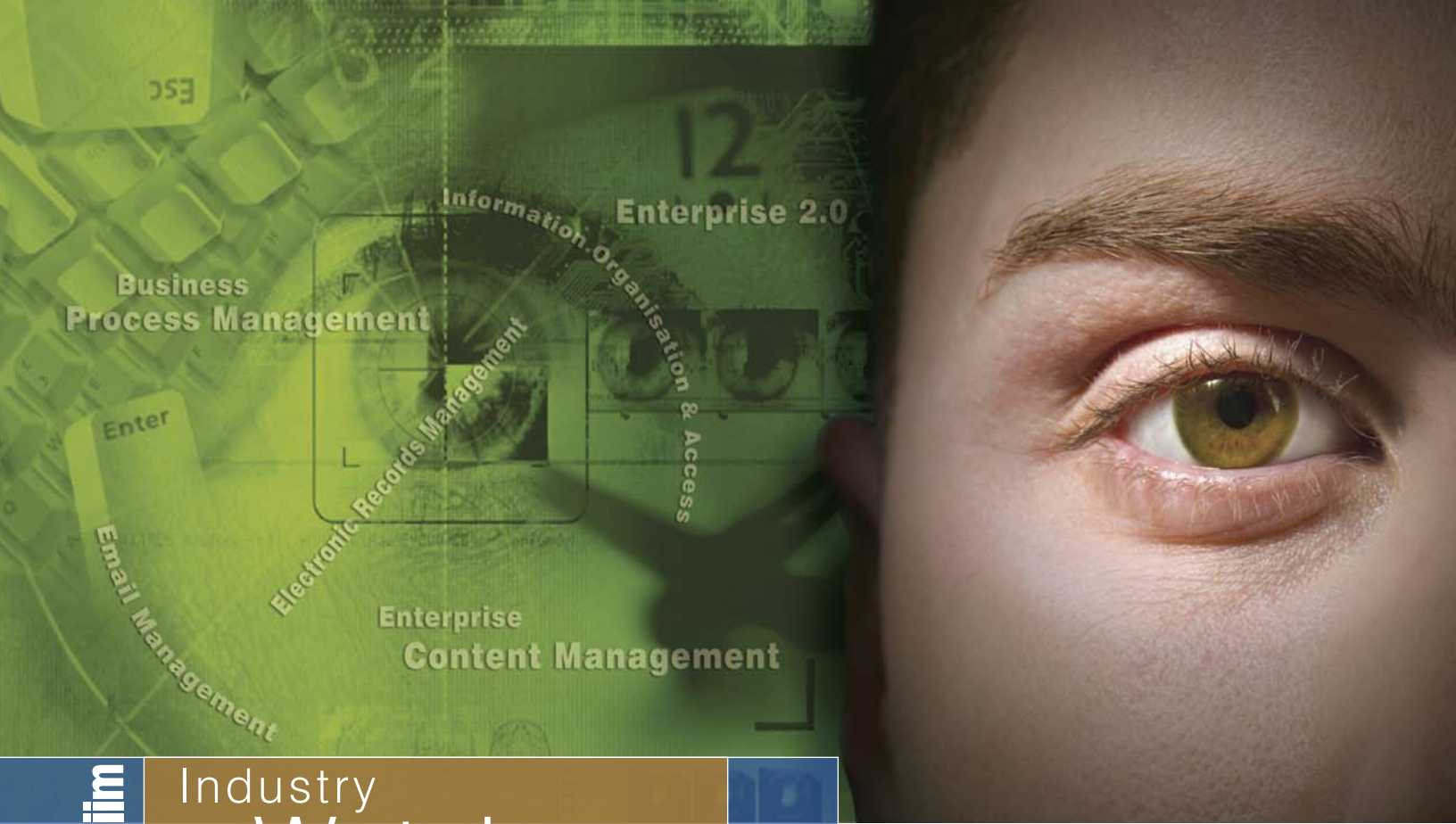


# AIIM Market Intelligence

*Delivering the priorities and opinions of AIIM's 65,000 community*



Industry  
**Watch**

## State of the ECM Industry 2009

Who's achieved it, how are they doing it and is it working for them?

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As the non-profit association dedicated to nurturing, growing and supporting the ECM (Enterprise Content Management) community, AIIM is proud to provide this research at no charge. In this way the education, thought leadership and direction provided by our work can be leveraged by the entire community.

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## Process Used and Survey Demographics

While we appreciate the support of these sponsors, we also greatly value our objectivity and independence as a non-profit industry association. The results of the survey and the market commentary made in this report are independent of any bias from the vendor community.

The survey was taken by 568 individual members of the AIIM community between February 16<sup>th</sup> and March 6<sup>th</sup> 2009, using a Web-based tool. Invitations to take the survey were sent via e-mail to many thousands of individuals.

Survey population demographics can be found in Appendix A. Graphs throughout the report can be considered to be the complete survey unless stated.

## About AIIM

AIIM ([www.aiim.org](http://www.aiim.org)) is the community that provides education, research, and best practices to help organizations find, control and optimize their information. For more than 60 years, AIIM has been the leading non-profit organization focused on helping users understand the challenges associated with managing documents, content, records and business processes. Today, AIIM is international in scope, independent and implementation-focused, acting as the intermediary between ECM (Enterprise Content Management) users, vendors, and the channel.

## About the Author

Doug Miles is head of the AIIM Market Intelligence Division. He has over 25 years experience of working with users and vendors across a broad spectrum of IT applications. He was an early pioneer of document management systems for business and engineering applications, and has been involved in their evolution from technical solution through business process optimization to the current corporate-level concerns of security and compliance. Doug has also worked closely with other enterprise-level IT systems such as ERP and CRM. Doug has an MSc in Communications Engineering and is an MIET.



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## Introduction

When the term Enterprise Content Management was first coined some 7 or 8 years ago, the objective was the same as it is today - to bring all of an organization's unstructured content into a managed environment for sharing, controlled access, findability and archive. The vision then was to provide a single repository, accessible by all staff, capable of dealing with all kinds of content, servicing business processes across the organization, and providing a single, secure records archive with managed disposition. The obvious parallel was in the ERP and CRM systems that were already established as enterprise applications.

To this end, the document management and records management vendors of that time set out on a path to become ECM vendors by equipping their products with modules to cover every type of content and content process, either by organic growth, or more frequently by acquisition.

Today, however, there is a general appreciation that ECM is more of a blanket term to cover information management technologies for unstructured content. In some organizations, it may indeed be a single system capable of dealing appropriately with many different types of content and records requirements. In others, it may be a collection of repositories and applications. The common goal, however, is to provide users with a single-access capability allowing them to find, retrieve and process information from wherever it is stored, without needing to login to multiple applications. Increasingly, underlying content services infrastructures have emerged as a base for content management and business process applications.

