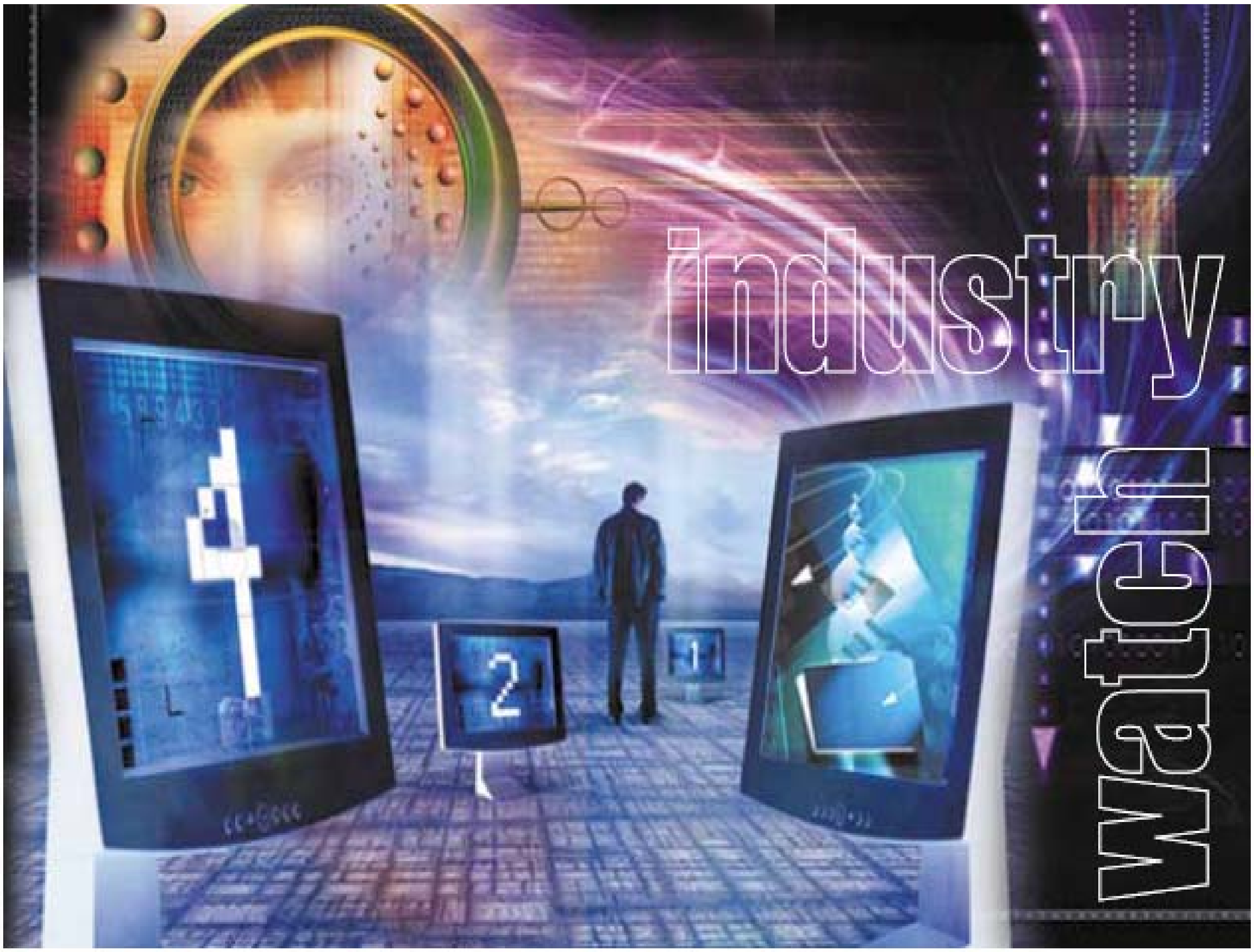
# State of the ECM Industry
## Moving from Why? To How?: The Maturing of ECM Users

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**AIIM Industry Watch Survey**

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# ABOUT THE SURVEY

## AIIM—www.aiim.org

AIIM is the international authority on Enterprise Content Management (ECM), the technologies used to capture, manage, store, preserve, and deliver content and documents related to organizational processes. ECM tools and technologies provide solutions to help users with the four C's of business: Continuity, Collaboration, Compliance, and Costs.

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.

As a neutral and unbiased source of information, AIIM serves the needs of its members and the industry by providing educational opportunities, professional development, reference and knowledge resources, networking events, and industry advocacy.

Information about AIIM can be found at www.aiim.org.

AIIM provides:

**Market Education** - AIIM provides unbiased information through its ECM Solutions Seminar (held throughout the U.S. and Canada); the Managing Information and Documents Road Show (held throughout the UK); InfoIreland (held in Dublin); AIIM Webinars; AIIM E-DOC Magazine and our online Solution Centers for financial services, healthcare, and state & local government.

**Professional Development** – AIIM's industry education road map offers business and government professionals a variety of training opportunities. Our ECM & ERM Certificate Programs provide instruction on the Why?, What?, and How? of Enterprise Content Management and Electronic Records Management via Web-based and/or classroom courses.

