M-Files®
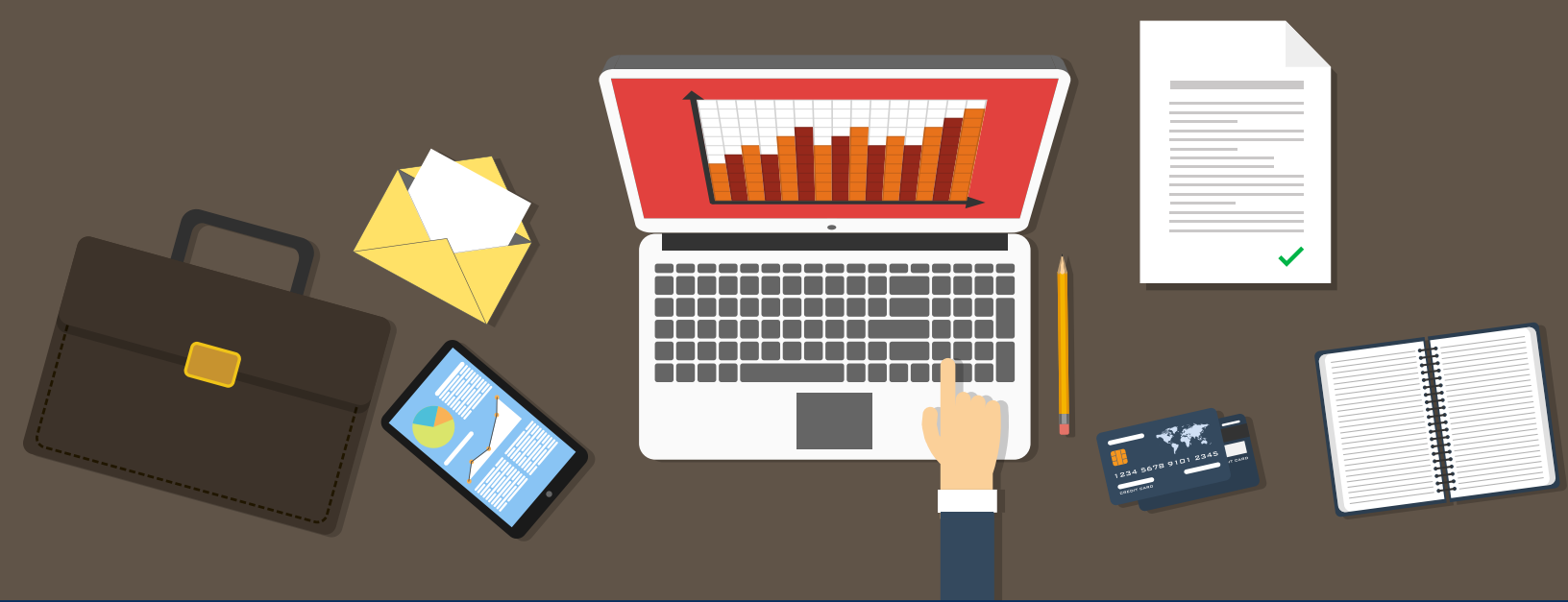
The Business Case for Enterprise Content Management

A Collection of Information Management and Enterprise Content Management (ECM) Research Data

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Introduction

The Information Management or Enterprise Content Management (ECM) market is experiencing rapid growth due to a "perfect storm" of events and technologies that make ECM invaluable. The influx of highly diverse content from a variety of systems and repositories points to the urgent need for companies to invest in content management in order to take control of all types and sources of content.

Companies are looking to Information Management, or ECM, systems to create order where there is chaos, and given the vast amount of data and content they seek to analyze, maintain and store on a daily basis, content management is providing organizations with the means for them to take control, creating workflows that allow their employees to be more effective and efficient while complying with regulatory rules and regulations.