The theme of this report is to explore to what extent users are achieving this goal, how they are achieving it, what effect collaborative technologies such as Microsoft SharePoint are having on their view of how to do it, and what their spending plans are within the different areas of ECM.

We will also reflect upon the drivers and motivations for improved content management, and the degree to which return on investment is being achieved.

## Key Findings

- Compared to recent years, cost saving has taken a clear lead over compliance as the main business driver for investments in document and records management.
- Email is still out of control, with 55% of organizations having little or no confidence that important emails are recorded, complete and retrievable.
- 28% of organizations would take more than a month to produce documents for a legal discovery process.
- There is still a wide disparity in how organizations view SharePoint relative to their overall content management needs and strategies. In 29% of organizations, SharePoint is working in competition with, or in parallel with existing ECM, Document Management (DM) or Records Management (RM) suites, compared to 16% where it is integrated with existing suites and 12% where it is considered to be the only ECM suite. The remainder use SharePoint to "fill in some functions".
- Records managers are often being left out of the equation. In 36% of large organizations, IT is managing the SharePoint roll out with no input from the Records Management Department. A further 14% admit that no one is in charge and it's completely out-of-control.
- The single ECM system concept is still alive in 35% of organizations, whereas 33% plan to use a single sign-on portal to link together multiple repositories – SharePoint being the most popular tool for doing so - with 9% stating they will use Enterprise Search to solve this problem.
- Licence sales in the main areas of DM and RM are set to hold steady in 2009, with falls likely in scanner hardware, non-vendor consulting services and, surprisingly, outsourcing and bureau services.
- As regards management of content types, SMS/text messages, blogs and wikis are largely off the corporate radar in 75% of organizations. Their lack of inclusion in the corporate archive is a major risk.

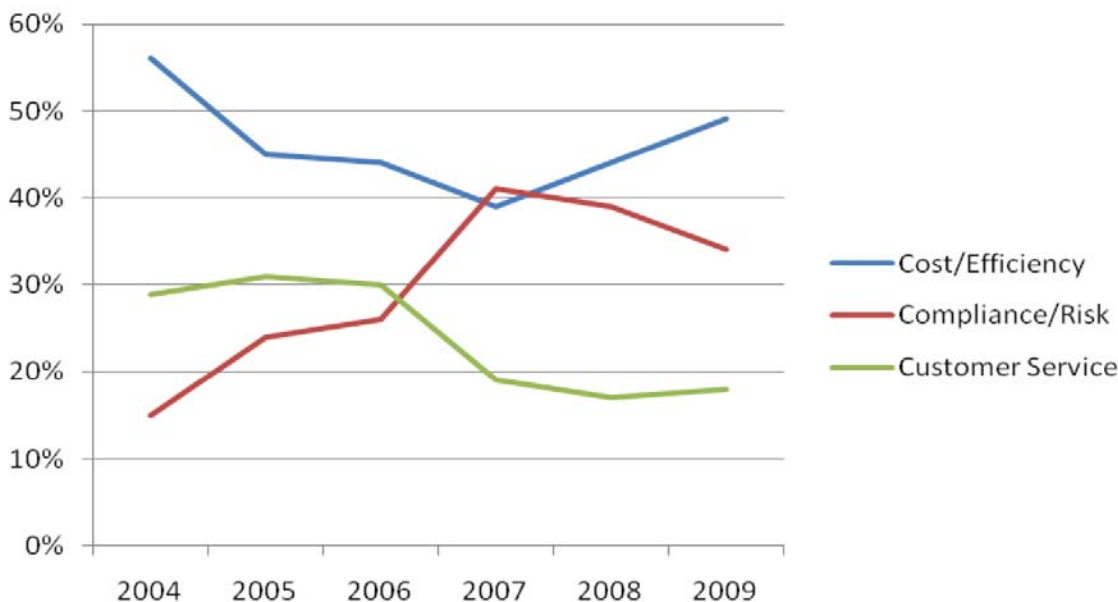
## ECM Drivers

Few people doubt that ECM is a vital technology, with 58% of participants in the survey considering that effective management of electronic information is “extremely important” for the long term success of their organization, and a further 33% considering it “important”.

These numbers are the same between those with systems and those without, and yet for those who have yet to implement a significant document or records management project, the single biggest reason given is that senior management does not see it as important. Perhaps there is a clue in the second most popular reason - “there are more pressing technology issues we need to address” - suggesting that IT is in catch-up mode in many businesses, and ECM is considered a longer term objective. The third most quoted reason is that “the return on investment has not been clearly demonstrated”, and we will return to that.

### Cost, Compliance & Customer Service

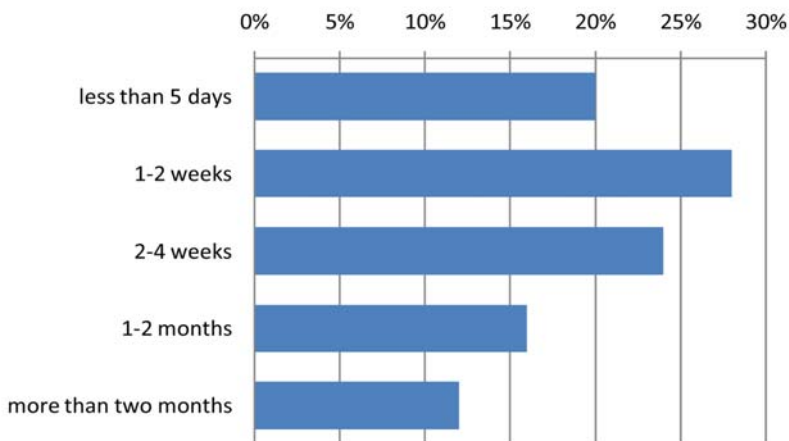
Tracking the most significant business drivers over a number of years shows regulatory control and associated compliance risk peaking in 2007 with a fall back in the last two years to cost savings. This is obviously due to the economic downturn - which was in part caused by insufficient regulatory control. We feel that compliance and risk avoidance may rise again once the dust settles over the many regulatory lapses and forced mergers.



**Figure 1:** What is the most significant business driver for document and records management technologies in your organization? N=476

## Legal Discovery

The most recent regulatory change to receive attention is the inclusion of all electronic documents into the rules for pre-trial disclosure. As can be seen, 28% of organizations would take more than a month to produce documents for a legal discovery process, and there is a suspicion that those declaring 2-4 weeks are more in hope than truth, since this period is mandated in a number of data protection and freedom of information rules. As regards the likelihood of being required to produce such evidence, eliminating the “don’t knows”, 18% had been exposed to a legal challenge in the last 12 months and a further 15% in the last 3 years - a one-in-three chance. Discovering unmanaged emails is the most obvious issue here, and we will explore that further in the next Industry Watch.

