



Mind the Gap on Your Digital Transformation Journey

Making Content Work for Your Organisation

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ANALYZE THE FUTURE

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Executive Summary

Digital Transformation is the process by which enterprises adapt to or drive disruptive changes in their operations, customers and markets

- Many organisations are scaling initial Digital Transformation programmes to enterprise-wide, integrated initiatives - IDC calls this the era of *multiplied innovation* – **but 54% of organisations are still struggling with Digital Transformation**

To scale efficiently and effectively, companies must reengineer content-centric business processes

- Customer experience and employee experience are top objectives for transforming these processes
- However, **over half have not progressed beyond digital versions of manual, paper-based workflows**

Paper still plays a key role

- **32% of all documents used each day are paper versus an electronic format**
- Paper is perceived as being more secure and/or compliant. Lack of tools and technology to effectively digitise and re-engineer processes also hinders progress

Organisations can take immediate, low-cost steps to reengineer workflows

- **Begin by evaluating existing content-centric workflows and technologies.** This is crucial for determining where and how workflow automation could achieve a measurable return on investment (ROI).
- Identify use cases with high levels of inefficiencies and stakeholder pain points and then develop a strategy to address those pain points
- This requires senior-level commitment – **56% say that the CEO plays the large role in decision making**

Respondents expect the number of fully digitised workflows to **increase by 32% in two years**

Entering the Age of Multiplied Innovation

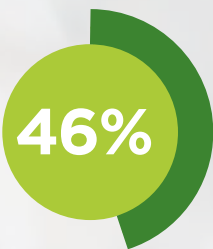
Digital Transformation is the continuous process by which enterprises adapt to or drive disruptive changes in their operations, customers and markets.

Many organisations are scaling their initial pilot and/or siloed digital transformation programmes to enterprise-wide, integrated initiatives. **IDC calls this the era of multiplied innovation.**

IDC predicts that worldwide spending on the technologies and services that enable the digital transformation of business practices, products, and organisations will reach

£1.53 TRILLION IN 2022
AT A COMPOUND ANNUAL GROWTH RATE OF 16.7%

A Divide Exists Between Digitally Transforming Organisations and Those That Are Struggling



Digitally Determined

Making the strategic, organisational, technological, and financial decisions that set them up to digitally transform their organisation.

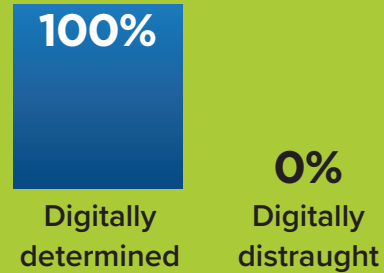


Digitally Distraught

Still battling to get a digital transformation project championed and funded.

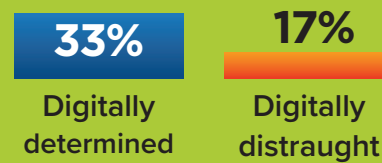
Is Your Organisation Digitally Determined or Digitally Distraught?

Integrated Enterprise-Wide Digital Strategy



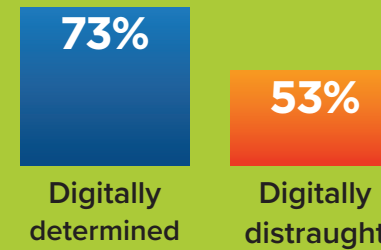
The defining characteristic of the digitally determined organisation is a **single enterprise-wide strategy**, as opposed to multiple digital strategies rooted in the various lines of business.

Embedded Digital Transformation Organisational Structure



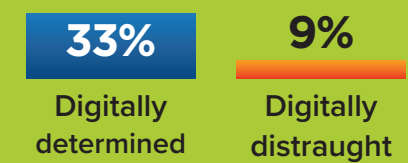
Digitally determined organisations are **twice as likely to have digital initiatives throughout the organisation** and culture, as opposed to residing in a central digital group.

Digital Transformation Funding From Capital Budget



73% of the digitally determined are funding their **Digital Transformation initiatives through a capital budget** (investing in a long-term venture) as opposed to short-term funding mechanisms.