**Peer Networking** - Through chapters, networking groups, programs, partnerships, and the Web, AIIM creates opportunities that allow, users, suppliers, consultants, and the channel to engage and connect with one another.

**Industry Advocacy** - As an ANSI (American National Standards Institute) accredited standards development organization, AIIM acts as the voice of the ECM industry in key standards organizations, with the media, and with government decision-makers. Our *Industry Watch* research reports provide intelligent information about user trends and perceptions.

## THE AUTHOR

John Mancini has been President of AIIM since May 1996. Working together with the AIIM Board, staff, and thousands of volunteers around the world, his goal is to help AIIM connect the users and suppliers of enterprise content management (ECM) technologies and services. Prior to joining AIIM, John spent 11 years in various positions at the American Electronics Association in Washington, D.C., most recently as Executive Vice President and Chief Operating Officer. The American Electronics Association is the nation's largest technology trade group. John holds a Bachelor's degree from the College of William and Mary and a Master's degree from Princeton University.

## ABOUT THE SURVEY

Over the course of 2005 and 2006, AIIM surveyed over 1,200 end-users and potential end-users of content and document management technologies in nine countries—United States, United Kingdom (Great Britain and Northern Ireland), Ireland, Germany, Brazil, Canada, and the Benelux countries (Belgium, Netherlands, Luxemburg).

The surveys were conducted independently, in local language, and by partners via email and at the following major industry events:

- AIIM Content Management Solutions Seminars
- AIIM Information Management Expo
- AIIM InfoIreland
- DMS (Germany)

The surveys consisted of 10-15 questions. Three-quarters of the questions were consistent from survey to survey, allowing us to compare and contrast user concerns and perspectives across North America, Europe, and Australia.

1,217 respondents participated in this year's survey. Respondents came from a variety of industries, with significant representation from Manufacturing (7%); Banking, Finance, and Insurance (16%); and Government, Defense, and Public Services (27%)[1]. Variation in this industry representation across the nine countries was insignificant.

Across the entire sampling, there was a good representation of organizations of all sizes. Small organizations (1-99 employees) represented 22% of the overall sample, medium-sized organizations (100-1,000 employees) were 28%, and large organizations (over 1,000 employees) were 50%.

Similarly, there was a variety of levels of personal experience with ECM technologies. Those characterizing themselves as "looking at my first ECM project, still have a lot to learn" represented 27% of the sample; 34% were enhancing an initial system; 39% characterized themselves as "experienced—looking at a second or subsequent project."

This is the third year in which AIIM has conducted this survey on buying plans, core business drivers, and implementation challenges. While some of the countries varied from the previous 2 years, the core demographics (in terms of industry segment, size, and experience) were remarkably similar for all three surveys.

[1] Throughout this document, the term "organizations" is used to refer to all private, public, non-commercial, and other entities conducting business.

**Survey Demographics: Countries Sampled**

| | GER | UK | IRE | US | BENE | AUS | BRAZ | CAN | | ALL |
|---|---|---|---|---|---|---|---|---|---|---|
| 2003-2004 | 11% | 28% | 7% | 31% | 0% | 0% | 21% | 3% | | 1,842 |
| 2004-2005 | 9% | 28% | 2% | 48% | 8% | 5% | 0% | 0% | | 1,207 |
| 2005-2006 | 5% | 23% | 3% | 43% | 9% | 2% | 10% | 3% | 2% | 1,217 |

**Survey Demographics: Industry Distribution**

| In which industry sector does your organization operate? | 2003-2004 | 2004-2005 | 2005-2006 |
|---|---|---|---|
| Government (Local and Federal), Defense & Public Services | 23% | 28% | 27% |
| Banking, Finance & Insurance | 12% | 13% | 16% |
| IT Industry | 10% | 9% | 5% |
| Manufacturing | 7% | 5% | 7% |
| Education, Schools, Colleges, R&D | 6% | 4% | 4% |
| Healthcare | 5% | 5% | 6% |
| Professional Practices - Legal, Accounting, Consultants | 4% | 9% | 6% |
| Architecture, Engineering & Construction | 4% | 2% | 3% |
| Utilities, Oil & Gas | 3% | 3% | 6% |
| Service Industries, Charities, Estate Agencies | 3% | 4% | 2% |
| Telecommunications, Postal Services & Media | 3% | 4% | 2% |
| Chemicals & Pharmaceuticals, Minerals, Plastics & Metals | 2% | 2% | 3% |
| Transportation, Distribution, Logistics | 2% | 3% | 2% |
| Retail, Hotel & Catering | 1% | 1% | 1% |
| Wholesale | 0% | 1% | 0% |
| Other | 14% | 6% | 5% |

**Survey Demographics: Organizational Size**

| How many employees are there in your organization? | 2003-2004 | 2004-2005 | 2005-2006 |
|---|---|---|---|
| Small (1-99 employees) | 28% | 30% | 22% |
| Medium (100-1,000 employees) | 29% | 28% | 28% |
| Large (over 1,000 employees) | 43% | 42% | 50% |

**Survey Demographics: Participant Experience with ECM**

| What is your personal level of experience with information and content technologies? | 2003-2004 | 2004-2005 | 2005-2006 |
|---|---|---|---|
| Looking at first project -- still a lot to learn | 34% | 35% | 27% |
| Enhancing initial system -- with limited experience | 19% | 20% | 34% |
| Looking at 2nd or subsequent projects -- experienced | 47% | 45% | 39% |

# EXECUTIVE SUMMARY

**Key Finding #1: Do Documents Really Matter?**

- Over the past five years end users have moved from a passing and largely tactical interest in the management of documents to considering this a strategic priority.