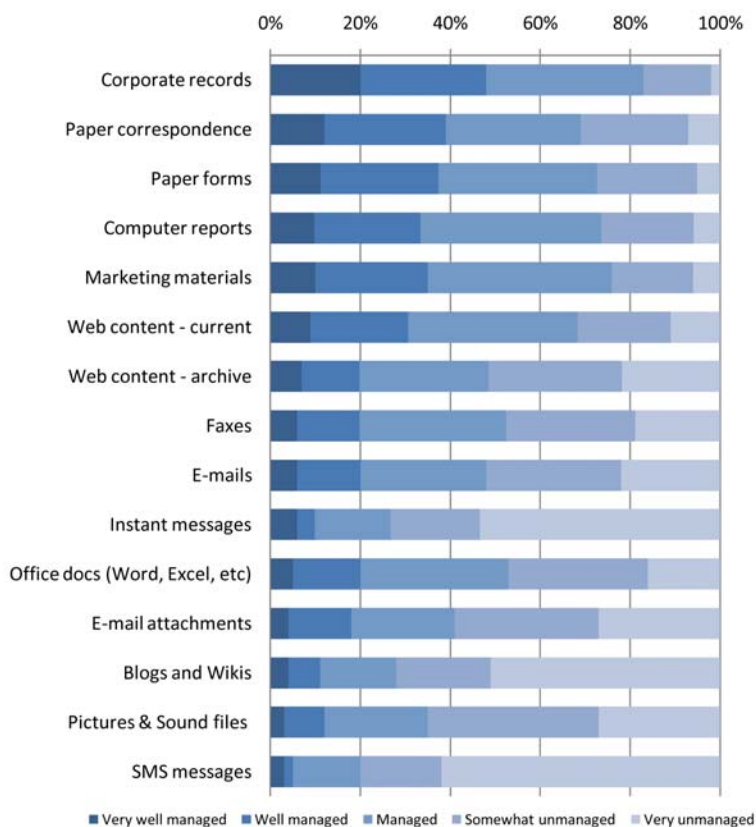


**Figure 2:** How long would it take to produce all of the organizational information related to a former customer or constituent? N=468

## Content Types

The goal of ECM has always been to impose management upon all types of file which contain content that pertains to the running of the business. As technology has developed, content types have grown from scanned images, documents, faxes and pictures, through to emails and web pages, sound and video files, and most recently, text messages, blogs and wikis.

We asked respondents to rate how well managed each type of content was in their organization, and it is interesting to match that against their level of importance to the business. Paper documents are still much better managed than electronic Office files, although there is a likely effect in many offices that paper filing procedures are deteriorating as electronic content takes over. Email issues we will return to, but there is stark confirmation here that instant messages, SMS/text messages, blogs and wikis are largely off the corporate radar in 75% of organizations. Heavy handed governance of these nascent channels is considered to be old-fashioned, but given the potential external exposure, lack of policies and lack of inclusion in the corporate archive is a major risk.



**Figure 3:** For each type of content, evaluate the degree of control that exists in your organization in managing it: N=462

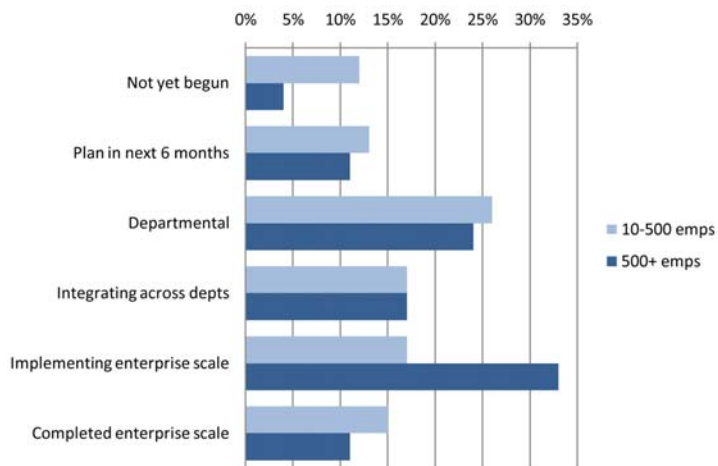
## Emails

Despite a small improvement from last year, 55% of organizations still have “little or no confidence” that important emails are recorded, complete and recoverable (62% in 2008). Specifically, 27% consider email attachments to be “very unmanaged”. We will be producing a dedicated Email Management Report later this year.

## ECM Adoption and Barriers

Within the AIIM community, 11% of organizations polled with over 500 employees have completed an enterprise scale document/records management project, with a further 33% in the process of implementing one. This represents a 30% increase compared to last year’s survey. The SME sector cannot be accused of not adopting local and departmental solutions, but are wary of describing their efforts as enterprise scale.

In a further evaluation, 60% of system owners “wouldn’t now want to manage our business without our DM/ECM system”. A similar number consider ECM to be “part of their infrastructure”.

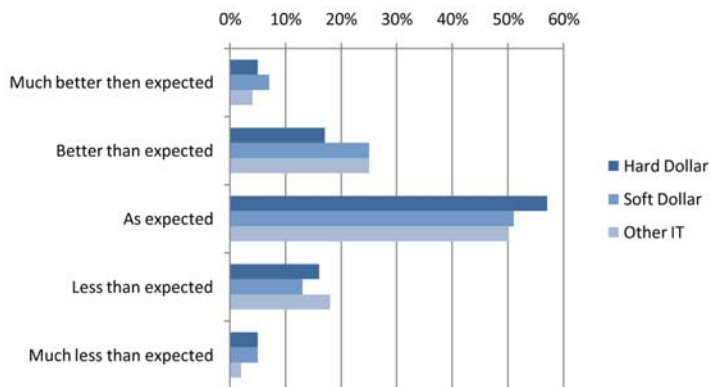


**Figure 4:** How would you best characterize your organization’s experience with document management and records management? N=478

## ROI

ECM could now be considered a mature technology, with half of those with systems posting more than 3 years operating experience. As a reflection of this we asked a number of questions this year about expected and measured return on investment. Despite the fact that in 77% of organizations it is considered important to justify records and document management initiatives with “hard dollar” savings, only 52% of users have actually measured costs before and after their DM/RM projects.