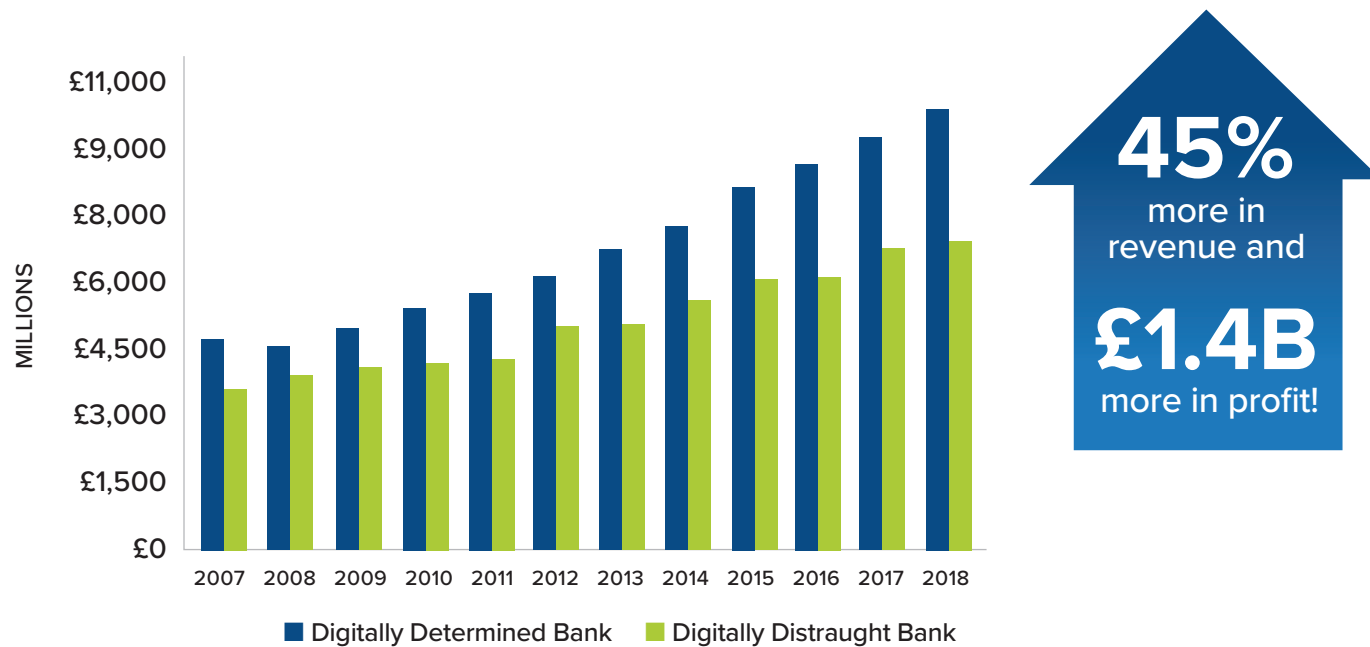
Enterprise-Wide Integrated Digital Platform



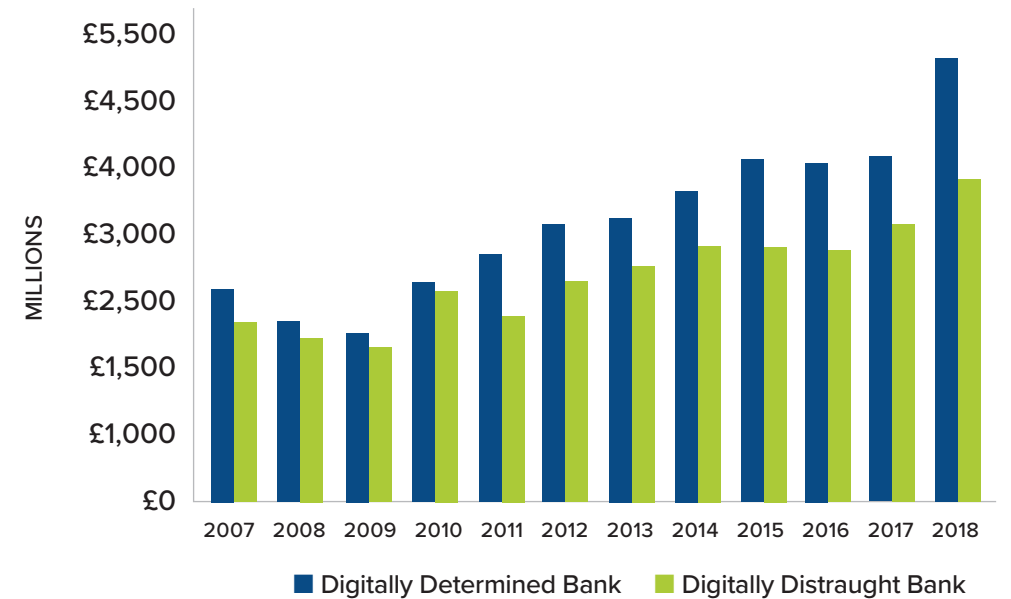
1/3 of the digitally determined are focused on scaling digital operations and therefore are working towards a **single digital platform** — including intelligent automation.

