



KONICA MINOLTA

IMPROVING AND AUTOMATING BUSINESS OPERATIONS THROUGH INFORMATION MANAGEMENT

a Benchmarking Survey



ABOUT THE WHITE PAPER

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Process used and survey demographics

The survey results quoted in this report are taken from a survey carried out between mid-September and mid-November 2017, with 332 respondents. Data was collected using a web-based tool. The survey was translated into 6 languages, and the invitation to participate was emailed to Konica Minolta customers across 10 countries in Europe covering a wide range of industry sectors.

Full demographics are given in Appendix 1.

About the author

As principle analyst with Comspec Consulting, Doug Miles has extensive experience of surveying and reporting on the ECM/BPM market. He was managing director of AIIM (Association for Intelligent Information Management) in the UK for 10 years, and from 2009 to early 2016 was VP of AIIM Market Intelligence. In this capacity he was the project manager and author of the popular AIIM Industry Watch reports covering ECM, Records Management, Capture, SharePoint, Mobile and Cloud, Content Analytics and Case Management. Doug has also worked closely with other enterprise-level IT systems such as ERP, BI and CRM.

About Konica Minolta

Konica Minolta Business Solutions Europe GmbH, based in Langenhagen, Germany, is a wholly-owned subsidiary of Konica Minolta Inc., Tokyo, Japan. Konica Minolta has a strong expertise in imaging – having been a pioneer in this area for over 140 years. Konica Minolta helps its clients champion the digital era: with its unique imaging expertise and data processing capabilities, the company creates relevant solutions for its customers and solves issues faced by society. As an IT services provider Konica Minolta offers business consulting, implementation and management in the range of Managed Content Services (MCS) / Enterprise Content Management (ECM) solutions, IT infrastructure and business process services.

Konica Minolta has developed a focused Information Management practice to help you identify and solve business problems that are preventing your organisation from realising gains in efficiency and productivity. Our trusted advisors work with you to provide customised information management services that will revolutionise your content management, collaboration, workflow, case management, security and records retention policies.

Konica Minolta Business Solutions Europe is represented by subsidiaries and distributors in more than 80 countries in Europe, Central Asia, the Middle East and Africa. With over 9,700 employees (as of March 2017), Konica Minolta Europe earned net sales of over EUR 2.4 million in financial year 2016/17.

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CONTENT

» Introduction	5
» Key Findings	6
» Information Management and Capture Systems	8
» Business Process Systems	19
» System Procurement	30
» Overall Benefits, ROI and Future Plans	36
» Survey Demographics	42

Acronyms used in this report

MPS:	Managed Print Services	PII:	Personally Identifiable Information
MCS:	Managed Content Services	OCR:	Optical Character Recognition
MFP:	Multifunctional Device/Printer	HR:	Human Resources/Personnel
BPM:	Business Process Management	AP:	Accounts Payable (invoice processing)
IM:	Information Management	AR:	Accounts Receivable (payment collection)
ECM:	Enterprise Content Management	ROI:	Return on Investment/payback period
DM:	Document Management	CMIS:	Content Management Interoperability Services
GDPR:	General Data Protection Regulations	EFSS:	Enterprise File Sync and Share

INTRODUCTION

All business processes are dependent on content – documents, forms, certificates, spreadsheets, correspondence, etc. The information within this content needs to be captured, analysed, communicated, updated and archived. As we assign processes across individuals, departments, in-house services and outsourced providers, the way in which we manage and share the content becomes super-critical to the efficiency and effectiveness of the process.

The panacea of a single wall-to-wall ECM (Enterprise Content Management) system handling active content, multiple business processes, and long-term archiving across the organisation has always been a tough goal for all sizes of organisation. Although it might be perceived as an easier approach to take for smaller organisations, the reality is that these businesses have tended to take smaller steps, implementing application-specific

solutions and departmental projects in a somewhat ad hoc way. The challenge now for all businesses is how to integrate, consolidate and connect these systems into an efficient and compliant content services infrastructure able to push forward the full benefits of digital transformation. This remains a daunting task for many, and their choice of solution provider will be crucial.

In this study we will look at the challenges faced by information managers and business process stakeholders across Europe, and how they are working to address them. We will benchmark the adoption of existing and planned solutions, and look at the selection and procurement process. We also compare current supplier types and plans to switch supplier in the future, along with views on systems integrators, outsourced services, cloud deployment, and the implications of GDPR.

KEY FINDINGS

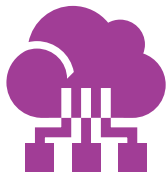
Information Management and Capture Systems

1. **Over half (53%) of respondents have one or more document/content management systems, a third (31%) have image based process systems, and 30% have an IT sanctioned collaboration or cloud-sharing system (rising to 44% of larger orgs).** 20% overall have none of these systems, rising to 27% of the smallest organisations (<50 employees).

2. **Overall, only 18% have formal records management systems,** rising to just 26% of 500+ employee organisations.



3. **Just over half of those without IM systems use a “reasonably well organised network file share”, but 5% of responding organisations admit to having chaotic file-shares, and/or multiple unorganised cloud-shares.** 9% overall are likely to rely on email attachments and personal local drives.



4. **32% scan-at-the-door as a “digital mailroom” operation.** 40% scan pre-process for subsequent archive, and 28% process first and then scan post-process for archive. Only 14% capture data for use in the process.

5. **The biggest challenge for document services provision is providing wide access (41%) and good search (34%), then integration across the business.** 31% cite increasing volumes as their biggest challenge, along with security and GDPR (28%).

6. **29% have good or fair mobile access, but 57% do not have any document system access from mobiles.** 64% cannot interact with or monitor processes from mobiles.



7. **GDPR is causing 47% of 500+ organisations to rethink their customer data processes, tightening security and improving records management.** But 63% of respondents from <50 employee organisations say they don't know enough about GDPR or do know, but are doing nothing about it.

8. **Of those who have embarked on a content management project, 55% consider it a success, with a further 27% still a work-in-progress.** For 6% the project is stalled, and 12% are looking to replace unsuccessful or legacy systems.

Business Process Systems

9. **Accounts payable (29%) and accounts receivable (12%) are the most popular capture-enabled process applications,** followed by customer service/case management (10%), compliance and approvals (9%) and HR (8%).


10. **37% have no capture-enabled applications,** and of these 14% would need a better cost justification, and 10% feel they lack expertise or need someone to show them what's possible.

11. **The biggest business process challenge is reducing costs and improving efficiency (66%), followed by improving customer experience (39%) and reducing errors and delays (38%).** 30% would like to reduce paper and 23% are looking to achieve better integration across business systems.



12. **“Digital transformation” is a key focus for 19% of respondents, with a further 13% already well down that route.** 5% would like it to be a key focus but don’t know where to start.
13. **As regards process improvement priorities, internal review and approvals have the highest priority (22% planned and 23% ongoing) then customer correspondence and on-boarding.** AP and AR continue to be popular with 19% planning and 23% ongoing.
14. **17% are looking to consolidate their multiple content and process systems, 9% around an existing system/supplier and 8% with a new system/supplier.** 24% are opting to improve integration across existing systems, rising to 38% for 500+ employee organisations.
15. **As regards infrastructure for content and process management, 29% are sticking with on-premise, and 30% are looking to a hybrid mix of on-premise and cloud.** 22% are moving to “cloud” mechanisms in their own data centres with just 19% committed to true cloud, either as SaaS (7%) or allocated servers in commercial data centres (12%).

System Procurement

16. **49% say they are solution-driven, whereas 29% are compatibility driven, needing to match their other systems. 28% are product-driven by features and functions.** 21% are compliance-driven, and unfortunately, 26% are forced to buy the cheapest tender.
17. **As regards supplier types, current versus future, there is a strong move away from large general IT suppliers (IBM, EMC, Oracle, Microsoft) and existing ERP and financials suppliers towards pure-play ECM/BPM vendors, systems integrators, managed services, and resellers of dedicated ECM/BPM products.** Interest in file-sync-and-share providers is dropping rapidly. 
18. **The most important factor when choosing supplier is the ability to understand requirements, and then match this with the functionality of products.** Next comes long-term stability of supplier, just ahead of price.
19. **Although 34% prefer to integrate systems themselves (rising to 46% for large organisations), 31% appreciate the solutions expertise of a system integrator.** But the integrator needs to be able to offer the right products.

Benefits, RoI and Future Plans

20. **Improved agility and flexibility, greater knowledge sharing within and between teams, and improved customer service are the biggest benefits resulting from document and process initiatives.** Faster end-to-end response and increased visibility come ahead of reduced costs and improved compliance. 
21. **33% achieved a payback on their investments in 12 months or less rising to 66% within two years.** Overall, 82% saw payback within three years.
22. **62% are planning to increase their investment in document and/or process systems within the next two years, with 29% looking for replacements.** 

INFORMATION MANAGEMENT AND CAPTURE SYSTEMS

Document and content management systems have spent an extraordinarily long time on the active part of the adoption cycle. Imaging of documents and forms has been part of the business process toolkit for some thirty years, and the first major implementations of DM systems took place over twenty years ago, with a further boost ten years ago when SharePoint and other readily accessible systems began making inroads into smaller organisations. At the same time the volumes of electronically generated content exploded, and many different ways of storing and sharing content evolved. More recently, cloud-based file sync and share (EFSS) systems have boosted collaboration around content, but often in an ad hoc way. Despite this long history, only half of our respondents have a recognised document or content management system.



The concept of paper-free business has also been around for a long time, but the exchange and archive of documents, forms, invoices and contracts has remained stubbornly paper-based. Given the need to ingest these documents into digital workflows, scanning and capture has remained a key component of business process improvement across the whole thirty years. And yet only a third of our respondents have image-based processing systems with a scanning and capture front-end.

Despite the implications of GDPR for records management, it is of some concern that only 18% have what they would consider to be a formal (electronic) records management system – and this is not just smaller organisations: as we see from Figure 2, only 26% of 500+ employee organisations have records management under control, dropping to just 7% of the smallest organisations.

In Figure 2 we can see that the disparity between large and small businesses is not so large for document and content management systems with 60% of the largest and 50% of the smallest owning such systems. Understandably, larger businesses are more likely to have image-enabled business processes, but even then, only 38% have any level of imaging. For collaboration and cloud sharing, however, 44% of the largest have IT sanctioned systems compared with 21% of the smallest. These smaller organisations no doubt have such systems and apps in use, but without specific IT control.

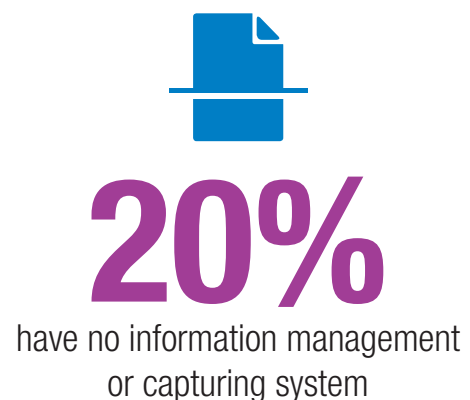


Figure 1: Do you have? (N=327)

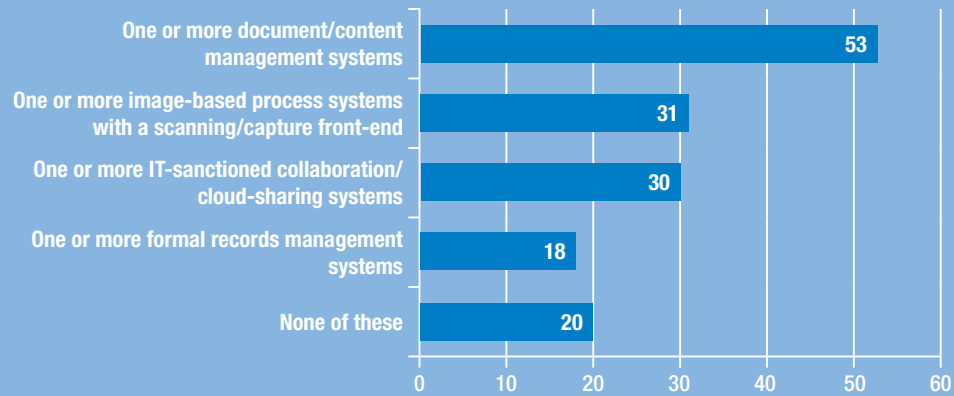
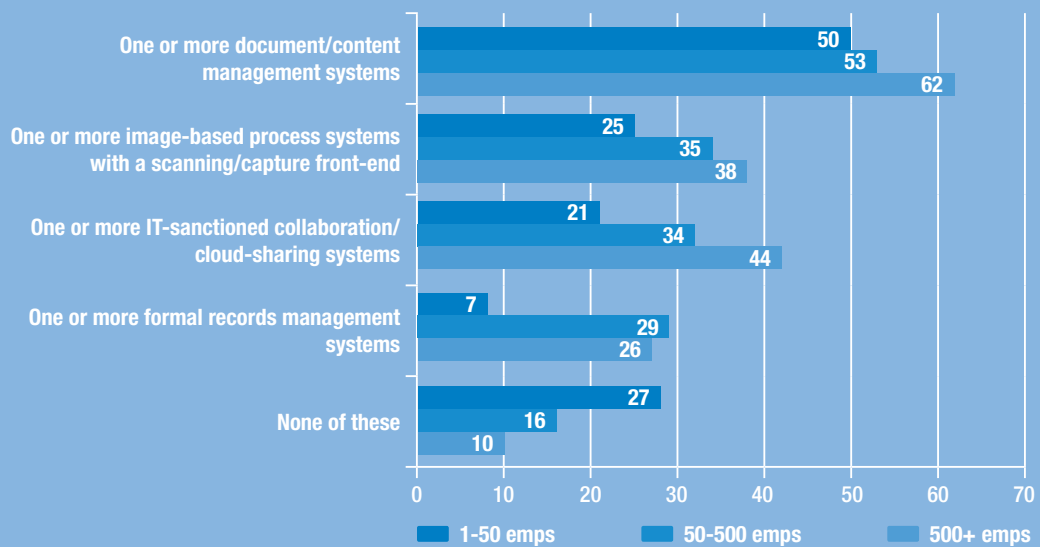
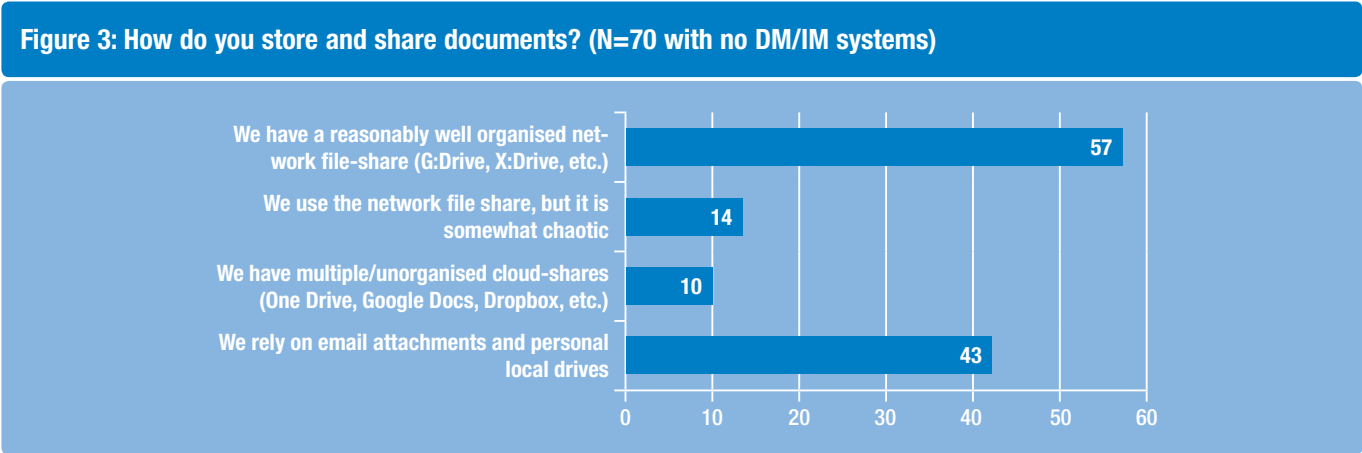
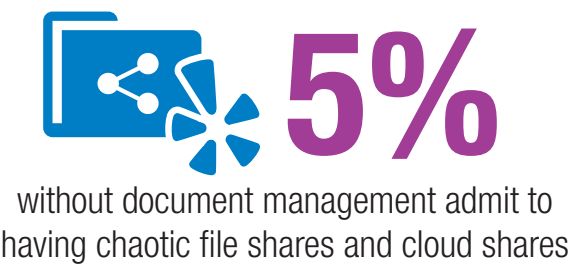


Figure 2: Do you have? (N=327)



Alternatives

We asked those with no DM or IM system how they store and share documents. 57% of these, i.e., 12% of the total survey, have a “reasonably well organised network file-share” which is fair enough, but 14%, i.e., 3% of the total population have a “somewhat chaotic” file-share, and 2% have multiple and/or unorganised cloud shares such as OneDrive, Google Docs, Dropbox, etc. Perhaps most worrying are the 43% of this sample, i.e., 9% of the total who rely on email attachments and personal local drives.

