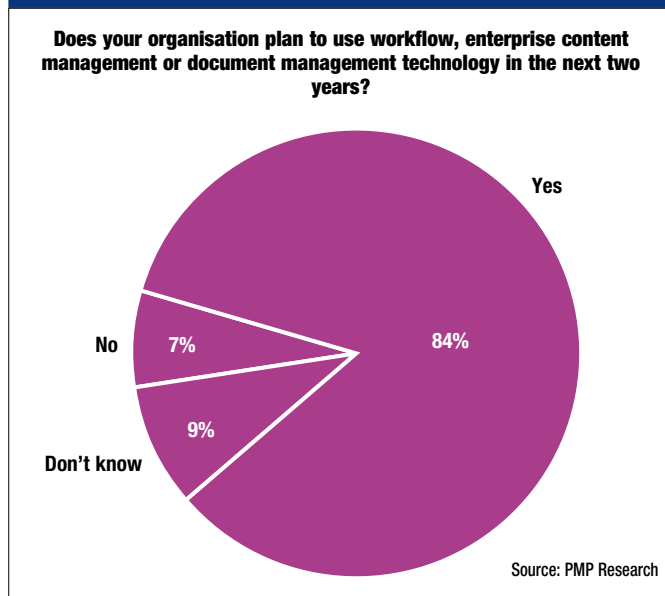


ALL TACTICS, NO STRATEGY

Interest in workflow, content management and related systems has not carried over into a hunger to develop an overall information management strategy, according to our latest research. Pat Sweet reports.

FIGURE 1: Investment plans



The world is going digital, as more and more businesses choose to work without paper. Electronic processing offers substantial competitive advantages and efficiencies, but it also presents companies with major information management challenges. Organisations need to be sure that the data they use is consistent, complete and disseminated easily to whoever needs it. Huge increases in volume, coupled with a patchwork of different systems holding the data, are creating a real headache for companies who want to keep control of vital corporate information.

To add to the complexity, businesses in many sectors face increasingly stringent regulation, with greater demands to provide a clear, traceable audit trail for many of the data sources within the organisation. Finding ways of collating, storing and retrieving the information needed to meet the variety of legislative requirements is now a board-level concern. The result of all this is a sustained interest in the key technologies which can help companies keep on top of their

data mountain – workflow, enterprise content management (ECM), document management, business process management (BPM) and related systems.

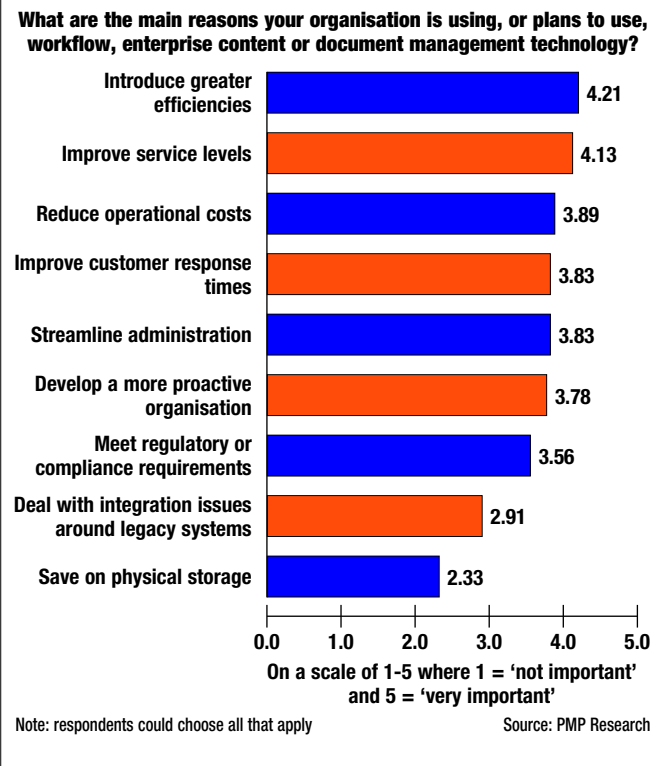
As this year's Evaluation Centre survey of the market shows, almost two-thirds (62%) of those polled have invested in workflow in the last two years, along with web content (57%) and document management (51%) systems. Much of this spending has taken place very recently – a quarter (24%) of companies estimate they have had their workflow systems for less than a year, and 15% say they have only implemented such technology in the last six months. Many other implementations are not much older, with 24% of business process management systems initiated within the last 12 months, along with a third (31%) of all document management systems and one in five (20%) of all content management applications.