**Key Finding #2: Why Are End Users Looking at ECM Technologies?**

- In thinking about ECM technologies, improving efficiency and productivity is clearly the top business driver across geographies, roles, and organizational size. Moving beyond efficiency and productivity, what drives interest in ECM is largely dependent upon geography, job function, and how many employees are in the organization. This is particularly true relative to risk-related reasons for considering ECM technologies (compliance, business continuity).

**Key Finding #3: What Obstacles Stand in the Way of Implementing ECM Technologies?**

- End users appear to understand "why" they should manage their documents more effectively. The missing link in greatly expanding the adoption rate of ECM technologies is assistance in understanding "how" they should do it.

**Key Finding #4: What Projects and Applications Are Under Active Consideration by End Users?**

- Across geographies, there is a great deal of consistency in the types of projects under consideration by end users, with the top three being document control, records management/archiving, and email management. There is clearly a greater interest in process automation as organizational experience with ECM increases, particularly among large organizations, reflecting a clear bridge between ECM and BPM technologies.

**Key Finding #5: How Much Do End Users Really Understand *Key* ECM Standards?**

- Consensus standards development processes (ANSI, ISO) continue to be important to organizations and fairly well-understood, with a significant drop off in understanding for other organizations. XML, .NET and web service based (SOAP) standards are best understood by end users, pointing to the emerging importance of SOA (Service Oriented Architecture) and interoperability (as reflected in AIIM's iECM project) as a vehicle to unify business processes.

**Key Finding #6: What's the Bottom Line in Terms of Planned Spending on These Technologies?**

- As reflected in past studies, the market for ECM technologies has divided into two parts: 1) a set of large organization customers with a fair degree of document experience, who are focused on leveraging and integrating their existing (and often substantial) ECM investments and are driven by process improvement and/or compliance concerns; and 2) an ever-increasing number of mid-sized customers who are looking for solutions at a significantly lower price tag and have risk management and business continuity concerns that are much more pressing than those at larger organizations.

# KEY FINDING #1

*Over the past five years end users have moved from a passing and largely tactical interest in the management of documents to considering this a strategic priority.*

The ECM industry has spent a great deal of time and marketing money over the past decade trying to convince end users about the importance of more effectively managing their documents and content. The good news is that the data in this year's survey reinforces the conclusions of previous *Industry Watch* surveys: "End users get it."

**Table 1: Do Documents Really Matter?**

| | How important is the management of documents to your organization's strategic goals? | How has the importance of documents changed over the past 2 years? | How important is the process of managing electronic information relative to future litigation? | How confident are you that if challenged you could demonstrate the integrity of electronic information? |
|---|---|---|---|---|
| Extremely important | 58% | | | |
| Important | 31% | | | |
| Somewhat important | 9% | | | |
| Not very important | 1% | | | |
| Not important at all | 0.3% | | | |
| | | | | |
| More important | | 70% | | |
| Equally important | | 28% | | |
| Less important | | 2% | | |
| | | | | |
| Extremely important | | | 46% | |
| Quite important | | | 25% | |
| Important | | | 17% | |
| Somewhat important | | | 10% | |
| Not important | | | 2% | |
| | | | | |
| Very confident | | | | 12% |
| Quite confident | | | | 23% |
| Confident | | | | 28% |
| Slightly confident | | | | 22% |
| Not confident at all | | | | 12% |

Over 89% of those surveyed believe that the management of documents is "important to their organization's strategic goals," and 70% believe that this importance has grown over the past two years. The survey question was intentionally worded to link document importance to *strategic* *business goals* rather than to a less challenging proposition (i.e., specific document-intensive processes). The response from end users clearly indicates that they understand this higher level link. In many ways, this illustrates the reasons for the change in the perception of end users about the role of ECM technologies in their organizations, with nearly 90% of users now viewing these technologies as a core piece of their IT infrastructure.

The survey also reveals that organizations (especially in litigation-sensitive countries) understand the link between the management of electronic information and their potential vulnerability in litigation. 88% of end users believe that the process by which they manage their electronic information will be important in some future litigation, and 71% believe this process will be "extremely" or "quite" important. Even though end users understand the importance of managing electronic information, most are not very confident in the efforts of their own organization to manage this information. 34% have very little confidence in their ability to demonstrate the timeliness, accuracy, and validity of their electronic information.

These results are largely independent of the geography, role, or organizational size of the survey respondent.

# KEY FINDING #2

*In thinking about ECM technologies, improving efficiency and productivity is clearly the top business driver across geographies, roles, and organizational size. Moving beyond efficiency and productivity, what drives interest in ECM is largely dependent upon geography, job function, and how many employees are in the organization. This is particularly true relative to risk-related reasons for considering ECM technologies (compliance, business continuity).*

Across every country, the primary business driver for ECM technologies is "increasing efficiency and productivity". When coupled with the results later in this survey, the top two project interests are document control and records management/archiving—this may at first seem to be inconsistent with the ranking of "compliance" as a key business driver.