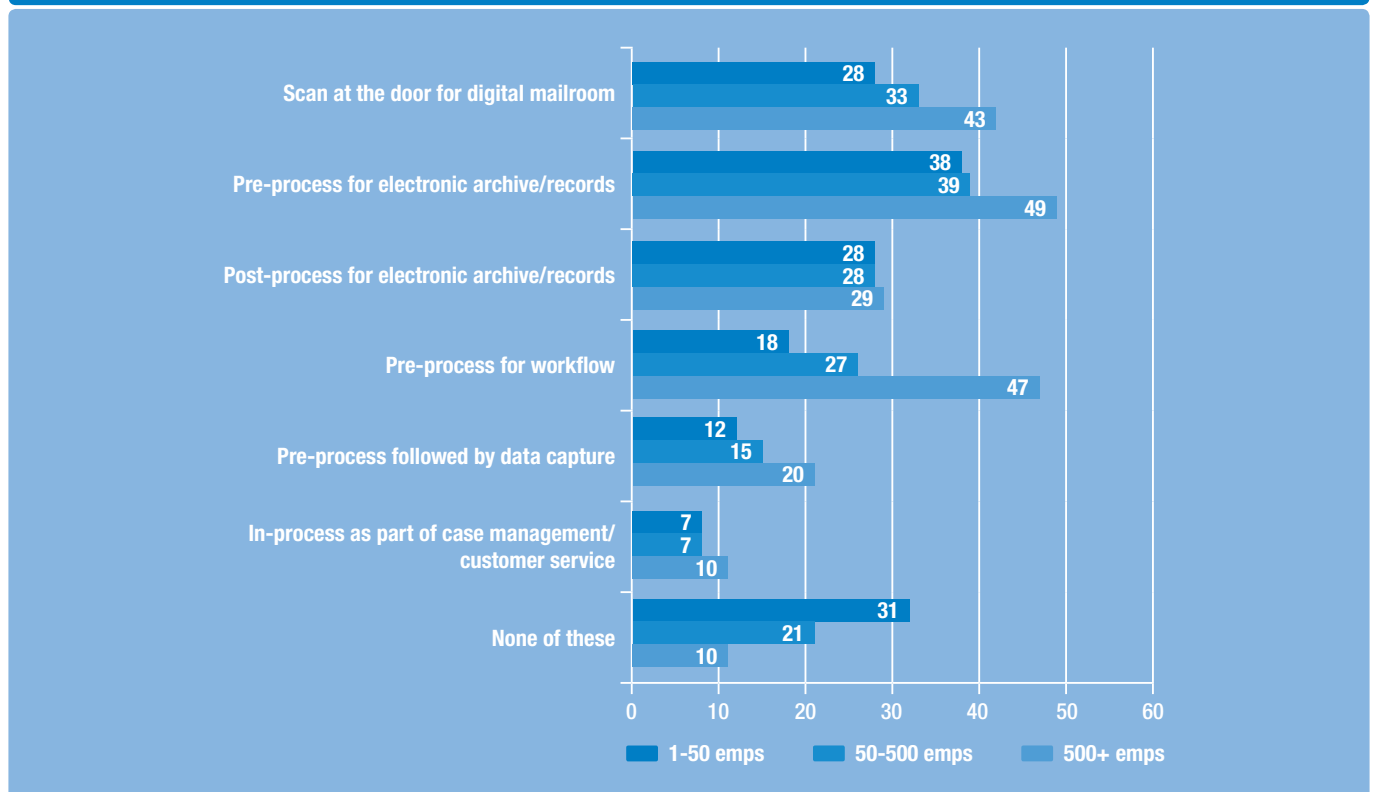


Use of Imaging Systems

There are a number of points in most business process flows where imaging of documents can take place. The most efficient in terms of maximising throughput and the ability to invest in high-performance scanners is the so-called “digital mailroom”, or scan-at-the-door approach. Cutting out the paper at the very start allows images to be electronically routed to inbound processes rather than delivered as physical documents, reducing handling costs, speeding up the flow, and providing a reliable audited path. 32% of our survey respondents do this, rising to 43% of the largest organisations, a number that has increased steadily over the last 5 years, showing that business-at-the-speed-of-paper is increasingly untenable.

In many businesses, the driver for imaging is to archive electronically, particularly where compliance is required in financial or medical services. The same up-front argument applies, and 40% do indeed scan pre-process for subsequent archive, but 28% leave the scanning until the end of the process, missing out on the opportunities for electronic routing, and for data capture. Pre-processing for workflow in this way is much more prevalent in large organisations (47%) than small (18%), although when it comes to full data capture to avoid re-keying, only 14% actually do OCR data capture of forms content.

Figure 4: Do you regularly use scanning and document imaging in any of the following ways? (N=296)





TOP 5 CHALLENGES FOR INFORMATION MANAGEMENT



41%

wide access



34%

good search



34%

integrating
document
services a
seamless but
secure way



31%

increasing
volumes and
security



28%

GDPR

Biggest Challenges

The respondents in our survey are very conscious of the value of information to teams and individuals within the business, and the importance of ensuring wide access and solid search capability. They rate both these things as their top concerns (41% and 34% respectively). As a follow on from this, integrating document services in a seamless but secure way is seen as the next biggest challenge (34%).

Next come four rather more defensive concerns: coping with ever-increasing volumes of content, managing privacy and security, and in particular, privacy and security of PII information in relation to GDPR – cited by 28%. Ensuring compliance with other constantly changing regulations is another strong concern (17%).

The records management issue crops up again, with 19% concerned about dealing with emails as records, and 12% struggling to implement and enforce a formal records management policy.

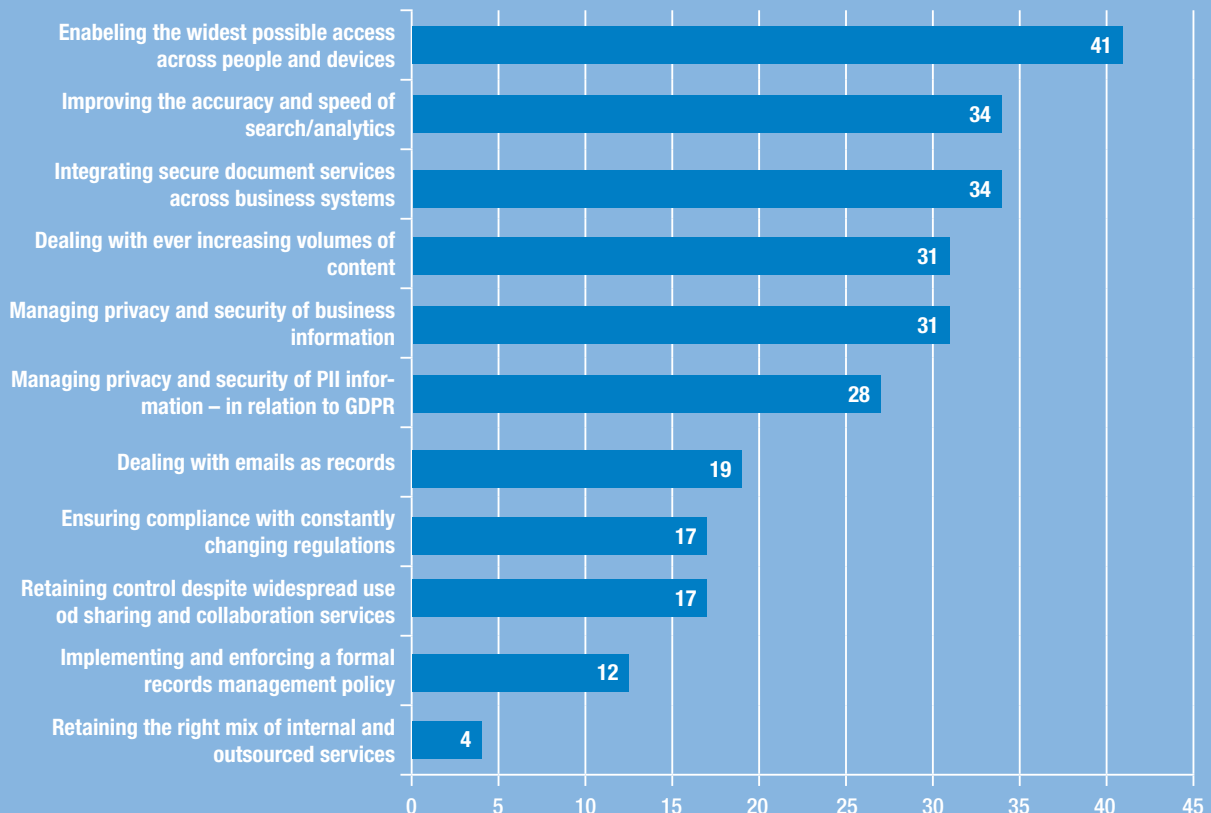
The challenge of providing wide, secure and searchable access becomes more difficult when we factor in aspects such as searching across multiple ECM or DM systems, and accessing documents from mobile devices. As we see in Figure 6, only 24% feel they provide their users with good basic search, with 44% admitting it is poor or not available. Just 16% have “good” advanced search, dropping to 9% where multiple systems are involved. Content analytics is increasingly seen as a way to detect and remove unwanted content and improve the searchability of the rest, but 71% have little or no capability for this.

44%

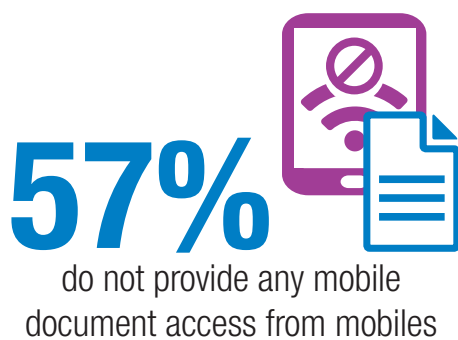


admit they provide their users
with poor or not available search

Figure 5: Which THREE of the following do you see as the biggest challenges for your document services? (N=210)

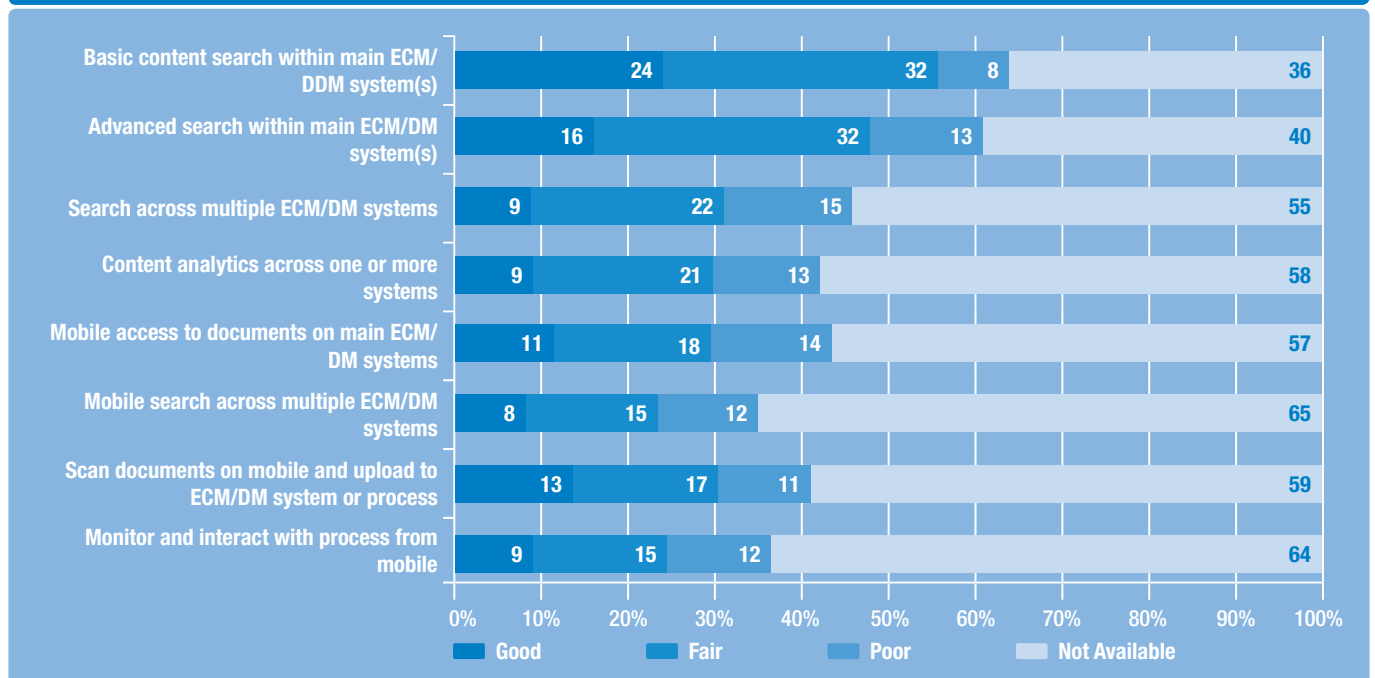


29% consider they provide good (11%) or fair (18%) mobile access to content on their main ECM/DM systems, but 57% do not have any mobile access for documents and 59% have no ability to upload documents (scanned or otherwise) from mobile devices.



