

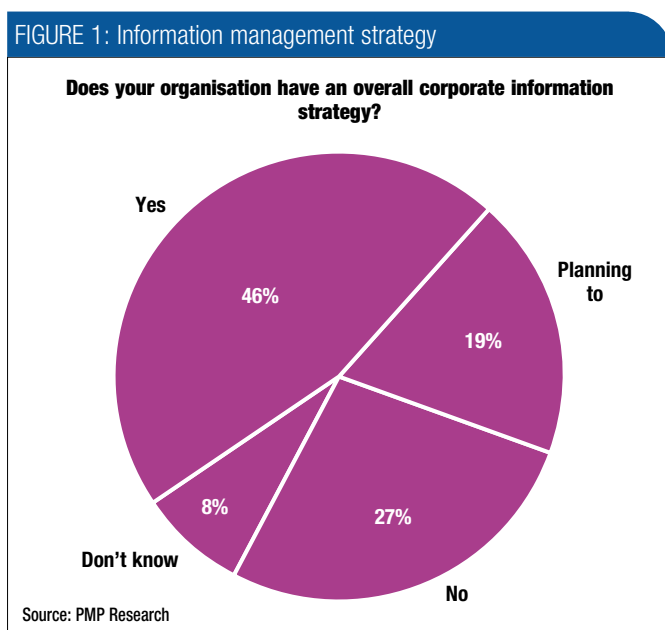
ROAD TO AN INFORMATION STRATEGY

Most information management technologies are mature, but a surprising number of companies still fail to integrate them, says Cliff Mills reporting on our latest research.

Managing information today – whether it’s in the form of documents or data – is more imperative than ever. But marrying these two worlds together is not a straightforward process and an array of technologies, such as document management and enterprise content management, have been created to capture documents and manage the data lifecycle.

In addition, the flow of information around an organisation needs to be controlled and managed so that businesses can perform as efficiently and effectively as possible. Workflow software partially fulfilled this requirement, but now business process management (BPM) tools have taken this a step further.

Yet how many companies have formulated a corporate information strategy that allows them to maximise the use of the knowledge contained in both their structured and unstructured data? The need to define what information should be held, how it is stored, who can access it and how long it should be kept, forms the basis of an information strategy.



Our latest research shows that companies are beginning to appreciate the need for this, with 46% having already adopted a corporate information strategy (see Figure 1) and a further 19% planning to do so – though this still leaves 27% with no plans in this area.

Most strategies have been in place for some time, with 38% existing for over five years, 29% between three and five years and 21% between two and three years.

But only about half the companies (54%) have defined what data needs to be captured, while 42% have set rules for classifying data. Meanwhile, two-thirds of the companies (67%) define how long items of corporate data should be held and where it should be stored.

In terms of data security, 64% have access criteria but only 28% have the capability to track data usage. Surprisingly, given the rate at which data storage is growing, only half the respondents have defined criteria for when data should be removed or archived.

Information is typically held in either a structured form in company databases, or unstructured in documents, free-form text and increasingly in emails. The majority of organisations (76%) can access structured data fairly easily but this still leaves nearly a quarter (24%) who do not find it straightforward to retrieve this type of data.

The converse is true for unstructured data, with 71% of companies still experiencing difficulty accessing this type of data. Only 2% say they can do it ‘very easily’ and 10% ‘easily’, with 14% having ‘moderate’ access capability.

The growing mountain of email is exercising the minds of most organisations, in terms of both legal and business requirements. Companies are addressing this area, with 21% saying they can retrieve emails ‘very easily’, 19% ‘easily’ and 27% ‘moderately easily’. That still leaves 31% of companies struggling in this area.

To try and control the ever-increasing growth in information, organisations are investing in a range of technologies to make the storage, access and use of data more manageable.

Document management is the most popular technology, with nearly half the companies (48%) investing in this, and a further 21% planning to. Content management (33%) and records management (22%) are also popular, with planned implementations of 18% and 16% respectively.