We believe the reason for this is that "compliance" has become shorthand for a relatively narrow list of concerns, focused specifically on such measures as Sarbanes-Oxley and HIPAA. A broader understanding of compliance—taking a of view what compliance really means is the management of key information processes within a set of measurable parameters and tolerances—is consistent with the high rankings given "improving efficiency" as a key business driver and document control and RM/archiving as top project priorities.

**Table 2: Why Are End Users Looking at ECM Technologies?**

| What is the most significant business driver behind your current interests? | BRAZ | CAN | GER | UK | IRE | US | Benelux | ALL |
|---|---|---|---|---|---|---|---|---|
| **COST-DRIVEN USERS** | 38% | 43% | 52% | 48% | 48% | 43% | 42% | 44% |
| Improve efficiency | 21% | 28% | 23% | 26% | 27% | 26% | 28% | 26% |
| Reduce costs | 6% | 5% | 22% | 6% | 5% | 9% | 6% | 7% |
| Increased profits, improved performance | 11% | 10% | 7% | 16% | 16% | 8% | 8% | 11% |
| **CUSTOMER-DRIVEN USERS** | 49% | 18% | 38% | 27% | 32% | 25% | 45% | 30% |
| Better customer service | 23% | 8% | 11% | 10% | 22% | 12% | 21% | 13% |
| Leadership, competitive advantage | 18% | 5% | 8% | 16% | 5% | 7% | 18% | 12% |
| Faster turnaround, improved response | 8% | 5% | 19% | 1% | 5% | 6% | 6% | 5% |
| **RISK-DRIVEN USERS** | 14% | 39% | 10% | 25% | 20% | 32% | 13% | 26% |
| Compliance | 8% | 13% | 3% | 17% | 16% | 22% | 8% | 17% |
| Risk Management / business continuity | 6% | 26% | 7% | 8% | 4% | 10% | 5% | 9% |

Perhaps consistent with the narrow interpretation most end users give to the term "compliance," it is interesting to note the much higher ranking given compliance in Anglo-Saxon countries (US, UK, Canada, Ireland) than in the rest of the countries in the sample.

In the table below, it is interesting to note that although compliance has surged as a key business driver as the volume of litigation and regulation has grown; there has been a high degree of consistency across the 3 survey years in terms of business drivers. For solution providers looking to sell into this market, it is clear that it is not enough to talk only about compliance, even in the U.S. market. The bottom line across the past three years is that cost-driven reasons for considering ECM technologies continue to dominate. Just as the perception of ECM technologies has changed from a departmental focus to an enterprise/infrastructure focus, the importance of simple cost reduction has diminished relative to higher order value propositions such as "improving efficiency" and "increasing profits."

| What is the most significant business driver behind your current interests? | 2003-2004 | 2004-2005 | 2005-2006 |
|---|---|---|---|
| **COST-DRIVEN USERS** | 56% | 45% | 44% |
| Improve efficiency | 32% | 26% | 26% |
| Reduce costs | 17% | 11% | 7% |
| Increased profits, better performance | 7% | 8% | 11% |
| **CUSTOMER-DRIVEN USERS** | 29% | 31% | 30% |
| Better customer service | 16% | 15% | 13% |
| Leadership, competitive advantage | 7% | 8% | 12% |
| Faster turnaround, improved response | 6% | 8% | 5% |
| **RISK-DRIVEN USERS** | 15% | 24% | 26% |
| Compliance | 11% | 19% | 17% |
| Risk management/Business continuity | 4% | 5% | 9% |

There are a couple of clear messages in thinking about business drivers from the perspective of organization size. As one would expect, sensitivity to compliance as a key business driver increases with the size of the organization. Small companies will be much more responsive to marketing campaigns focused on the ability of ECM technologies to leapfrog competitors in the marketplace ("leadership, competitive advantage") than will larger organizations.

| | Organization Size | | |
|---|---|---|---|
| What is the most significant business driver behind your current interests? | Large | Mid | Small |
| Improve efficiency | 27% | 27% | 22% |
| Reduce costs | 8% | 9% | 5% |
| Increased profits, better performance | 10% | 9% | 16% |
| Better customer service | 13% | 15% | 14% |
| Leadership, competitive advantage | 9% | 11% | 21% |
| Faster turnaround, improved response | 4% | 5% | 5% |
| Compliance | 20% | 15% | 13% |
| Risk management/Business continuity | 9% | 9% | 5% |

One can see the same dichotomy between compliance and competitive advantage in looking at the results grouped by organizational role. Records and document practitioners have the greatest concerns about compliance, registering compliance over 2.5 times as often as a key business driver as senior line and organizational executives. (This perhaps also illustrates the need for continuing education among senior executives about their responsibilities relative to compliance.) RM and DM practitioners are also worried about risk management and business continuity and see ECM technologies as directly related to these business challenges (more so in the U.S., likely as a result of the impact of Hurricanes Katrina and Rita).