This whole concept of including mobile devices in business processes and project collaboration is a big differentiator in the era of digital transformation, but it is easy to see that providing no mobile access is much simpler than managing secure and robust access, despite the frustration it causes employees. This is also an area where in-house expertise may be very thin on the ground, and the services of an experienced systems integrator would be better able to solve this inevitable conflict of access versus security.

Figure 6: How do you feel about the provision of the following for your users: (N=202)

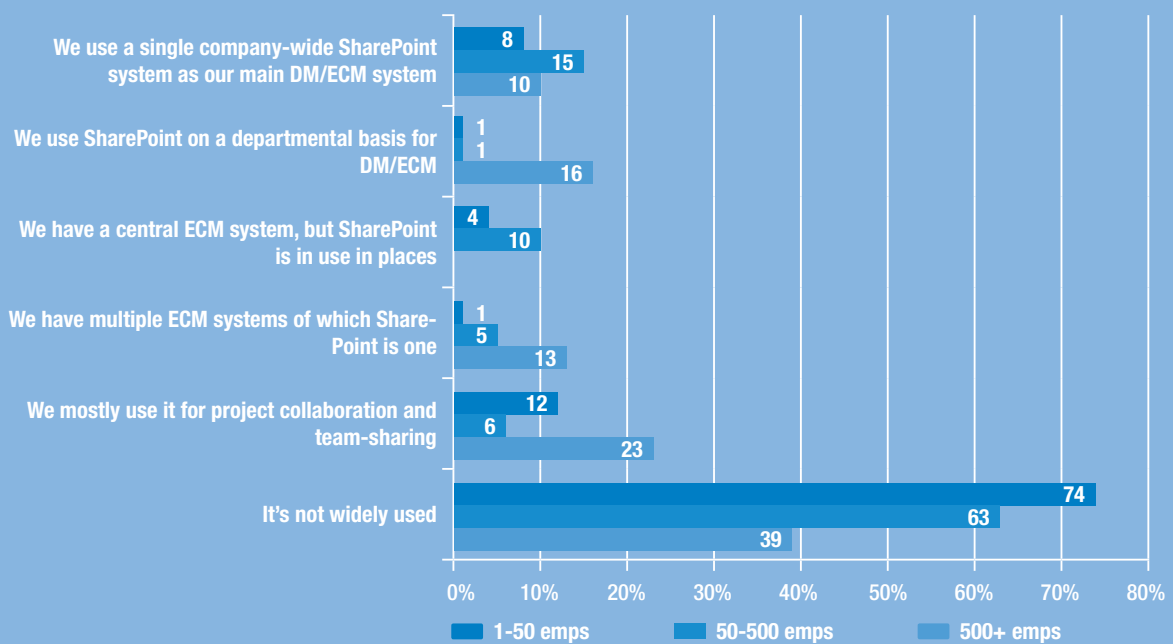


SharePoint

As mentioned above, SharePoint became a strong contender for enterprise-wide content management from the 2007 release, and its price point was attractive for smaller organisations. Although it remains so, subsequent releases have made it rather more complex, and it is woven onto the whole Microsoft 365 cloud concept. Its adoption as an organisation-wide

DM/ECM system was always more popular in North America than in Europe, and as we can see in Figure 7, it is used more in larger organisations than smaller, but even then mostly for project collaboration and sharing (23%) rather than as a company-wide (10%) or departmental DM/ECM system (16%)

Figure 7: Which of the following would apply to the use of SharePoint in your organisation? (N=202, multiple)

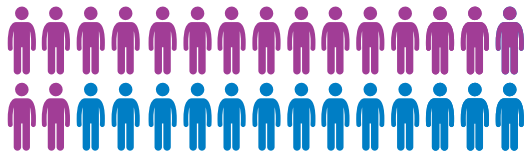


GDPR

The tightening of EU data protection laws under GDPR, which comes into effect in May 2018, places much more obligation on the secure and compliant storage of citizen, customer, prospect and employee data, in particular their PII – personally identifiable information such as contact details, financial status and health profile. At the time of this survey, 43% of respondents from less than 50 employee organisations say they don't know enough about GDPR to make any changes to their processes and systems, and a further 10% know enough to realise that they should make changes, but are not yet doing so.

43%

of respondents from <50 employee organisations say they don't know enough about GDPR

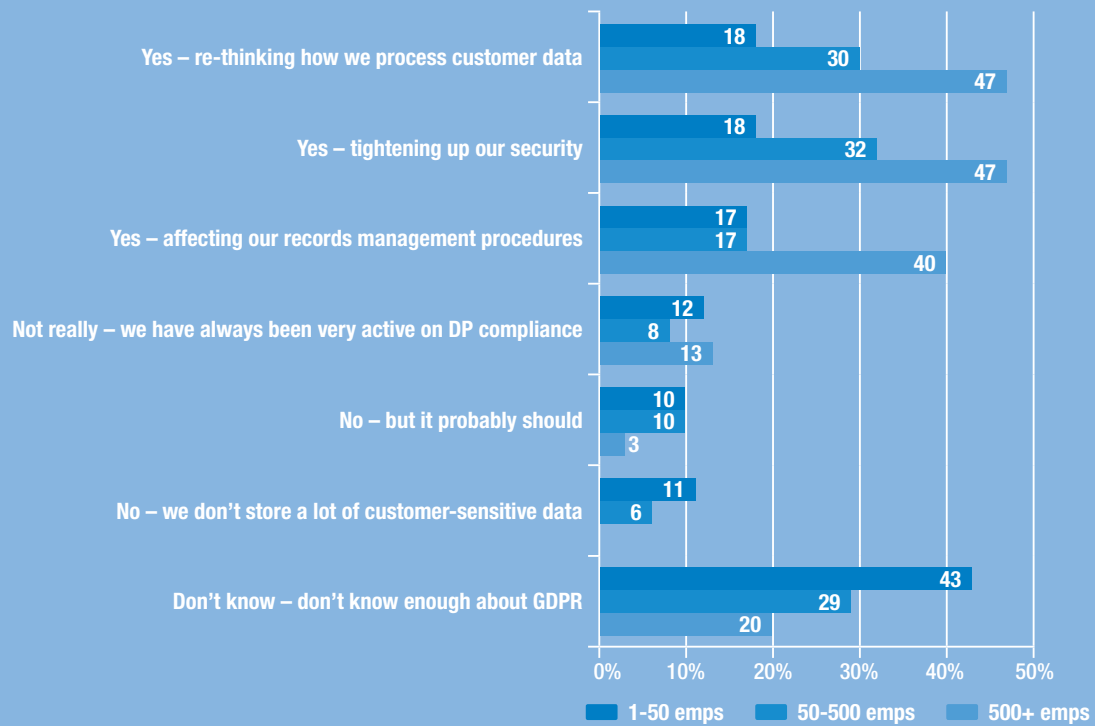


GDPR is causing
47% OF 500+ ORGANISATIONS
to rethink their customer data processes, tightening security and improving records management

GDPR has a number of specific obligations for larger organisations, and as we see in Figure 7, 47% are re-thinking their approach to content and customer data management in the light of GDPR, including tightening their security and changing records management procedures.

It is important that all organisations seek help, advice and training on GDPR.

Figure 8: Is GDPR affecting your approach to content and customer data management? (N=206, multiple)

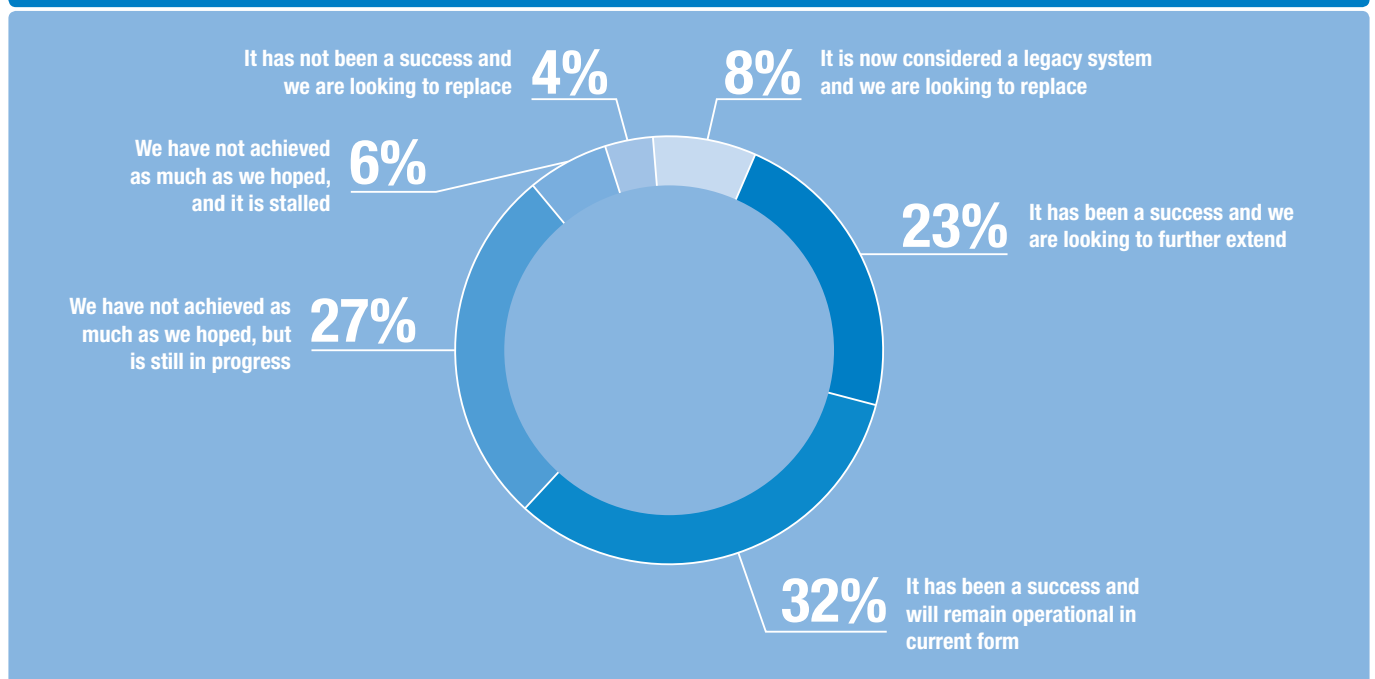


Project Success

Of those respondents with EDM or DM systems, 55% consider the project to be a success, including 23% who are planning to extend it further. 27% feel they have not achieved as much as they had hoped as yet, but it is still a work-in-progress, whereas for 6% the project has stalled, whereas for 6% the project has stalled. As we pointed out in the introduction, information management projects are seldom straightforward, and the required expertise is often not available in smaller businesses – or, indeed, larger ones. Just 4% are looking to try again with a different product, and as we will see later, most likely with a different type of supplier.

Many systems that were implemented ten or more years ago would now be considered legacy systems, particularly with regard to cloud and mobile capabilities, and 8% of our respondents are looking to replace on this basis.

Figure 9: How would you describe the success of your content management project(s)? (N=114 with an ECM system)



BUSINESS PROCESS SYSTEMS

Content management systems may well underlie many business processes, particularly those that involve collaboration and case-work, but there are others where forms provide the input to the process, database updates and approvals are made, outputs are sent, and archives are stored. These systems can exist within a department, they can be centralised, moved to head office, or they can be outsourced completely. A classic example is Accounts Payable (AP). Invoices arrive, they are matched against order forms and delivery records, they are passed for approval, payment is made, and order and stock systems are updated. When the invoices arrive, be it on paper where scanning would be involved, or electronically as a PDF,

some level of capture would improve the routing of the invoice, and additional information such as order number, customer reference, and even line items could be recognised and checked. Integration with the order processing or ERP system is an essential part of this. If the orders are more complex, access to original contract documents, inspection reports, etc., may be needed, and approvals may require a workflow for sign-off.

The AP process has been described here as many other applications take a similar form, and in the same way, they may require other content and information to be accessed, and they may also be candidates for centralisation or outsourcing.



Applications

Another reason for describing AP is that it is by far the most popular application amongst our respondents with 29% already having a capture-enabled system in place: it is also true that almost all organisations receive invoices. Accounts receivable is the next most popular application (12%), and can involve capture of order forms, and delivery confirmations, along with further correspondence involved in payment collection. Another generic application is document and correspondence capture for customer service or case management (10%). These days that might involve capture across multiple channels including mail, email, text message, social media, etc. HR is another classic application (8%) with capture of applications forms and CVs prior to circulation amongst recruiters, although this is becoming increasingly digital from the outset.

Then come a number of industry-specific applications such as claims processing and account opening, which still seem to involve many paper forms although much of the evidence for claims processing can now include photos and videos, often submitted directly by the claimant.

Capture of compliance and approval forms (9%), and capture for archiving (36%) have been set at the end as they don't generally drive the process as such, although they are an important part of it. As we saw earlier, capture of documents on mobile devices – and this could easily include compliance and approvals – is still quite low at 6% of our respondents.

Reasons for non-investment

Although we appreciate the pressures to invest in a whole variety of IT projects, particularly for smaller organisations, we wanted to establish why 37% have no capture enabled applications. Too small and not-relevant were obvious reasons, along with different priorities, but 14% need a better cost justification, 10% feel they lack expertise, and 11% need someone to show them what's possible – another example where external consultants might be considered too expensive, but a good system integrator with solution-selling experience could help.

