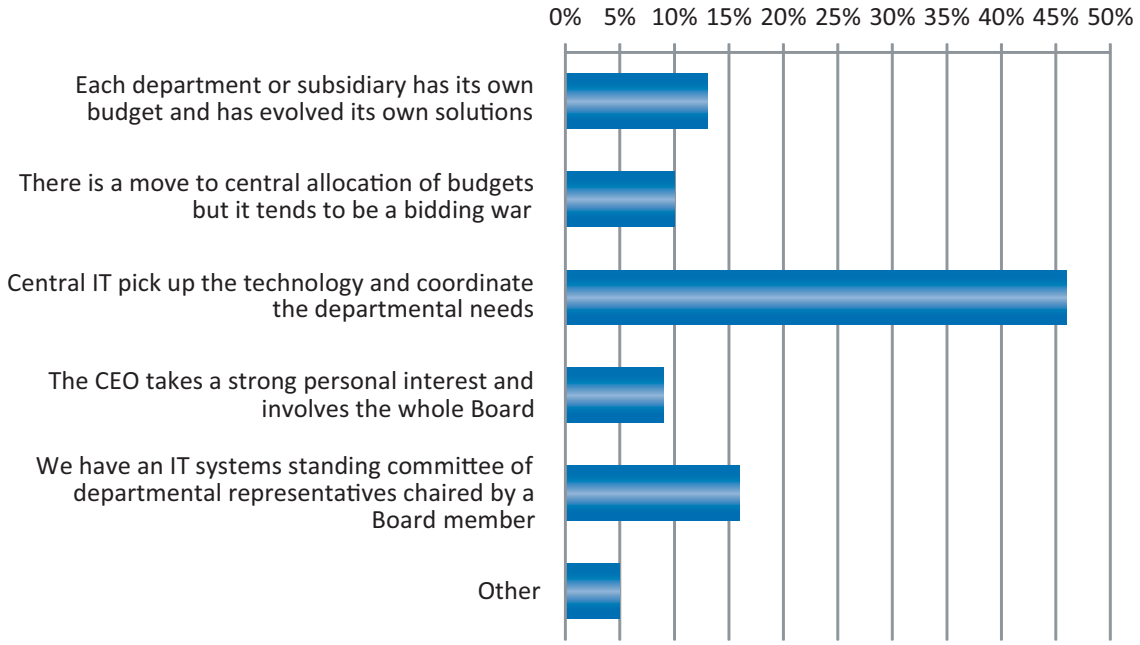
For many IT departments, SharePoint is deemed to be the solution to it all. It seems to be very popular with project teams, and with other IT departments. However, it is not the simplest of systems - especially for BPM - and there is no built-in scanning and capture capability. Records management remains an issue for those with severe regulatory requirements. Unfortunately, the earlier versions of SharePoint were not really that good from the governance point of view, and many organizations face a certain amount of back-tracking in order to get that in place.

IT departments are also the most likely instigators – and users – of social business applications, despite the danger of a proliferating set of SaaS and Cloud applications that take the business even further from the goal of joined-up, re-usable, searchable and compliant systems.