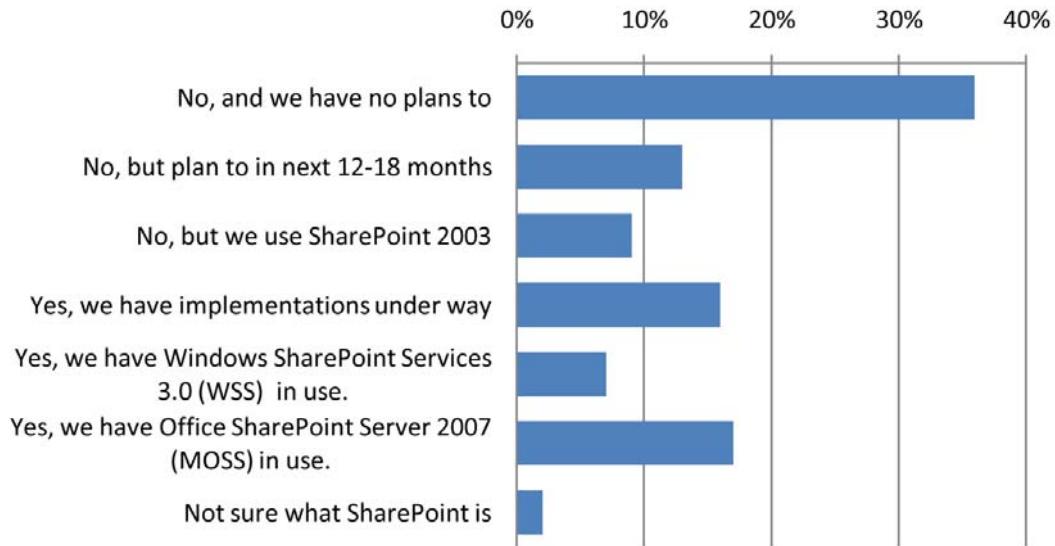
On the whole, hard dollar returns have come out very much as per user expectation. Overall, soft dollar benefits have come out somewhat better than expected, and returns generally are considered to be better than for other IT projects, with 79% better or the same as other projects. Given that cost reduction is currently the prime driver for any IT investment, and that enterprise IT projects are notorious for high expectations and low realization of expected cost-savings, these results indicate that ECM is potentially a high performer.



**Figure 5:** How would you describe the return on investment (ROI) of your document/records management or ECM system? N=289, (excluding “not measured”)

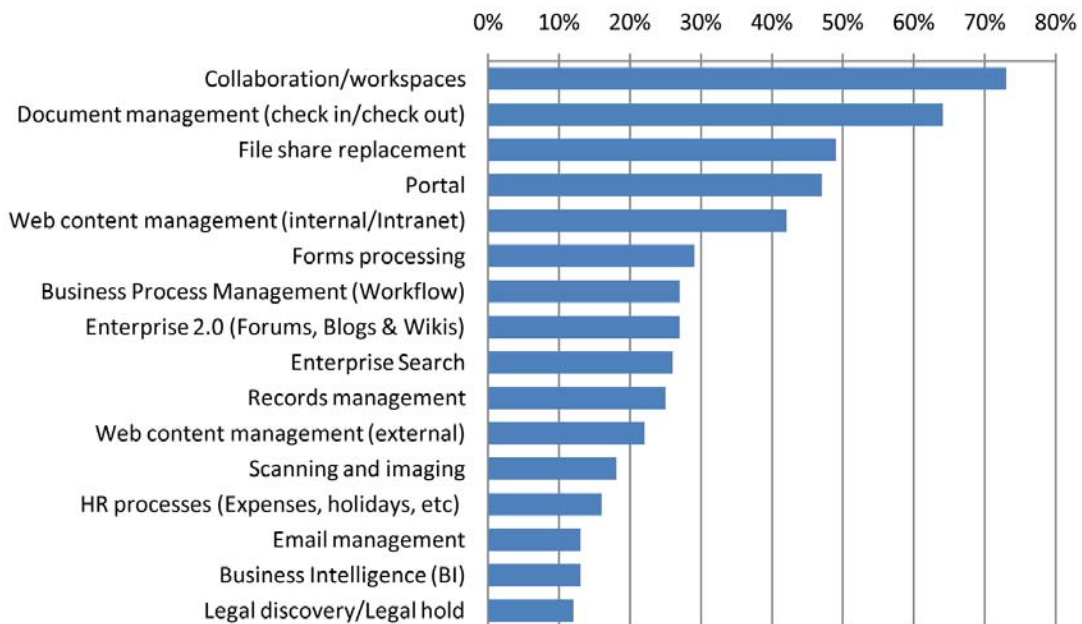
# SharePoint

The uptake of SharePoint 2007 has been dramatic in the last 2 years, with 50% of organizations polled using or implementing SharePoint (up from 32% last year) with a further 13% having plans to do so in the next 12-18 months. There is a two to one split between those using MOSS and those using WSS, the server-included version. A similar number are still using the SharePoint 2003 version. Just 38% of organizations in this survey have no plans to implement SharePoint.



**Figure 6:** Have you implemented Microsoft SharePoint 2007 (WSS/MOSS) in your organization? N=406

Whilst it would be easy to suggest most organizations are only using SharePoint for collaboration or as a portal, 64% are using it for document management at a check-in/check-out level, and 25% are using the records management capability. Interestingly, only 13% have hooked in emails to SharePoint.

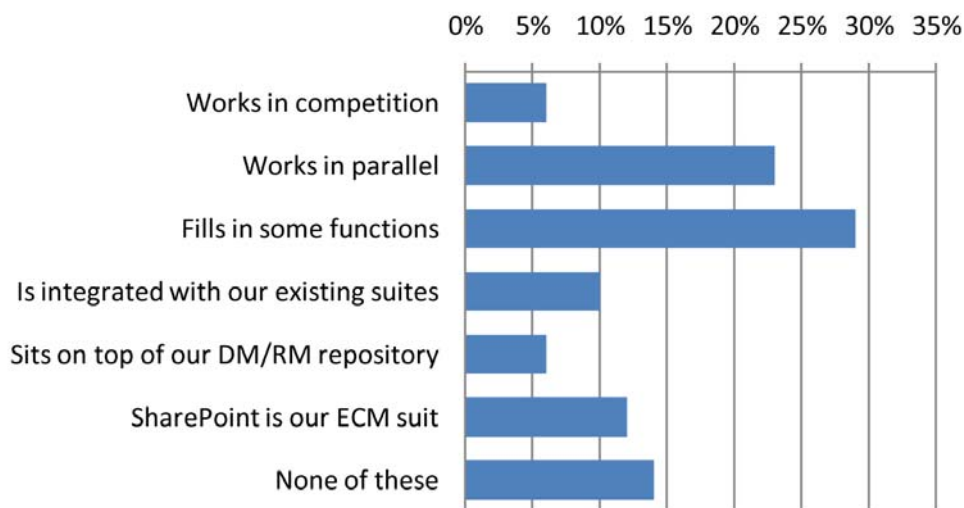


**Figure 7:** Do you currently use or have immediate plans to use SharePoint 2007/MOSS in the following applications? N=233 (SharePoint users)

## Governance

Things have improved in regard to roll-out planning, with 44% of those using or planning SharePoint having a formal roadmap in place, compared to just 28% last year. However, 24% still have no plan, nor a starting point to develop one. As regards to who's in charge, the Records Management Department is driving and controlling SharePoint in just 6% of organizations. In 43%, IT is in command but with input from Records Management. IT rules on their own in 32% of organizations (36% in large organizations), but 12% admit that no one is in charge, and it's completely out-of-control.