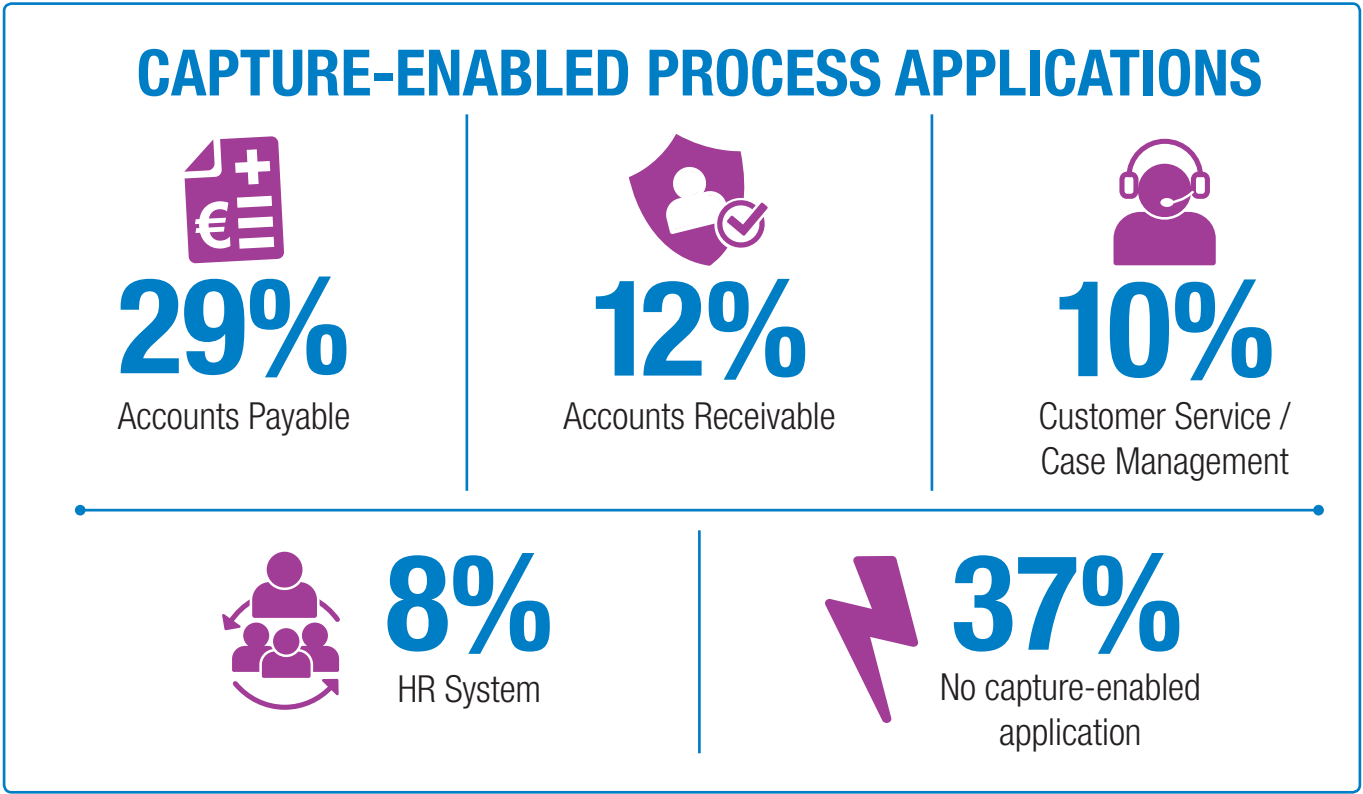


Figure 10: Do you have any of the following? (N=288)

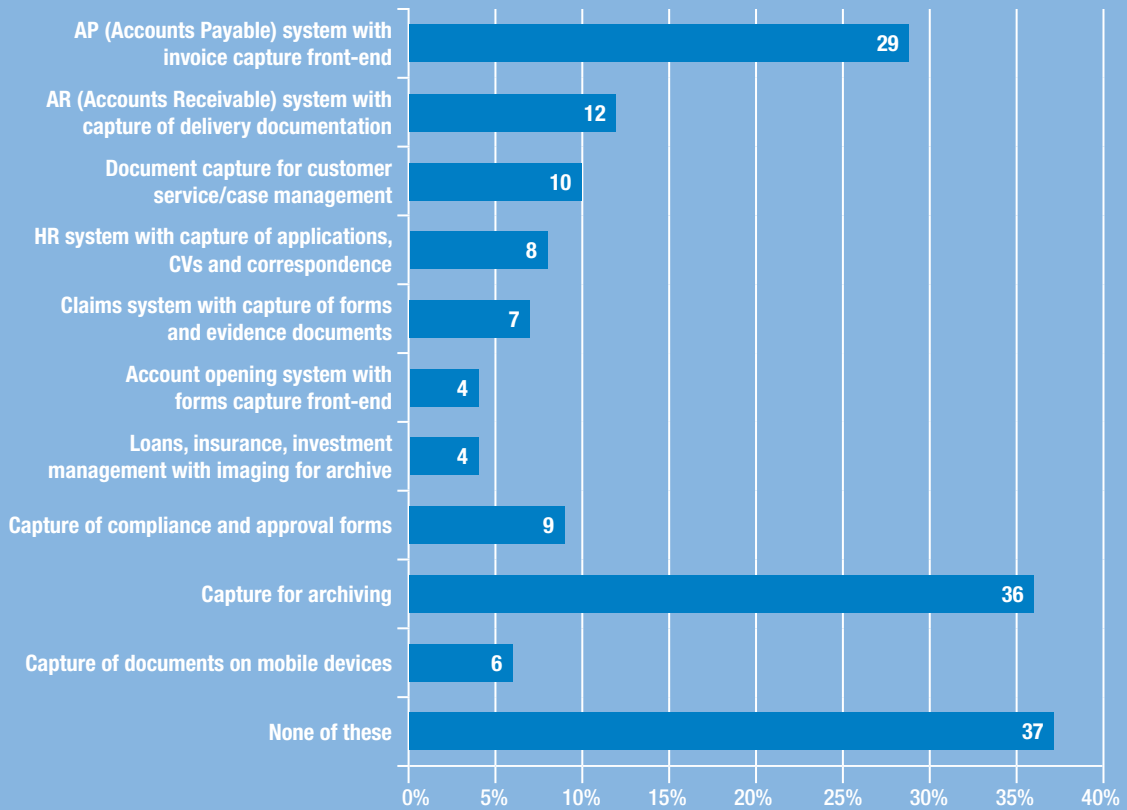


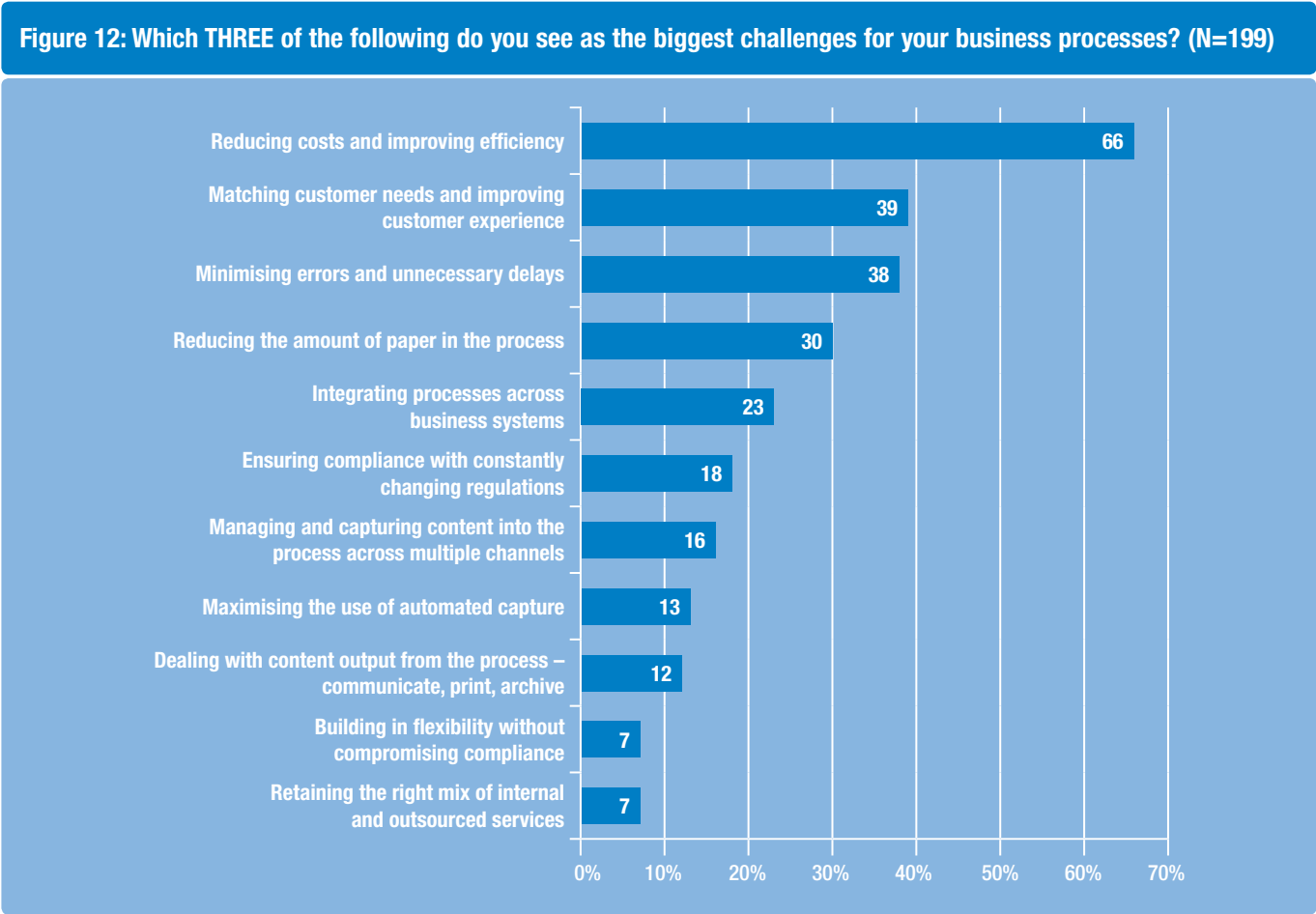
Figure 11: Why have you not invested in capture systems and process management? (N=150 with no application-specific systems)



Business Process Challenges

All good process owners, departmental heads, or chief operating officers should always be looking to improve the efficiency and reduce the costs of the processes that they are responsible for, and indeed, 66% see this as their biggest challenge. However, cost is not all, and reassuringly, matching customer needs and improving customer experience (39%), along with reducing errors and unnecessary delays (38%), are big challenges. They also recognise the need to reduce paper in the process (30%).

Business processes seldom stand alone and 23% struggle to better integrate processes across business systems, and a further 16% need to extend their capture across multiple channels, as described above.





TOP 4 CHALLENGES FOR BUSINESS PROCESSES:



66%
reducing costs and
improving efficiency



39%
improving customer
experience



38%
reducing errors
and delays

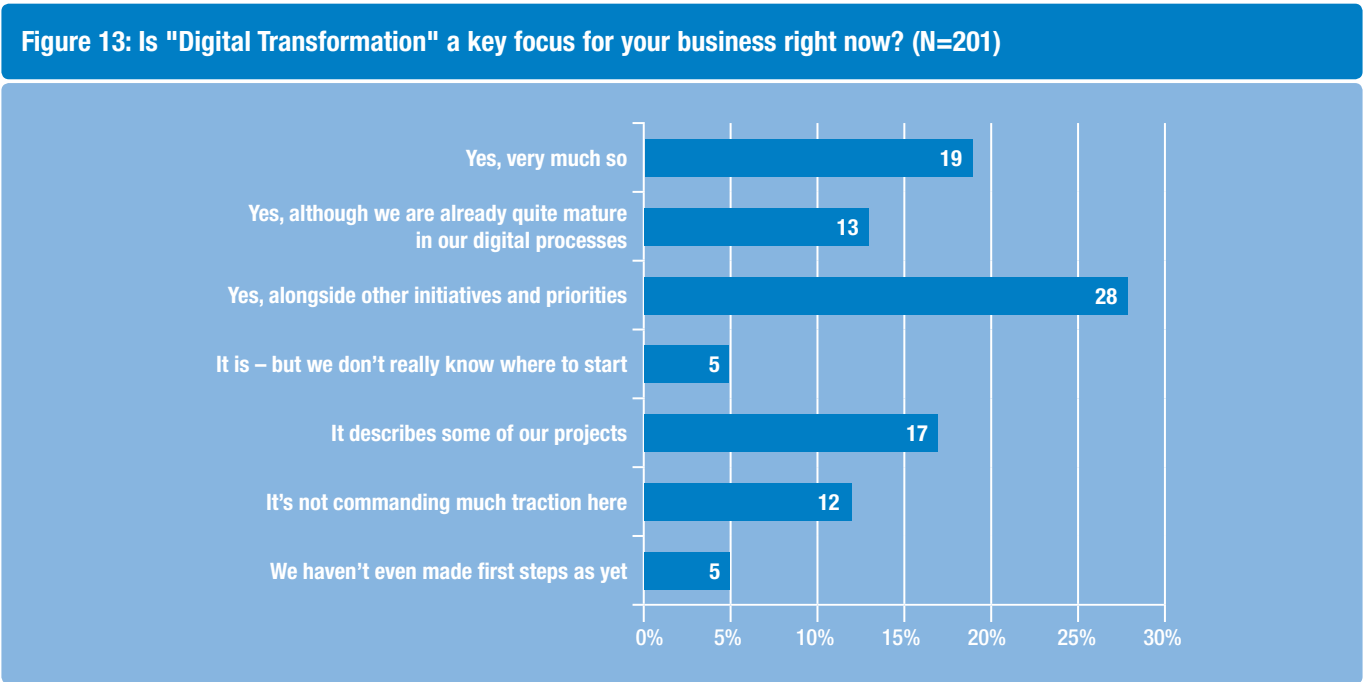


30%
reducing paper

Digital Transformation

Some might say that thirty years of imaging and content management has always been about digital transformation, but it has become an important mantra of late, mostly as a way to alert organisations that there are now so many ways in which physical or paper-based objects have become digital “objects”, and that this can pose considerable threats to existing business ways, but can also present tremendous opportunities for new and potentially disruptive business ideas.

19% of our survey respondents are fully signed up to digital transformation, plus a further 13% who are already quite mature in that respect. For 28% it is a key focus, but is not the highest priority, and 5% would like it to be, but don't know where to start – another opportunity for external consultants or solution integrators.

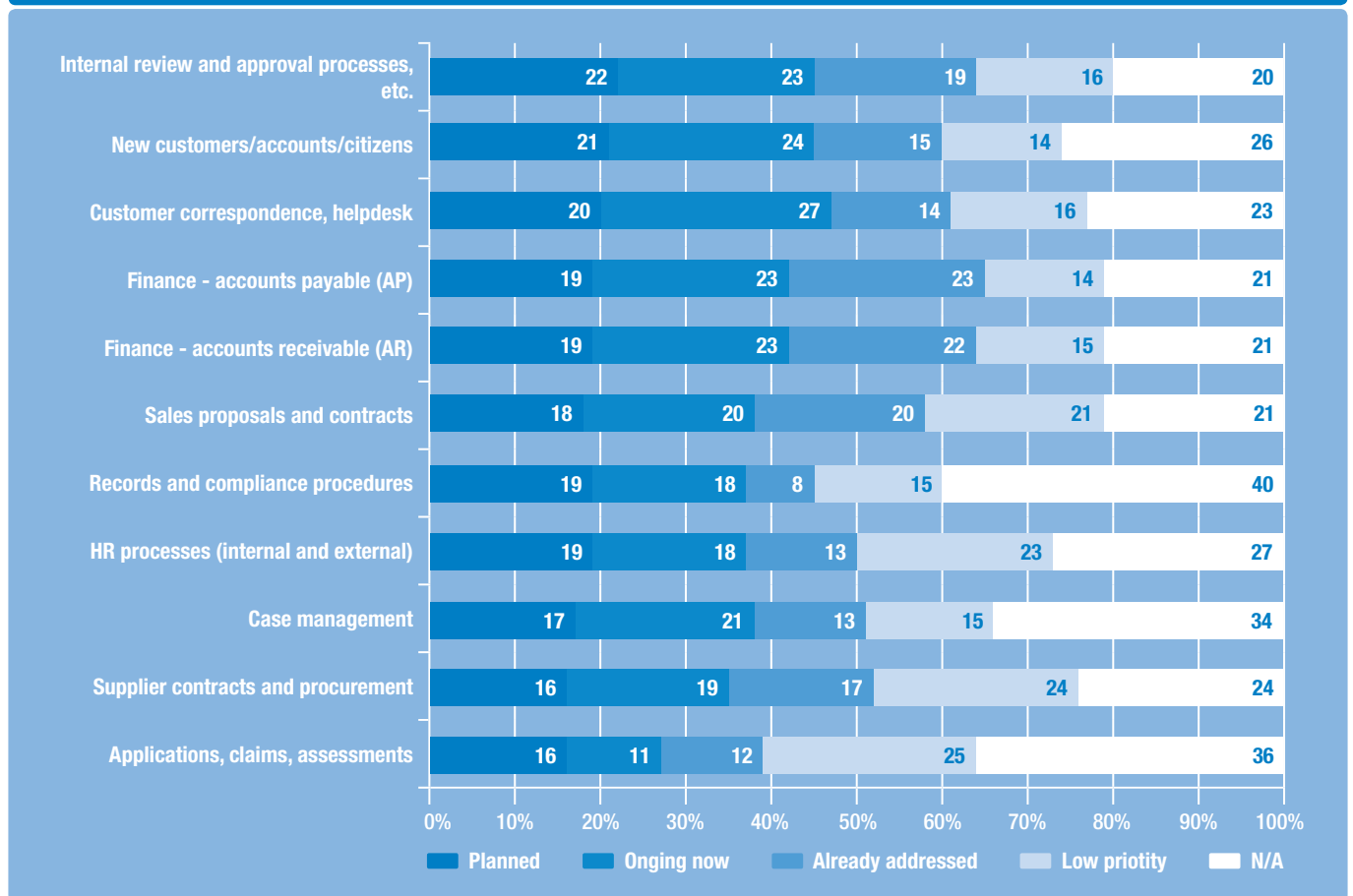


Process Priorities

Internal review and approval processes have the highest priority in terms of planned or current projects, followed by new customer/citizen onboarding and customer correspondence and help desk – the latter becoming more important in this fast-reaction social-media-driven age. AP and AR take their place as fourth and fifth priorities with a further 19% with planned projects and 23% with ongoing projects.

