Building a business case for ECM: tips and best-practices advice

Enterprise content management (ECM) systems can help organizations improve their processes for managing corporate documents, records and other types of unstructured data. But an ECM implementation can be a major project that requires the purchase of new technology as well as changes in business processes. In this eBook, intended for IT and content management professionals, readers will find practical advice on how to build a business case for an ECM system deployment from experienced users and industry analysts. Get tips on topics such as demonstrating ECM’s potential return on investment, and learn how your peers in other organizations have won approval – and funding – for their ECM projects.

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Building a business case for an ECM system deployment: ECM ROI drivers

By Catherine LaCroix, SearchContentManagement.com Contributor

In a survey of software users conducted by Forrester Research Inc. late last year, 53% of the 934 respondents involved in decisions about collaboration software said their organizations were either looking to install an enterprise content management (ECM) system or planning to upgrade or expand an existing one. As with other IT projects, building a business case to justify the costs and show the potential return on investment (ROI) is the first step in an ECM deployment – and that process sometimes is easier said than done.

Cathy Sparks is among the lucky ones: She said it didn’t take much effort to justify an investment in a new ECM system at the Vallejo Sanitation and Flood Control District in Vallejo, Calif., where she works as the district clerk.

Sparks joined the wastewater treatment and flood control agency in 2004, five years after it had settled a lawsuit filed by an environmental watchdog group over sewage discharges into San Francisco Bay during rainy weather. Before the settlement, finding documents requested by the plaintiff in the agency’s paper-based files sometimes took weeks, and the process of locating and forwarding them “was a huge expense,” Sparks said.

As a result of the lawsuit, the district developed a formal records retention policy and schedule governing the archiving and disposition of documents and other official records. Eventually, the agency also decided to purchase an ECM system that it began deploying last year and is continuing to roll out, with the implementation currently about 40% complete.

Demonstrating a tangible ECM ROI and business value wasn’t difficult in light of the lawsuit, according to Sparks. “When an organization is affected by a lawsuit like we were, and that potential for litigation exists and is always looming over your head, it’s a great motivator to get your house in order, so to speak,” she said.

The electronic discovery requirements that lawsuits impose on organizations often serve as Exhibit A in the process of developing an ECM business case.
“When you look at some of the lawsuits out there, things have gone terribly wrong because of how documents were managed,” said Chris Riley, senior ECM and document capture architect at consulting firm ShareSquared Inc. in Pasadena, Calif. “Bad document management can be costly for an organization.”

**Legal actions speak loudly when weighing ECM ROI**

According to Riley, e-discovery is 10 times more expensive without a proper ECM system in place than it is with one. “If you don’t have that, what you’ll likely end up doing is having employees search through all files manually, and that is time-consuming and prone to a tremendous amount of human error,” he said. “It’s a lot of work, and productivity shuts down during that process.”

Beyond the harsh realities of a lawsuit, determining a potential ECM ROI involves calculations of both hard and soft returns. Being able to show the hard-dollar benefits of an ECM system is the best way to justify its cost, said Alan Pelz-Sharpe, a principal analyst at Olney, Md.-based consulting firm Real Story Group. In many cases, he added, ECM can help an organization increase its workload without adding to the workforce – or enable it to reduce costs by cutting positions that are no longer required.

“Unfortunately, one of the hard costs is people, and a lot of ECM programs do rest on manpower costs,” Pelz-Sharpe said. “It’s an element of ECM that people don’t like to focus on. But realistically, it’s about automating processes, which means someone is being eliminated.”

Other potential hard-dollar ROI savings that can be generated by a content management system include a reduction in the use of paper, lower data storage costs and a streamlining of business processes resulting from faster access to information, said Alan Weintraub, a principal analyst at Forrester.

For example, without the aid of an ECM system, it might take a customer service representative a week or more to resolve an issue on a particular order. “If I can resolve that issue in five minutes, I can collect money faster or pay back a refund faster and take it
off the books,” Weintraub said. “Either way, the faster the transaction translates to hard ROI.”