More significantly, the majority (84%) indicate they intend to use such technologies in the coming two years, which strongly suggests the case for adoption is becoming much more urgent (see Figure 1). Workflow, ECM, document management and BPM applications are fairly widely spread in areas such as customer service or customer complaint handling (44%), the processing of online applications or enquiries (44%), product technical support (33%), and sales and order fulfilment management (31%). Such activities are characterised by clearly defined repetitive processes which gather or refer to information such as customer or product identification numbers, and which follow a series of steps in order to complete a transaction. Workflow and information management technologies make it easier to handle structured processes and so eliminate delays, improve handovers and reduce errors.

SURVEY STATISTICS

For this year's survey we spoke to a broad cross-section of organisations including those from the financial services sector (13%), manufacturing (13%), education (9%), telecoms (7%) and automotive (4%). As well as commercial operations, 11% of our sample come from the public sector which traditionally handles large quantities of paperwork and so faces substantial data management issues. The companies are equally varied in size. At the top of the range, one in five (20%) report an annual turnover in excess of £5 billion, while 11% have a turnover in the £1 billion to £5 billion bracket. Further down the scale, 7% are in the £50 million to £100 million range, while 11% fall into the £10 million to £50 million category and 9% have a turnover of between £5 million and £10 million.

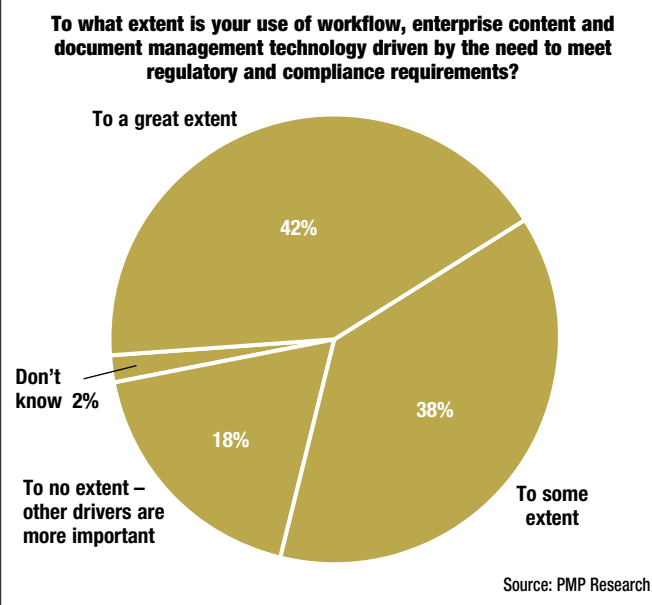
FIGURE 2: Business drivers



We asked our sample to identify the main reasons why they choose to use workflow and associated technologies in these areas, by using a scale of 1 to 5 where 1 stands for 'not important' and 5 is 'very important'. The aggregated results (see Figure 2) show that the number one priority for many companies is to introduce greater efficiencies and/or improved productivity in their working practices (4.21). Organisations are also keen to improve service levels (4.13) and reduce their operational costs and overheads (3.89). ECM and document management technology helps companies retrieve and search material more effectively, while workflow can be used to flag up urgent or overlooked tasks, thus ensuring that processes are completed satisfactorily and handled quickly.

Certainly, the respondents to our survey are more interested in these kinds of immediate, operational gains than they are in longer-term goals. Ambitions such as becoming a more proactive rather than reactive organisation are well down the list (3.78), and even meeting compliance requirements receives less interest (3.56) than the possibility of saving money and improving service. This suggests companies have moved on in their appreciation of what workflow, ECM and document management technologies have to offer.

