

# LIFTING THE DATA SIEGE

*UK businesses are under threat from massive increases in unstructured data. So what document and content management systems have they invested in? Cliff Mills reports on our latest research.*

The explosion in unstructured data is one of the biggest challenges facing business today. The quantities of documents, images, email and web content in companies are all growing at an astonishing rate.

It is estimated that unstructured data currently accounts for 80% of companies' overall data and the amount of unstructured data in business is doubling every two years. So how you store, access and manage all this information is becoming increasingly critical for all types of organisation.

Document management is about how you process and manage your information. It addresses the challenges of improving and controlling business practices and processes and is not just a technology implementation. Information also needs to flow through the organisation in a controlled manner as part of a defined business process. Workflow software provides this control, and business process management (BPM) provides a platform for modelling and improving your business processes.

Information should be the lifeblood of any organisation but, according to our latest research, in 57% of companies it is scattered around many different departmental systems and can be hard to find.

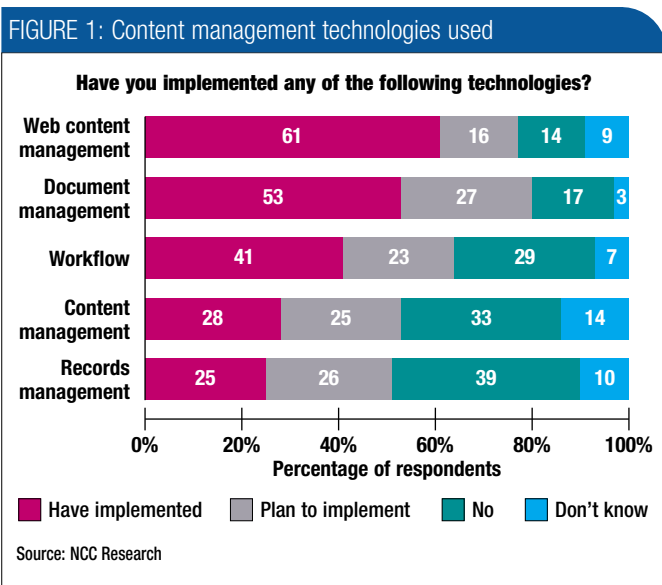
This compares with 21% of companies where information is held in departmental systems using agreed principles and can be located easily, and 18% where it is held corporately and is available to all who need it.

The picture also changes when we compare companies' ability to retrieve structured and unstructured data. Access to structured data is generally fairly easy for the majority of organisations (80%), with only 15% having any difficulty.

The converse is true for unstructured information, with 54% of companies experiencing difficulty in accessing this type of information. Only 6% can do this 'very easily', 7% 'easily' and 24% with 'moderate difficulty'.

The ever-growing burden of archiving and accessing email has to be addressed, both from a legal and business perspective. Companies are beginning to tackle this issue with 19% saying they can retrieve emails 'very easily', 22% 'easily' and 25% 'moderately easily'. However, 29% of companies are still struggling in this area.

One of the problems is that only 43% of organisations have an overall strategy for managing corporate information while a further 28% are in the planning stage. This leaves 22% who have no plans to address this issue.

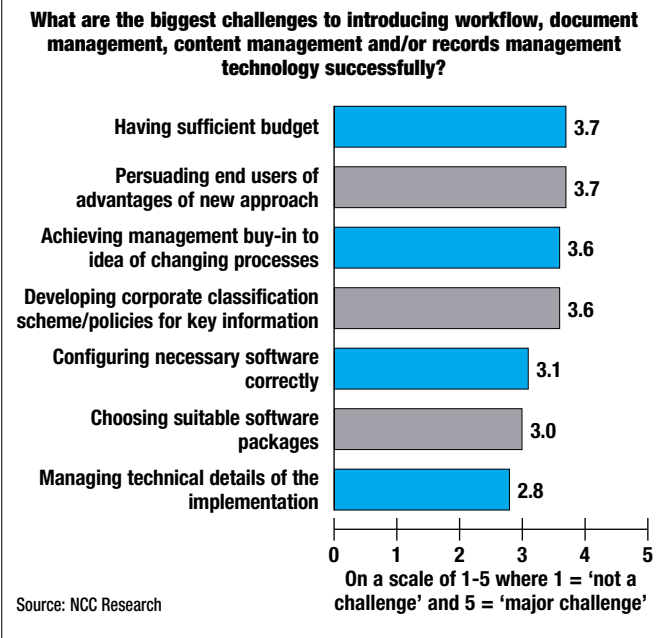


To try and manage unstructured data more effectively, eliminate paper and streamline operations, companies have invested in a range of technologies. As Figure 1 shows, over half the respondents (53%) are using document management systems with a further 27% planning to do so. Content management (28%) and records management (25%) are also proving popular, with 25% and 26% respectively planning implementations.