**The softer side of ECM ROI calculations**

Soft returns typically focus on the ability of ECM systems to support better and faster decision making. For example, making information more accessible and easier to find can help empower workers to do their jobs better and increase their productivity.

“Do they have access to all the information they need to do their jobs? Lots of soft ROIs tend to be measured by productivity levels and the satisfaction levels of individuals,” Riley said. Showing that an ECM system would help employees “spend less time administering or searching for data and more time working with the data” can help demonstrate an ECM ROI, he added.

Soft benefits of that sort can be harder to define and nail down than hard ROI metrics are, especially in organizations or business units involving knowledge workers as opposed to customer service representatives and other employees in transaction-oriented operations jobs.

Pelz-Sharpe doesn’t think that trying to put such benefits into dollar terms is even worth the effort. “It’s pretty much a mythical ROI,” he said, adding that he typically advises clients to simply list potential soft benefits such as reduced redundancy and easier access to data as part of their business case for ECM.

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ECM business case requires sharp focus on end-user needs, concerns

By Catherine LaCroix, SearchContentManagement.com Contributor

A large part of building the business case for an enterprise content management (ECM) deployment involves communicating how the new system will affect the employees who use it. End users accustomed to a particular way of doing their work may not immediately grasp how an ECM system will improve their information workflow, and they may have concerns that it instead will further complicate their jobs.

For Lana Etheredge, a database administrator for the Bentonville Public Schools in Arkansas, ease of use was a major consideration in planning an ECM system, evaluating available technology and building an ECM business case within the school district. “The end user in this situation is not going to be a highly technical person, so we needed something that was going to be easy for them to learn in a short amount of time,” she said.

The school district is bringing all of its paper-based files into the ECM system for improved access. Training teachers and administrators so they’re comfortable with the system once it’s up and running is a priority, according to Etheredge. Although she’s just starting to bring the first school online, a training plan for users is already in place. “We’ll train them school by school as each school comes onto the new system,” she said.

User acceptance of an ECM system is always the ultimate measuring stick for how successful it is, said Alan Weintraub, a principal analyst at Forrester Research Inc. in Cambridge, Mass. Even the best-designed technology “is always a failed project” if it doesn’t get used, he said, adding that the best way to ensure success – and a return on investment (ROI) – on an ECM implementation is to foster early excitement about the system.

Reaching out to users in building an ECM business case

One way to gain widespread acceptance is to develop a solid user-outreach plan that provides ongoing communications to reinforce the value of the project and the expected benefits for employees, Weintraub said. The outreach effort should be followed, he advised,
by a training program that is targeted to the needs of specific users and includes online materials that users can access outside of the formal training classes to help provide them with “ongoing reinforcement.”

An IT manager at a state government organization in New York is only in the request for proposals phase of a planned ECM implementation. But he said he’s well aware that making sure his users are ready for something new is a key element of a successful business case and deployment.

The organization currently uses two separate systems for its document management and workflow processes, and only about half of its 400 users have access to both systems. The two systems also aren’t connected, resulting in duplicate documents that can cause major problems with version control and records retention, said the IT manager, who asked not to be identified.

“The new ECM system will improve our ability to support the business,” he said, noting that it will be an integrated system with universal access and the ability to expand as the organization’s needs change. But the project will require employees who have used the current systems for 10 years or more to adjust to new ways of working.

**ECM business case development includes benefits show-and-tell**

“We need to make sure that the new system is easy to understand and follow,” the IT manager said. He added that one of the existing systems gets particularly heavy use now, “so we really had to show what the benefits were to get people on board with replacing that one” as part of the process of demonstrating the potential ECM ROI.

When building an ECM business case, it’s also crucial to do an organizational risk assessment to identify potential risks to the success of an ECM deployment and develop plans for mitigating them, Weintraub said. As part of that process, IT and content managers should evaluate whether users are open to technology and business process changes.
For example, some users may be reluctant to modify the way they accomplish a certain task, even if it’s “very cumbersome,” Weintraub said. “It’s human nature to accept what they learned first and resist change.” In addition to proper training, he suggested using peer-based influence to help sell the ECM system to other users. “Create a champion in the [user] community who will be a good example of the benefits of the new system,” he said.