Taking sales proposals and contracts, supplier contracts, and review and approval processes together indicates an important need to move more quickly to respond to customers or suppliers, but still keeping in place the appropriate checks and balances by incorporating business rules and past experience within the approval workflow.

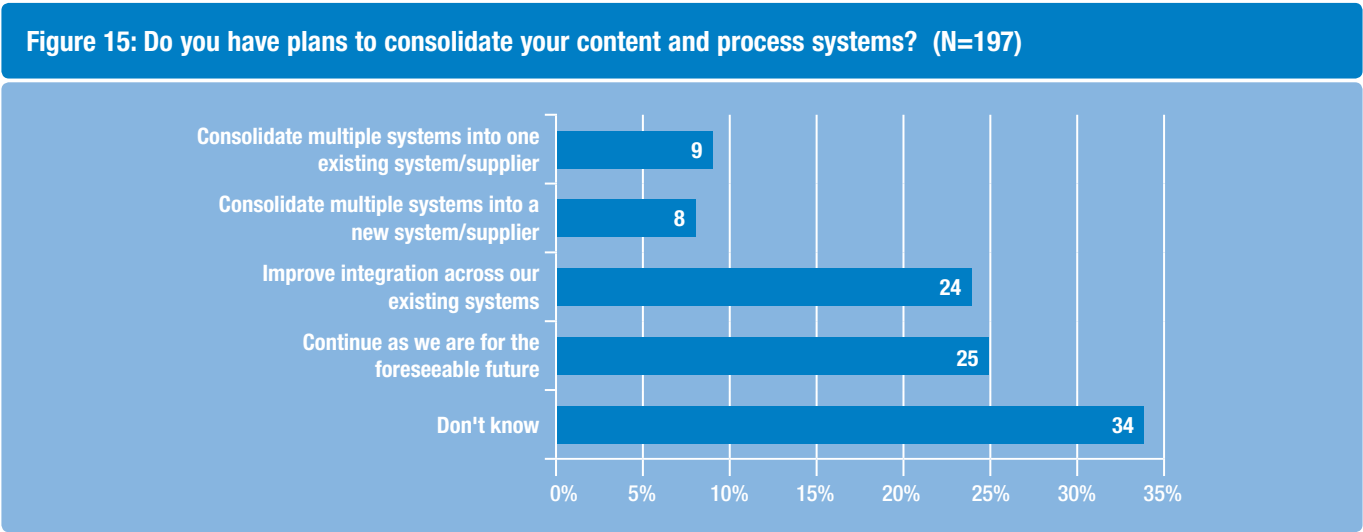
Figure 14: Which common business processes are the most likely candidates for improvement in your organisation? (N=201)



Consolidation

As we mentioned earlier, many organisations have adopted or built point-solutions for different content and process applications, often involving different suppliers and systems in use for the same functions in different parts of the business. They now see the need to consolidate content and process systems together, and to have preferred systems in place for all new applications. 9% are looking to consolidate around an existing system or supplier, and 8% would like to consolidate multiple existing systems into a new system/supplier.

The alternative, for 24%, is to better integrate across their existing systems. Ironically, integration of content systems is likely to be much easier with newer systems, with modern program interfaces that comply with CMIS, rather than legacy ones. Larger organisations are more likely to consolidate into an existing system (17%) rather than a new one (4%), but they are also the keenest to integrate (38%).

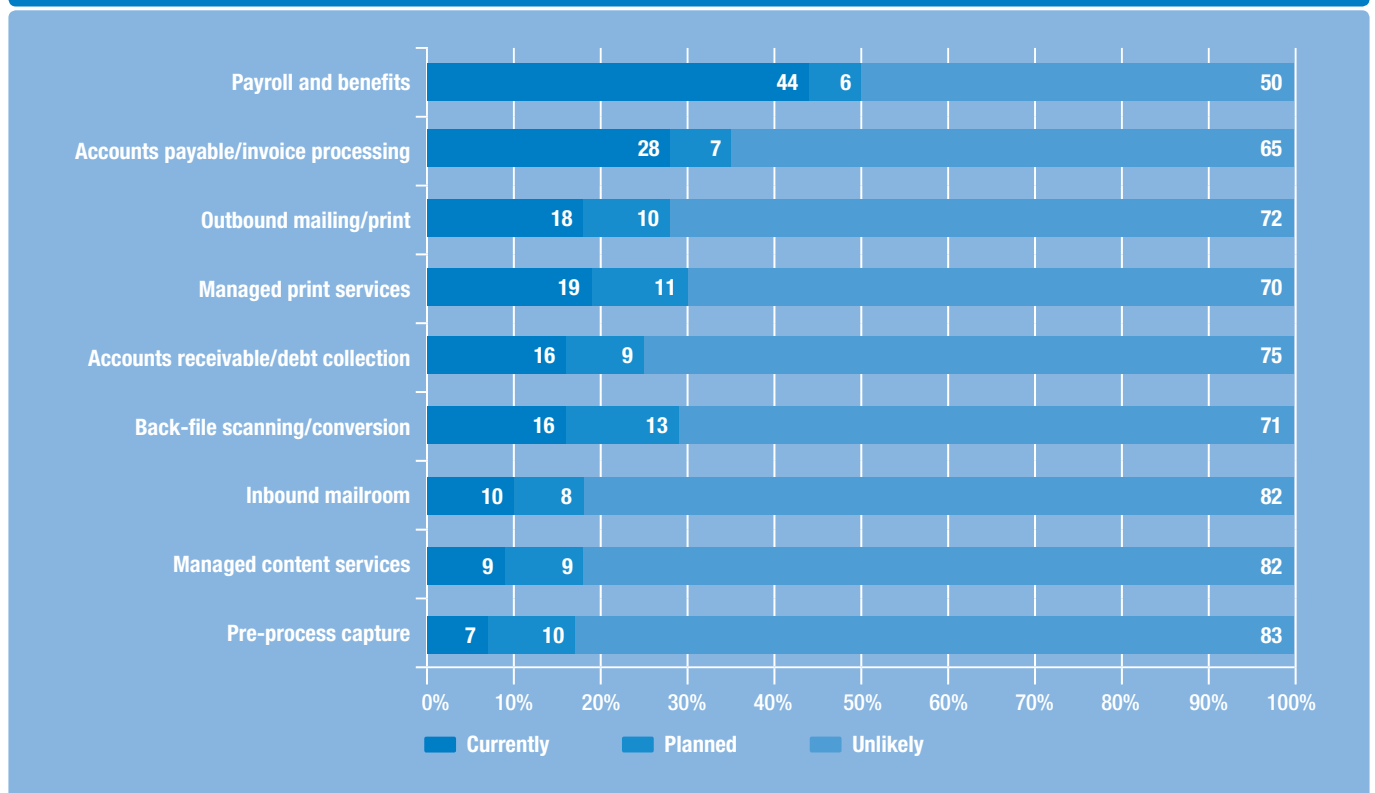


Outsourcing

Outsourcing can take many forms: offshore, nearshore, on-shore, off-premise or on-premise. Payroll processing, outbound mailing and back-file scanning have always been popular outsource candidates. It is interesting to see that accounts payable is currently outsourced by 28% of our respondents with 7% planning to do so. Invoices can readily be directed to any centralised address where scanning and capture take place, and the further processing to payment can take place at another completely different address, possibly in another country. Outsourcing accounts receivable often has different commercial considerations around invoice factoring and debt collection.

The concept of managed print services (MPS) is fairly well known – used by 19% and planned by a further 11%, but Managed Content Services (MCS) is a more recent concept, in use by 9% and set to double to 18%. It is an immediate way to acquire expertise, avoids the resource impact of system selection, and speeds implementation using an experienced team.

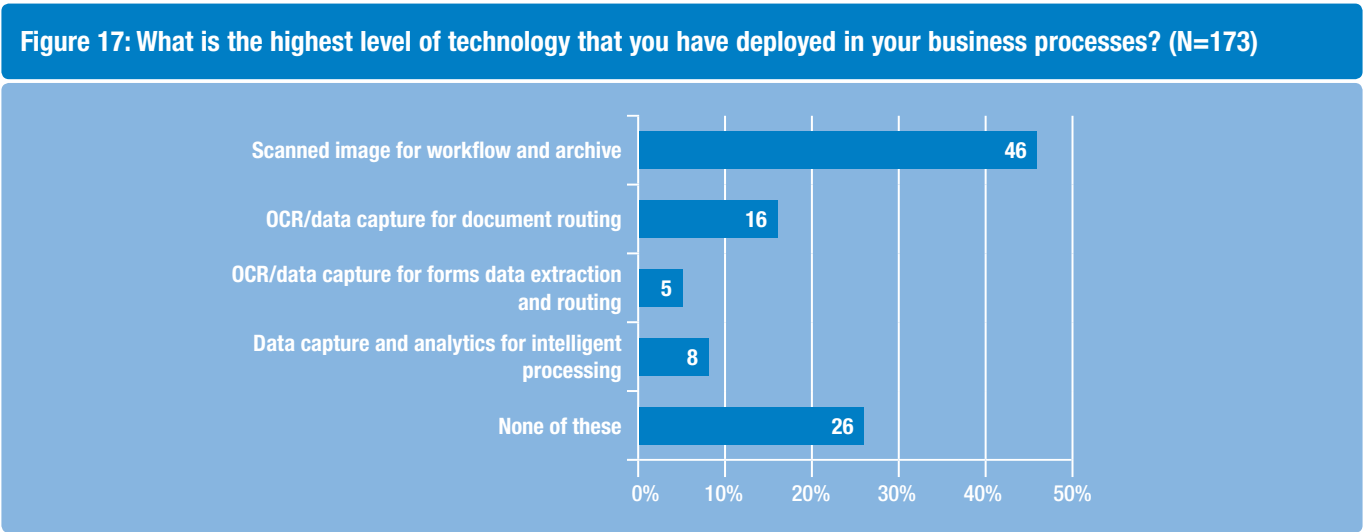
Figure 16: Which of the following processes are routinely outsourced by your organisation? (N=248)



Technology

Although data capture and OCR have been around for many years, the uptake has been quite slow compared to simple imaging, although a combination of image and OCR data is often used for free text searching. The simplest level of OCR use is for document routing, where simple clues such as barcodes, order numbers or customer references are captured and used to route images to the appropriate workflow. This is used by 16% of our respondents compared to the 46% using simple imaging and manual routing. The next level is to use OCR to extract the field data from forms and use it to populate databases and other systems. This is used by just 5% of our respondents, and represents a huge potential for reduction in keying costs, perhaps in conjunction with bringing outsourced processes back in-house.

A third level of capture sophistication, which can be applied to both electronic documents and scanned images, is to use content analytics for intelligent processing – in use by 8%. Here things like sentiment analysis, fraud detection, legal discovery and automated redaction can be used to identify and expedite specific types of correspondence, images, corporate records, PII protection, etc.



Infrastructure and Cloud

Discussions about public cloud security and reliability linger on, but most content and process system suppliers have moved to a cloud-capable design and flexible licencing models. Whether that is for in-house data centres, public data centres with dedicated servers, or true SaaS provision matters little. Each organisation will have its own preferences. In our survey, 29% would

likely stick with on-premise deployment, and 30% with a mix of on-premise and cloud. Where the applications are cloud-based, 22% would deploy them in their own data centres, with 19% choosing commercial data centres, but less than half of those (7%) are prepared to use SaaS applications.

ON-PREMISE OR ON CLOUD?