This white paper cites analyst research groups, industry organizations and trusted media sources that address information management challenges such as big data, mobility and the cloud in order to provide insight on how organizations can leverage ECM for positive outcomes. Overall, Information Management allows organizations to use new and existing sources of content to drive higher levels of efficiency and improve productivity. In addition, it secures organizations from potentially devastating data breaches and data losses and controls access to confidential information.
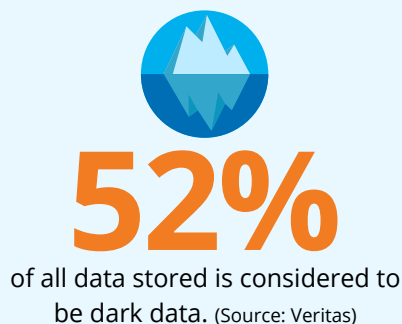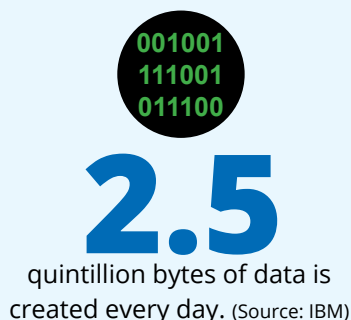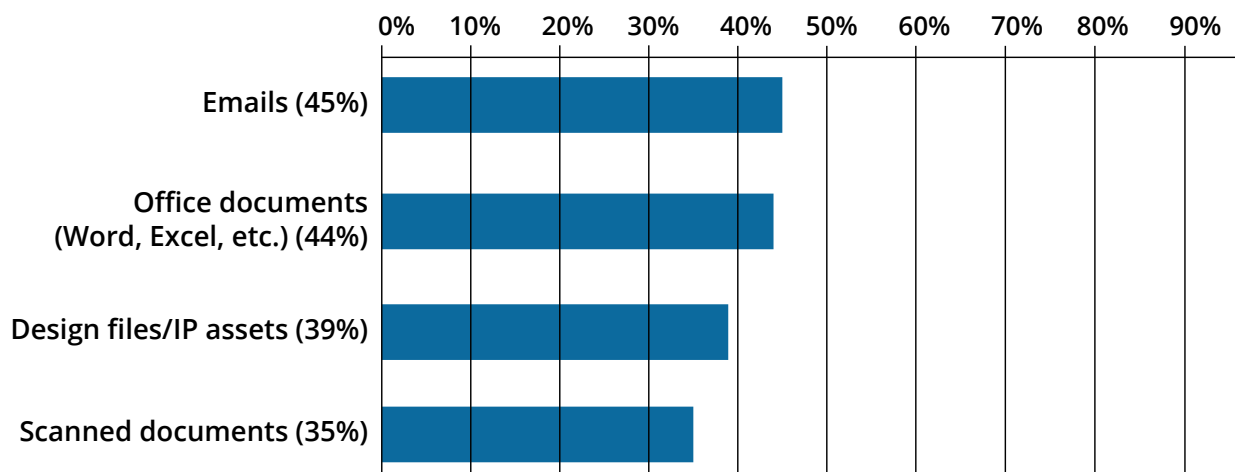
Factors Driving Deployments of ECM Solutions

The struggle to manage and make sense out of large volumes of data continues to increase the viability of ECM systems as an effective tool for achieving information management goals.

Creating Order from Chaos

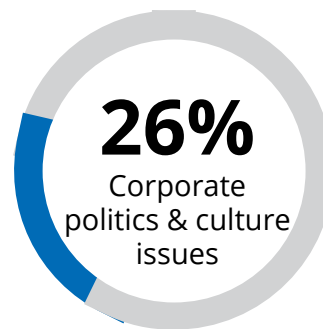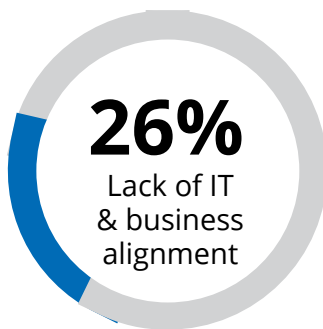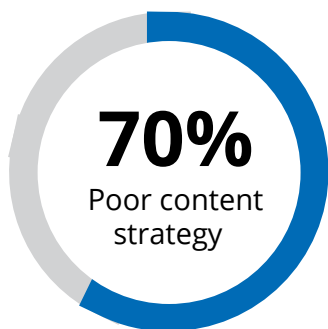The information onslaught creates information management challenges:

2.5 quintillion bytes of data is created every day. (Source: IBM)

52% of all data stored is considered to be dark data. (Source: Veritas)

30% of the working day is spent searching for information. (Source: IDC)

In a 2018 Industry Watch report by AIIM, respondents still felt that some types of information were "chaotic" or "somewhat unmanaged" in their organization.

