

# ECM: The Top Seven Savings

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When researching Enterprise Content Management solutions there are a variety of benefits described in terms such as “streamlined processes” and “improved operations.” Though these are real benefits a company can realize, organizations expect specific and measurable savings when investing in ECM technology.

While acknowledging that a vast array of distinctions exist between companies of varying size, industry and location, there are a number of overarching savings that any organization can expect. This report explores the top seven savings that businesses will gain with an ECM solution.

## 1 | Money

Getting right down to business, the number one savings-both in terms of what companies look for and in terms of what they should expect-are hard dollars. ECM technology saves money by allowing any organization to spend less of it as well as actually make more of it. There are a number of ways that an ECM system can directly affect the bottom line.

One of these ways is by centralizing all information within the organization and allowing it to be searched for and retrieved quickly and efficiently, thus eliminating the costs associated with ineffective information searches.

As much as 10% of a company's salary costs are wasted on ineffective searches, according to

“An enterprise employing 1,000 knowledge workers wastes \$48,000 per week, or nearly \$2.5 million per year, due to an inability to locate and retrieve information.”

IDC Research Report  
*The High Cost of Not Finding Information*

research reports from an IT research and analysis organization the Butler Group.

In addition, ECM software can eliminate other costly and unnecessary tools, software and technologies while allowing your business to leverage even greater value from core business systems.

Based on cutting the labor and hardware consumed by their outdated methods, we estimate that ClosetMaid saved over \$100,000 in just the first year of using the iSynergy Content Management system.

Document Management and Workflow technology is often referred to as “going paperless” due to the sheer volume of paper that can be eliminated from business operations. Reducing paper usage reduces the associated overhead: printers, cartridges, shipping costs, the paper itself.

## 2 | Time

Alan Weintraub, Forrester Analyst, describes the document-intensive processes associated most commonly with business as “transactional content management.” Without an ECM solution in place, the tasks involved in transactional processes require excessive manual filing, paper shuffling and the need to physical search through filing cabinets. These process steps add no genuine value to the business and only result in wasted time. While at the surface it appears to only be a few insignificant minutes, when extrapolated out, it quickly begins to add up.

- Executives waste six weeks per year searching for lost documents.<sup>1</sup>
- In surveying 1000 middle managers of large companies in the U.S. and U.K., 59% miss important information almost every day because it exists within the company but they cannot find it.<sup>2</sup>
- 15% of all paper handled in businesses is lost, according the Delphi Group, a Boston consultancy, and 30 percent of all employees' time is spent trying to find lost documents.<sup>3</sup>

ECM facilitates time management by allowing all documents and data in the organization to be stored in one central location. From there, users can quickly search for and retrieve the information

necessary to complete their work. Documents are never lost, and do not have to be consistently re-created.

Due to their Document Management and Workflow implementation, The Antigua Group took a 3 day document driven business process and reduced it to 24 hours

ECM technology also enables automated workflows, reducing the time spent managing approvals and routing documents. Process steps are completed quickly and automatically, eliminating the lag time that exists with manual processes.

ECM solutions are built upon a single, shared portal. This collective workspace breaks down departmental silos and empowers staff to communicate and collaborate more effectively and much quicker than traditional means.

When collaboration is enabled, process are automated and search and retrieval problems are non-existent, staff can focus on the value added activities that truly drive the organization.

## 3 | Space

Businesses produce a large volume of data and information; that data and information is often stored on paper. The paper then accumulates, incurring expenses and taking up space that could be more effectively utilized.

<sup>1</sup> From a survey of 2,600 executives by Esselte, maker of Pendaflex and Dymo, FastCompany Magazine, 8/2004

<sup>2</sup> Accenture, Wall Street Journal, 5/14/2007

<sup>3</sup> Jane M. Von Bergen (Knight Ridder Newspapers), The Boston Globe, 3/21/2006

For some organizations, the need to eliminate paper is the primary driver for adopting ECM: they simply run out of space and have no other choice. For others, saving space is an added bonus that was not planned for, but is certainly appreciated.