| | Organization Role | | |
|---|---|---|---|
| What is the most significant business driver behind your current interests? | IT Manager or Executive | Line of Business, Process Owner, or President | RM or DM Practitioner |
| Improve efficiency | 27% | 22% | 24% |
| Reduce costs | 7% | 7% | 6% |
| Increased profits, better performance | 13% | 11% | 9% |
| Better customer service | 13% | 13% | 12% |
| Leadership, competitive advantage | 12% | 23% | 9% |
| Faster turnaround, improved response | 6% | 5% | 3% |
| Compliance | 16% | 10% | 24% |
| Risk management/Business continuity | 6% | 9% | 13% |

Lastly, a look at the business drivers across some key vertical industries (independent of country) highlights some interesting messages for ECM marketers. Government end users (especially state, local and provincial), see ECM technologies clearly as a vehicle to stretch budget dollars, satisfy constituent demands, and stay out of trouble with the courts (and perhaps the newspapers). Manufacturing end users, conscious of increasing competition, focus on the potential of ECM technologies to improve performance. The business drivers perceived by potential healthcare end users reflect the HIPAA concerns and challenges facing most healthcare organizations.

| | Selected Vertical Industries | | | | |
|---|---|---|---|---|---|
| What is the most significant business driver behind your current interests? | State, Local, Provincial Government | Banking, Finance, Insurance | Federal or National Government | Manufac-turing | Healthcare |
| Improve efficiency | 32% | 28% | 34% | 22% | 17% |
| Reduce costs | 6% | 10% | 4% | 9% | 8% |
| Increased profits, better performance | 3% | 10% | 2% | 24% | 7% |
| Better customer service | 28% | 10% | 17% | 6% | 14% |
| Leadership, competitive advantage | 1% | 11% | 7% | 15% | 12% |
| Faster turnaround, improved response | 4% | 6% | 6% | 3% | 7% |
| Compliance | 19% | 15% | 23% | 17% | 27% |
| Risk management/Business continuity | 7% | 10% | 7% | 4% | 8% |

# KEY FINDING #3

*End users appear to understand "why" they should manage their documents more effectively. The missing link in greatly expanding the adoption rate of ECM technologies is assistance in understanding "how" they should do it.*

The previous two sections largely illustrate that end users are aware that they need to manage their documents and electronic information more effectively and understand the link between ECM technologies and such fundamental business drivers as improving efficiency and productivity and compliance.

AIIM believes that these findings and those from other surveys (as well as anecdotal evidence at our US and UK user road shows) indicates that most end users understand the "why?" of ECM technologies. A close look at the obstacles they see relative to deployment illustrates that they are struggling with the "what?" and "how?" issues related to ECM technologies. The new AIIM ECM and ERM certificate programs focus on helping end users move across this chasm and determine the best way to implement ECM technologies (see www.aiim.org/education/erm.asp and www.aiim.org/education/ecm.asp for details).

In all countries except Germany and the Benelux countries, the most challenging aspects of information management for end users center on change management and justifying the investment. Across all the countries surveyed, "justifying the investment" has become a much more important obstacle over the three years we have conducted the survey.

**Table 3: What Obstacles Stand in the Way of Implementing ECM Technologies?**

| What is the most challenging aspect of information management in your organization? | BRAZ | CAN | GER | UK | IRE | US | Benelux | ALL |
|---|---|---|---|---|---|---|---|---|
| Planning/Managing implementation, change management | 30% | 25% | 24% | 23% | 32% | 29% | 26% | 27% |
| Justifying the investment, executive commitment | 34% | 28% | 13% | 34% | 21% | 30% | 20% | 30% |
| Getting employee commitment | 16% | 19% | 25% | 18% | 18% | 13% | 22% | 17% |
| Understanding/specifying requirements | 10% | 17% | 12% | 13% | 12% | 14% | 10% | 13% |
| Content control, data migration, classification | 8% | 8% | 17% | 11% | 12% | 12% | 17% | 12% |
| Selecting products, suppliers | 2% | 3% | 10% | 1% | 6% | 2% | 4% | 2% |

| What is the most challenging aspect of information management in your organization? | 2003-2004 | 2004-2005 | 2005-2006 |
|---|---|---|---|
| Planning/Managing implementation, change management | 32% | 15% | 27% |
| Justifying the investment, executive commitment | 21% | 28% | 30% |
| Getting employee commitment | 20% | 23% | 17% |
| Understanding/specifying requirements | 10% | 16% | 13% |
| Content control, data migration, classification | 9% | 12% | 12% |
| Selecting products, suppliers | 7% | 6% | 2% |

The obstacles perceived by end users do vary slightly by size of company. Both large and small organizations see justifying the investment and gaining executive commitment as the most important obstacle to be overcome in considering information management solutions. Mid-sized organizations are relatively more aware of the change management and employee concerns associated with deploying ECM solutions.

| | Organization Size | | |
|---|---|---|---|
| What is the most challenging aspect of information management in your organization? | Large | Mid | Small |
| Planning/Managing implementation, change management | 28% | 29% | 21% |
| Justifying the investment, executive commitment | 33% | 26% | 28% |
| Getting employee commitment | 15% | 19% | 16% |
| Understanding/specifying requirements | 12% | 10% | 17% |
| Content control, data migration, classification | 11% | 13% | 13% |
| Selecting products, suppliers | 1% | 2% | 5% |