Digital Transformation Yields Compelling Financial Results

Comparing Revenue for Digitally Determined vs. Digitally Distraught



Comparing Profit Before Tax for Digitally Determined vs. Digitally Distraught



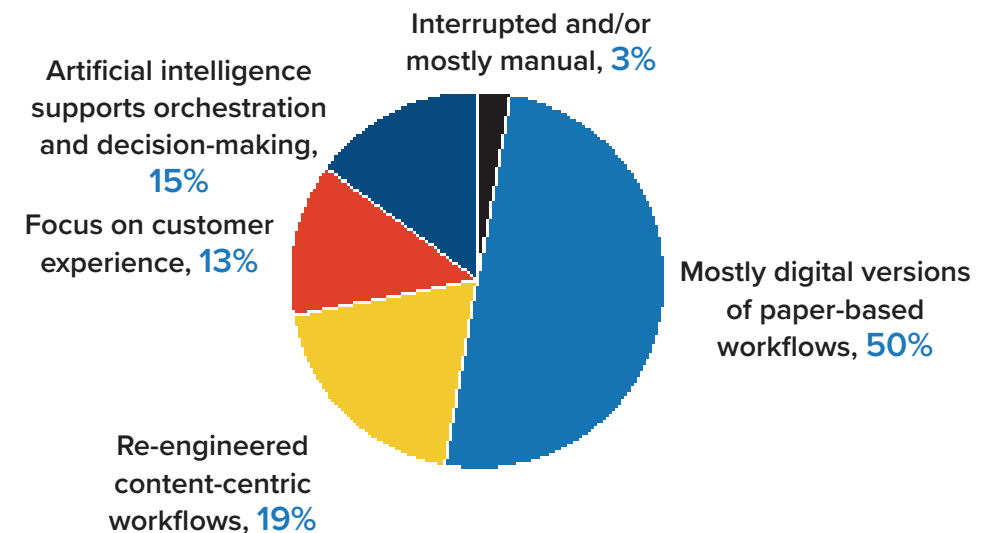
Digitisation Is a Critical Component of Digital Transformation, but Most Are in Early Stages

Over half (53%) admit that digitisation of content-centric workflows has not progressed beyond digital versions of paper-based workflows, i.e., minimal reengineering has occurred.

32% of all documents used each day are paper versus an electronic format.

Almost three quarters (72%) are still at the earliest stages of maturity.

Which statement best characterises your organisation's current state regarding content-centric processes?



“From a manufacturing standpoint we’ve always run things very state-of-the-art ... but the business side is like the high school bake sale where we threw money in a shoebox.”
—Director of IT, semiconductor manufacturer

Content-Centric Processes Drive CX and EX

While standard business indicators top the list....



...Customer experience, employee productivity, and experience are in the top 10 objectives.

What are your organisation's most important business objectives for investing in digitising of content-centric business processes and workflows?



"...I did it on my phone. I was able to go on there and sign a bunch of documents. It's just the ease."
—Regional Manager, financial services

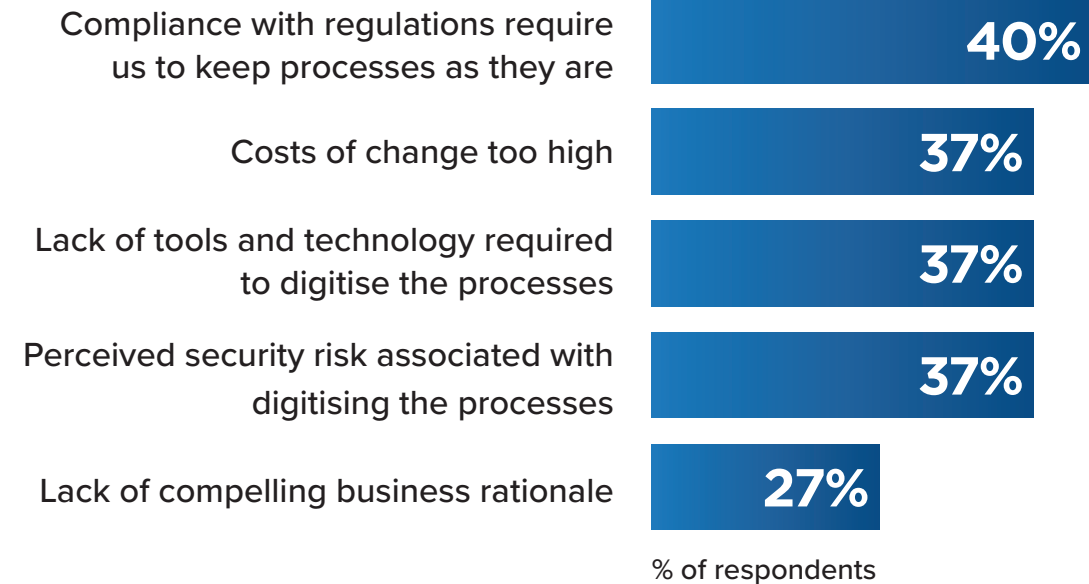
Why Are There Still Paper-Based Processes?