In addition, involving all departments that will be affected by the ECM deployment in a cross-functional project team can help drive the requirements-gathering process and the successful development of a business case for ECM, according to Weintraub. “You’ll find there’s a lot of commonality between departments that many aren’t aware of,” he said.

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Creating a business case for ECM puts priority on organizational needs

By Catherine LaCroix, SearchContentManagement.com Contributor

Planning an enterprise content management (ECM) system based on an organization’s needs is generally the best approach to building a business case for the project and ultimately achieving a successful deployment. But doing so takes a thorough analysis of existing workflows and future business requirements before any technology evaluations begin, according to experienced ECM users and industry analysts.

“We brought in people from departments throughout the organization to get their opinions and understand their requirements to get buy-in about the new system,” said an IT manager at a state government organization in New York. In addition to helping create a business case for ECM, the discussions shaped the request for proposals that the organization has now issued to ECM software vendors, added the IT manager, who asked not to be identified.

Assessing organizational needs should be one of the first steps in the development of an ECM business case, recommended Alan Weintraub, a principal analyst at Forrester Research Inc. in Cambridge, Mass. “You want to discuss the objectives of the project and the critical success factors,” he said. “Then, after you’ve defined both of those pieces, you’ve got an outline of what you want to accomplish and something that’s measurable so you’ll be able to know that you’ve succeeded.”

Weintraub added that once a business determination is made to proceed, laying out a detailed roadmap for implementing the system and associating specific requirements with ECM software features during the product evaluation process can also help organizations reach the goal of full end-user adoption.

Business case for ECM includes improved records management

Cathy Sparks, district clerk at the Vallejo Sanitation and Flood Control District in Vallejo, Calif., said the ability to revise the agency’s records retention policy and schedule to include
electronic content and emails was a key driver for the development of an ECM system that’s now being deployed. Previously, there was no reliable way to make sure that documents stored on network drives were being deleted according to the retention schedule, Sparks said.

“With the ECM system, our policy will be applied, and there will be a workflow that will flag the documents so that when it reaches the time when they’re supposed to be disposed of, each respective manager will be notified for their approval,” she said. “And then it will come to me as the records manager to do the final disposal.”

The new system will also allow Sparks to put a hold on records to prevent them from being deleted if they’re needed for legal purposes. She said that feature was particularly important to the wastewater treatment and flood control agency because of the document management lessons it learned after an environmental watchdog group filed a lawsuit in 1996 over sewage discharges into San Francisco Bay during rainy weather.

Sparks, who joined the district in 2004, said it wasn’t difficult to demonstrate the ECM system’s potential business value and return on investment (ROI). But to help make the business case for ECM, the organization had to wait “to find something in our budget that would meet our needs,” she added. That included support for both records management and document workflow within the system, so that employees could use it to collaborate with one another.

The deployment of the ECM system is currently about 40% complete, according to Sparks. The agency finally made its technology choice in early 2010 and installed the ECM software last July, followed by user training in September and October. However, Sparks and other officials then decided to seek outside consulting help to build an ECM taxonomy and implement the system to meet the district’s records management standards.

“That way, there’s little question for employees on how things should be filed,” she said. “It will also apply the records schedule so employees don’t have to worry about it.”
Document-heavy apps provide entry into business case for ECM

Chris Riley, senior ECM and document capture architect at Pasadena, Calif.-based consulting firm ShareSquared Inc., said that document-driven applications such as systems for filing quarterly reports to the U.S. Securities and Exchange Commission “tend to be an on-ramp into ECM” for companies looking to streamline workflow processes and make them more effective.

In creating a business case, he added, an organization might specify a need for an ECM system that could provide document collaboration capabilities as well as check-in and check-out controls to ensure, for example, that users are working on the correct version of a document.

Organizations developing plans for ECM systems and doing potential ECM ROI calculations also need to take into account the many different types of ECM technologies that are available, many designed with a specific vertical market or usage scenario in mind, said Alan Pelz-Sharpe, a principal analyst at Real Story Group in Olney, Md.