This lack of upfront consideration from the records management point of view is borne out by the descriptions of where SharePoint sits in relation to existing ECM, DM and RM suites. Only 6% of respondents admitted that SharePoint was working "in competition" with their existing ECM, DM or RM suites, but a further 23% opted for the term "in parallel". 16% have SharePoint integrated with their existing suites, or sitting on top of their existing repository, while 12% have adopted SharePoint as their only ECM suite.

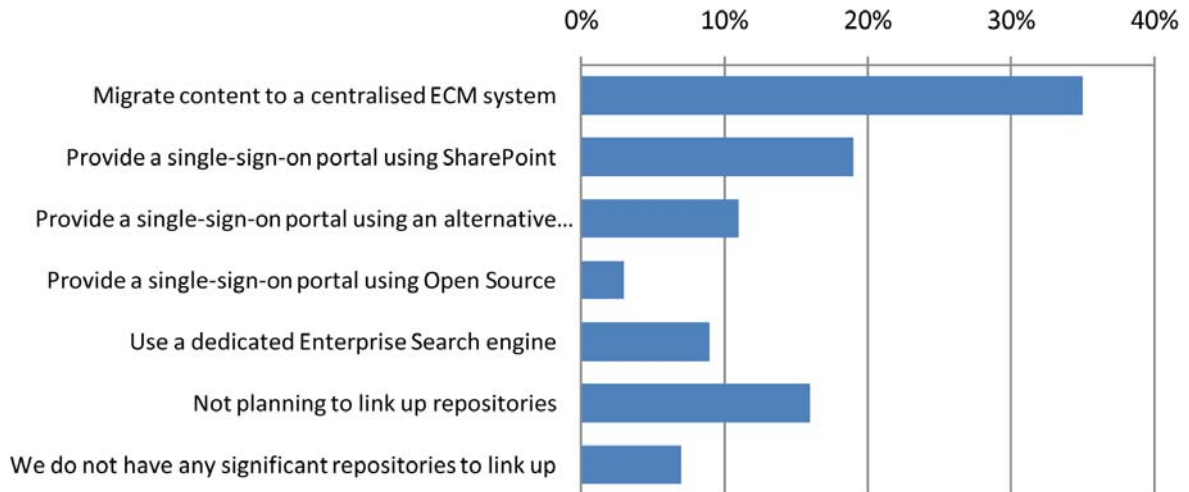


**Figure 8:** Which of the following would you use to best describe your current or planned use of SharePoint in your organization with regard to your existing ECM, DM and RM suite? N=233 (SharePoint users)

## Levels of Integration

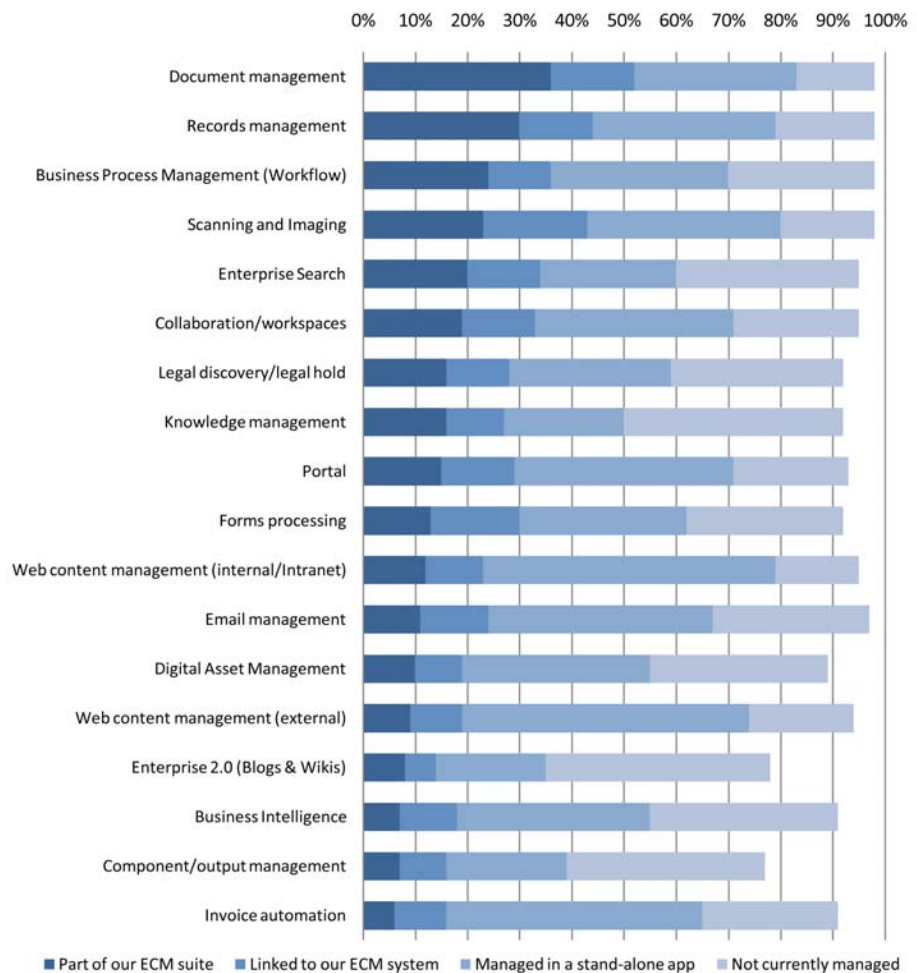
As we suggested earlier, there is an increasing expectation from users that they should have the same universal access to the internal knowledge base as they are used to getting with web search engines. Ideally they would like a single login and a single search box to find all relevant and permitted information to be found. We asked users about their plans in the next 2 years to provide such a single point of access to content repositories across the organization. Compared to the "holy grail" of ECM, just 35% plan to migrate to a single ECM system, whereas 33% plan to use a single sign-on portal. Nine percent state they will use Enterprise Search to solve this problem.

Taking the third of respondents using a portal, 57% plan to utilize SharePoint, 33% will use a non-SharePoint application and 10% will use Open Source.



**Figure 9:** Thinking about your plans in the next 2 years to provide employees with a single point of access to content repositories across your organization, which of the following is the best description of the approach you plan to take or have taken? N=349

Although the ECM vendors have been selling multi-module integrated suites for some while, only 25% of users have the basics of DM, RM, BPM/Workflow and Capture within the one suite, with a further 20% or so having them integrated with their suite. WCM, BI and Invoice Automation are prominent as stand-alone applications. Email is managed as a stand-alone application not-integrated with the ECM suite in 39% of organizations, and not managed at all in 28%.



