

Businesses may thankfully have shifted the vast majority of their work from pen and paper to PC, but count up all the word processing documents, spreadsheets, presentation tools, images and e-mails stored on every computer in every department and it's tantamount to information overload.

Enterprise content management (ECM) is an umbrella for the tools and strategies used to capture, manage, store, preserve and deliver this unstructured information wherever it exists. By streamlining free-form data in this way, not only are costs reduced, but companies can also ensure improved business continuity and more productive customer collaboration while adhering to regulatory compliance standards.

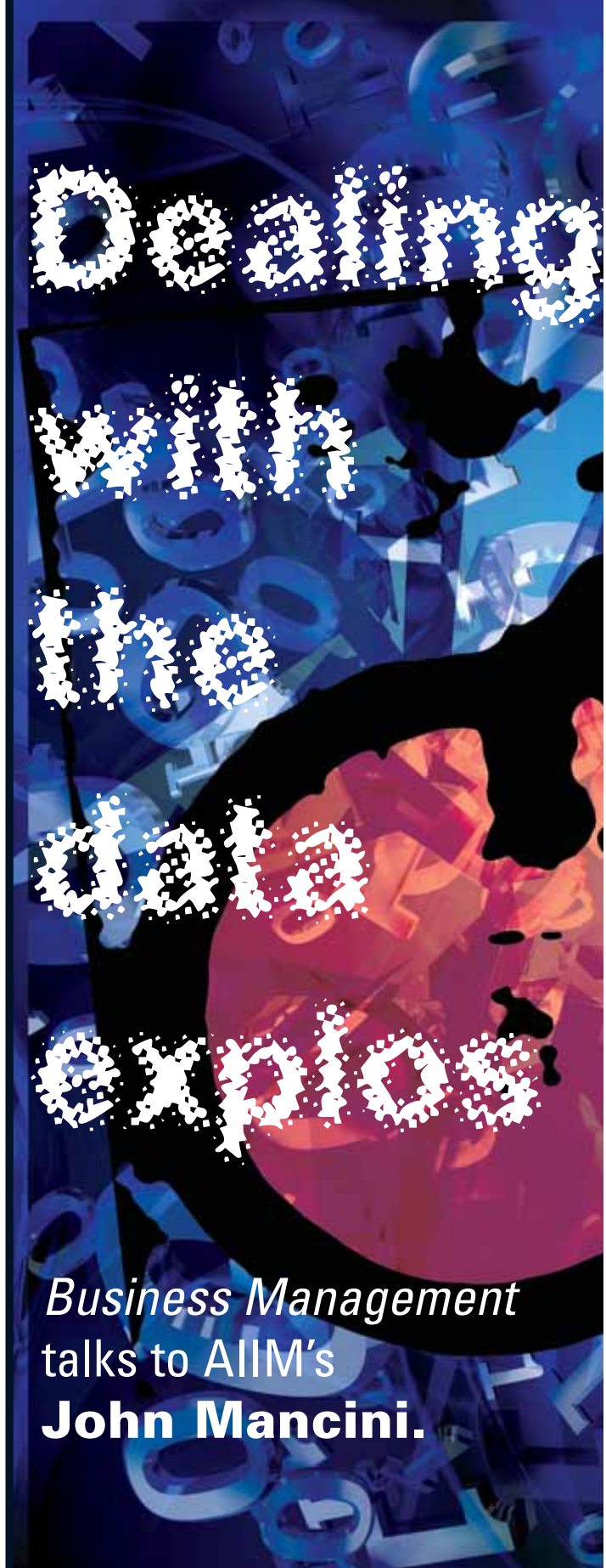
But as technology evolves, it throws up many questions: will expensive systems that take a number of years to implement, contain incompatible or out-of-date software? Could tougher security or regulations in the future hinder current systems? Will ECM morph into a more efficient, more encompassing 'hybrid' system? Does ECM offer companies any real advantages over those who don't have it? John Mancini, President of AIIM, the ECM industry association, explains how ECM will be just as important – if not more so – to companies who want to stay at the cutting edge in the future.

BM. How has ECM grown in the last few years and what are your predictions for take-up in the future?

JM. Businesses today face a number of challenges. Depending on which source you consult, content is increasing by somewhere between 45-200 percent per year; most of this content is unstructured data such as e-mails, letters, reports, web content and rich media. And what have we done to tackle burgeoning information volumes? We've super-sized; we've bought a bigger PC, a bigger fileserver, a bigger mail server.

So has this provided a solution? In short, no. Throwing technology at the problem arbitrarily and installing stovepipe solutions simply makes the operational information problem larger, less streamlined, more unwieldy and, significantly, better able to conceal fraudulent activity than before.