Decision-Making Cultures

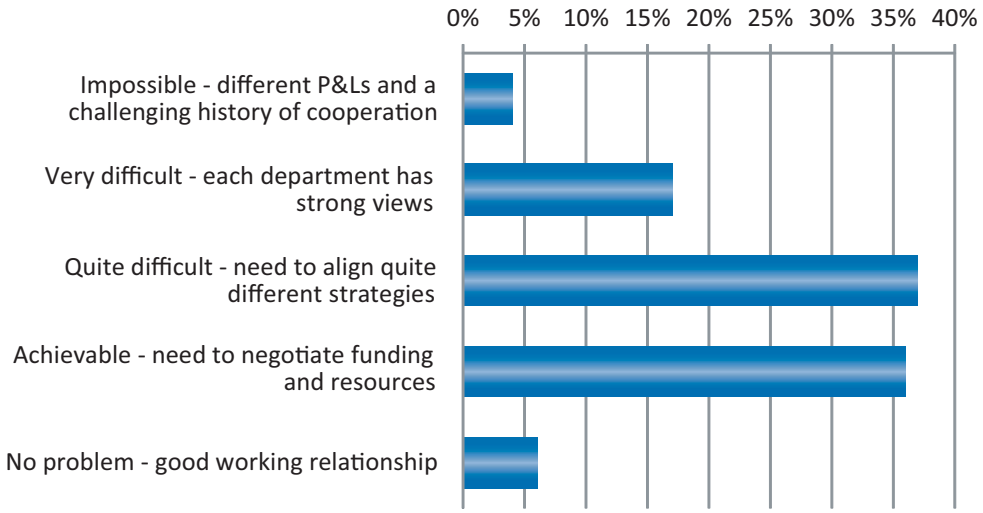
There are probably as many different cultures of IT decision-making as there are organizations, spread across the spectrum from rigid central control through to complete geographic and departmental autonomy. As we can see from Figure 4, 23% of organizations’ budgets are not centralized, allowing Line-of-Business to make their own decisions; for 46%, central IT drive the LOB agenda; and just 25% either have a joint planning committee from different departments, or the CEO and Board take a central role.

Figure 4: Which of these best describes the decision making process in your organization for key enterprise systems (ERP, Finance, CRM, HR, etc.)? (N=305)



As might be expected, this does not always make for an easy ride, particularly if there are very strong-minded or entrepreneurial line-of-business managers who are tasked to make their division or their geography a success. For 21% of organizations, it is either impossible or very difficult to align the needs of different groups, and even for a further 37% it is quite difficult, meaning that in over half of companies, this is a process that is far from optimized for the benefit of the overall business.

Figure 5: How hard is it for your organization to align the various groups? (N=309)



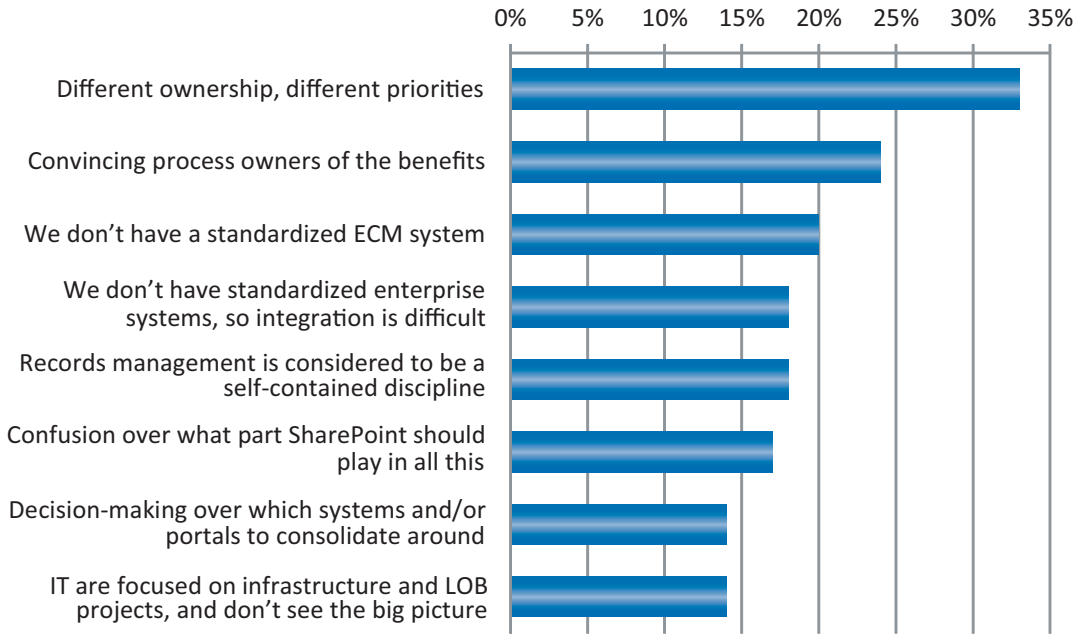
When it comes to who is the final decision-maker in any particular area, the picture is again quite varied. Line-of-Business heads are most likely to decide on scanning and capture, workflow and their own systems, whereas the head of compliance or RM may hold sway when it comes to ECM/DM and RM systems, although IT can take control, and if the ECM system is SharePoint, IT monopolize the decision-making. Compare this to the core ERP/Finance system, where the CEO, COO or CFO is most likely to make the call.