29%

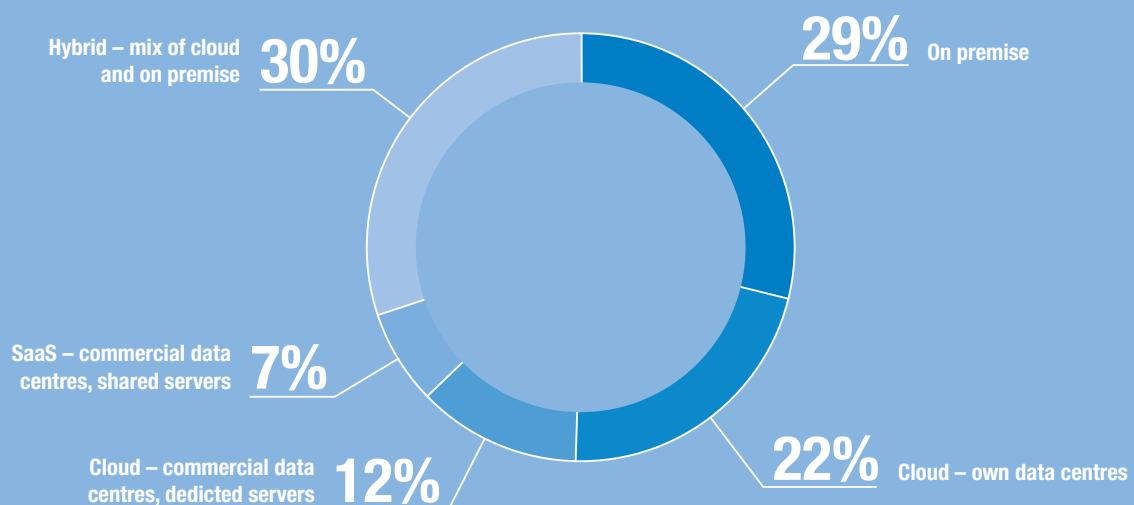
see on-premise as the primary infrastructure for their content and process management



30%

are looking to a hybrid mix of on-premise and cloud as the primary infrastructure for their content and process management

Figure 18: Going forward, what do you see as the primary infrastructure for your content and process management? (N=164)



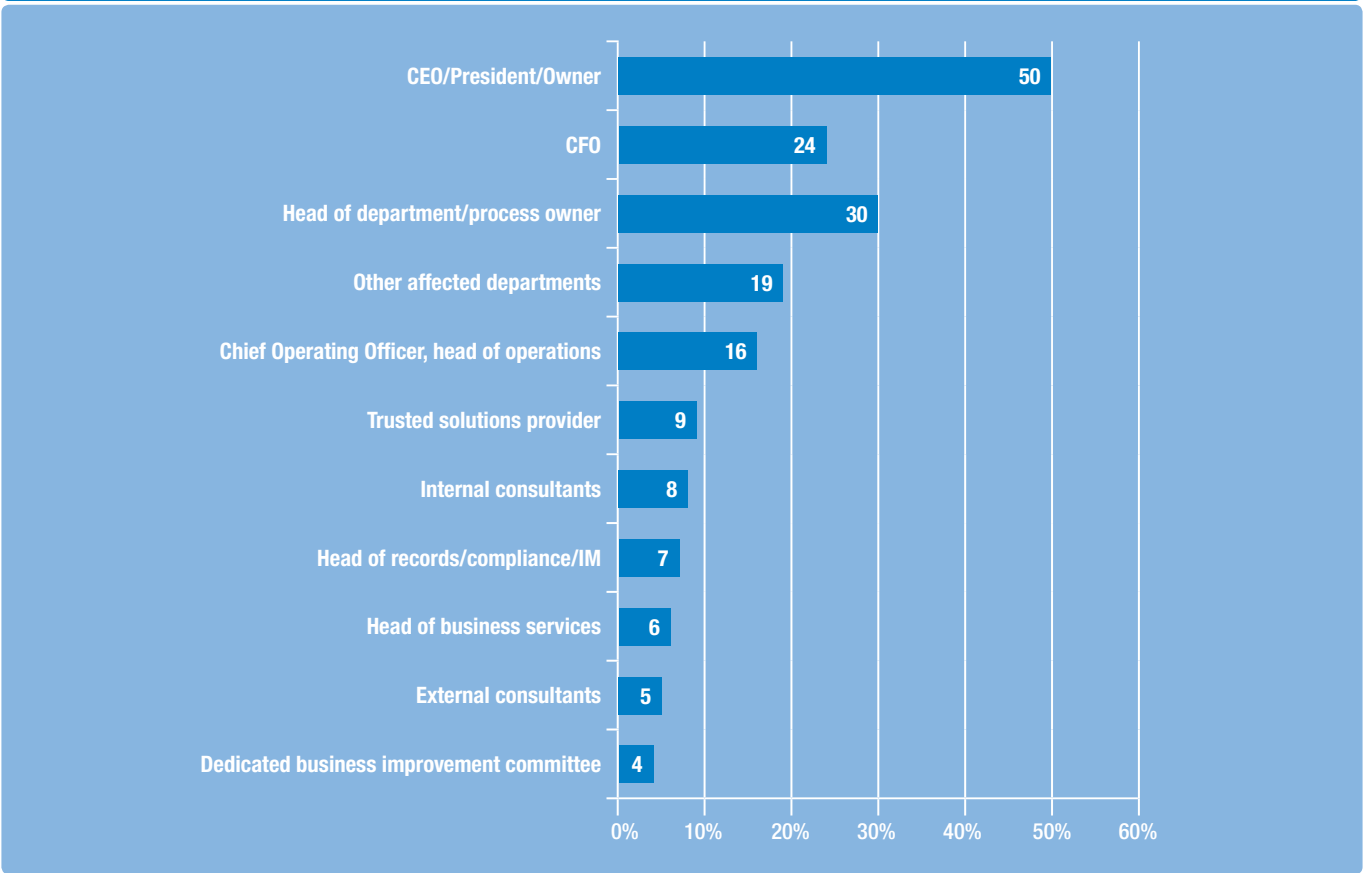
SYSTEM PROCUREMENT

The Procurement Team

Coming up with a set of requirements, justifying the spend, and selecting a system and a supplier for an information management project is not easy. Often it rides on the level of leadership. Given the size of most of the companies in our survey, it is no surprise that the CEO, president or owner is likely to be the key evangelist and project owner for 33% of our surveyed organisations. For a similar number (32%) it is the CIO or Head of IT. Line of business managers and process owners head up the initiative in just 10% of organisations. We could either conclude that this indicates the company-wide importance of such projects, or that they are too IT-led and not enough business-led.

When it comes to the procurement team, things look better with 50% including the CEO, 24% the CFO, and a perhaps reassuring 30% including the head(s) of department or process owners. 5% use external consultants compared with 9% who use a trusted solutions provider– perhaps tapping into more cost-effective expertise. On the other hand, only 7% have or involve a head of records or compliance officer, and only 4% have an established business improvement committee with representatives from across all departments.

Figure 19: Who is usually involved in assessing solutions and strategies for document services and process improvement (other than the IT department)? (N=251)

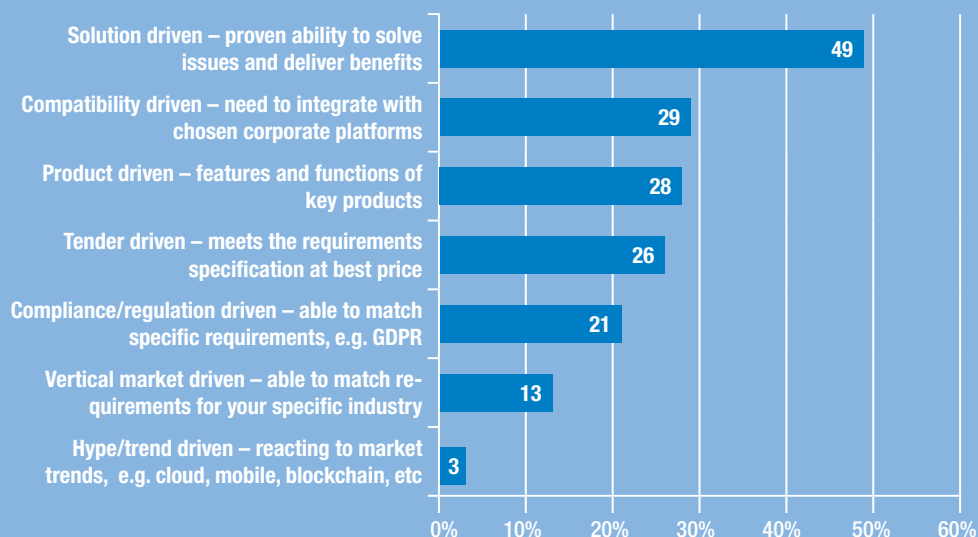


Procurement Drivers

When it comes to selecting suppliers and products for content and process management, each organisation will have its own mix of priorities, preferences and constraints. In much the same way, different suppliers and different products will bring different elements and skills to the table. Ideally, a win-win solution will emerge where the skills and resources of the supplier and the capabilities of the product mesh with the needs and resources of the customer – always assuming, of course, that this is at a mutually acceptable price point.

In our survey, 49% say they look primarily for a solution with the proven ability to solve their issues, whereas 29% may also have a strong need to integrate with their chosen corporate platforms – rising to 37% for larger organisations. Product features and functions are, of course, important and are listed by 28%, while for 21%, compliance and GDPR are important. Unfortunately, 26% are forced to buy the cheapest tender rather than the best match to their needs and aspirations. This in itself puts undue pressure on the selection team to come up with a “perfect” set of requirements, and often results in missed opportunities to utilise the experience and product knowledge of a good solution provider.

Figure 20: Would you say that in general your content/process management selection decisions are (max. 2): (N=167)



Supplier Types

As listed in Figure 21, we can see just how wide the range of potential suppliers is, ranging from large general IT vendors to local systems resellers. Some supply many products, others are focused on just one. Some provide independent consultancy, some a range of professional services, and for some you are largely on your own.

We can also see how the legacy of the last thirty years is playing out. Large IT suppliers (38%), ERP system suppliers (30%), document print service suppliers (30%), and financial system suppliers (19%) have been the most popular for existing services, although recent arrivals such as EFSS file-sync and share providers have taken a strong initial share (28%).

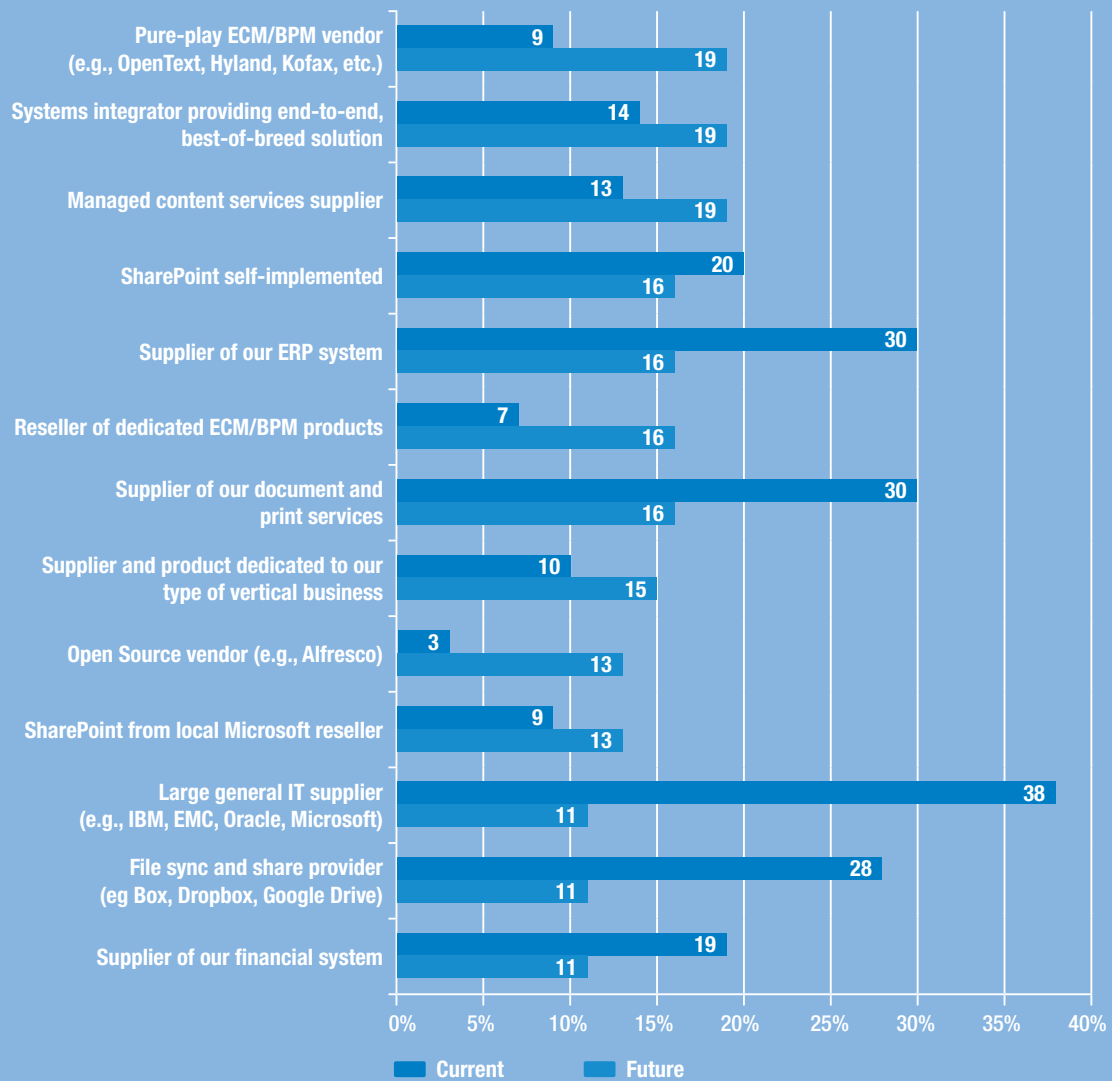
However, when we order the list by likely future supplier, we see a different picture. Pure-play ECM/BPM vendors come to the fore, followed by systems integrators and managed content services suppliers, all of which indicates a need to tap into the levels of experience and expertise that these suppliers and solution providers have.

The biggest drop backs are large general IT suppliers (IBM, EMC, Oracle, Microsoft), ERP and financial system suppliers, and print services suppliers (albeit still with 16%), along with, somewhat surprisingly, the file sync and share providers who drop back to 11%.

The biggest jumps are pure-play ECM/BPM vendors (up from 9% to 19%), reflecting a preference to work directly with the experts, and their resellers (up from 7% to 16%) perhaps for better local or industry-specific knowledge. Open source vendors look to have added popularity, although only up to 13%, well below the systems integrators and MCS suppliers, which both grow to 19%. SharePoint pretty much holds its own, but switches from self-implemented (down from 20% to 16%), to local reseller (up from 9% to 13%), again reflecting a need for external expertise as the product has become more complex.

Overall we can say that the spread of supplier types for content and process management solutions is becoming much more equal, away from the dominance of the large IT and ERP system vendors and more towards pure-play vendors, system integrators and content services suppliers.