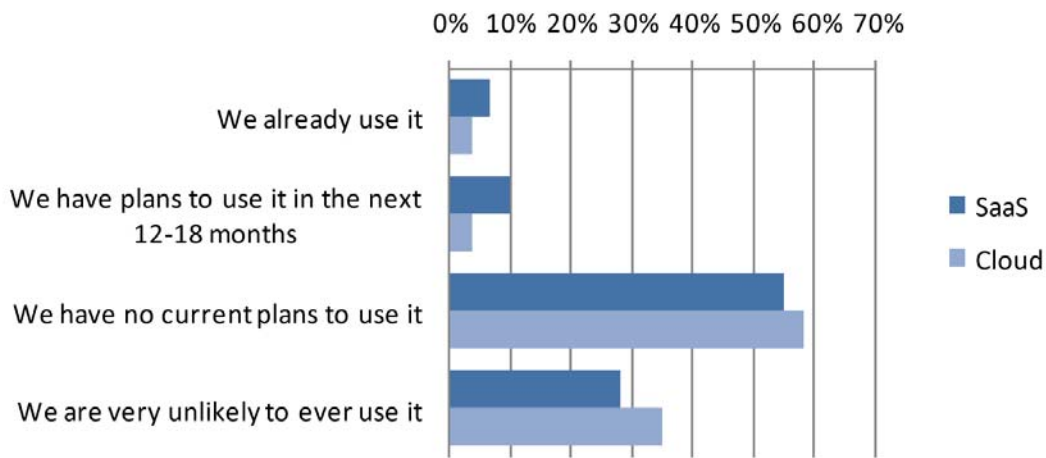
**Figure 10:** How are each of the following managed in your ECM environment? N=281, >10 emps, non-trade ("Not applicable to our business" responses indicated by shorter bar lengths.)

# New Technologies

## Software as a Service

Remotely hosted or outsourced Software as a Service (SaaS) solutions for document and records management are making some steady inroads - 7% of those surveyed already use it, with 10% saying they plan to do so. Eighty-three percent do not have any current interest in SaaS, including 28% who say they would be very unlikely to ever use it. The primary reason cited was security, followed by integration with other systems and long-term stability of the provider.

As regards Cloud solutions such as MS Azure or Google Docs, 4% already use it and 4% have plans to, while the number unlikely to ever use it rises to 35%. While people have more faith in the long-term stability of the Cloud supplier, they are not so sure about long-term availability of the product, and they are even more concerned about security than with SaaS.



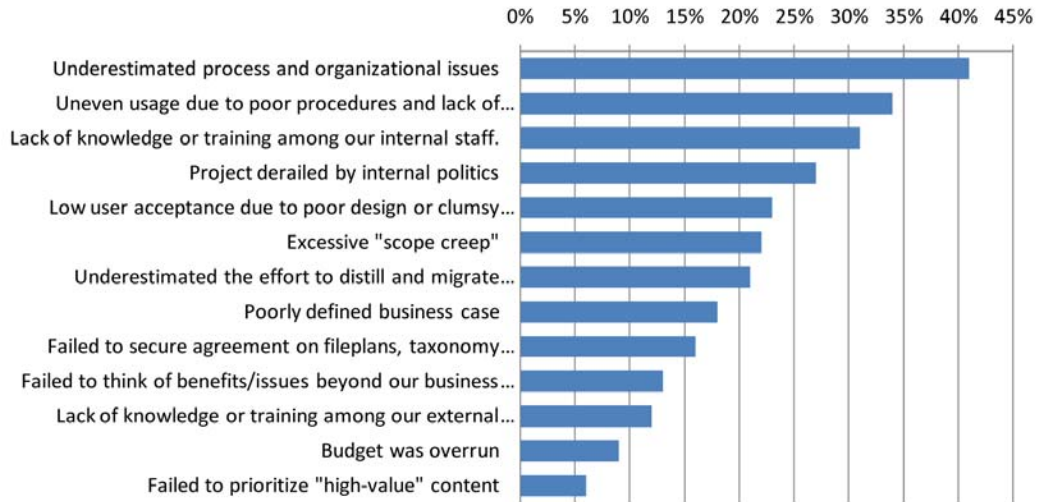
**Figure 11:** What are your plans for using a remotely hosted or outsourced “Software as a Service” (SaaS) or a Cloud solution for your document and records management? N=350

## Blogs and Wikis

Governance will always be a challenge for “democratic” collaboration tools such as blogs and wikis, but attempts to impose order are currently hampered by technology factors. For example, of the 41% of organizations using corporate blogs or wikis, 48% use unmanaged 3rd party platforms. Only 30% use a platform that is either part of their ECM suite, or linked to it, with the remainder using their own stand-alone platforms. We see increasing adoption of SharePoint bringing greater control here.

# Implementation Issues

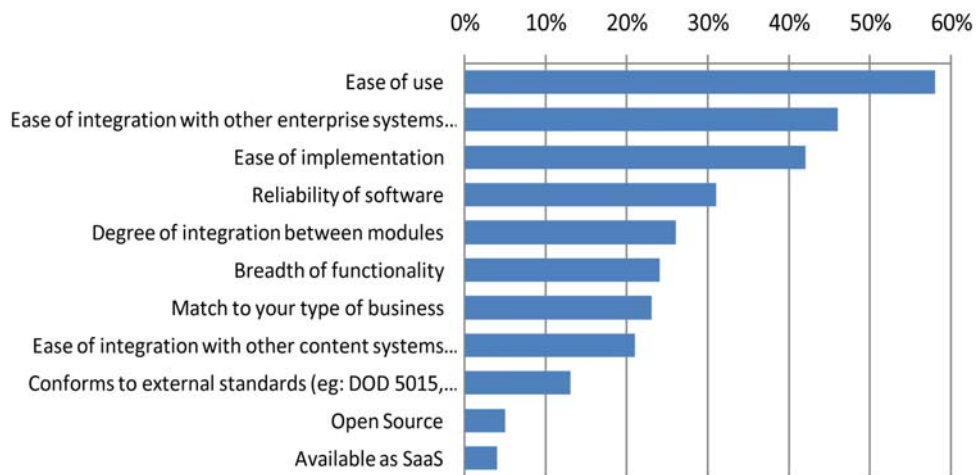
We have been tracking these for a number of years, and the first three places go as always to “underestimating the process and organizational issues”, “low user acceptance due to poor design or clumsy implementation”, and “lack of knowledge or training among internal staff”, with “project derailed by internal politics” fourth. This year we also asked those who had yet to implement a system what their anticipated concerns were from the same list. The biggest mismatches were “exceeding the planned budget” and “reaching agreement on file plan, taxonomy and metadata”, suggesting that in practice these are not such big problems - or that other issues arise to push them back.