Figure 6: In summary, who are the key decision makers in your organisation for the following? (N=302)

	CEO/ COO/ CFO/	Head of IM/RM/ Compliance	Head of IT	Head of Facilities/ Doc-Production	Line of Business Heads	No identifiable decision maker
Scanning & Capture	9%	16%	19%	12%	29%	10%
ECM/DM/RM	9%	28%	29%	6%	15%	9%
Workflow & BPM	8%	9%	28%	7%	31%	12%
SharePoint	4%	9%	47%	2%	13%	5%
ERP/Finance/Core system	51%	4%	23%	3%	15%	3%
Other LOB systems	9%	3%	16%	3%	53%	6%

If we look at this from a different direction, and ask what are the issues preventing a closer integration of ECM systems with core business systems, we see the same situation coming to the fore. The biggest issues are different priorities, a narrow approach to the potential benefits, and the lack of common infrastructures around which to standardize. There is also strong evidence that even in more open-minded organizations, there is confusion over which strategic options to choose.

Figure 7: Which TWO of the following would best describe your biggest issues with integrating DM/ECM/RM with your core transactional enterprise systems (ERP, Finance, CRM, HR, etc)? (N=309)

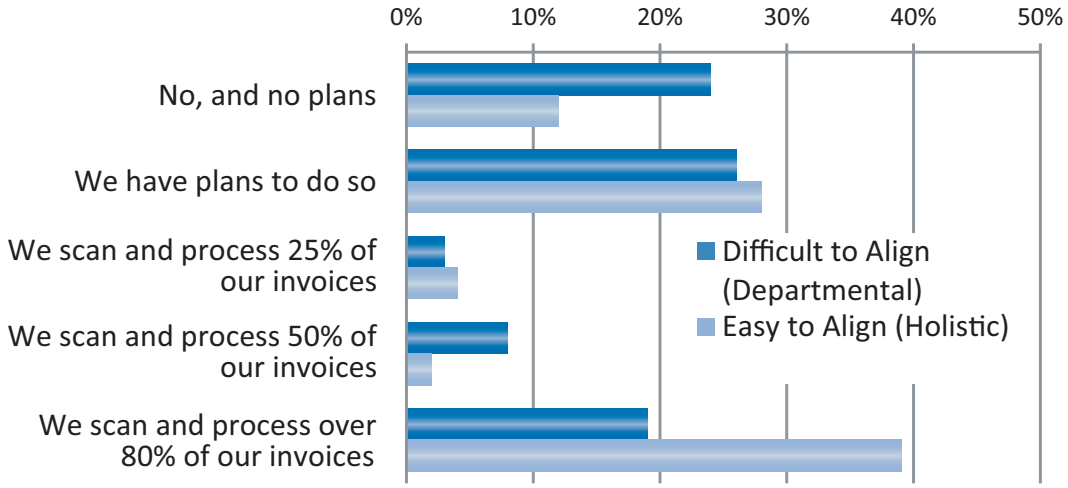


The Benefits of Holistic Decision-Making

So we can see that some organizations approach IT decision-making in a holistic and rounded way, and in others it is much more difficult to align the different departments. To analyse this further, we have taken the results of Figure 5 and split these two types apart. We have then compared outcomes in a few areas.

Firstly, in Figure 8, we look at the accounts payable process as a very simple example of a process that, as already described, requires a good integration between scanning and capture, workflow, and the core order-processing system. Here we see that the departmental decision-making approach leads to a poor uptake of this process automation, and even when it is adopted, the roll-out across the business is hampered.