Emails (45%)

Office documents (Word, Excel, etc.) (44%)

Design files/IP assets (39%)

Scanned documents (35%)
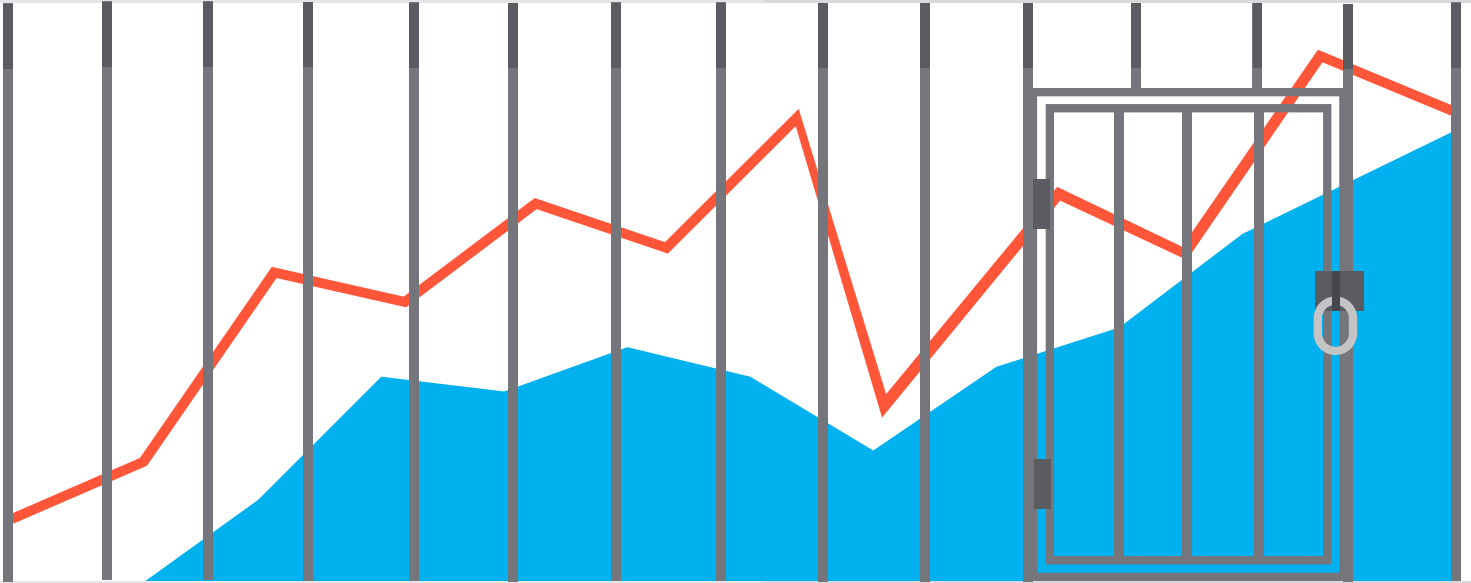
Content Strategy is Foundational

In a Forrester survey, respondents state the top three contributing factors to an unsatisfactory ECM implementation as:

70% Poor content strategy

26% Lack of IT & business alignment
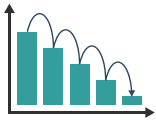
26% Corporate politics & culture issues

(Source: Forrester Report: Improve ECM Satisfaction Levels Through Agility, Analytics and Engagement)

Business Drivers: Information Has Its Price

The cost of "bad data"

12%

averages losses from bad data in relation to a company's overall revenue.
(Source: insidebigdata.com)

$3.1 TRILLION

yearly cost of poor quality data in the US.
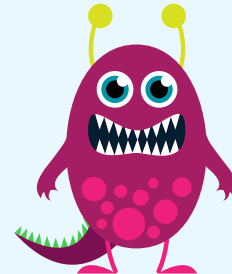(Source: IBM)

50%

the amount of time that knowledge workers waste in hidden data factories, hunting for data, finding and correcting errors, and searching for confirmatory sources for data they don't trust.

(Source: Harvard Business Review)

Top 3 issues with current ECM systems

User adoption is key!
45% want to improve user adoption across the business.

Get rid of extra repositories!
42% want to consolidate or connect multiple repositories.

Email is old news!
32% feel that dealing with emails as records is an issue for them.

(Source: AIIM: Taming Information Sprawl with a Radically New Approach to ECM)

The ROI on ECM

The undeniable value proposition of ECM continues to be its highly effective ability to efficiently organize, secure and process information from a growing number of sources. **According to Nucleus Research, the ROI for ECM continues to skyrocket.**

ECM Returns Dividends

$7.50

Modern ECM systems are delivering $7.50 for every dollar spent--up from 23% since 2012.

62%

of organizations achieve direct benefits from ECM implementations such as reduced paper and headcount or service bureau fee avoidance.
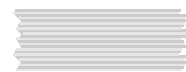
38%

of organizations achieve indirect benefits from ECM implementations such as productivity.

56%

of ECM decision makers identified process automation as the top ROI area.

33%

of organizations identify paper-reduction as the second most important benefit from implementing ECM.