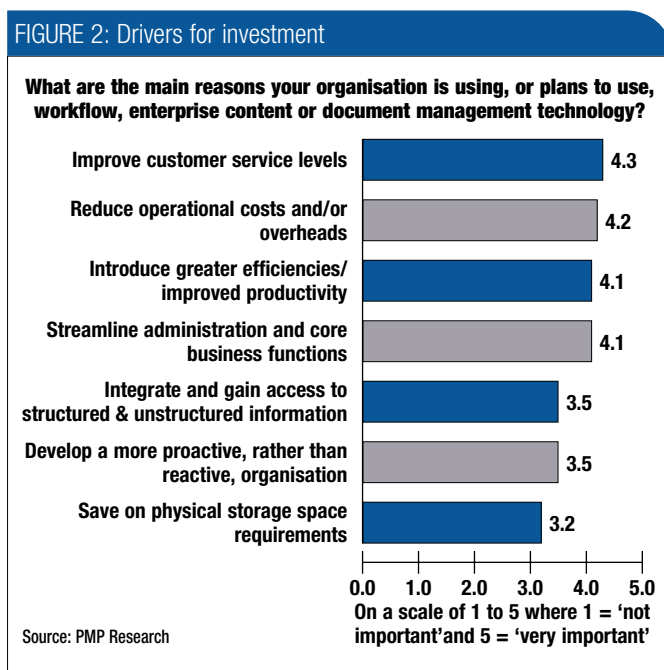
Going hand-in-hand with these technologies to manage the processing of jobs is workflow software, which is implemented in 40% of companies, with 25% planning to do so.

Web content

The rapid growth of the internet means the management of web content has become crucial, and nearly half the companies (49%) have implemented software to control this growth, with a further 22% planning to do so.

Document management technologies and workflow are being used across a range of business functions, from customer-facing activities to internal product support and development. However, the overriding focus is on customer service applications (46%) and improving the processing of online applications and enquiries (40%).

We asked the respondents to identify their main reasons for choosing document management and workflow technologies, using a scale of 1 to 5 where 1 stands for 'not important' and 5 is 'very important'.



The results (see Figure 2) bear out the type of applications these technologies are being used for, with improving customer service levels through rapid response to applications and customer queries being the main objective (aggregate score 4.3). From the business side, reducing operational costs and overheads (4.2) and introducing greater efficiencies through streamlining core business functions (4.1) are key aims.

Slightly lower down the list (although still important) is the integration and access of all types of information (3.5), whether held in structured or unstructured form.

However, one key driver for organisations to improve the storage of and access to information is the rapid increase in regulatory and compliance requirements from all quarters.

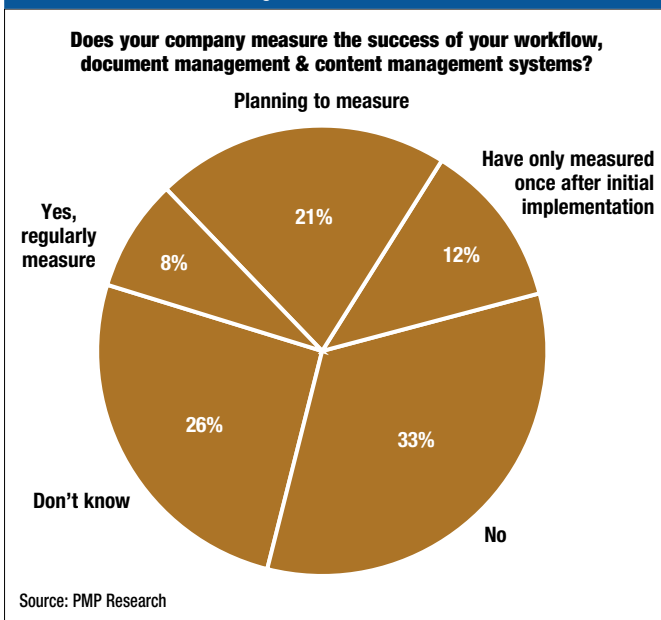
Information needs to be produced rapidly both in pre-defined and *ad-hoc* formats. With the Freedom of Information Act, which particularly affects the public sector, there is no knowing what type of information may be asked for, so having a flexible information storage strategy becomes increasingly important.

From the survey, 44% of companies see legislation as having a 'great effect' on their implementation of the technology and a further 50% as having 'some effect'. Only 6% say it is not a consideration.

Looking at the challenges companies face in introducing new document management and workflow technologies, the main difficulties are not so much technical as people issues.