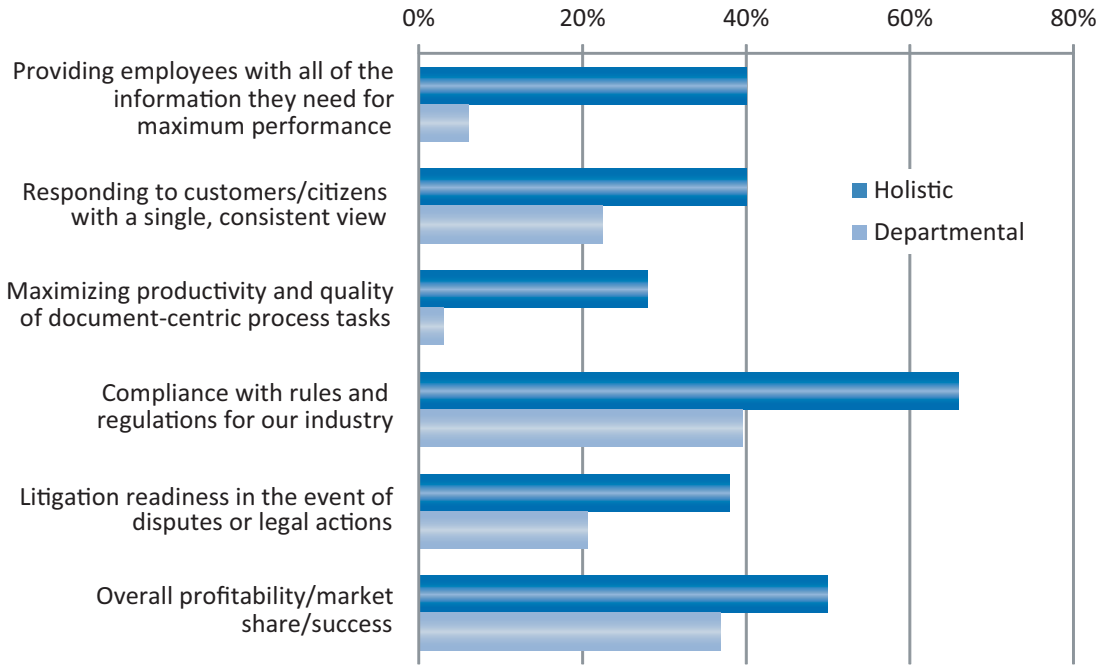
Figure 8: Do you carry out digital processing of invoices in your organization? (N= 241 excl. 50 don't knows)



If we now broaden our view into more general assessments of information access, customer response, process productivity and overall compliance, we see a picture emerging of a considerable under-performance of those poorly coordinated companies in many areas

Now, we should take on board that this is a subjective assessment, and may well be biased by the respondents view. However, our sample is split roughly one third each from LOB, Compliance & Records, and IT, and yet the only noticeable bias is that IT tend to under-score employee access to information, and the single view of the customer, and LOB tend to over-score the productivity of business-centric processes. Even with that, process productivity and quality is the area with the biggest shortcomings in departmentally orientated businesses.

Figure 9: How would you rate your organization for the following competitive and compliance factors on a scale of 1 to 5? (N=62 Departmental, 123 Holistic. Weighting ="Better than most" + 1.3("best in Class"))*



Crucially, the number of respondents who score their company as "better than most" or "best in class" for profitability, market share, or success drops by 13% for those without a holistic approach to decision-making. This is as likely to be a reflection of the general culture in those organizations, as it is a correlation between IT decision-making and overall performance, but the effect on the other areas outlined on the graph is likely to be much more directly correlated.

Strategies for Compromise

As we already discussed, different organizations will have different cultures regarding centralization and rationalization of their IT systems. However, whatever that culture is, it needs to be accepted and incorporated in strategic policy statements.

If there is a goal that employees should have access to the information they need, no matter where in the organization they are and which repository, server or application it resides in, then that gives the IT department the motivation to evaluate and coordinate each local project against that goal.

If there is a goal that all electronic documents in the business should be evaluated for their potential as a record, and that all records should be managed for secure access, discovery and retention, then this gives the Compliance and Records managers the remit they need to evolve each existing enterprise system, and to vet new system proposals against this policy.