But while these technologies are effective at storing and managing unstructured information, increasingly documents need to be routed through a defined business process or approval cycle. Workflow software provides this capability and is now being used by 41% of companies with a further 23% evaluating this option.

The growing number of websites being developed within

FIGURE 2: Key challenges



organisations means managing and controlling the information posted is getting more complex. This is demonstrated by the fact that 61% of companies have adopted web content management software, with a further 16% reviewing this.

We asked the respondents to rate their reasons for adopting document management and workflow technologies, using a scale of 1 to 5 where 1 stands for 'not important' and 5 for 'very important'. The major driving force is to improve the overall efficiency and productivity of the business (4.3).

The elimination of paper handling and the automation of business processes can have a major influence on an organisation's overall performance. Improving customer service levels, through faster handling of queries (4.2) and streamlining administration and core business functions (4.2), is again a key area. Also high on the list is the integration of and access to all types of information (4.0), whether in a structured or unstructured format.

Over the last few years the demands of compliance and regulatory legislation have forced organisations to review their information management so they can more readily respond to requests for information. The increased likelihood of legal action also means that companies are more aware that detailed information may need to be produced to satisfy the demands of the courts.

A third of companies (33%) say that meeting regulatory and compliance demands is a great influence on them adopting document management technology with 53% citing it as having some effect. Only 11% feel it is not a decisive factor.

The challenges companies face in introducing document management and workflow systems are less to do with the actual technology and more to do with convincing the organisation of its benefits. As Figure 2 shows, the top issues are having sufficient budget (3.7) and persuading end users of the advantages of the new approach (3.7). A further difficulty is getting management buy-in to changing business processes and adopting new ways of working (3.6).

Developing a corporate document classification scheme and information policies across the organisation (3.6) is also a challenge. Technical issues, such as configuring the system correctly (3.1), choosing suitable software (3.0) and managing the technical details of the implementation (2.8), are relatively straightforward in comparison to other concerns.

Document management technologies and workflow are used across a range of business functions, but the overriding focus is on customer service applications (50%) and finance functions (46%), covering invoicing, purchase orders, etc. Other popular areas are personnel records management (34%) and the processing of applications and enquiries (33%).

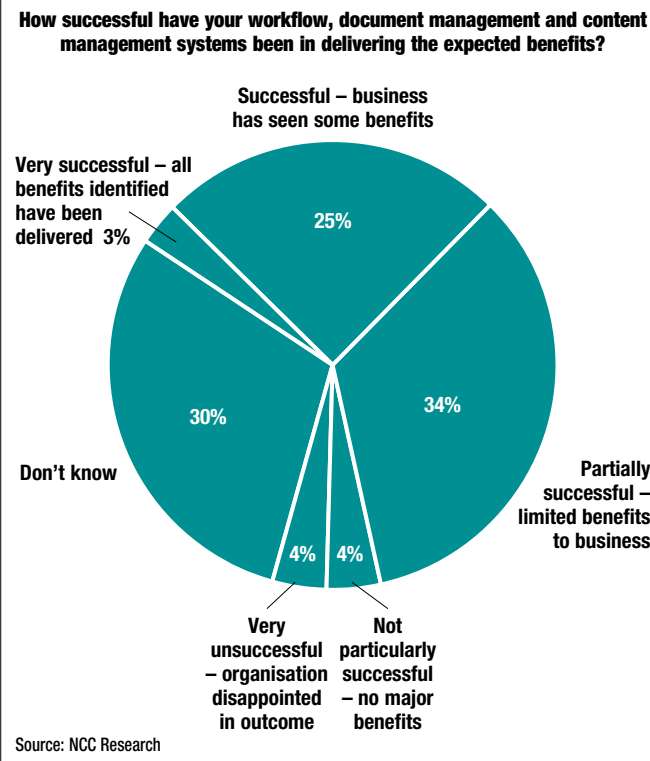
## SURVEY STATISTICS

We spoke to a broad cross-section of organisations for this year's survey. The public sector accounts for 24% of the sample, followed by the manufacturing sector (14%) and IT (13%).

