



A N A L Y S T C O N N E C T I O N



Holly Muscolino

Research Vice President, Content Technologies and Document Workflow

Transforming Business Workflows with Enterprise Information Capture

April 2017

A cornerstone of digital transformation (DX) is transforming content-centric and information-centric workflows, especially those related to interactions with customers as well as other stakeholders. Innovative technologies are enabling new approaches to deploying and managing these workflows, offering organizations opportunities to drive competitive differentiation as well as improve bottom-line results. IDC research shows that fundamentally transforming these workflows can lead to a more than 30% reduction in time spent on document-intensive processes, a 30–40% reduction in errors, and a 25–30% increase in productivity, depending on the specific functional area and process. This IDC Analyst Connection explores how an organization can approach a content workflow transformation initiative and the benefits of doing so.

The following questions were posed by Alaris Information Management to Holly Muscolino, research vice president of IDC's Content Technologies and Document Workflow services, on behalf of Alaris Information Management's customers.

Q. The term "digital transformation" has become an almost ubiquitous buzzword, which means different things in different contexts. How does IDC define it, and how does it relate to content workflows?

A. For about a decade, IDC has been talking about the IT industry's shift to the 3rd Platform. What is the 3rd Platform? At a high level, the 1st Platform was mainframe computing, with limited access to computing resources and very few applications; the 2nd Platform was client/server, with much greater access to computing and, of course, many more applications; the 3rd Platform is based on four pillar technologies — mobile, cloud, big data analytics, and social business. The 3rd Platform offers ubiquitous access to computing resources and millions of applications and is driving digital transformation across all industries.

But it is important to understand that digital transformation is not simply about deploying technology. IDC defines it as the application of 3rd Platform–related technologies to *fundamentally change* the way something is done. It is about using these technologies to create value and competitive advantage through new offerings, new business models, and new relationships. DX impacts the very core of how business is conducted, including how companies deliver products and services and how they engage with customers. It is not just a technology trend or a technology investment — it is a core component of business strategy,

and companies that ignore it risk being left behind. Two-thirds of CIOs in the Global 2000 are putting DX at the heart of their corporate strategy.

Digital transformation changes business workflows and consequently the way information is being managed. 3rd Platform technologies are creating both new opportunities and new pain points related to the management of documents and information.

Q. What role does the transformation of content-intensive and information-intensive workflows play in the overall digital transformation of the organization?

- A. We define content-workflow transformation as the fundamental redesign of content-centric business workflows enabled by digitization and the application of 3rd Platform technologies. The redesign provides new types of connections and removes the inefficiencies of information silos and disconnected processes, integrating disparate information types and connecting systems and people to the information they need where and when they need it.

Organizations of all sizes and across all industries continue to struggle with inefficient content workflows. Inefficient workflows lead to higher costs, reduced productivity, stakeholder dissatisfaction, and compromised compliance and security. Searching for information within paper documents is time consuming and frustrating, and integrating information into any type of enterprise application or back-office system requires manual intervention.

We spoke with line-of-business executives and managers who estimated that fully automating their document-driven business processes would yield a 36% increase in revenue, a 30% reduction in cost, and a 23% reduction in risk. Other IDC studies point to a more than 30% reduction in time spent on document-intensive processes, a 30–40% reduction in errors, and a 25–30% increase in productivity, depending on the specific functional area and process.

One of the most important benefits of optimized and transformed content workflows is improved customer experience. Transforming content workflows enables new types of connections with customers and new modes of engagement. Furthermore, the transformation of content-centric processes can connect functional areas of the organization that were previously siloed, ensuring a consistent view of the customer and face to the customer. Finally, the integration of content analytics can offer new insights, giving organizations the agility required to proactively anticipate customer needs.