Persuading end users of the advantages of the new approach tops the list (3.8). This, of course, is not unique to this type of technology and requires an organisation to involve all its employees as early as possible in the decision making

FIGURE 3: Benefits tracking

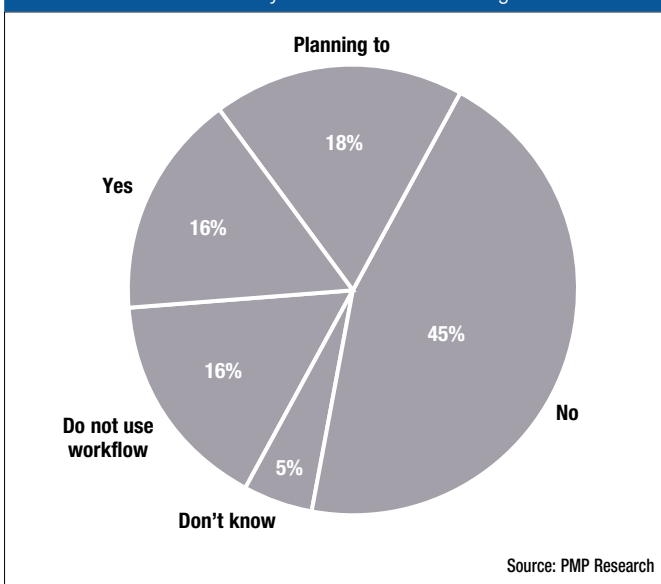


and development of the new system. An effective change management programme is essential if the full benefits of the system are to be realised at the earliest opportunity.

Developing a corporate classification scheme for information, plus the development of corporate information policies (3.7), is also seen as a difficult issue to enforce across the organisation. Perhaps surprisingly, getting management buy-in to changing business processes (3.5) is also a key challenge.

Technical issues are perceived as less demanding, with configuring the software correctly (3.3) and choosing the most appropriate software (3.1) the most pressing. Managing the technical details of the implementation (2.9) is relatively straightforward compared to other issues.

FIGURE 4: Does workflow system link to external organisations?



When it comes to gauging the success of workflow, document management and content management solutions, only 8% measure this on a regular basis (see Figure 3), with 12% evaluating it once after the initial implementation. A further 21% plan to measure on a regular basis, but a third of companies do not assess the effectiveness of their systems.

Yet while most companies fail to regularly measure their systems, nearly a third (32%) see them as being 'successful' and think the business is gaining some benefit – though only 4% think they are 'very successful' and that all the benefits initially identified are being delivered.

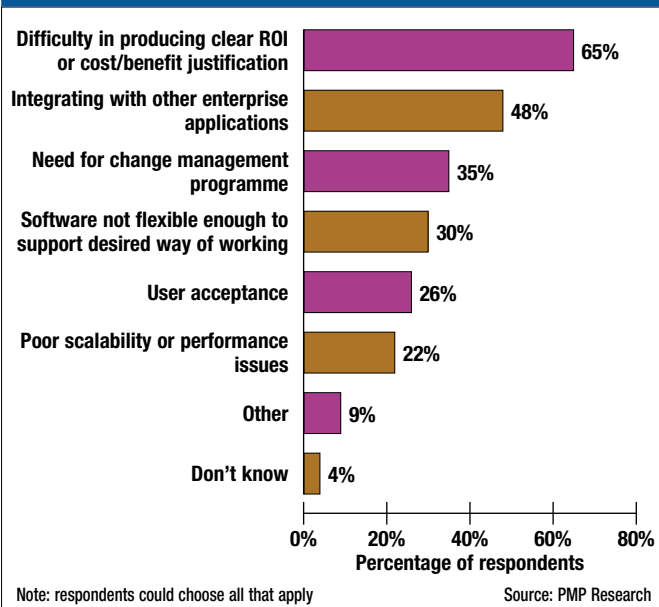
Many companies (32%) see them as only 'partially successful' with only limited benefits accruing to the business.

The integration of workflow and document management systems with other core transactional systems – such as finance or ERP – is still very low. Only 4% say they are 'very well' integrated and a further 12% 'well' integrated. The bulk of installations are only 'moderately' integrated and 24% have 'little' integration.

Traditionally, workflow solutions are internal to an organisation, but nowadays communication with outside agencies is becoming more important. A number of companies (16%) have extended their workflow to include partners, suppliers or clients (see Figure 4), with a further 18% intending to do so. However, the biggest proportion of companies (45%) have not yet moved in this direction.

