ENTERPRISE CONTENT MANAGEMENT STUDY

THE VALUE OF STANDARDIZATION OF CONTENT MANAGEMENT ACROSS THE ENTERPRISE

Research conducted by

IDG Research Services

Custom Solutions Group

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Executive Summary

Historically, enterprise content management (ECM) has been approached from the department level.

"These 'islands of automation' are a common heritage among enterprises," says Martyn Christian, vice president of marketing, content management, at FileNet, an IBM® company. "CIOs unavoidably end up with multiple content silos across multiple ECM platforms from different vendors, making for an environment that is difficult to manage and expensive to maintain."

That's why savvy CIOs are implementing a higher-level strategy, standardizing on a single ECM platform across the entire organization.

This trend is certainly evidenced by a recent survey in which IDG Research Services queried 115 *CIO Magazine* subscribers to gauge the importance of an enterprise-wide approach to content management. Indeed, the majority of respondents indicate that they currently have "a plan to standardize on an ECM platform at the enterprise-wide level."

This summary report further explores ECM trends with commentary from respondents and industry expert, FileNet's Christian. The key findings include:

- ECM is both a business priority and an IT priority within enterprises.

- Most respondents are standardizing on a single ECM platform throughout the enterprise.

- Content integration and business process automation are key drivers of this standardization.

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ECM EVOLVES

When it comes to content management, the results are crystal clear: A whopping 75 percent of the IDG survey respondents say that they already have an enterprise-wide ECM strategy in place or plan to implement one within 24 months.

MORE THAN 70% OF RESPONDENTS INDICATE THAT INCREASED PRODUCTIVITY WOULD BE MOST BENEFICIAL TO THE COMPANY

Q: Which, if any, of the following results of an enterprise-wide ECM strategy would be most beneficial to your company?

Category	%
Increase productivity	71%
Improve customer service	65%
Facilitate compliance	58%
Lower costs	56%
Increase information security	51%
Improve ability to respond to market forces/react to competition	47%
Other	5%
None of the above	1%
Don't know	1%

Base: 115 qualfied respondents

This represents a huge evolutionary—albeit logical—step in the content management space.

"Traditionally, content management was left to the discretion of various department or division groups, resulting in numerous ways of capturing, retaining and managing data," says Jerry Hahn of Kawasaki Motors Manufacturing Corp., USA. "There was no focal point or consistent method by which an individual user could obtain all the necessary information about a product, a customer or maybe even a project." Situations inevitably popped up, Hahn explains, for which timely, complete and accurate information simply could not be delivered.

With this realization, the concept of a standardized approach to content management began to crystallize. But did this need become a sticking point to the business managers who use the content or the IT group that manages it?

Interestingly, the survey reveals that ECM is viewed almost equally as a business priority (56 percent) and an IT priority (59 percent). "ECM applied equally as both a tool to solve business requirements and an infrastructure technology is very valuable," says Martyn Christian. "Gaps in the weight given to either side can—and have—presented their own set of challenges."

When an ECM strategy is focused too heavily on specific business needs, for instance, solution choices most often reflect tactical departmental requirements. Such point solutions do not necessarily excel at solving other business challenges, nor do they easily integrate with other ECM systems, so their value cannot be extended throughout the organization—and IT ends up managing multiple silos. What's more, point solutions may not scale to meet the requirements of enterprise-class content management.

However, if an ECM strategy is championed more strongly by IT, the product selection process is likely to revolve around architecture and the minutiae of managing content. This tends to make technical capabilities—like backups and access parameters—more important than business requirements. In the end, the ECM solution becomes nothing more than a big electronic filing cabinet.

Equilibrium is achieved when CIOs work with business managers to select the right solution for the enterprise as a whole. "We resolve such conflicts through requirements definition," says Ralph Johnson of U.S. Minerals Management Service. "Very early in the process, irreconcilable differences are elevated appropriately, so in this respect, business needs are very much a part of the process."

WHAT'S DRIVING STANDARDIZATION?