Paper is perceived as being more secure and/or compliant. Lack of tools and technology to effectively digitise and re-engineer processes also hinders progress.

“With deposit opening, everything is paper.”
 —SVP of Operations, financial services

Why do you think some business processes will retain a level of paper-based and manual activity? For example, why do some documents require a wet signature?



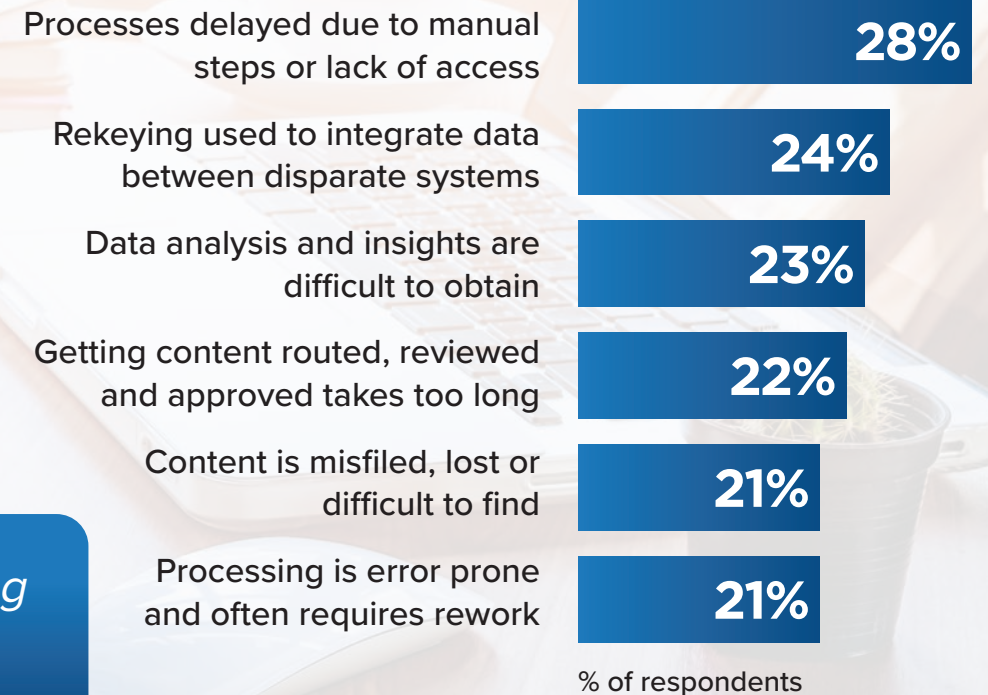
Challenges Remain with Manual and Paper-Based Processes

- Processes delayed due to manual steps or lack of access
- Including difficulty in getting content routed, reviewed and approved in time
- Rekeying is used to manually integrate data between disparate systems
- Data analysis and insights are difficult to obtain

And this is critical for effective Digital Transformation!

“Some things just stay paper because there is nobody championing to push it. It’s not like it’s a huge cost ... it’s like an internal annoyance but they haven’t really exposed the back office.”
—CISO, higher education

What were/are the top business challenges with your existing content-centric business processes or workflows?



Strategies for Managing Paper-Based and Digital Processes

Managing both types of processes is problematic for **79% of respondents**. Only 21% say that this is not a problem, and only 1% say that their processes are fully digitised and automated.