**Figure 12:** The following are typical problems that can occur during the course of a records or document management implementation. Please select the TOP THREE problems that have affected your organization (please check ONLY THREE)

We also looked at user satisfaction issues. “Ease of use” once again tops the list of satisfaction factors for ECM systems with “ease of integration with other systems” pushing “ease of implementation” into third place. This emphasis on integration supports the move towards ECM as a service infrastructure underlying other business processes, and providing them with capture, workflow and archiving services. Against this need, one might question the low showing of the CMIS (Content Management Interoperability Services) standard. This almost certainly reflects its relatively recent appearance on the scene, and the extent to which it is just beginning to be supported on both the ECM vendor side, and by the ERP, CRM and BPM vendors.

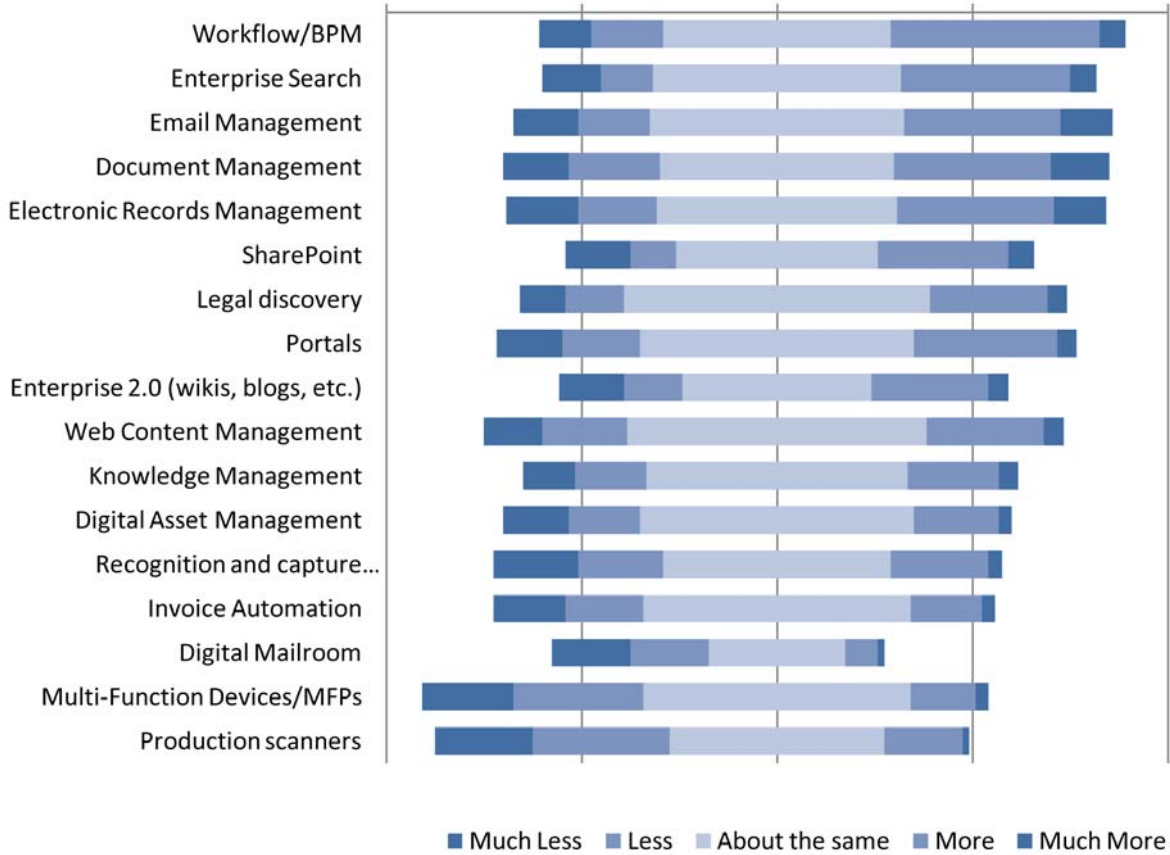
Another low showing is “Match to your type of business” which demonstrates a degree of success amongst ECM vendors in meeting high levels of domain-specific requirement from within their standard product offerings.



**Fig 13:** The following are typical aspects of ECM products that would affect your choice of new products or satisfaction with existing products. Please select the TOP THREE that you consider to be the most important:

## Levels of Spend

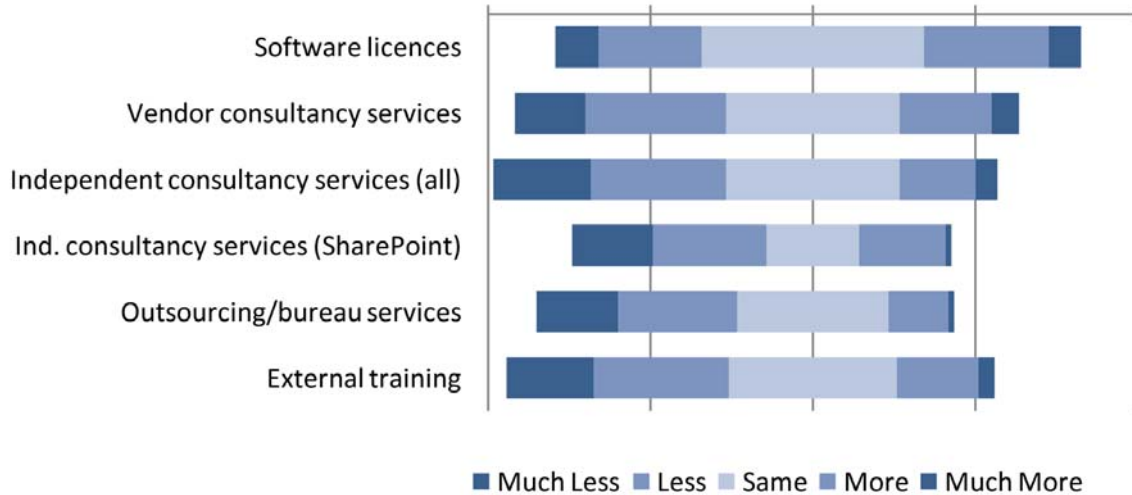
Predicting levels of spend for 2009 has to be a difficult call. Prior to this year, Gartner, for example, had published 8-12% year-on-year growth for ECM. The economic slowdown is sure to affect that, and in patchy ways across different vertical markets. Based on responses from our survey base, it would seem that licence sales in the main areas of DM and RM are set to hold steady, with the biggest falls likely in scanner hardware.



**Fig 14:** How do you think your organization's spending in 2009 on each of the following technologies will compare with what was actually spent in 2008? N=274, >10 emps, non-trade. ("We don't spend anything on this" responses indicated by shorter bar lengths.)

Vendor consulting services will be slightly less affected than independent consultancy services (see Fig 15). Despite the usual predictions that outsourcing comes to the fore in times of cost-cutting, outsourcing and bureau services show a considerable cut-back - perhaps reflecting volume-based pricing, or reductions in back-file scanning.

Another casualty of discretionary spend reduction is external training for project staff, despite the survey showing that this is the 3rd most likely reason that projects run into trouble.