# KEY FINDING #4

*Across geographies, there is a great deal of consistency in the types of projects under consideration by end users, with the top three being document control, records management/archiving, and email management. There is clearly a greater interest in process automation as organizational experience with ECM increases, particularly among large organizations, reflecting a clear bridge between ECM and BPM technologies.*

In the survey, end users were given a list of twenty-two potential business applications involving ECM technologies, and were asked to highlight those of interest over the next twelve to eighteen months. In the table below, we have highlighted for each country those applications in the "top 5" with green shading, and those that ranked at the bottom in orange. There is a great deal of commonality across countries in the "top 3" projects highlighted: document control, records management/archiving, and email management. Collaborative commerce and supply chain management were consistent at the bottom of the list in project priorities over the next twelve to eighteen months.

**Table 4: What Projects and Applications Are Under Active Consideration by End Users?**

Indicates those applications in "top 5" (green)

Indicates those applications in "bottom 5" (orange)

| Please indicate what project interests your organization has over the next 12-18 months: | BRAZ | CAN | GER | UK | IRE | US | Benelux | ALL |
|---|---|---|---|---|---|---|---|---|
| Accounting | 12 | 16 | 5 | 14 | 15 | 13 | 13 | 14 |
| Accounts Payable | 17 | 13 | 12 | 17 | 16 | 14 | 21 | 16 |
| Business Cont/Risk Mgmt | 13 | 5 | 14 | 8 | 3 | 5 | 6 | 6 |
| Case Management | 20 | 19 | 15 | 15 | 17 | 16 | 15 | 17 |
| Claims Processing | 14 | 21 | 17 | 22 | 18 | 19 | 18 | 19 |
| Collaborative Commerce | 22 | 17 | 18 | 20 | 22 | 20 | 20 | 21 |
| Customer Service | 5 | 12 | 3 | 6 | 7 | 12 | 4 | 8 |
| Document Control | 1 | 2 | 1 | 1 | 1 | 2 | 1 | 1 |
| E-Government | 15 | 18 | 19 | 9 | 13 | 17 | 12 | 13 |
| Email Management | 10 | 3 | 4 | 3 | 5 | 3 | 2 | 3 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| ERP | 16 | 20 | 6 | 19 | 19 | 22 | 17 | 20 |
| Forms Handling | 9 | 9 | 10 | 12 | 6 | 10 | 5 | 12 |
| HR Management | 11 | 14 | 16 | 16 | 14 | 15 | 14 | 15 |
| Information Capture | 6 | 4 | 2 | 4 | 4 | 4 | 16 | 4 |
| Library and KM | 7 | 6 | 20 | 5 | 8 | 11 | 10 | 7 |
| Process Automation | 3 | 7 | 7 | 13 | 9 | 6 | 9 | 5 |
| RM/Archiving | 2 | 1 | 9 | 2 | 2 | 1 | 3 | 2 |
| Statutory & Reg Compliance | 19 | 8 | 13 | 7 | 10 | 8 | 7 | 11 |
| Supply Chain Management | 21 | 22 | 22 | 21 | 20 | 21 | 22 | 22 |
| Technical Doc Management | 4 | 11 | 8 | 11 | 12 | 9 | 11 | 10 |
| Transaction Processing | 18 | 15 | 21 | 18 | 21 | 18 | 19 | 18 |
| Web Publishing | 8 | 10 | 11 | 10 | 11 | 7 | 8 | 9 |

Indicates those applications in "top 5"

Indicates those applications in "bottom 5"

A couple of interesting data points stand out from the chart:

- The overall relatively high ranking given library and knowledge management in most countries (especially given the overall anecdotal view that usually accompanies knowledge management).
- The particularly low ranking given library and KM in Germany compared to the other countries.
- The relatively low ranking given to risk management/business continuity projects and RM/archiving projects by German end users; conversely, the high ranking given to ERP projects.
- Two application areas showed particularly dramatic change over their 2004-2005 rankings: process automation applications climbed from #10 in 2004-2005 to #5 overall this year and business continuity and risk management projects climbed from #13 in 2004-2005 to #6 this year.