The companies vary in size from those with an annual turnover of between £5 million and £10 million (16%), to the very largest: 6% of the sample report a turnover of between £1 billion and £5 billion, while 14% exceed the £5 billion mark.

In the middle of the scale, 15% have a turnover of between £10 million and £50 million, another 16% fall into the £50 million to £100 million bracket, 24% between £100 million and £500 million, and 10% have a turnover in the range of £500 million to £1 billion.

**FIGURE 3: Benefits delivery**



To optimise the benefits of workflow and document management systems, they should ideally be integrated with other core systems so that information can be easily shared. But only 10% of respondents say they are integrated 'very well' and 14% 'well' with their other systems. The largest number (24%) are only 'moderately well' integrated, whereas 19% and 13% respectively say there is 'little' or 'no' integration.

When it comes to analysing the success of workflow, document management or content management solutions, then few companies (12%) measure this on a regular basis, with 10% evaluating it after the initial implementation. A further 19% intend to measure regularly but 39% of companies have no plans to assess the effectiveness of their systems.

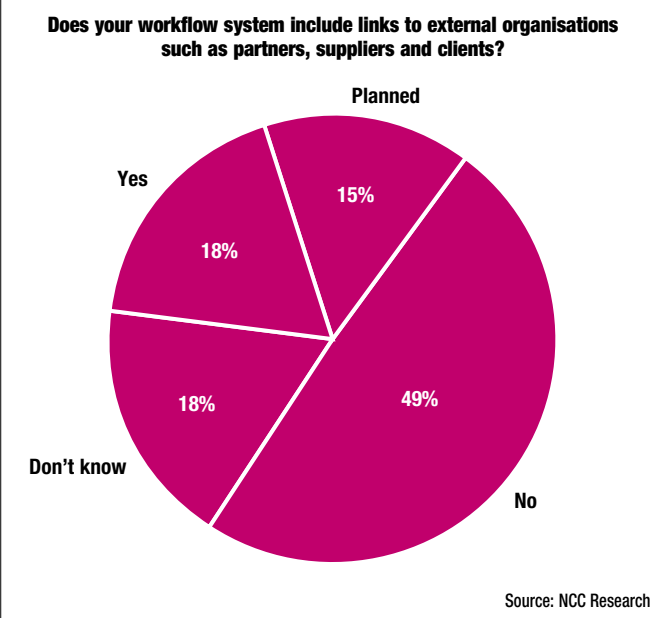
So do companies feel they are gaining benefits from their workflow, document management and content management systems? Only 3% view them as 'very successful' and consider that all the original benefits are being met, while a quarter (25%) regard them as being 'successful' with the business realising some benefits (see Figure 3).

The bulk of companies (34%) are 'partially successful' with only limited benefits accruing to the business. Fortunately only a very few companies are experiencing 'no major' benefits (4%) or complete disappointment (4%).

Workflow systems have automated the movement of information around organisations but nowadays some business processes extend outside company boundaries to customers, suppliers and partners. Reflecting this, 18% of workflow systems include links to other organisations with an additional 15% planning this. However, most organisations (49%) have yet to move in this direction (see Figure 4).

Organisational flexibility is important and being able to change your business processes to reflect changing conditions is vital. Yet only 8% say their workflow processes are 'very easy' to modify, 21% say they are 'easy' to change and the largest number (35%) 'moderately easy'. This leaves 18% who find it 'difficult' and a further 18% who say it is 'very difficult'.