“Understand your specific ECM needs and try to match that with the products available out there,” Pelz-Sharpe advised. “Make sure that your shortlist actually meets your needs rather than some preconceived idea about market leaders.”

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With business case in place, ECM project management takes center stage

By Catherine LaCroix, SearchContentManagement.com Contributor

Implementing an enterprise content management (ECM) system can sometimes be even more daunting than building the business case for the project and the purchase of ECM software.

Once you’ve demonstrated an ECM business case and gotten approval and funding, ECM project management issues are the next consideration. According to Chris Riley, senior ECM and document capture architect at consulting firm ShareSquared Inc. in Pasadena, Calif., viewing an ECM deployment as primarily an IT project is a big mistake. “ECM is more than just standing up a system and letting the users fend for themselves,” he said, adding that project managers need to involve business users in the ECM implementation process.

Alan Weintraub, a principal analyst at Forrester Research Inc. in Cambridge, Mass, agrees. “Most ECM projects fail because they become more of a technology project than a people project,” Weintraub said. He cited shortcomings such as the system’s user interface not being intuitive enough or users not getting sufficient training to enable them to find the information they need in the system.

An ECM system should be designed with input from the eventual users instead of just having someone else decide what to put where, Weintraub advised. “Most successful implementations have had strong involvement by the users in the design, so that it’s not an IT design but a user design from an operability perspective,” he said, noting that enlisting “strong champions” within business units is another ECM project management best practice.

An ECM project management don’t: leaving bad processes in place

In addition, importing bad business processes into an ECM system won’t lead to the document management improvements that many organizations are hoping for. Avoiding that requires questioning users on whether an existing business process could be done better and then trying to educate business stakeholders and executive sponsors on why
revising a problematic process will help deliver on the approved business case for ECM, Riley said.

Riley also recommended that ECM technology should be implemented in discrete phases, rather than all at once on an organization-wide basis.

That’s the approach being taken on ECM system deployment by the Bentonville Public Schools in Arkansas. Lana Etheredge, a database administrator for the school district, said she plans to first bring all student records into the system – then she’ll address other areas such as human resources and accounts payable. The deployment is also being done on a school-by-school basis to help simplify the process, Etheredge said.

The records management process is another important consideration for ECM project managers. Many organizations have records management policies they have to adhere to, often based on state or federal government requirements. The types of records covered by such policies can include official documents as well as email and instant messages, and improving records retention and disposition practices may be a key part of the expected return on investment (ROI) from an ECM system.

**Records retention gets a lead role in ECM project management process**

Before the Vallejo Sanitation and Flood Control District in Vallejo, Calif., began an ongoing ECM implementation, district clerk Cathy Sparks revised the agency’s records retention policy and schedule. During the revision process, Sparks enlisted the district’s legal counsel to assist her during interviews about retention requirements and issues with managers in each department. Later, she brought in an outside consultant to help set up the new retention schedule in the ECM system.

“We also have an email policy, which states that our email is considered a paper record,” she said. “Employees are required to set up their email system as if it were a filing cabinet.”

For ongoing governance of the records management process, Sparks put together a team of key users from each department at the wastewater treatment and flood control agency. “They know the most about the records they use and keep,” she said, adding that the
governance group meets on an as-needed basis to review the retention policy and make sure that the schedule for disposing of documents is kept up to date.

An overall ECM governance board or council can help ensure that any changes to an ECM system or new projects have broad internal support and are communicated throughout an organization, Weintraub said. He added that such groups should be cross-functional, with representatives from different departments within an organization, and that they typically are “empowered to make decisions” about ECM policies and procedures.

According to the Association for Information and Image Management (AIIM), a group for ECM professionals, best practices for ongoing ECM governance also include conducting regular reviews of additional ECM functionality and its potential applicability to an organization’s users. AIIM said doing so can enable IT and content managers responsible for ECM project management to develop proposed roadmaps for expanding the capabilities of an ECM system, as part of their continuing efforts to increase the ECM ROI being generated by the technology.

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