Figure 21: How would you describe your current and likely future supplier for content/process management solutions and professional services? (N=134)

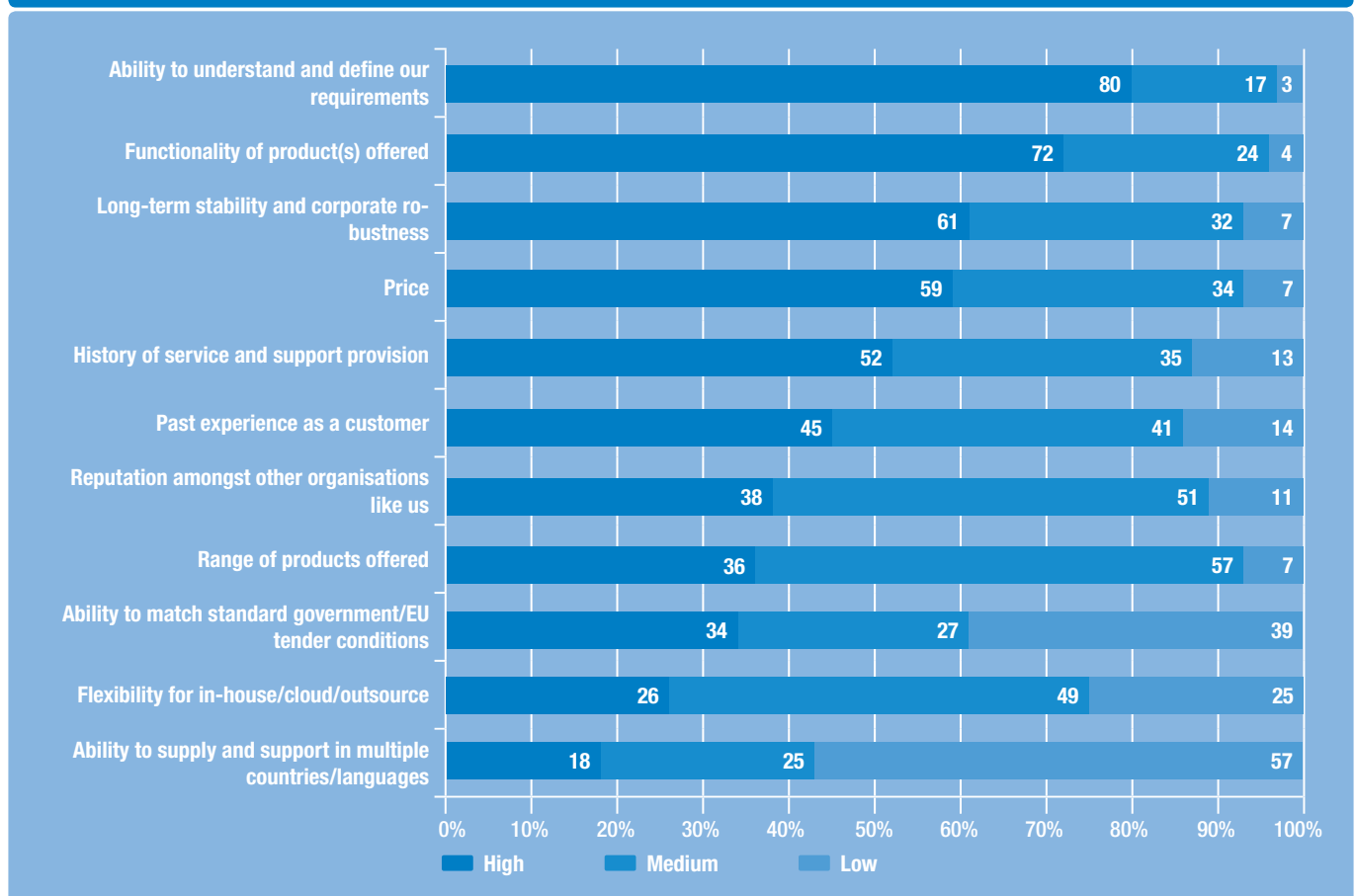


Supplier Factors

So what do people look for in ECM and BPM solution providers? The ability to understand and define requirements is the biggest factor, and speaks to a consultative selling mechanism where past experience within the industry sector and the organisation size are made readily available to help the needs analysis and requirements specification process.

Of course, these also need to match to a product that has the required functionality, but beyond that users are also looking for long-term stability of the supplier, their history of support and service provision, and, of course, the price. Loyalty from past experience as a customer counts, but not as strongly as these other factors.

Figure 22: How would you rank the importance of the following when considering content and process solution providers? (N=167)

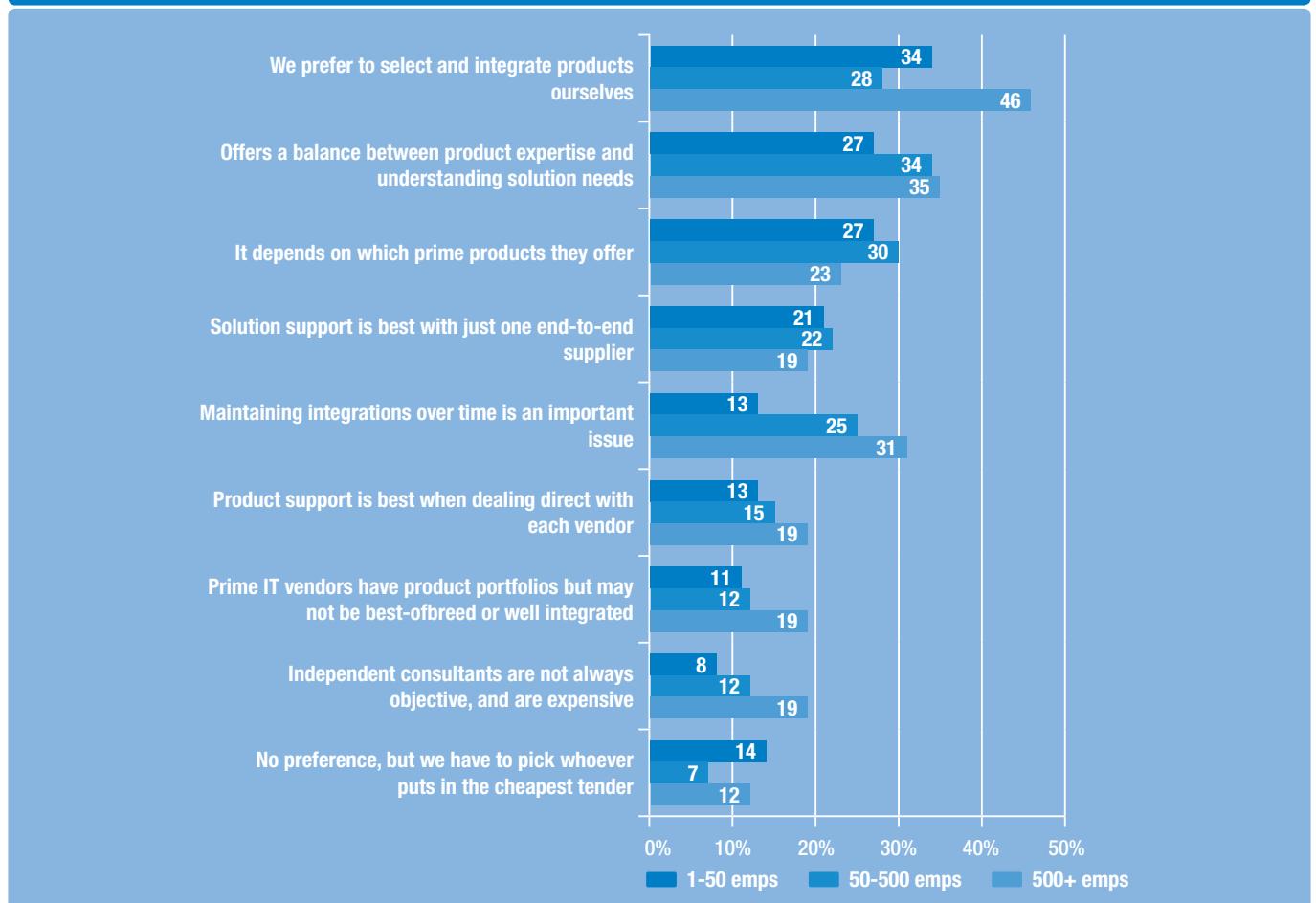


System Integrators

We have talked earlier about system integrators, and what they can bring to the party. The largest organisations, with well-staffed IT departments, may be confident to select and integrate products themselves, but even then they may not have quite the level of expertise that a system integrator or external consultant can bring. On top of that, a system integrator will stick with the project until everything is working, whereas a consultant may move on after the selection and initial implementation phase. A system integrator does need to have competent products in their kit bag, but they will also be only too aware that these products have to be able to talk to each other, and remain talking with each other over time.

Larger organisations are more likely to integrate products themselves (46% compared to 34% for small and 28% for mid-sized) but 35% of larger organisations still appreciate the solutions expertise of a system integrator. They are also the most concerned with maintaining integrations over time (31%), particularly as knowledgeable members of their IT staff might move on post-project.

Figure 23: System integrators generally consult on your needs and put together a mix of products to provide an end-to-end solution. How do you feel about using one? (Tick all that apply) (N=164)



OVERALL BENEFITS, ROI AND FUTURE PLANS

TOP 3 BENEFITS FROM DOCUMENT AND PROCESS INITIATIVES:



51%

improved organisational
agility and flexibility



39%

greater knowledge sharing
within and between teams



35%

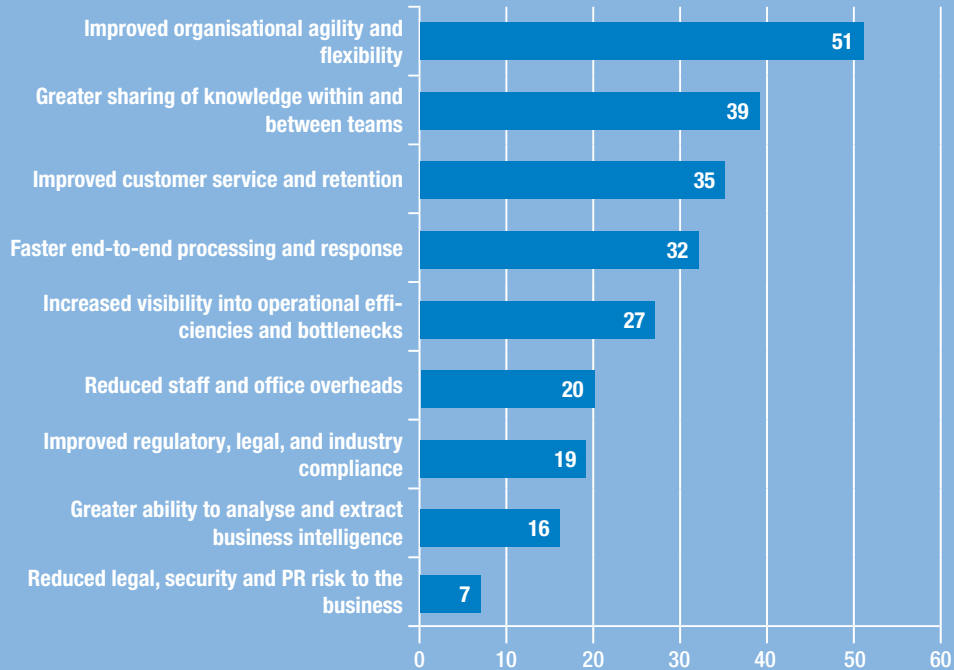
improved customer
service and retention

Surprisingly, the most reported benefit from document and process initiatives is improved organisational agility and flexibility (cited by 51%). This brings together many of the aspects we have covered such as organisational change, process optimisation, customer response, outsourcing, and adaptation to changing business environments. Next is greater knowledge sharing within and between teams (39%), followed by improved customer service and retention (35%). All of these benefits are somewhat intangible and difficult to put a price on, but they are certainly fundamental to building successful businesses.

Faster end-to-end processes, increased visibility of operational bottlenecks, and reduced staff overheads are the classic benefits of BPM systems, and somewhat more easily quantified from a money-saved point of view. Improved regulatory compliance can be more difficult to quantify, but recent cases of data breaches, corporate mismanagement and tighter financial regulation show both the potential real cost, and the PR costs of compliance failures.



Figure 24: What would you say are the THREE biggest benefits resulting from your document and process initiatives: (N=150, excl. 11 N/A)

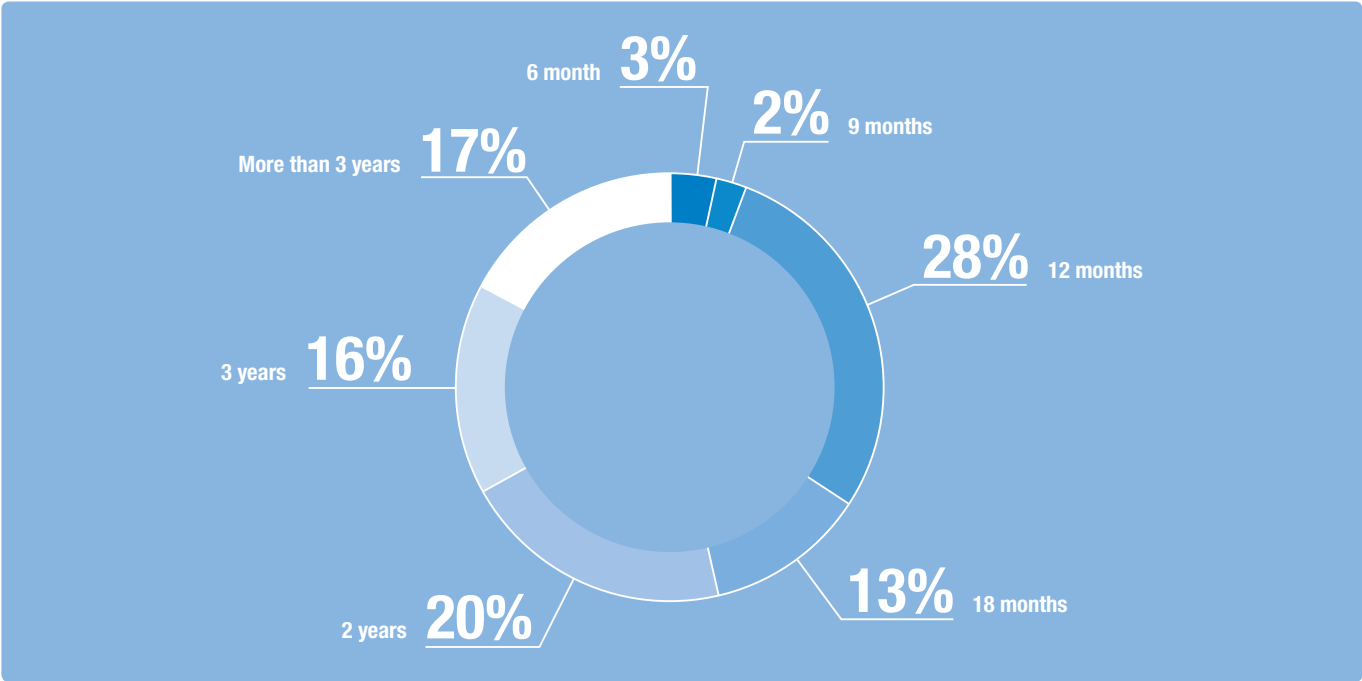


ROI

Despite the intangible nature of many of the benefits described above, investment approval in most organisations is driven by return-on-investment criteria, most readily expressed as the payback period where the cost or resources used to implement the system are balanced by the returns and improvements achieved. Our survey indicates that one third of document and process initiatives repay the investment in 12 months or less – a single budgeting period - and two thirds within 2 years. These are very good numbers when compared with most other business investments, IT or otherwise.



Figure 25: What do you feel has been the payback period you have, or are on track to achieve, as a result of your document and process initiatives? (N=88, excl.76 don't knows)



Plans

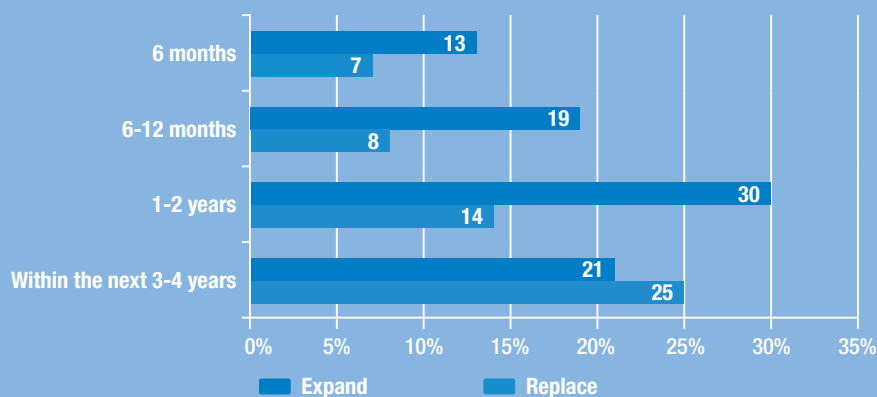
It is a healthy sign that 62% of our respondents are planning to increase their investment in document and/or process systems within the next two years. A little more difficult to interpret is the 29% who are planning to replace systems. These could well be systems that don't support cloud and mobile extensions, components that need to be replaced because they don't integrate well, second-time buys based on learned experience, or in light of the move away from large IT vendors, perhaps it is rejection of costly support contracts on legacy systems.