If there is a goal that all business process decisions should be evaluated against existing capture and BPM capabilities, and that project approvals will be more readily given for projects that integrate with both transactional systems and content management systems, then LOB managers will understand that the longer term benefits of integrated information across the business may justifiably be traded against the immediate returns for specific process improvements.

As we have seen in our survey, cross-functional committees of users and stakeholders tasked with balancing the goals given above, and with initiating projects to change the status quo towards better integration and better information access are much more likely to produce a homogeneous decision-making environment than either dominant IT control or departmental autonomy. Furthermore, agreeing the goals does not necessarily mean that "big-bang" projects need to be put in place to achieve them in one hit. Certainly it makes sense to agree at an early stage on the standardized systems and suppliers that will be the preferred result, but then it may be sensible to adopt a step-by-step, department-by-department, process-by-process approach to implementation. At each stage, the early decisions can be validated, and lessons learnt, before moving on to the next step at the right time and pace for each department or process.

Conclusion and Recommendations

We have seen that although most organizations are close to achieving the "ideal" of a single platform for transactional systems, they are much less likely to have a single platform for document processes and content management, and even less likely to have this platform closely integrated with the key transactional systems. We have identified that whereas policy-making and decision-making for ERP and financial systems tends to be driven from the top of the organization, policies for information management are less focused, and decisions regarding capture, document process, search, collaboration, SharePoint and records management are made by different managers with different priorities.

The result of these diverse and non-aligned decisions is that opportunities are lost to maximise process automation, improve information access and consolidate compliance. In fact we have found that those organizations with the most departmentally orientated decision-making processes considerably underperform in all of these areas, and may even have lower overall profitability or be less competitive than those with more holistic IT decision-making.

Recommendations

For LOB Managers:

- Before embarking on your own sourcing exercise to add or update forms capture and document workflow for your own processes, talk to other process owners. Find out if they are also looking for similar systems, have experience of existing systems, or even have spare capacity to incorporate your process. There may also be a project for digital mailrooms under evaluation that would readily handle your requirements.
- Before engaging in-house developers to integrate your document flows with ERP or finance systems, look at any existing integrations to those systems and consider adopting compatible products, or look at industry standards (such as CMIS).
- Take full account of those outside your department who may need to access information held on your LOB system for their own work, and consult with IT about search portals and intranet connections which would free up your own staff from servicing these requests.
- Consult with Records & Compliance about lifecycle management of documents and content within your applications with due regard to possible litigation or freedom of information requests.
- Be wary of using your own budgets and resources for projects which could as easily be part of a central IT spend.

For Records & Compliance Managers:

- Create an awareness campaign to ensure that all departmental and LOB managers understand the importance and goals for information access and compliance.
- Seek to be included on any evaluation committees for new system procurement or major process re-engineering.
- If you are the custodian of existing imaging, ECM and document management systems, evaluate how well they are serving the wider community for process integration, search, collaboration and knowledge-sharing.
- Endeavour to become an expert on the wider issues of information management in SharePoint and involve yourself in its governance.

- When it comes to defining fileplans, taxonomies and retention policies do not expect to have a complete and forever solution in place and agreed by all before embarking on system implementation or integration. Evolve and converge metadata over time.
- Consult with IT as to how managing content for defined retention periods could reduce storage costs.

For IT Managers and CIOs:

- Along with Records & Compliance, set an objective for information management across the organization and have it agreed at the highest level.
- Create a Committee for Information Management to participate in achieving the agreed policy. Invite LOB representatives as well as Records, Compliance and Legal.
- Set a strategy for IT systems integration and have it agreed at the highest level.
- Create a Committee for IT Systems Integration to participate in achieving the agreed goals. Invite representatives of all users and departments, along with stakeholders of existing systems.
- Within and between these committees, agree a set of preferred systems for convergence, either from amongst existing systems, or to include new ones.
- Agree where the existing pain points are, as well as opportunities for early wins, and focus efforts there.