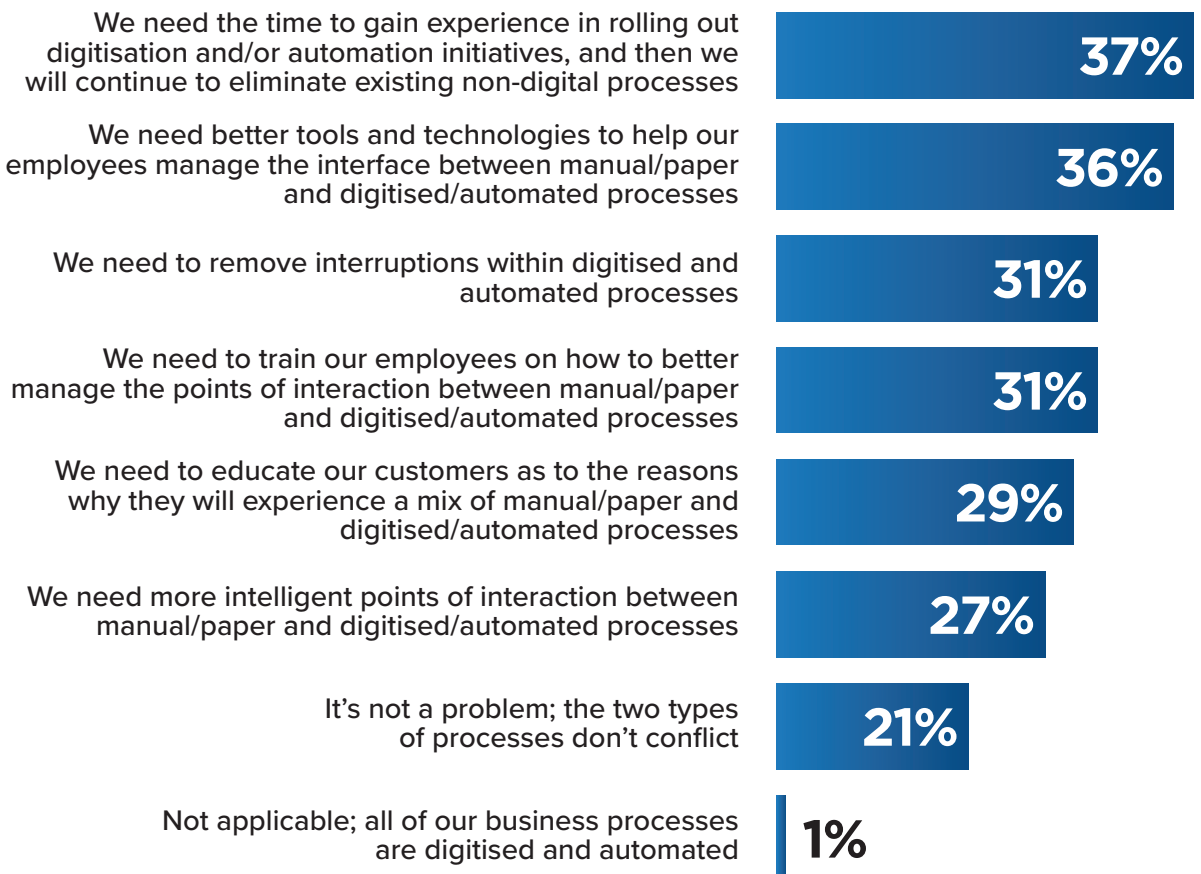


Greater experience will lead to greater efficiencies.

“Obviously, in banking we’re very heavily paper based. ... digitised signatures are... one of the biggest focal points right now.”

—SVP of Operations, financial services

What is your organisation’s strategy for managing processes that are fully digitised/automated and those that are interrupted by manual or paper-based steps?



% of respondents

Digitisation Priorities

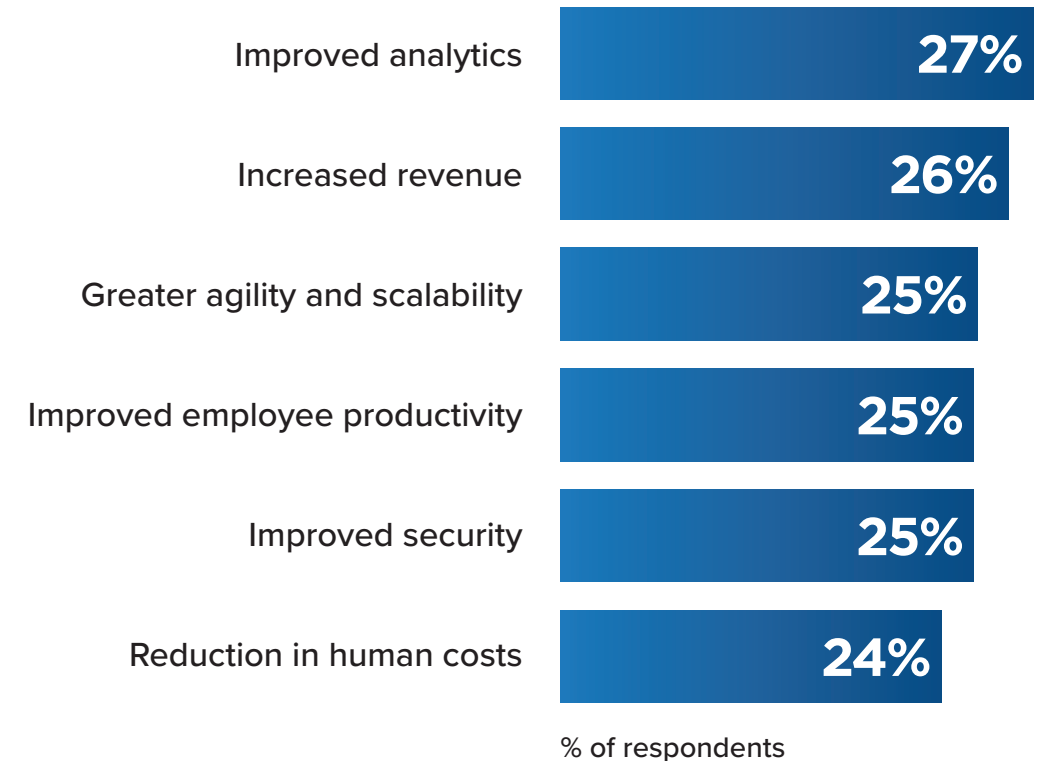
Diverse factors influence prioritisation for digitisation