Workflow processes are not cast in stone and need to change in the light of experience and business demands. Yet none of the companies see this as 'very easy' to do and only 18% feel it is 'easy'. The largest group (24%) say it is 'moderately easy', 14% think it is 'difficult' and 6% 'very difficult'.

FIGURE 5: Biggest difficulties in using BPM software



Business process management (BPM) has been touted as the next 'must-have' application for business. However, its uptake has been relatively slow and only 16% of the organisations have implemented BPM, with 21% planning to do so.

Again using a scale of 1 to 5 where 1 is 'not important' and 5 is 'very important', we asked our respondents to identify the main reasons for using BPM software.

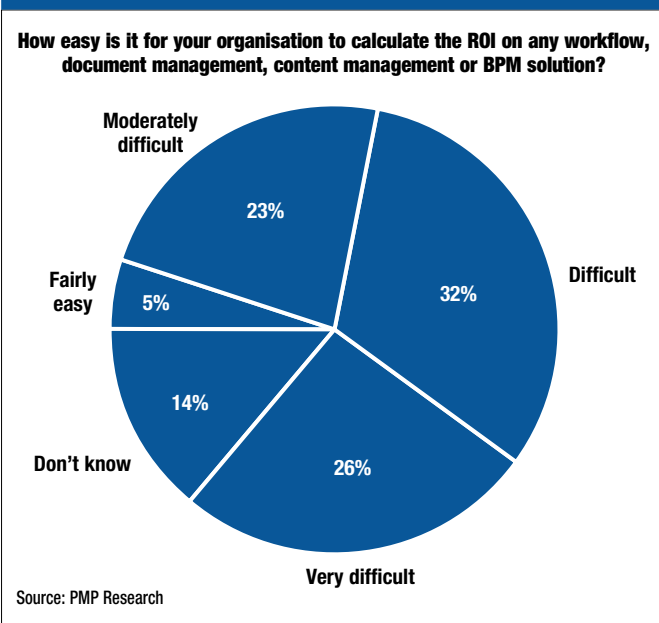
They chiefly focus on internal functions – with introducing greater efficiency and productivity (4.4) and reducing operational costs (4.2) the key objectives. Improving service levels (4.1) throughout the organisation is also viewed as a major driver.

The biggest challenge companies see in using/planning to use BPM software is the difficulty of producing clear ROI (return on investment) or cost justification, mentioned by 65% of respondents (Figure 5). Integrating with other enterprise applications is seen as an issue by 48% and the need to put in place a change management programme to facilitate the new business processes is mentioned by 35%. Another 30% also think the software is not always flexible enough to support their desired way of working.

When it comes to changing a business process, there is a mixed range of experience; 4% see it as 'very easy' and 22% as 'easy', compared to the 8% who find it 'very hard' and 22% 'hard'.

This is either a function of the BPM software selected or the level of training received by the users. This is underlined by the fact that there is an even split between those companies whose business staff can alter process rules, and those who require expert help from specialist developers.

FIGURE 6: Return on investment



SURVEY STATISTICS

We spoke to a broad cross-section of organisations for this year's survey. The manufacturing sector accounts for 19% of the sample, followed by the public sector (15%) and the banking & finance and retail sectors (both 15%).

The companies vary in size from those with an annual turnover of £5-10 million (10%), to the very largest: 6% of the sample report a turnover of between £1 billion and £5 billion, while 6% exceed the £5 billion mark. In the middle of the scale, 14% have a turnover of between £10 million and £50 million, another 14% fall into the £50-100 million bracket, 21% are between £100 million and £500 million, and 20% have a turnover in the range of £500 million to £1 billion.

Looking at the problem of calculating the ROI from workflow, document management and BPM implementations, the stark fact is that no organisation thinks this is 'easy' and only 5% consider it 'fairly easy' (see Figure 6). Most respondents view it as being 'very difficult' (26%) or 'difficult' (32%), with a further 23% rating it as 'moderately difficult'.

This is a little surprising since these technologies are not new (with perhaps the exception of BPM) and vendors should be well-versed in demonstrating ROI.

So overall, the survey shows that companies are maintaining a considerable interest in workflow, document management, ECM and BPM solutions and have a high level of expectation of the benefits they can deliver. However, there is concern in many cases over determining ROI and ensuring the expected benefits are being delivered.

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