FIGURE 3: Importance of compliance



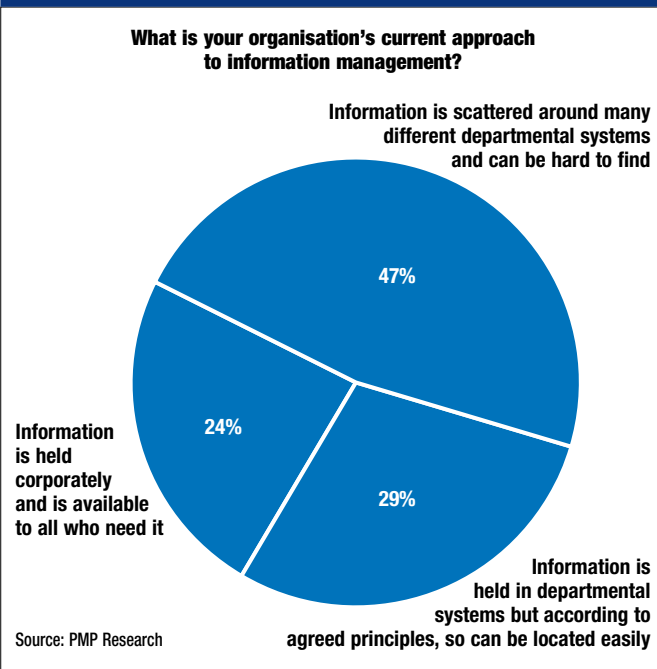
Three-quarters of those polled (76%) say a key aim of all their recent IT investment has been to make processes more efficient. While part of the reason for this is to streamline their administrative overheads, companies are also keen to offer customers a seamless service across operational boundaries. Indeed, when considering workflow, ECM and document management applications, half of those polled (51%) say their use of the technology is driven to 'a very great extent' by a desire to focus on the customer, while a further third (31%) feel this is true 'to some extent'.

The need to meet a raft of regulatory and compliance requirements, including EU directives, the Data Protection Act, the Freedom of Information Act and in some cases Sarbanes-Oxley is also having an effect, although it is less marked than many commentators might have expected. For 42% of companies this is happening 'to a great extent', with another 38% feeling the impact 'to some extent' (see Figure 3). These pressures are combining to make companies take a close look at how they organise, handle and store their corporate data.

One of the principal requirements is to create an agreed corporate information strategy, which sets out how information should be held, who can access it, how long information is kept, and when it must be destroyed.

At first sight, companies are making reasonable progress in this area, with 62% reporting that they already have an overall corporate information strategy in operation. The majority also say their plans have been in place for some time – more than five years in 39% of cases, while 18% have had a strategy for between three and five years. Given these findings, it is somewhat surprising to learn that only a quarter of those polled (24%) maintain that all their information is held corporately

FIGURE 4: Information management strategy



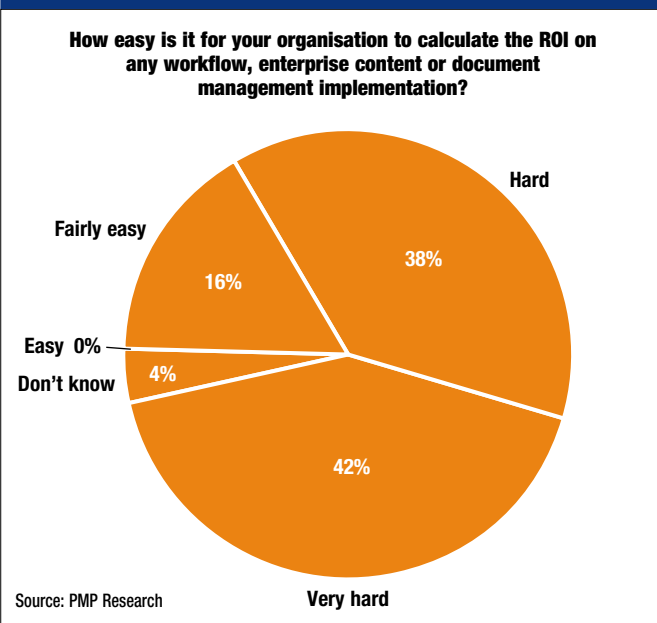
and is available to all who need it (see Figure 4). Another 29% say information is held in separate departmental systems, rather than a single corporate pot, but claim that this is done according to agreed principles so the data can be located easily by anyone within that organisation. However, nearly half (47%) of those polled concede that their vital corporate information is scattered around many different departmental systems and can be hard to find. Added to this, only 11% of the sample have adopted the information and document management 'best practice' standard ISO 15489 covering information capture, classification, retention, storage, tracking, access and disposal.

More detailed analysis of how organisations are coping with information management requirements shows a big variation in performance. While most have corporate-wide rules governing who can access specific items of stored data (77%) and are clear about how long specific items of corporate data should be held (61%), only a third have worked out how data usage should be tracked (34%). And despite all the rhetoric, only around half of the companies have guidelines on what data needs to be captured (57%), how corporate data should be classified (49%) and how or when data should be destroyed or removed (52%).