- Improved analytics, increased revenue and greater agility and scalability top the list.
- Improved Customer Experience cited by **21%** of respondents, and highlighted by focus group participants

“...We have to answer to investors, ... so therefore ... we prioritise customer experience and anything that’s going to add to bottom line.”

—SVP of Operations, financial services

Which factors play an important role in prioritising which content-centric workflows to digitise and when?



From Focus Groups: Prioritising which processes to automate can be a challenge. Customer-facing, revenue-generating or costly processes tend to be prioritised, but each initiative is weighed on its merits, with business cases typically required for all but the smallest projects.

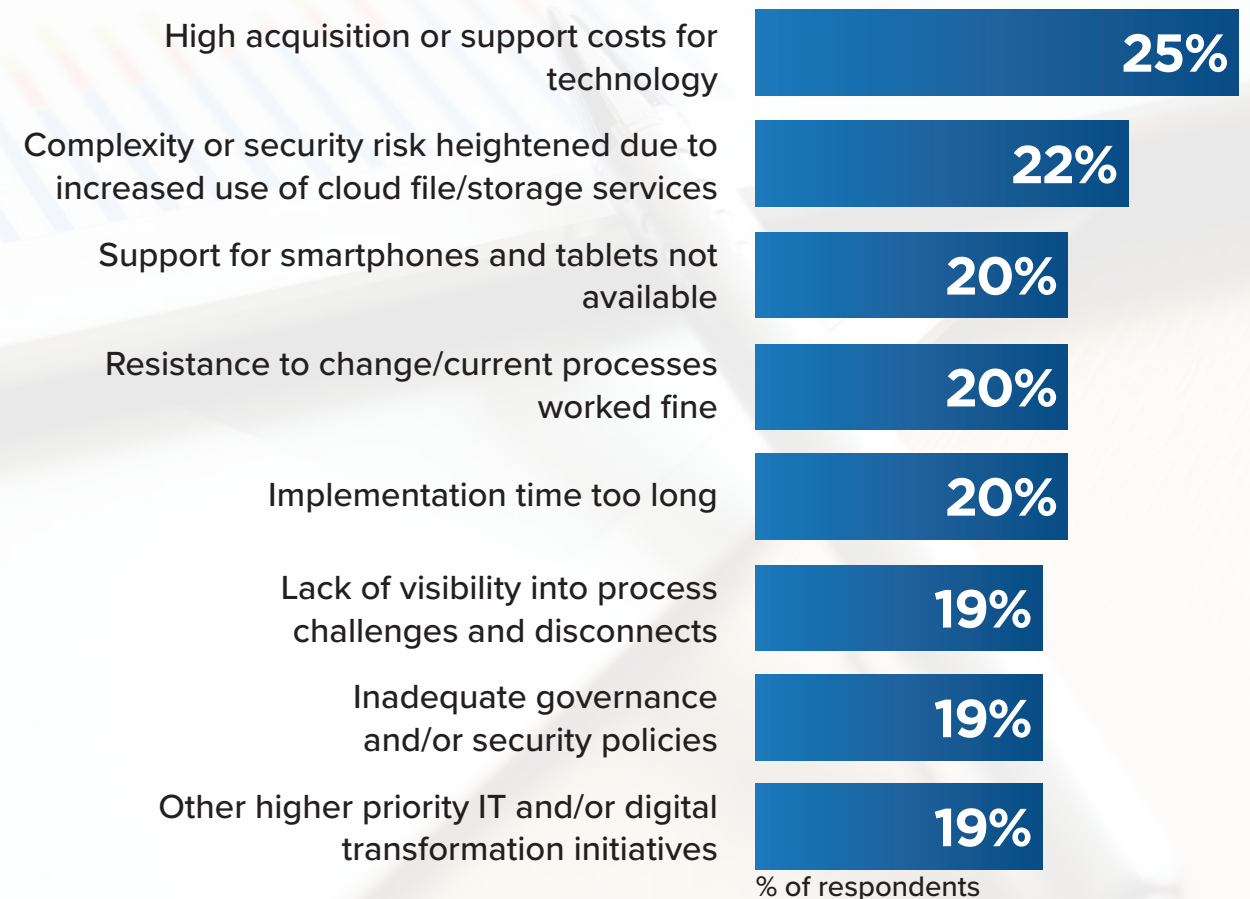
Barriers to Digitisation Efforts

- Cost is the top barrier to digitisation efforts
- Other barriers are the complexity or security risk associated with cloud repositories
- Automation of content workflows is often not on the IT radar or is considered lower priority than other Digital Transformation initiatives