**Table 5: Where is the initial scanning done in your organization?**

| | Organization Size | | | Organization ECM Experience | | | |
|---|---|---|---|---|---|---|---|
| Please indicate what project interests your organization has over the next 12-18 months: | Large | Mid | Small | High | Med | Low | ALL |
| Accounting | 17 | 14 | 8 | 15 | 14 | 11 | 14 |
| Accounts Payable | 16 | 16 | 15 | 17 | 17 | 15 | 16 |
| Business Cont/Risk Mgmt | 6 | 4 | 11 | 6 | 5 | 7 | 6 |
| Case Management | 15 | 17 | 14 | 16 | 15 | 18 | 17 |
| Claims Processing | 19 | 20 | 19 | 19 | 18 | 19 | 19 |
| Collaborative Commerce | 20 | 21 | 20 | 21 | 20 | 21 | 21 |
| Customer Service | 12 | 7 | 5 | 10 | 9 | 5 | 8 |
| Document Control | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| E-Government | 13 | 13 | 17 | 13 | 13 | 14 | 13 |
| Email Management | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| ERP | 21 | 19 | 21 | 20 | 19 | 20 | 20 |
| Forms Handling | 11 | 11 | 12 | 12 | 11 | 13 | 12 |
| HR Management | 14 | 15 | 16 | 14 | 16 | 17 | 15 |
| Information Capture | 4 | 5 | 4 | 4 | 4 | 4 | 4 |
| Library and KM | 9 | 8 | 6 | 8 | 6 | 8 | 7 |
| Process Automation | 5 | 6 | 9 | 5 | 8 | 6 | 5 |
| RM/Archiving | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Statutory & Reg Compliance | 8 | 9 | 13 | 9 | 10 | 12 | 11 |
| Supply Chain Management | 22 | 22 | 22 | 22 | 22 | 22 | 22 |
| Technical Doc Management | 10 | 12 | 7 | 7 | 12 | 10 | 10 |
| Transaction Processing | 18 | 18 | 18 | 18 | 21 | 16 | 18 |
| Web Publishing | 7 | 10 | 10 | 11 | 7 | 9 | 9 |

Indicates those applications in "top 5"

A final cut of the survey results, looking only at those relatively far along the ECM implementation curve (those who either identify their organizations as "well on the way to developing/implementing an overall organization strategy for content/information management" or "deploying and implementing an enterprise scale capability") and grouping the results by organization size yields some interesting trends.

Among both large and mid-sized organizations who are well into content and document projects, the "top three" projects for the next twelve to eighteen months are the same: document control, records management/archiving, and email management. The next five priority application areas in each case are quite different and point to the different perspectives of users from mid-sized organizations vs. large organizations.

For mid-sized organizations with extensive ECM experience, the next five project areas are

#4: Business Continuity/Risk Management

#5: Library and KM

#6: Customer Service

#7: Information Capture

#8: Forms Handling

For large organizations with extensive ECM experience, the next five project areas are

#4: Process Automation

#5: Information Capture

#6: Statutory & Regulatory Compliance

#7: Web Publishing

#8: Technical Document Management

This data suggests some conclusions that are supported by anecdotal evidence gathered from conversations with mid-sized and large organization end users:

1. Mid-sized organizations are still in the early stages of their business continuity plans. They likely are particularly aware of their vulnerability given recent natural disasters.
2. Capture is hot and high on the priority lists of both mid-sized and large organizations. This perhaps explains the relatively high valuation given by EMC to Captiva during its recent acquisition.
3. Sophisticated end users in large companies rank process automation projects immediately after the "top 3." This suggests a strong bridge between the BPM and ECM worlds among those who are relatively far along the ECM implementation curve.

# KEY FINDING #5

*Consensus standards development processes (ANSI, ISO) continue to be important to organizations and fairly well-understood, with a significant drop off in understanding for other organizations. XML, .NET and web service based (SOAP) standards are best understood by end users, pointing to the emerging importance of SOA (Service Oriented Architecture) and interoperability (as reflected in AIIM's iECM project) as a vehicle to unify business processes.*

End users have a fairly clear idea of the value they expect to get from industry standards. First, 42% see standards as a way to "unify business practices" (half of those with significant ECM experience anticipate this value from standards). This is followed closely by a desire to use standards to leverage their IT skill set (38%) and increase the value of their technology investment (37%).

**Table 5: How Much Do End Users Really Understand Key ECM Standards?**

| | Organization Role | | | Organization ECM Experience | | | |
|---|---|---|---|---|---|---|---|
| Which of the benefits from openly approved standards have you or your organization experienced directly? | IT Manager or Executive | Line of Business, Process Owner, or President | RM or DM Practitioner | High | Med | Low | ALL |
| Decreases total cost of ownership (TCO) | 41% | 40% | 25% | 38% | 30% | 29% | 32% |
| Increases the # of product choices or alternatives | 29% | 18% | 26% | 28% | 28% | 23% | 27% |
| Unifies business practices | 39% | 32% | 46% | 50% | 37% | 40% | 42% |
| Increases chance of mgmt approving projects | 19% | 26% | 27% | 23% | 23% | 24% | 23% |
| Reduces project risk | 34% | 35% | 35% | 35% | 31% | 36% | 33% |
| Increases the value of our technology investment | 34% | 32% | 41% | 42% | 40% | 24% | 37% |
| Leverages our IT skill set | 45% | 35% | 31% | 43% | 38% | 29% | 38% |

Consensus standards organizations (groups like ANSI and ISO) are relatively well-understood and valued by end users. Only 19% of end users are familiar with W3C and 10% are familiar with OASIS, two groups that are fairly well-known in the broader IT community.

| How familiar are you with the following standards development organizations? | Very familiar with them | Somewhat familiar with them | Never heard of them |
|---|---|---|---|
| W3C | 19% | 27% | 53% |
| OMG | 6% | 14% | 80% |
| NISO | 5% | 16% | 79% |
| ISO | 56% | 36% | 8% |
| ANSI | 43% | 41% | 15% |
| OASIS | 10% | 23% | 67% |
| INCITS | 0% | 4% | 96% |

| | | | |
|---|---|---|---|
| IETF | 5% | 9% | 87% |
| ASTM | 11% | 14% | 75% |
| HL7 | 3% | 7% | 90% |

XML, .NET and web service based (SOAP) standards are best understood by end users, pointing to the emerging importance of SOA (Service Oriented Architecture) and interoperability (as reflected in AIIM's iECM project) as a vehicle to unify business processes.