**Fig 15:** How do you think your organization's ECM spending in the following areas will be in 2009 compared to 2008? N=274 > 10 emps, non-trade. ("We don't spend anything on this" responses indicated by shorter bar lengths.)

## Conclusion

ECM as a product has completed its transition from imaging, paper replacement and forms processing. It is now a pervasive infrastructure providing search, access, process, collaboration and archive capabilities for an expanding range of content types across the organization. As we have seen from this report, most organizations are far from reaching this ideal, and many are fire-fighting issues with emails, messaging and Enterprise 2.0. However, those who have achieved a degree of cross departmental integration are seeing solid returns on their investment, both in hard dollar savings from process improvement, and soft dollar benefits such as better customer service, improved compliance and better decision making.

The arrival of the major IT vendors has created the concept of ECM as an infrastructure, servicing integration with other enterprise systems as well as the more traditional document-centric processes. This in itself has created challenges of ownership between IT and the traditional records management functions with a number of "joined-up decisions" yet to be made.

The arrival of document-centric collaboration portals has raised issues of how these popular and prolific tools sit alongside or on top of the more intensive process and records management disciplines that have previously been the cornerstones of the ECM concept.

# Survey Demographics

## Survey Background

The survey was taken by 568 individual members of the AIIM community between February 16<sup>th</sup> and March 6<sup>th</sup> 2009, using a Web-based tool. Invitations to take the survey were sent via e-mail to several thousand individuals.

## Organizational Size

Survey respondents represented organizations of all sizes. The largest portion - 52% - of the survey population came from large organizations (1,000+ employees). Another 27% was comprised of medium-sized organizations (100-1,000 employees). The remaining 21% of respondents were from small organizations (1-100 employees.)

## Industry Sector

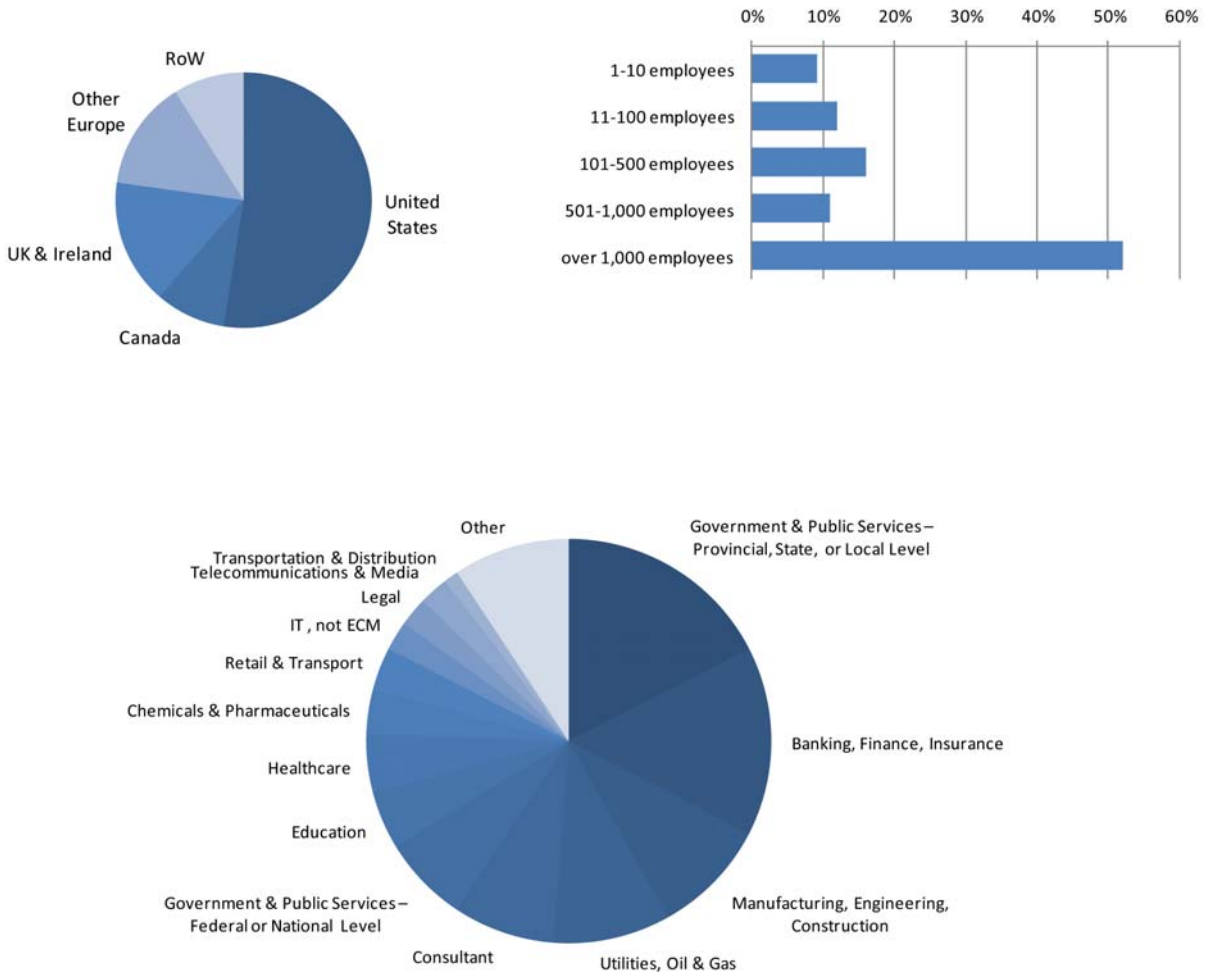
Local and national government made up 21%, the IT sector 17% and finance and insurance 13%. The remaining sectors were evenly split. IT suppliers of ECM are removed from some critical results, and from the chart below.

## Geography

US and Canada 61%, UK and Ireland 16%, mainland Europe 14%. Rest-of-world 10%.

## Job Function

37% Information or Records Management executive or staff, 25% IT executive or staff, 10% line of business, 8% CEO or equivalent.



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Allyis develops and supports technologies that help businesses operate, share information, and communicate more effectively. We specialize in building next generation solutions that drive collaboration, foster knowledge sharing, streamline processes, surface businesses insights and lead to more informed, agile decision making and business operations.

Whether developing an employee intranet to connect a dispersed workforce, designing a knowledge management strategy to surface talent and expertise, or providing content management support, Allyis leverages people and technology to make business more efficient and effective.



AIIM ([www.aiim.org](http://www.aiim.org)) is the community that provides education, research, and best practices to help organizations find, control, and optimize their information.

For over 60 years, AIIM has been the leading non-profit organization focused on helping users to understand the challenges associated with managing documents, content, records, and business processes. Today, AIIM is international in scope, independent, implementation-focused, and, as the representative of the entire ECM industry - including users, suppliers, and the channel - acts as the industry's intermediary.

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