- Focus group participants stressed the issue of organisational inertia to overcome resistance to change

“I think people don’t perceive change well.”

—SVP of Operations, financial services

What were/are the major barriers to your organisation’s efforts to digitise content-centric business processes or workflows?

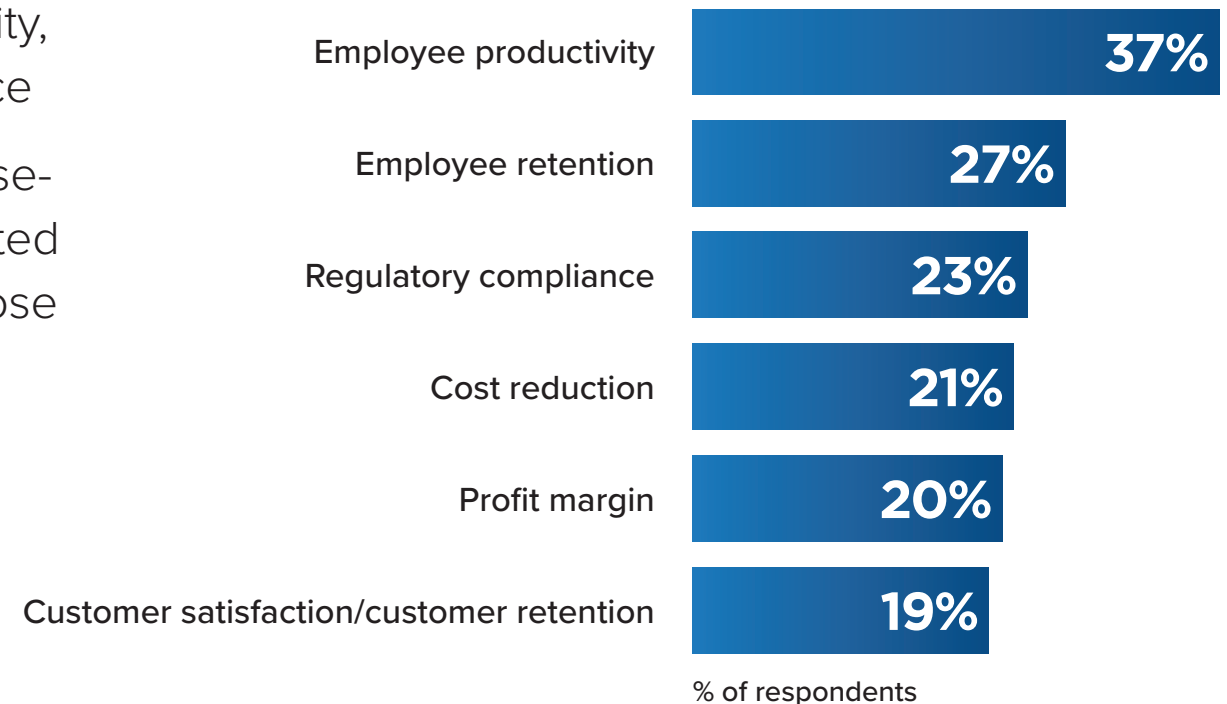


Measuring Success

Respondents used a broad range of metrics to evaluate business outcome

- Top metrics overall were employee productivity, employee retention and regulatory compliance
- Those respondents who have major, enterprise-wide Digital Transformation initiatives completed have seen better business outcomes than those with smaller departmental initiatives

What are the three most important performance measures for the way your organisation manages/measures its business?



From Focus Groups: Digitisation efforts are improving the way in which services are delivered, with examples including provision of online classes, streamlining railcar maintenance, or automating partner agreements. Improvements to the business include saved time, greater efficiencies, and improved customer experience.