With ECM, companies can digitize vital company documents, data and information. Physical information is scanned securely into a repository, even large volumes of documents can be captured quickly and automatically indexed appropriately.

This eliminates the need for physical storage space, the time spent manually filing information, and the costs associated with external storage.

## 4 | Gas

Salespeople, field staff, remote workers - organizations often require portions of their workforce to conduct business outside of the traditional office setting. The management of remote employees comes with its own set of complications, one of them being effective collaboration and communication.

- How can field workers access critical business information immediately?
- How can salespeople conduct business most effectively from the road?
- How can executives ensure that the office runs smoothly without being present?

With content management and workflow, mobile access to information is enabled. From anywhere, anytime, field staff is empowered to retrieve all business data and documents required to conduct business. Executives can manage approvals, salespeople can submit expense reports and field staff can access customer information without ever stepping foot into the office. Collaborative projects and teamwork can be achieved from the road, and business is no longer stifled during executive travel.

With the web-based access that iSynergy provided to the Forsyth County Sheriff's Office, every one of their 125 patrol officers with an in-car computer can access such files as arrest records, hand-written instant reports, and case information immediately from the field.

The entire organization becomes empowered with these mobile tools. The need for driving to and from the office for important files, meetings or approvals can be completely eliminated. Traveling executives and remote employees can dramatically cut costly gas prices and the business can reduce staff overhead.

## 5 | Legal Trouble

All organizations are held to some degree of compliance and regulation, such as Sarbanes-Oxley 404 or HIPAA. Protecting an organization and saving it from potential legal complications is one of the greatest assets a content management system can deliver.

As Suresh Shenoy, executive VP at Information Management Consultants, has stated, “It’s great to have content, but if you don’t know how to secure it, you’re opening yourself to a floodgate of potential litigation.”

Key considerations:

- Are documents securely stored, with confidential information protected from unauthorized internal and external access?
- Is information and data readily available and easily found?
- Is information accurate and the integrity of data intact?

If the answers to these questions are not a resounding and immediate “yes”, then the organization is facing potential financial and legal risks.

“One of the biggest drivers for ECM is compliance, risk management, and meeting the requirements in case something comes to litigation.”

Arvind Krishna  
Senior Consultant, IQ Business Group

ECM provides a means to more effectively retain records and ensure that documents are stored in a secure manner for the required period of time. Additionally, redaction and tight permission controls ensure complete confidentiality of private information.

A primary purpose of regulation is to conform to a set of standards through repeatable, consistent processes. This is achieved through standardization and facilitated by workflow automation.

Five Wall Street firms were fined \$8.25 million by the SEC for improperly storing e-mail communications.<sup>4</sup>

As the subject of an audit, an organization will be required to report on a large volume of transactions. With the audit trails enabled by ECM, audits are performed quicker and easier. Audit trails track all the activity in the system and make it readily accessible.

If a case does occur where an organization is faced with a possible legal dispute, the e-discovery process that is required during investigations becomes much smoother and easier. A strong content management solution and strategy will help build and maintain an organization’s governance, risk and compliance program.

<sup>4</sup> <http://www.sec.gov/news/press/2002-173.htm>

Apoorv Durga describes the role of ECM in a compliance aspect on The Real Story Group:

Most businesses assume that compliance costs money and does not improve their bottom line. Because of this, there is often a reluctance to invest in compliance initiatives. While it is indeed true that it does cost money, you should also remember that by being compliant, you can improve your processes, make your business not only more agile, but also more consistent. So despite the initial pain, compliance initiatives can make a positive impact to your bottom line as well as top line.

## 6 | Competitive Edge

Steve Weissman, Business Consultant at the Holly Group, believes that gaining or maintaining a competitive edge is one of the greatest advantages of ECM technology to an organization. During a recent interview, he explained:

“The competitive standing aspect of [ECM technology] is really important. It works whether you’re a market leader or not. And that’s often a point of discussion when I’m working with clients because they feel, ‘Well we’re the market leader. We don’t have to do anything. Everybody has to catch up with us.’