62%

plan to increase their investment in document and/or process systems within the next 2 years

Figure 26: Are you planning to expand or replace your document and/or process systems within (N=134)



Conclusion and Recommendations

Over half of the organisations in our survey have one or more document or content management systems, and a third have image-enabled business processes, the most popular being accounts payable and accounts receivable, but also including case management, HR, customer on-boarding and claims. Surprisingly few (18%) have formal records management systems, and this could become a challenge for GDPR compliance.

Overall, these investments have been successful and have provided strong benefits of flexibility, knowledge-sharing and improved customer response. Most have seen a payback within two years, and 63% plan to increase their investment over the next two years.

Connecting these systems together to form a more widely accessible and searchable content system for collaboration, business process and archive is proving to be more difficult, especially for access on mobile devices, and potential moves to the cloud. As a result, user organisations are moving away from the large generic IT vendors towards more focused ECM and BPM suppliers. They are also more interested in solutions than products, and are more likely to turn to a systems integrator or managed content services (MCS) supplier than the incumbent supplier of their ERP or financial systems.

Recommendations

- If you have yet to invest in a content management system, or a business process solution, take advice on the best way forward. Point solutions for particular projects or departments are a least-risk way to get off the ground, but your system selection should have an eye towards future requirements of wider access and additional business processes.
- If you already have image-enabled processes such as AP or AR, look to extend to other areas such as customer response or internal approvals. If the current systems are not suitable for extension, take what you have learnt and apply it to the new application, or share it with the other process owners.
- Rather than providing scanning and capture capability on a process-by-process basis, investigate the digital mailroom concept in its widest sense (including mobile capture) to see how best to keep paper out of the business. This will speed up response and cut handling costs as well as providing process-ready images of all types of forms, invoices and letters.
- Consolidating your capture capability across multiple processes might allow you to invest in more sophisticated OCR for routing, data capture and analytics.
- Review your handling and archiving of customer data against the requirements of GDPR.
- Visualise your existing systems as providing content and process services, and look at how you could best extend, consolidate or integrate them to provide your users and applications with secure but flexible access to find, share, process and archive content wherever it lives in the organisation.
- Don't blindly follow your historical procurement methods. Use solution providers such as system integrators and resellers with experience in your industry or geography, rather than drawing up extensive requirements lists and tendering for the cheapest product.
- Consider a service approach (MCS) from managed content suppliers for immediate access to expertise, speedier implementation and conversion of capital costs to revenue. This might be a good compromise between outsourcing and recruiting internal expertise.

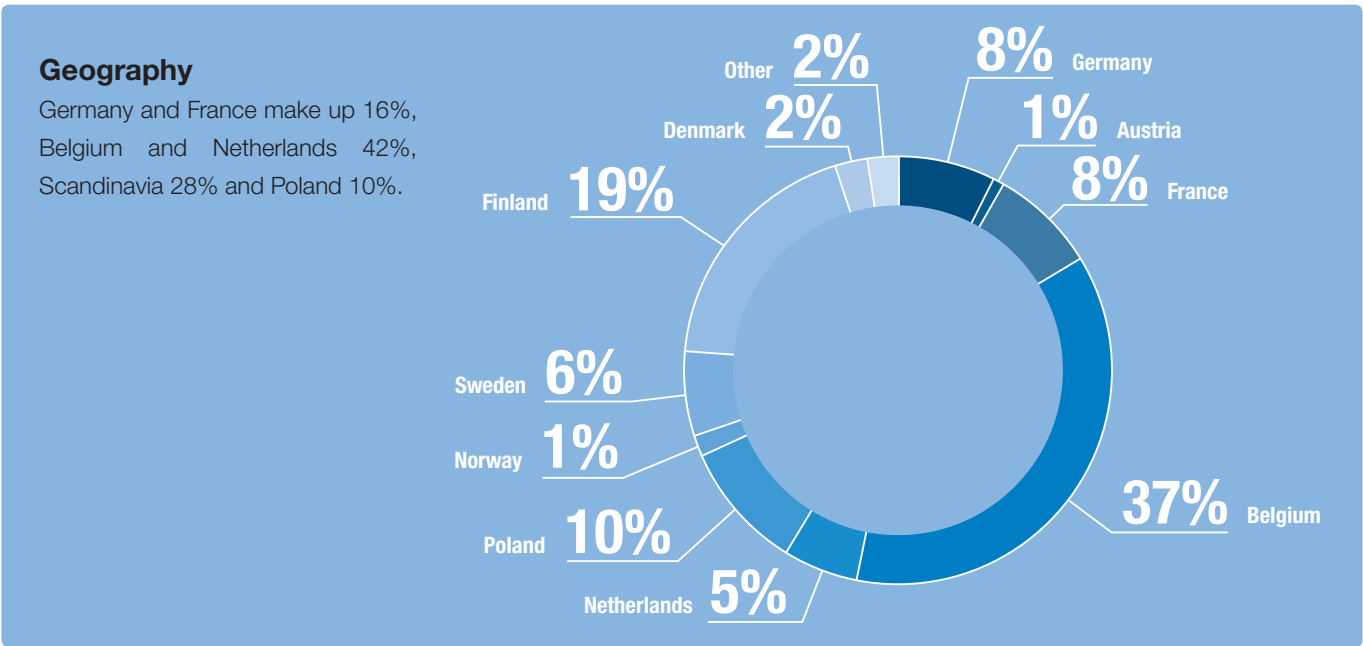
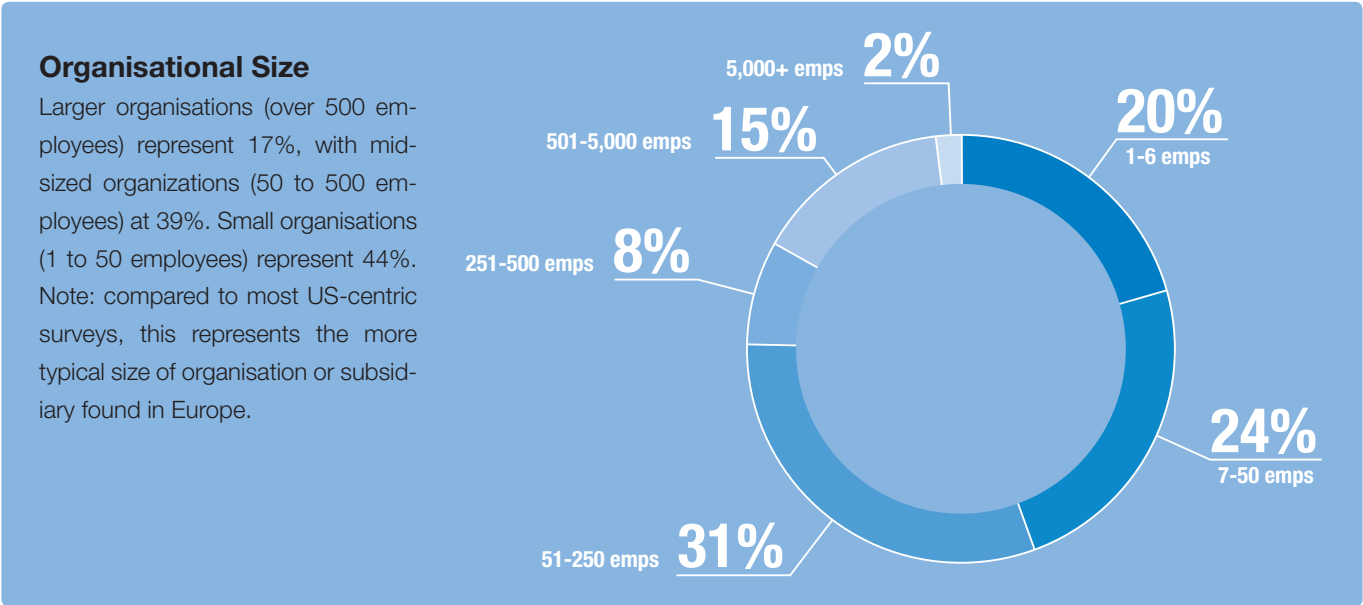
Appendix 1

SURVEY DEMOGRAPHICS

Survey Background

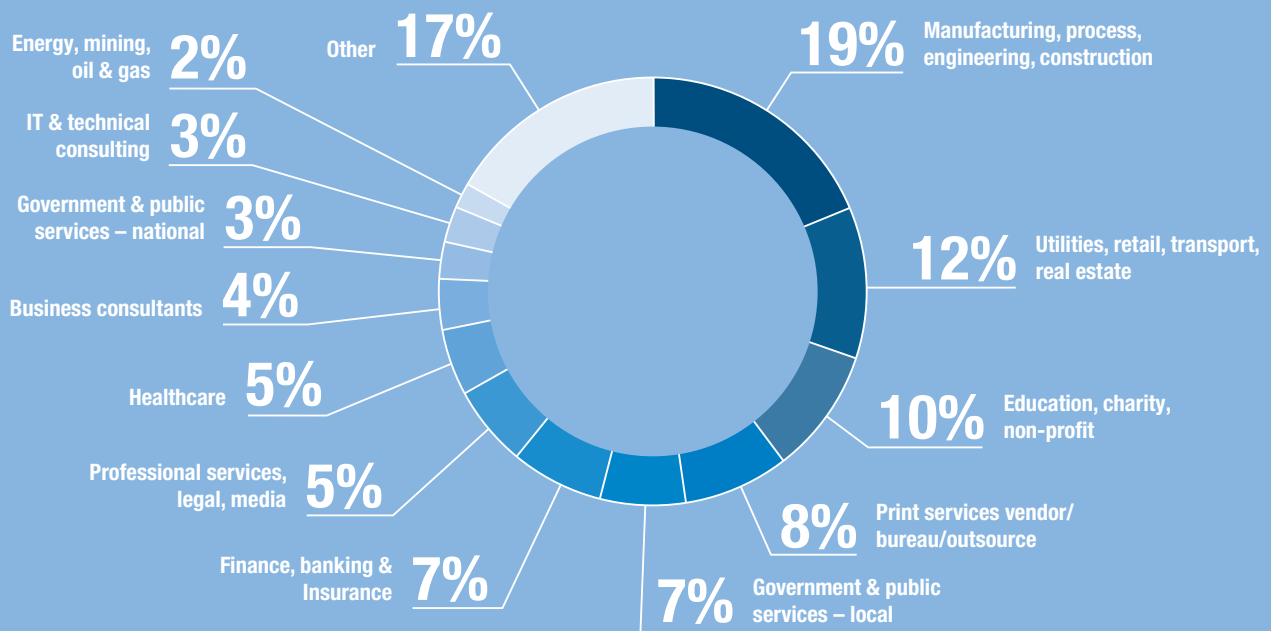
Data from 332 respondents was collected using a web-based tool between mid-September and mid-November 2017. The survey was translated into 6 languages, and the invitation to participate was emailed to Konica Minolta customers across

10 countries in Europe and a wide range of industry sectors. The number of responses to each question varies, as only the demographic questions were made compulsory.



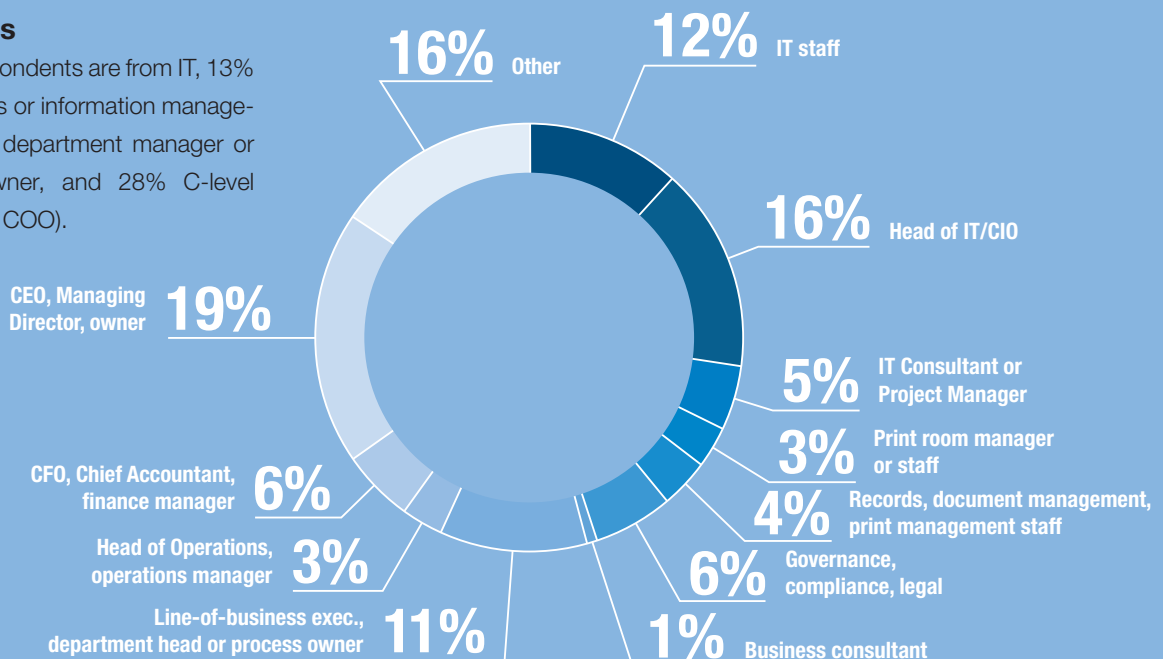
Industry Sector

Manufacturing and construction make up 19%, utilities, retail and transport 12%, government local and national 7%, education and non-profits 10% and finance, banking and insurance 7%.



Job Roles

33% of respondents are from IT, 13% from records or information management, 11% department manager or process owner, and 28% C-level (CEO, CFO, COO).





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Structured business processes as well as a robust and secure IT infrastructure are fundamental to compete in today's markets. Konica Minolta's Business Services help you optimise your processes and facilitate the use of information. Our portfolio entails consultancy services, infrastructure implementation and managed services. With our support, you are able to concentrate fully on your core competencies.

Concentrate on your core business objectives and break free from mundane tasks

Daily, the flood of information, data and documents that companies need to deal with is growing – e-mails, data files, invoices etc. inflate the data volume. Unstructured knowledge is frequently stored in disparate data silos, which makes internal procedures more time-consuming, impedes transparency, and can delay important decisions.

At Konica Minolta, we optimise your information-relevant corporate processes by applying our Managed Content Services (MCS). As part of our MCS approach, we analyse the document-intensive workflows in your enterprise to propose optimisations, implement specific, tailored solutions – and following that, even manage the infrastructure we have created for you.

A core offering in our MCS portfolio are Enterprise Content Management (ECM) solutions, tailored to the needs of your organisation. ECM solutions provide complete, end-to-end control of your information flow with seamless integration into your CRM and ERP systems.

Konica Minolta's Managed Content Services enhance your overall efficiency, let you respond faster to customer needs, safeguard your data, and streamline your workflows – giving your operational agility and business results a welcome boost.



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