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1. "Capture and Business Process: drivers and experiences of content-driven processes," AIIM Industry Watch, 2010. www.aiim.org/Research/Industry-Watch/Capture-and-Business-Process-2010

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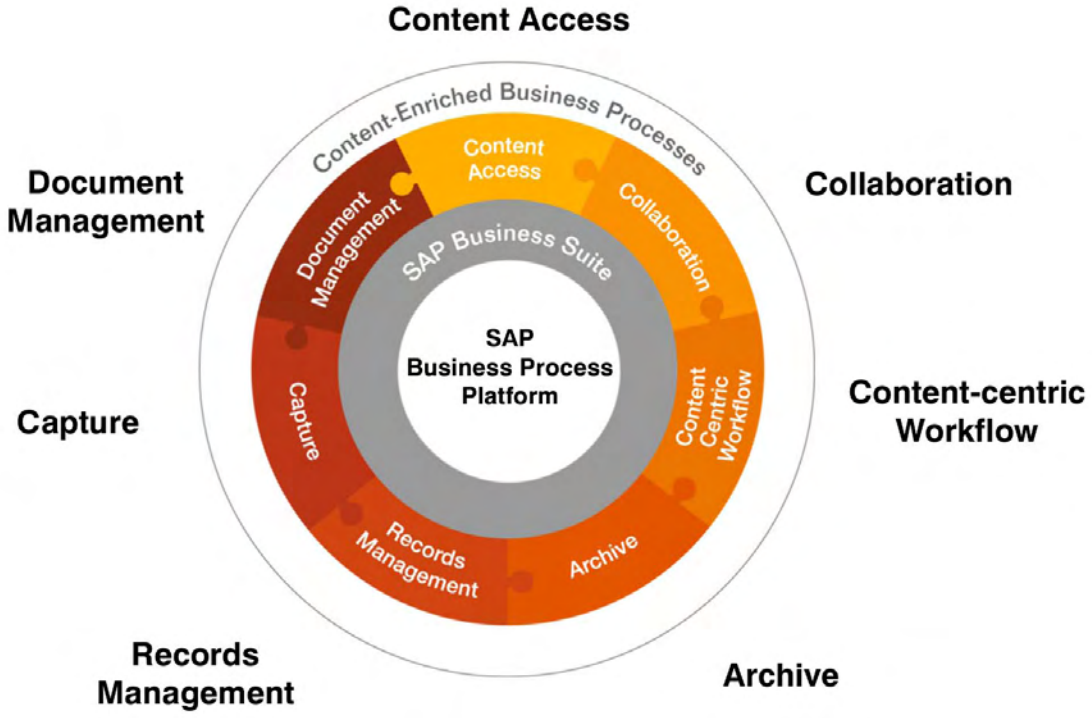
SAP® Extended ECM by Open Text

To overcome the disconnect between structured processes and unstructured information, SAP offers a groundbreaking solution. The SAP® Extended Enterprise Content Management (SAP Extended ECM) application by Open Text is integrated with SAP Business Suite software such as the SAP ERP application. SAP Extended ECM enables management of unstructured content in the context of the processes and transactions supported by your enterprise applications, giving you content-enriched business processes. As shown in the figure, key functionality includes document management (version control, access control, and approvals); collaboration (with shared work spaces, approval workflows, and records management (for the full lifecycle of both electronic and physical records); and archiving (for access to archived information across any storage medium).

With SAP Extended ECM, users of SAP software can attach unstructured documents and entire ECM work spaces to transactions in SAP applications, and no longer have to log into multiple applications to find information. Users of other applications can be given access to SAP information via the SAP Extended ECM interface, allowing them to leverage SAP content without extensive training.

As organizations move to standardize and streamline core business processes, they increasingly find the need to interconnect unstructured information with those highly structured operations. The SAP®Extended Enterprise Content Management application by Open Text can help you meet this challenge.

SAP Extended ECM is also designed to minimize total cost of ownership from the IT perspective. The product is powered by the SAP NetWeaver® technology platform, and uses SAP user management tools to minimize administrative overhead.



Find, Control, and Optimize
Your Information

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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