Security Breach: Unauthorized File Sharing Solutions and Paper

Employees continue to put confidential company information at risk by using paper and personal file sharing apps—even when the use of such tools is banned. Unregulated use of these apps represents a serious security and compliance threat since staff can share sensitive information externally or store documents on their personal devices outside of the organization's governance. Organizations must strike the right balance between providing technology that enables collaboration and easy information access with compliance measures.

Unauthorized Information Sharing Puts Organizations at Risk

38%

of organizations have experienced one or more information security breaches within the past year.
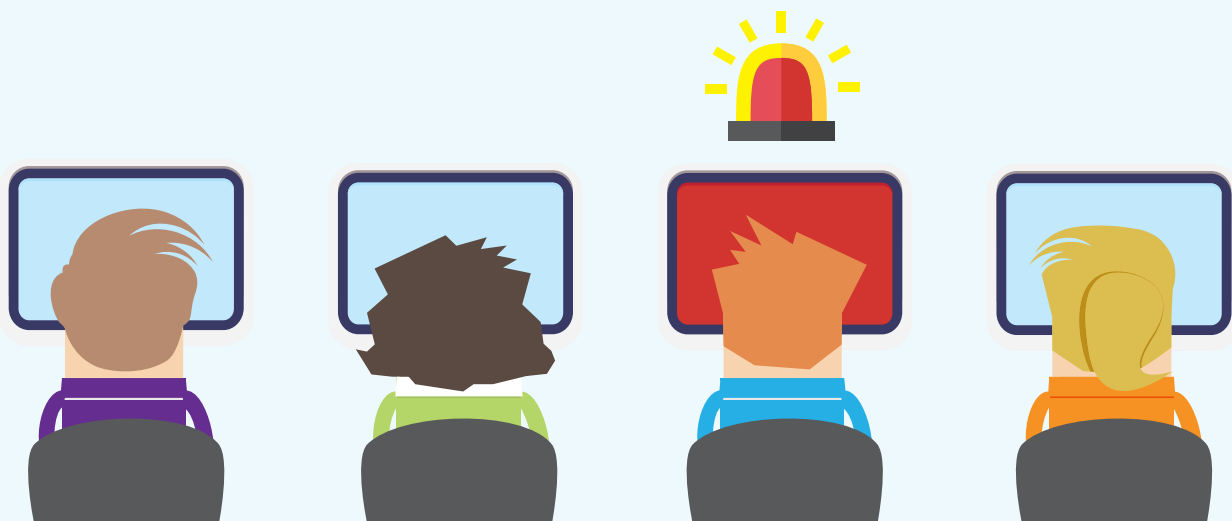(Source: AIIM & M-Files)

46%

think paper files are the biggest area of vulnerability for information security breaches. (Source: AIIM & M-Files)

44%

believe their sensitive data is exposed by the use of personal file sharing apps for sharing company information.
(Source: AIIM & M-Files)

The Paper Chase

While many businesses have made great strides in their efforts to become a "paperless office," it's clear that we're just not there yet. It's apparent that companies still rely heavily on paper, which requires printing, copying and filing, creating a ripple effect that impacts enterprise-wide productivity and the ability to meet critical deadlines, and in the end, can lead to a measurable loss of revenue.

The Paper Chase Takes Costly Toll on Productivity & the Environment

10,000

The EPA states that the average US worker uses this many sheets of copy paper yearly. Collectively that's 4 million tons of copy paper per year.

Signatures are still "stuck" in a paper world says AIIM survey:

Signing a document is the **#1** reason why businesses still use paper. (Source: AIIM)

66%

of all companies have an initiative in place to reduce paper usage. (Source: IDC)

24-31%

The amount organizations are targeting annual paper volume reduction. (Source: IDC)

More than **50%** of respondents print paper copies to obtain signatures to take to meetings. (Source: AIIM)

Empowering the Mobile Workforce

The cloud and mobile devices have become powerful and empowering platforms for employees to access the information they need, from anywhere in the world. However, the trend towards BYOD (bring your own device) is something that many companies are struggling to manage.