| How familiar are you with the following industry standards? | Very familiar with them | Somewhat familiar with them | Never heard of them |
|---|---|---|---|
| XML | 49% | 43% | 9% |
| .NET | 42% | 46% | 12% |
| SOAP | 21% | 35% | 44% |
| UDDI | 9% | 18% | 73% |
| ebXML | 5% | 21% | 73% |
| J2EE | 29% | 32% | 39% |
| JCP | 5% | 18% | 76% |
| CORBA | 10% | 38% | 52% |
| XPDL | 3% | 15% | 81% |

As would be expected, IT executives are more familiar with industry standards than other industry executives. It is surprising that RM and DM practitioners appear to be even less acquainted with industry standards than line of business and senior executives.

| How familiar are you with the following industry standards?<br><br>% indicating VERY FAMILIAR | IT Manager or Executive | Line of Business, Process Owner, or President | RM or DM Practitioner |
|---|---|---|---|
| XML | 64% | 36% | 40% |
| .NET | 55% | 35% | 33% |
| SOAP | 32% | 20% | 13% |
| UDDI | 18% | 10% | 3% |
| ebXML | 3% | 12% | 4% |
| J2EE | 46% | 26% | 16% |
| JCP | 10% | 4% | 2% |
| CORBA | 18% | 14% | 5% |
| XPDL | 2% | 6% | 3% |

# KEY FINDING #6

*As reflected in past studies, the market for ECM technologies has divided into two parts:*
*1) a set of large organization customers with a fair degree of document experience, who are focused on leveraging and integrating their existing (and often substantial) ECM investments and are driven by process improvement and/or compliance concerns; and*
*2) an ever-increasing number of mid-sized customers who are looking for solutions at a significantly lower price tag and have risk management and business continuity concerns that are much more pressing than those at larger organizations.*

The 19% of end users who cite ECM spending plans in excess of $1 million over the next twelve to eighteen months are comparable to the totals reported in 2004-2005 (19%) and 2003-2004 (17%). It is clear that the "sweet spot" for ECM solutions is significantly different for mid-sized organizations than it is for large organizations. Mid-sized organizations typically anticipate solutions that will cost between $100,000 and $500,000, far different from that expected by large organizations.

**Table 6: What's the Bottom Line in Terms of Planned Spending on These Technologies?**

| | Organization Size | | | Organization ECM Experience | | | |
|---|---|---|---|---|---|---|---|
| Please indicate plans to spend these technologies over the next 12-18 months: | Large | Mid | Small | High | Med | Low | ALL |
| <$100,000 | 14% | 39% | 78% | 27% | 29% | 65% | 36% |
| $100,000-$200,000 | 14% | 18% | 9% | 11% | 17% | 12% | 14% |
| $200,000-$500,000 | 26% | 26% | 10% | 26% | 25% | 9% | 22% |
| $500,000-$1,000,000 | 13% | 10% | 1% | 10% | 10% | 6% | 9% |
| >$1,000,000 | 34% | 7% | 2% | 25% | 19% | 7% | 19% |

Within vertical markets (and focusing only on large organizations), it is clear that anticipated spending levels are significantly lower for state and local end users than for other key verticals.

| | Selected vertical industries<br>Large organizations only (>1,000 employees) | | | | |
|---|---|---|---|---|---|
| Please indicate plans to spend on these technologies over the next 12-18 months: | State, Local, Provincial Government | Banking, Finance, Insurance | Federal or National Government | Manufacturing | Healthcare |
| <$100,000 | 19% | 5% | 3% | 20% | 26% |
| $100,000-$200,000 | 14% | 10% | 19% | 14% | 11% |
| $200,000-$500,000 | 41% | 15% | 19% | 20% | 30% |
| $500,000-$1,000,000 | 11% | 17% | 13% | 14% | 4% |
| >$1,000,000 | 16% | 53% | 47% | 32% | 30% |

Lastly, when it comes to who has the major role in approving ECM purchases, lead purchasing authority varies significantly by organization size. Larger organizations tend to rely on senior IT staff in reaching decisions on ECM technologies. This influences declines with mid-sized organizations and even more with small organizations. The same trend is true to a lesser degree in terms of the buying influence of RM and DM practitioners. As would be expected, smaller organizations tend to rely on the President or CEO to make final purchase decisions regarding ECM technologies.

| | Organization Size | | | |
|---|---|---|---|---|
| Which of the following is most critical in your organization in making decisions about ECM technologies? | Large | Mid | Small | ALL |
| CFO/Finance Director | 8% | 8% | 11% | 8% |
| CIO or Head of IT Department | 50% | 41% | 23% | 42% |
| Head of Finance/Accounting Department | 3% | 5% | 2% | 3% |
| Head of Marketing Department | 1% | 0% | 1% | 1% |
| Head of Sales Department | 0% | 0% | 0% | 0% |
| President or CEO | 20% | 32% | 51% | 30% |
| Records or Document Management Professional | 18% | 14% | 12% | 15% |

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