ECM means thinking strategically about content and documents. AIIM conducted a survey of over 1800 end-users in six countries. In the surveys, we gave users a list of 22 technologies and asked them to identify those technologies in which they would be investing. The top priorities – electronic document management (cited by 48 percent of the respondents), scanning and image processing (43 percent) and workflow/business process management (42 percent) – clearly reflect the core elements of ECM.



Business Management
talks to AIIM's
John Mancini.



BM. Which industries are currently driving ECM and why? Is this likely to change in the next few years and will smaller companies account for much of this share?

JM. The industry is quickly morphing in two distinct ways. The first is rather well known and represents the traditional way we think about the industry – the integration of departmental ECM implementations at large companies and organizations and a movement from a departmental to an enterprise focus. The effort to consolidate and rationalize the information management processes at Fortune 2000-scale organizations (often compliance-driven) is increasing supplier consolidation and the greater involvement of infrastructure providers (EMC, Oracle, Microsoft) in the ECM space.

The second morphing is occurring as mid-sized companies consider ECM. Mid-sized companies (which I define as those with 100-1000 employees) are realizing that content and document technologies have something to offer their organizations. At the risk of oversimplification, there are three things about serving this market that are distinctly different from serving Fortune 2000 end-users. First, mid-sized companies do not as a rule have lots of unallocated internal IT resources. More often than large companies, they turn to the resellers or solution providers they use for other IT problems when it comes to considering imaging and document management. Second, the CEO is often the driver behind any new IT initiatives. And third,

pursuant to the first point, mid-sized companies (and local governments, too) need a low-risk 'entrance ramp' to document management. They need a way to get started that is not too painful – both in terms of cost and in terms of demands on internal IT resources.

BM. What are the most common solutions/technologies being used now and why? Are there any interesting new technologies emerging that could play a key part in the future of ECM?

JM. Compliance is a major business driver for many organizations today. At the heart of many new compliance regulations is the need to more effectively manage information.

As a result, records management capabilities are currently very high on the list of requirements for any ECM implementation. Records management establishes the practices and guidelines that must be followed to ensure that any record created or used in an organization in the course of normal business

activities is maintained properly. Too often, we forget that the records and information we use to do our jobs are assets of our business and, as a valuable resource, should be safeguarded. That is where records management comes into play to make sure that we take as many of the necessary precautions with our information assets that we do with our tangible assets such as computers, money, cell phones, etc.

Systematic management of records allows organizations to know what records they have, and locate them easily; increase efficiency and effectiveness; make savings in administration costs, both in staff time and storage; support decision-making; be accountable; achieve business objectives and targets; provide continuity in the event of a disaster; meet legislative and regulatory requirements; and protect the interests of employees, clients and stakeholders.

BM. A recent study by AIIM shows many companies are failing to put in the basic policies, controls and technology to manage electronic information. Where does ECM fit into this picture?

JM. The main message coming from this survey is that organizations need to think beyond technology when thinking about creating an effective information management culture within their organization. For example, how information management responsibilities are delegated and communicated through an organization is just as important to success as the specific ECM technologies selected. How people are trained is extremely important. Don't get me wrong, the technology decisions an organization takes are critical. Organizations that think they can get their arms around the challenge of managing information effectively without ECM technologies are kidding themselves. But compliance success is not just a function of the speed of technology implementation.

INSIDE INFORMATION: ECM=A1 ROI

AIIM surveyed more than 1200 end-users and potential users of content and document management technologies in Australia, Belgium, Germany, Ireland, Luxembourg, the Netherlands, the UK, and the US to gauge the practical application of ECM systems. The respondents came from a variety of industries in organizations of varying sizes, including manufacturing, banking and finance, government and public services.

"The survey clearly demonstrates that ECM technologies are becoming part of the core infrastructure of both large and mid-sized organizations," says AIIM President John Mancini. "Users who first look to the huge cost savings and rapid return on investment of ECM solutions are now also examining the compliance and process improvement benefits of ECM."

"We found a great practicality among end-users in their approach to ECM. Across the entire sample, the top five projects under consideration by end-users – records management, document control, e-mail management, information capture and forms handling – reflect the practicality and need for short-term ROI that is characteristic of most IT investments in the current environment."