Q. How far have organizations progressed in their digital transformation journeys?

- A. IDC has published a series of maturity models using a methodology that we call the IDC MaturityScape. There are five stages, each with increasing levels of maturity. We published a model for digital transformation, and then we surveyed IT and line-of-business managers across a broad range of industries to find out where they are on their digital transformation journey. Fourteen percent of organizations are what we call "digital resisters," which means that they are not actively pursuing any substantial transformation effort, and they are certainly not focused on customer experience.

Sixty-five percent of organizations are "digital explorers" or "digital players," which means that they may have active DX projects but without a guiding purpose, or their goals are only focused on near-term strategy. Organizations that are "digital transformers" have purposeful, synchronized efforts and will soon be disrupters. Only 8% of organizations are at the highest level, "digital disrupters." These organizations are positioned to dominate their markets. This research shows that there is still room for growth and untapped potential of digital transformation within organizations.

Even more telling is that the digital transformation of content and document workflows is lagging DX overall. Information-intensive workflows are the backbone of business processes, and optimizing these processes must be a central plank of a DX strategy. In many cases, the digitization of paper information with an intelligent capture solution is a critical first step.

Q. What are the barriers that an organization faces when implementing a content transformation initiative?

- A. Our research shows that two key barriers to content workflow transformation are unclear return on investment (ROI) and lack of senior management buy-in. Other (related) factors are concerns about acquisition and support costs.

Decision making related to document and content workflow and the solutions that enable it (including enterprise content management, enterprise capture and printing infrastructure) is often decentralized. Each functional area — back office, procurement, sales, human resources, etc. — has its own set of requirements and solutions. Because of this fragmentation, inefficient and outdated processes, though painful, may not be top of mind for senior managers.

These leaders may not be aware that there are opportunities for transformation within these workflows, and/or they may not be a priority versus other 3rd Platform and digital transformation initiatives. (We saw that the transformation of document workflows lags the overall digital transformation of the business.)

Taking a centralized approach to evaluating content-intensive and information-intensive workflows can provide a clearer picture of the role that these workflows play in the day-to-day operations of the organization and the digital transformation of the organization. This would allow senior decision makers to plan strategically and to implement solutions that streamline operations as well information-sharing initiatives that can favorably impact top-line growth.

Q. How do organizations get started with a content workflow transformation initiative, and what can business leaders do to maximize the return from DX projects?

- A. Begin by evaluating existing content-centric workflows. The ability to accurately model the current state of content infrastructure and map specific business workflows is crucial to determining where and how workflow automation could achieve a measurable ROI. It is possible that the evaluation will uncover unnecessary, redundant, or otherwise "broken" steps in existing manual and/or inefficient workflows that must be addressed before automation can be considered.

Next, inventory existing solutions. Many organizations have redundancies in their software portfolios. Understand which technologies are already onsite, and categorize against the most appropriate/best use cases for those technologies. Consider ease of use, ease of integration, scalability, mobile and cloud enablement, vendor support, future life span, and overall architecture of the solutions.

Identify use cases with high levels of inefficiencies and stakeholder pain points and then develop a strategy to address those pain points. Specifically, consider paper-intensive processes, especially those in which paper is used to bridge the gap between incompatible document formats or systems as well as processes with slow responsiveness and/or higher operations costs. build

Finally, put together a strategy for developing a modular, agile ecosystem of technologies that can be used to construct purpose-built solutions for specific business problems. This ecosystem will include an intelligent enterprise capture solution to help digitize, automate, and streamline these workflows and drive the organization to higher levels of content workflow transformation maturity.

ABOUT THIS ANALYST

As research vice president of IDC's Content Technologies and Document Workflow services, Holly Muscolino is responsible for research related to enterprise content management, including records management and case management. Ms. Muscolino's core coverage also includes the digital transformation of document workflows and the technologies that enable that transformation, including enterprise capture, esignature/digital signature solutions, and eforms.

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Global Headquarters: 5 Speen Street Framingham, MA 01701 USA P.508.872.8200 F.508.935.4015 www.idc.com