ECM's roots as a silo application say a great deal about why CIOs are moving toward this enterprise-wide approach to content management. Just consider the primary challenges inherent in ECM implementations, as revealed by the IDG survey:

- Cost of maintaining, administering, training and managing disparate content (58 percent)

- Ability to manage the entire content life cycle from creation to archival (58 percent)

- Maintaining control of content across the enterprise (52 percent)

Standardization on a single ECM platform addresses all of these challenges. For starters, it allows CIOs to reduce data centers and consolidate infrastructure with fewer, but more powerful, servers and applications. And with one platform, CIOs can optimize support staffing requirements with fewer people and less training, all of which results in a lower total cost of ownership. Additionally, centralization offers improved manageability and increased control over content, especially with major corporate rollups from departments and divisions.

Results at a Glance
What CIOs Need to Think About

In a recent IDG Research Services survey of *CIO Magazine* subscribers, respondents indicate that ECM is both a business and IT priority within their enterprises. That has CIOs working feverishly to implement strategies that leverage content in a way that makes knowledge workers more productive. Here are some of the things CIOs need to think about in regard to that strategy:

✓ **Create an enterprise-wide plan for standardizing your ECM platform.** Islands of automation simply don't cut it anymore. The result is chaos: multiple content silos across multiple ECM platforms from different vendors, making for an environment that is difficult to manage and expensive to maintain. That's why the majority of respondents are standardizing on a single ECM platform throughout the enterprise.

✓ **Make content integration a top priority.** It's important to create an environment in which information is pulled from multiple sources and shared among applications to provide knowledge workers with a single view of the customer, project or even product. Standardizing on a single ECM platform simplifies this integration, ensuring access to timely, accurate and consistent content across the enterprise.

✓ **Find a vendor that is on top of BPM.** Business transactions of any kind rely heavily on information—sharing it, using it to make decisions and keeping transactions current. In fact, it would be futile to automate business processes without content, so it's absolutely critical to find a vendor who is committed to building BPM into their product suites.

CONSIDER EMERGING REQUIREMENTS

Interestingly, the results of the IDG survey highlight a few important content management requirements that strongly reinforce the growing trend toward standardization. Some of these key requirements include:

Integration

Content is infinitely more useful when it traverses all applications as part of an enterprise reference architecture. The goal is to achieve a "single view of the customer," an enviable position for any business, as it creates cross-selling opportunities and promotes improved customer service. Delivering this single view—which applies to profiles, products, projects and processes, as well as customers—means information must be extracted from multiple originating applications, consolidated and made accessible to knowledge workers.

In a 2005 research paper*, Gartner analyst Toby Bell writes, "A content integration strategy will provide access to a federation of repositories that are dispersed throughout the company in diverse applications and databases." However, 59 percent of the IDG survey respondents cite "content integration with other business systems" as their top challenge when implementing an ECM strategy. Standardizing on a single ECM platform simplifies this integration, ensuring access to timely, accurate and consistent content across the enterprise.

> **75% say that they already have or plan to implement an enterprise-wide ECM strategy.**

Business Process Management

Content has become undeniably tied to business processes—so much so that it would be futile to automate processes without it. In fact, according to Bell, "content can support processes most effectively when companies marry content technology [ECM] with the technology that orchestrates people, processes and content [BPM]."

The IDG survey respondents agree, with 67 percent indicating that having "a plan to incorporate BPM into their application suites" is a "critical" or "very important" attribute of their ECM vendor. As a result, BPM is one of the fastest-growing drivers of standardization, which helps fuse content with mission-critical business processes managed by high-end BPM and SOA architectures. "BPM as part of an enterprise-wide ECM platform is very important, because it is a primary enabler of the best practice of integrating electronic document and records management into business processes," explains Ralph Johnson. This shortens cycle times, lowers per-transaction costs, improves customer engagements, reduces errors and drives higher consistency in execution.

Customer Applications

Customer demand is also driving standardization of content management, with 38 percent of respondents reporting that their primary motivation in implementing ECM is "customer-related." This finding exemplifies a pivotal change in the industry. "ECM applications have historically been limited to the back office," says Christian. "But recently, CIOs have started to focus on automating and improving business processes that touch their customers."

There are plenty of real-world examples of customer-motivated moves toward ECM, from loan applications and insurance claims processing within the financial sector, to case management in the government space. All of these customer-driven applications require content from multiple ECM platforms.

DERIVING *REAL* BUSINESS VALUE

Standardization on a single content management platform results in key benefits that deliver on the true value of ECM.