Well, to my thinking, part of what constitutes catching up has to do with investment in information technology so that they can become more responsive to their customers and their

partners, as well as their shareholders and all the other constituencies. So if you’re a market leader and you’re not doing anything, chances are pretty good that your rivals are.

The flip side is, if you’re the chaser, let’s say you’re second, or third, or 106th in your market, it can really be a competitive advantage to get on board with some of these things, presuming that you can find budget for it of course, because there’s a real possibility that the folks ahead of you in line aren’t doing it.”

ECM technology allows a business to get out ahead of the competition and gain ground in areas that others may not be.

In addition, through the facilitation of its ECM solution, an organization can improve customer service and further develop its competitive edge.

On a large scale, BMW Financial Services found while exploring a paperless option for its car dealers that it would be able to save money and cut about 30 percent of time in the credit and contracting process.<sup>5</sup> Shaun Bugbee, vice president of sales and marketing for BMW Group Financial

“The e-process simply makes the customer transaction go much more smoothly.”

Jason Baker  
Business Manager, BMW New Jersey

<sup>5</sup> WardsAuto, <http://wardsauto.com/news-and-analysis/bmw-financial-goes-paperless>

Services, said, with the paperless process in place, simple transactions take less than 30 minutes, resulting in increased customer satisfaction.

These advantages will allow an organization to continue solidifying its credibility and reputation among its customers, competitors and industry leaders.

## 7 | The Business

When a natural disaster hits an organization, there is a strong possibility the company will endure significant setbacks, if they are able to recover at all. FEMA has stated that 40-60% of small businesses never re-open after a data disaster. Of those that do re-open, 2 out of 5 end up out of business if there is no disaster recovery plan in place.

According to the US Department of Labor, 1 in 4 business will suffer a catastrophic loss, and Coopers & Lybrand suggest that 70% of today's businesses would fail within 3 weeks after experiencing a disaster.

The right technology and strategy in place increases the potential that a business in its entirety could be saved in the event of a natural disaster. ECM can protect the critical business data and information that is required to run. Even if a

physical location is damaged, the vital business assets can still be salvaged.

There is a process that a company needs to go through when utilizing technology in their disaster recovery plan:

- Collect and store documents and computer backups in an off-site location or in the cloud
- Create a plan that can track the life cycle of documents
- Identify the information and areas that need the most protection and perform a risk assessment
- Have an annual document audit to make sure everything is under the correct level of protection

These are all direct savings that organizations gain, but this is not to imply that simply selecting an ECM software will yield such significant savings. Just as no two organizations are the same, no two ECM solutions are the same either.

The organization must be clear on what requirements it expects the ECM solution to meet and then ensure it selects a solution that will effectively meet these needs. As Laurence Hart, Chief Information Officer at ALLM, explains, "[SharePoint] is great at basic document management and basic collaboration. Need a team site or a project site, SharePoint does that well. You want Business Process Management, Business Intelligence, Records Management, or Web Content Management; get ready to roll up your sleeves."



“ But the worst thing about SharePoint by far is that it recreates the problem it was intended to solve, only on a much larger scale. What starts out as a hierarchically organized file share ends up as a hierarchically organized file share with a web interface on top of it.”

Stephen Fishman  
*CMSWire*

Selecting an ECM solution that aligns with the company's processes, operations and goals is imperative for success. Proper implementation is also key; the real value is seen in solutions that offer more than just software. Experienced and knowledgeable experts can successfully evaluate, report on and ultimately deliver on a specific ROI to ensure the organization is able to best leverage its ECM investment.

It is important to evaluate:

- How does work currently flow through the organization? What do processes look like right now?
- Why is the organization looking at an ECM solution? What are the primary drivers?
- What are the goals and expectations for this ECM solution? How will these be measured and will success or failure be determined?