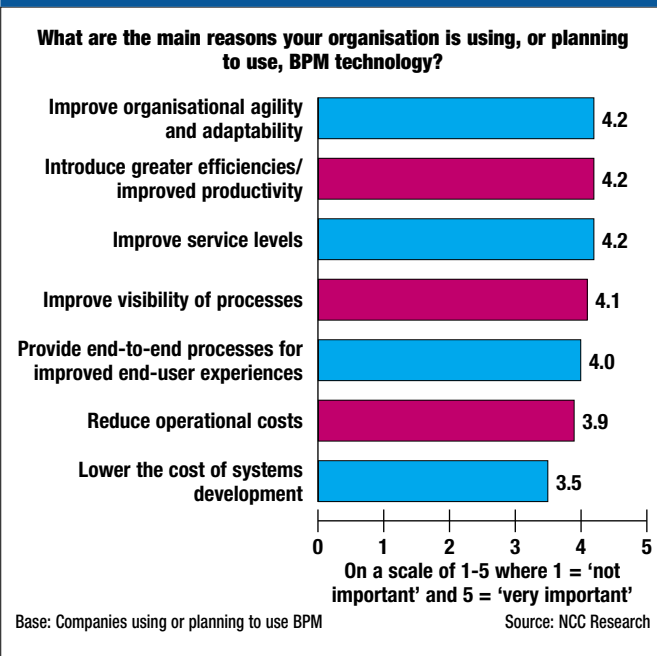
**FIGURE 4: Links with partner firms**



Organisations should be continually reviewing and updating their business processes to remain competitive and to ensure they are delivering the optimum business performance. The majority (60%) regularly review their processes as part of a continuous improvement programme, compared to 30% who do not.

Business process management software has developed over the last few years to assist in this process. However, its uptake is relatively slow, with only 14% of companies currently using it and a further 18% planning to do so.

**FIGURE 5: Key drivers for adopting BPM**

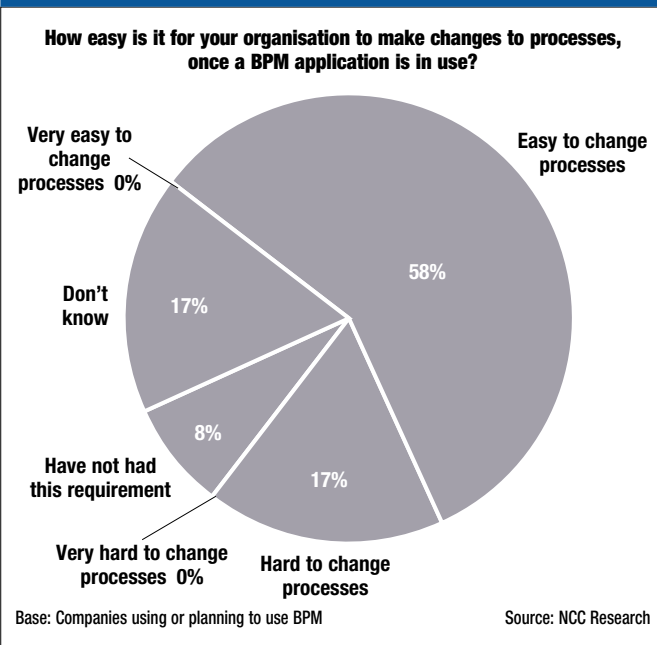


Using a scale of 1 to 5 where 1 equals 'not important' and 5 is 'very important', we asked organisations for their main reasons for using BPM software. As Figure 5 shows, being able to provide organisational agility and adaptability is the top motive (4.2) so the business can react quickly to changing market conditions. Equally important are improving efficiency and productivity (4.2) and improving customer service levels (also 4.2).

Almost by definition, BPM software is about change and redesigning business operations. Therefore, the biggest challenge identified in successfully implementing it is the need for an accompanying change management programme – mentioned by 54% of respondents – which can fully address people and organisational issues.

Integration capabilities with other enterprise applications is an issue for 46% of companies as is gaining user acceptance (mentioned by 39%). The difficulty of producing a clear ROI or cost benefit justification is cited by 39% of respondents and lack of flexibility in the software by 23%.

**FIGURE 6: Adaptability of BPM processes**



Business processes are not set in stone and will need to change in the light of experience and changing business demands. While no respondents feel it is 'very easy' to change their BPM applications, the majority (58%) say it is easy to do. A total of 17% of companies think it is hard to change their processes once created (see Figure 6).

Companies are still experiencing problems in calculating the return on investment (ROI) from workflow, document management and BPM implementations. A quarter of companies (25%) find this 'very difficult', while 27% find it 'difficult' and a further 28% 'moderately difficult'. Only a lucky few see it as 'easy' (7%) or 'very easy' (1%).

Relatively few companies feel that their document management systems have delivered all the benefits sought, so there is obviously much work for both users and suppliers to do to improve this situation.

Overall, companies still need to come to terms with managing their unstructured data and not keep it in departmental silos with little capability to easily access it. The need to store, access and manage documents, so they can play as full a role in the organisation's business processes as structured data, has become more critical – and organisations therefore need to establish a robust and coherent information management strategy for unstructured data.

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