Some 71 percent of survey respondents perceive increased productivity as an important outcome of ECM standardization. "That's because ECM shields knowledge workers from spending their time finding and

processing data," says Christian. "Knowledge workers spend less time dealing with content and more time doing their jobs."

Another key benefit is improved customer service, which 65 percent of respondents point to as an expected benefit. With access to more complete, timely and accurate information, service representatives have better visibility into case histories and are able to speed response times and reduce errors. And ECM automates escalation procedures to ensure proper support.

Respondents cite other key benefits of ECM, including facilitating compliance (58 percent), lowering costs (56 percent), increasing information security (51 percent), and improving the ability to respond to market forces/react to competition (47 percent).

These primary benefits typically go unrealized with the traditional departmental approach to ECM, meaning the true value of ECM is derived only by standardizing on a single platform for the whole enterprise.

SELECTING THE RIGHT SOLUTION

Of course, standardizing on a single ECM platform makes selection criteria that much more critical.

IDG survey respondents indicate that "flexibility/scalability" (90 percent), "an enterprise-wide solution" (86 percent) and "the ability to rapidly adapt to business changes" (85 percent) are the most important factors when selecting an ECM vendor.
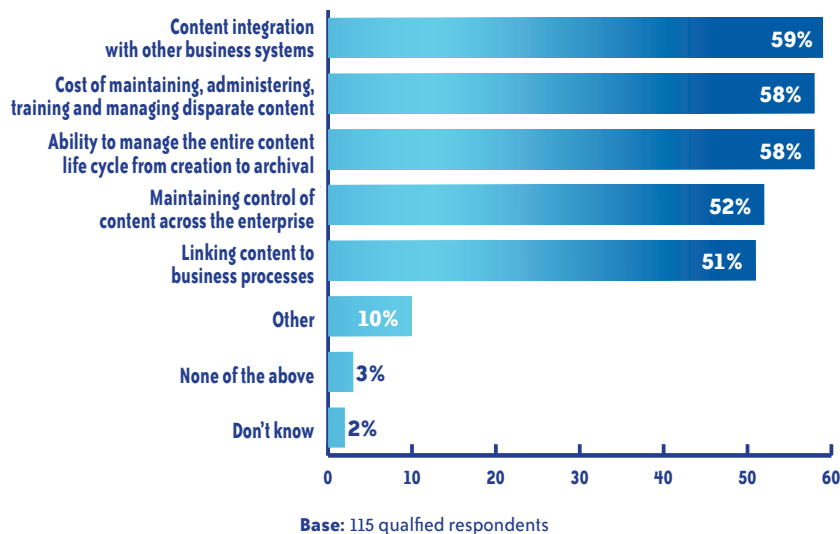
Respondents also point to functionality that addresses the primary drivers of standardization. For example, working with a vendor that offers "an integrated content management capability" is crucial to 82 percent of respondents. And working with a vendor that offers an integrated BPM solution is "critical" or "very important" to 80 percent.

**TOP CHALLENGES WITH RESPECT TO
ENTERPRISE CONTENT MANAGEMENT**

Challenge	Percent
Content integration with other business systems	59%
Cost of maintaining, administering, training and managing disparate content	58%
Ability to manage the entire content life cycle from creation to archival	58%
Maintaining control of content across the enterprise	52%
Linking content to business processes	51%
Other	10%
None of the above	3%
Don't know	2%

Base: 115 qualfied respondents

Bell writes, "Companies shouldn't choose a vendor just for the functions they need today—they should examine the vendor's plans and directions to find one that will support the fulfillment of their own initiatives."

CLOSING THOUGHTS

The facts are in: ECM requires an enterprise-wide strategy, one that standardizes on a single, powerful platform. Standardization promises huge rewards—from greater productivity in knowledge workers and improved service for customers to lower total cost of ownership—with very little downside. "This survey unequivocally demostrates that a standardized approach to ECM has reached critcial mass for many very good reasons," says Christian. "CIOs that aren't there yet are behind the curve and missing out on sizable returns."

CALL TO ACTION:

Are you ready to make your content management "enterprise-class"? Start by taking a strategic look at your environment and by partnering with the leader in ECM—FileNet, an IBM company. Visit **www.filenetP8essential.com/CIO** to access a comprehensive resource center to help you derive the most business value from ECM.

Consider Three Issues When Implementing an ECM Strategy, by Toby Bell. (Gartner Inc., December 21, 2005).