With many companies lacking a coherent information infrastructure, it is little wonder that 80% of the sample find it either 'hard' (38%) or 'very hard' (42%) to calculate the ROI on any workflow, content or document management implementation (see Figure 5). Working out the ROI on a particular implementation would undoubtedly be easier if companies had a way of assessing the impact of a new solution in areas such as upholding the corporate policy on data retention.

As it is, companies seem content to opt for a rule-of-thumb approach to benefits calculation. While a third (31%) reckon to have seen the gains and ROI they anticipated from using such technology, another third (33%) deny that this is the case, with the remainder (29%) undecided. Several point out that their systems have been introduced so recently that it is

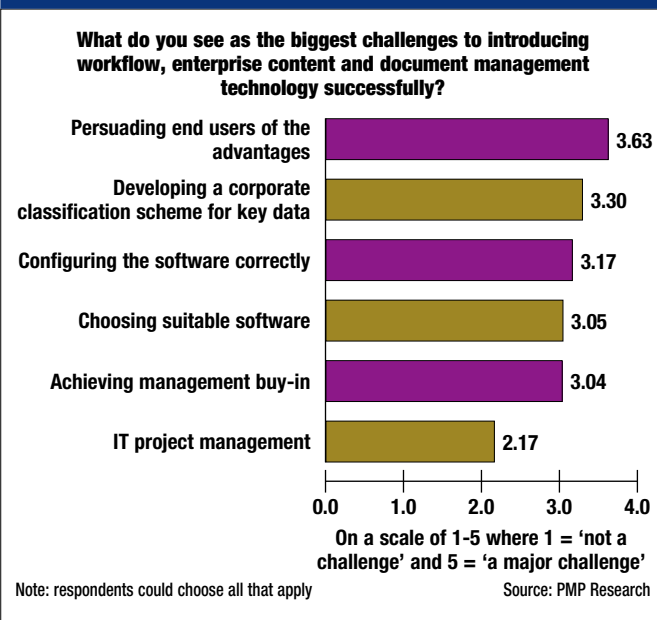
FIGURE 5: Return on investment



simply too early to tell how beneficial they will prove to be. Amongst the individual replies, however, one respondent adopts a different approach to this issue: "We don't measure ROI but we compare our costs in these areas to what we know of our competitors, and it compares favourably – not the same thing as ROI but it gives an indication."

This rather home-made approach to ROI evaluation may be one reason why companies find it hard to make the case for introducing workflow and related technologies. Although investment in such systems has increased in recent times, longer term there may be problems if cost justification is not more transparent. As it is, many organisations still find it hard to get the most out of their workflow, ECM and document management applications. We asked our sample to assess the biggest challenges to implementing such systems successfully, using a scale of 1 to 5 where 1 is 'not a challenge' and 5 is 'a major challenge'.

FIGURE 6: Barriers to success



The aggregated results (Figure 6) shine the spotlight very brightly on end users, since persuading staff of the advantages of the new approach emerges as the single greatest hurdle to overcome (3.63). The next biggest problem, which ties in with the relatively immature state of information infrastructure planning, is the need to develop a corporate classification scheme for key data, along with corporate information policies (3.30).

Interestingly, organisations appear to find it relatively easy to win management buy-in for such projects (3.04) and to choose appropriate software (3.05), and only slightly more difficult to configure the selected package correctly (3.17). Managing the technical aspects of such a project is no problem at all (2.17).

These findings suggest that while senior management are enthusiastic about the potential of workflow, ECM and document management systems, lower down the chain of command those who have to use such systems for their daily

work are less convinced. Handling the cultural changes which such systems inevitably produce is a major issue in many organisations, and one that is likely to cause many more difficulties than the actual software installation itself. Companies also need to pay much closer attention to setting out the rules governing how data is to be classified, stored and retrieved. With so much information held in individual 'silos' within specific departments, or in some cases on an individual's desktop, creating an overall information management strategy should be a top priority. Developments such as the ISO 15489 standard have done much to set the agenda on this, but few organisations have adopted it so far. Overall, though, the survey shows that interest in workflow, ECM and document management systems is on the increase, although many companies need to refine their approach if they are to reap all the benefits this technology has to offer.

● *Pat Sweet is the research analyst for PMP Research. If you are interested in this study, please contact Steve Markwell at PMP Research. Email: stevem@pmpresearch.co.uk.*

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