Managing the Mobile Workforce Without Breaking the Rules

60%

of users say they embrace content access on mobile. (Source: AIIM)

31%

Only 31% have had company-wide support for mobile-access.
(Source: AIIM)

1/10

find it easy and fast to search for documents remotely or using their mobile device. (Source: M-Files survey for IT decision makers)
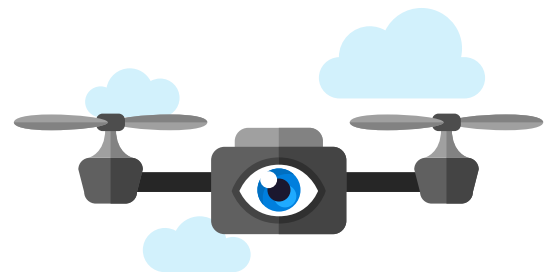
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specified that they'd like to be able to access and edit documents while working remotely or using a mobile device. (Source: M-Files survey for IT decision makers.)
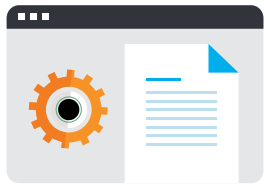
Time for Cloud is NOW

- **84%** of organizations think about moving over to cloud or hybrid implementations during 2018. (Source: AIIM)
- **70%** of enterprises worldwide will be running a cloud office suite by 2021. (Source: Gartner)
- **57%** of organizations prefer subscription-based models. (Source: AIIM)

Information Chaos Needs To Be Tamed

Organizations are struggling to manage their information and documents. The volume of data is increasing and so is the number of systems and repositories where information is stored. The majority of business critical content still remains outside of content management systems.
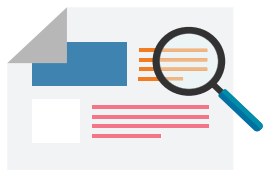
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The average number of content management systems in one organization. (Source: AIIM)

54%
of unstructured content is saved somewhere else than in the content management system, and is not accessible through it. (Source: AIIM)
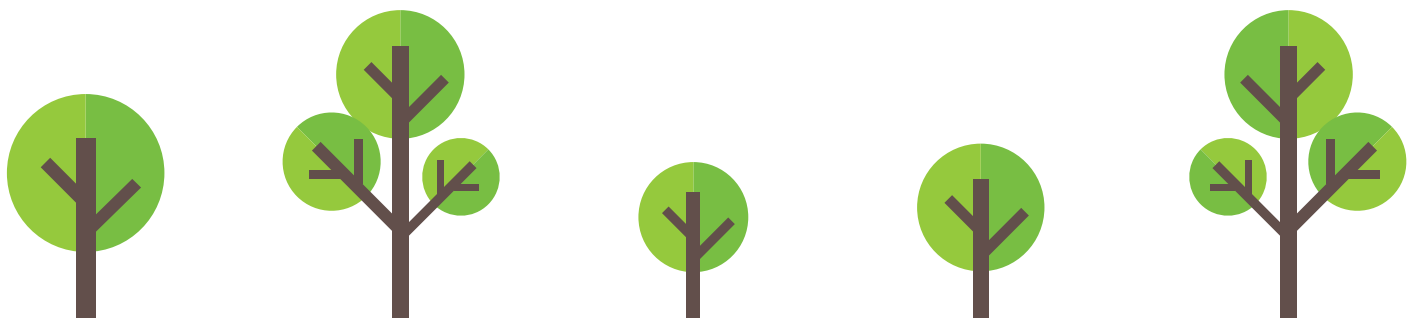
70%
of organizations see a need to get rid of the monolithic ECM and have a desire to consume content capabilities as needed. (Source: AIIM)

46%
feel that traditional ECM providers are relying on user lock-in.
(Source: AIIM)

Conclusion

Information Management or ECM solutions continue to provide organizations with a proven and reliable solution to effectively capture, store, manage and share content. As ECM technology continues to evolve and mature, organizations will be able to leverage content management for more functional applications that also support partners, customers and other external stakeholders. The next generation information management platforms will continue to enable companies to address critical concerns, including security, compliance and managing the accelerated creation of content from many sources, including mobile devices.

The issues and statistical data provided in this paper build the case for the implementation of an information management system to mitigate risk due to data loss, compliance failures, general operational inefficiency, but also to avoid potential legal fallout by creating a systematic and organizational culture of efficiency.

About M-Files

M-Files provides a next-generation intelligent information management platform that improves business performance by helping people find and use information more effectively. Unlike traditional enterprise content management (ECM) systems or content services platforms, M-Files unifies systems, data and content across the organization without disturbing existing systems and processes or requiring data migration. Using artificial intelligence (AI) technologies in its unique Intelligent Metadata Layer, M-Files breaks down silos by delivering an in-context experience for accessing and leveraging information that resides in any system and repository, including network folders, SharePoint, file sharing services, ECM systems, CRM, ERP and other business systems and repositories. Thousands of organizations in more than 100 countries use M-Files for managing their business information and processes, including NBC Universal, OMV, Rovio, SAS Institute and thyssenkrupp.

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