The key findings include:

- While cost-reduction is still dominant in driving decisions to implement ECM solutions, there has been a 20 percent reduction in customers citing this as a primary reason. Customer and risk-related business drivers are rising in importance.
- In the US, the percentage of those naming compliance as the primary reason to look at ECM technologies rose from 17 to 24 percent.
- As the scale and scope of implementation increases, the obstacles encountered shift – from getting senior management commitment and defining requirements, to 'softer' (although conversely much more difficult to address) obstacles such as change management, maintaining employee commitment, and content integration.
- Users across the nations are focusing on extremely practical applications with clear payback – if it can't be justified quickly, it won't get approved.
- Privacy, security and e-mail disasters are a growing concern for end-users. Interest in projects such as e-mail management, forms handling, and statutory and regulatory compliance increased the most in rankings since the last survey.
- Mid-sized organizations are concerned about business continuity and risk, with 40 percent planning ECM projects over the next 12-18 months. However, only 15 percent plan to spend more than US\$600,000 on ECM solutions, compared to 49 percent of large organizations.
- Users in the US are not as aware of the importance of managing electronic information as they should be, and are the least confident in the integrity of their electronic records among all the countries surveyed.
- Only 64 percent of US users consider electronic information management important relative to potential future litigation, compared to 95 percent of German users and 83 percent of UK users.
- The percentage of end-users that have purchase plans exceeding US\$1 million for ECM technologies rose from 17 percent in 2003/4 to 19 percent in 2004/5.

BM. How easy are ECM technologies to implement? For example, is a lot of staff training or IT support needed?

JM. The real problem that users have in implementing ECM technologies is not with the technology itself; it is with their own business processes. Business processes in most organizations are, by definition, messy things. When we asked users what was the single most significant obstacle to deploying ECM technologies, the top three answers were understanding and specifying requirements (30 percent), change management (20 percent) and cost justification/board commitment (19 percent).

BM. What else do companies need to consider in terms of costs and rollout? For example, are companies investing heavily in this area (hundreds, thousands, millions)? Are they making the mistake of going for quick-fix solutions rather than looking at the bigger picture? What about compliance with business solutions already in place?

JM. The main thing companies need to remember is not to undervalue the 'softer' side of an implementation. Put training at the front of the line, not as an afterthought. Think through the change management issues. Processes are by definition complicated and difficult to change. The potential rewards are enormous, but many an implementation has been scuttled by a failure to address the change management issues upfront and directly.

BM. What are the main benefits of ECM solutions in terms of company ROI? Similarly, what are the drawbacks or most common pitfalls?

JM. Many organizations face a paralysis of good intentions as they ponder what to do with the exponentially expanding piles of paper and bits and bytes of electronic information they find around their organizations. They know they should do something, but never quite get around to it. At risk for many users is quite simply the memory of their organizations. Or looking at the problem a little differently, many organizations can no longer convincingly demonstrate what they did, why and how with the same certainty that they once did in the paper world.

BM. This is not just a 'big company' or 'big organization' problem. In fact, one could argue that the problem is the most acute for the millions of small and medium-sized enterprises that drive the economy. So what should be done?

JM. First of all, start somewhere. Be specific as to what you are going to do – and don't try to do everything. Next, get educated. Like any industry (perhaps more than many) ECM has its share of jargon; it is easy to get swept along by a never-ending sea of acronyms and

terms. Take time to get a firm grasp on the key technologies and how they fit together. A good place to start is AIIM International's Fundamentals of ECM certificate program, which is available 24/7 at www.aiim.org/educationpass.asp. Third, get connected. At AIIM partner organizations you can find users who are facing similar challenges and who are always ready to give you the real story about which suppliers follow through – and which ones do not. Next, investigate the variety of available options open to you. One of the great things about the imaging and document management business these days is that there are a many implementation options, ranging from a 100 percent internal solution to a 100 percent outsourced solution. Consider all of these options as you make your decision. Finally (and most importantly!), actually do something and move on from there!

BM. AIIM studies also show more companies are interested in capture technologies and imaging. How could this fit practically in the business environment – where are they most useful/popular? Which areas offer the best ROI?

JM. Capture technologies are so interesting because they are essentially the 'on-ramp' to ECM. Getting control of the paper is the very first step, and capture technologies are the way to get started.

These technologies have changed so much in the last 10 years. I have a scanner sitting on my desk that does 15 pages per minute, in color or black and white, and automatically converts documents to PDF – all for a price point of less than US\$500! Now while this isn't the kind of scanner you would use in a production environment, it gives you an idea of how affordable, stable and accessible capture technologies have become. In one of our recent surveys, over 80 percent of those responding said the ROI of their capture implementations 'met' or 'exceeded' their expectations. Imagine saying that about any other IT implementation!

BM. What would be your advice/top tips for a company looking to get the ball-rolling in implementing ECM technologies?

JM. Simply speaking, my six-step plan would comprise the following. First, start with the end in mind. Don't start with the technology; start with what you want your business to look like after the implementation. Second, analyze where you currently are in comparison to the desired end-state. Next, identify a set of initiatives to move you from the current position to the objective. Fourth, be specific in terms of the investment and time required to implement each of these initiatives. Don't try to do everything at once. Try to start with those areas that will generate quick wins – and momentum. Finally, don't neglect the soft side – developing policies, selling management and training employees. ■