Different Verticals Emphasise Different Metrics for Success

Top metrics varied quite a bit by industry:

Financial Services

- Employee productivity
- Revenue from new products
- New customer acquisition

State and Local Government

- Risk mitigation/security
- Meeting/lowering budgets
- Efficiency

Higher Education

- Employee productivity
- Operational efficiency
- Time to market for new courses and offerings

Life Sciences

- Profit margin
- Employee productivity
- Market share

Other Industries

- Profit margin
- Employee productivity
- Customer satisfaction/retention

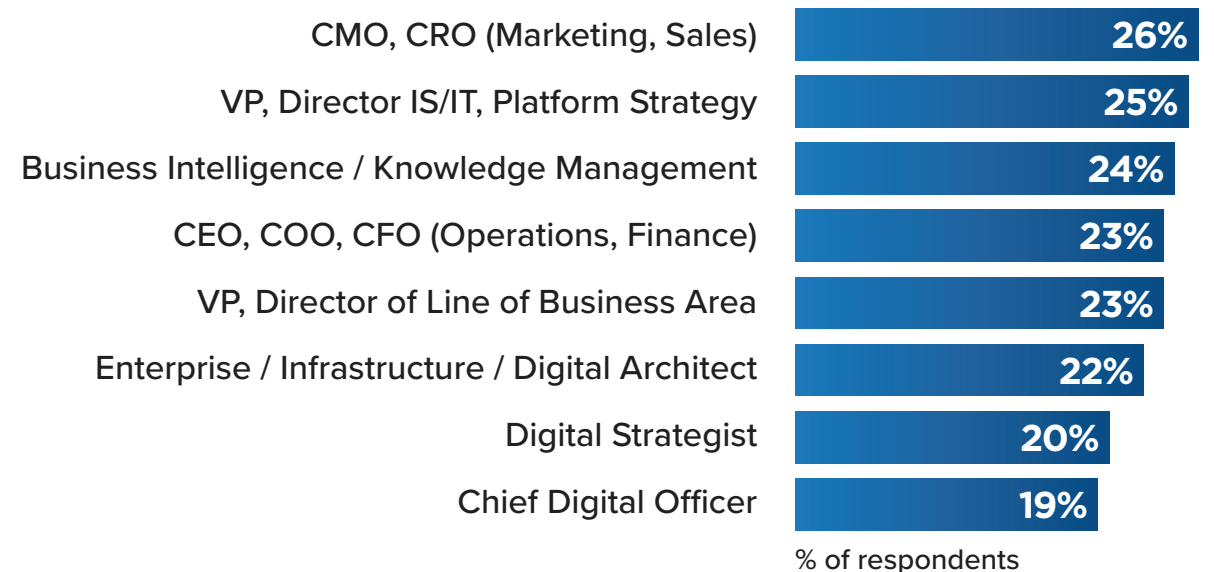
Content Workflow Is Strategic: CEO Is the Key Decision Maker

Transformation of content-centric processes is most **often a collaboration between leadership and business users (54%)**, though it is also very frequently a top-down initiative **driven by senior leadership (37%)**.

Primary influencers are C-level executive leadership, executive leadership of departments, corporate IT and functional/departmental IT.

The CEO and **C-level executives** in operations, finance, technology and innovation **are the primary decision makers and budget holders**.

Which of the following job titles play the largest role in influencing decisions regarding initiatives that digitise content-centric business processes or workflows?



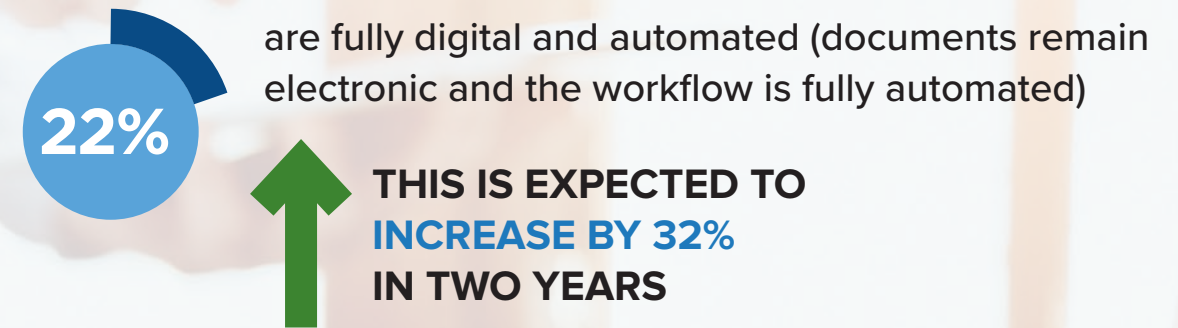
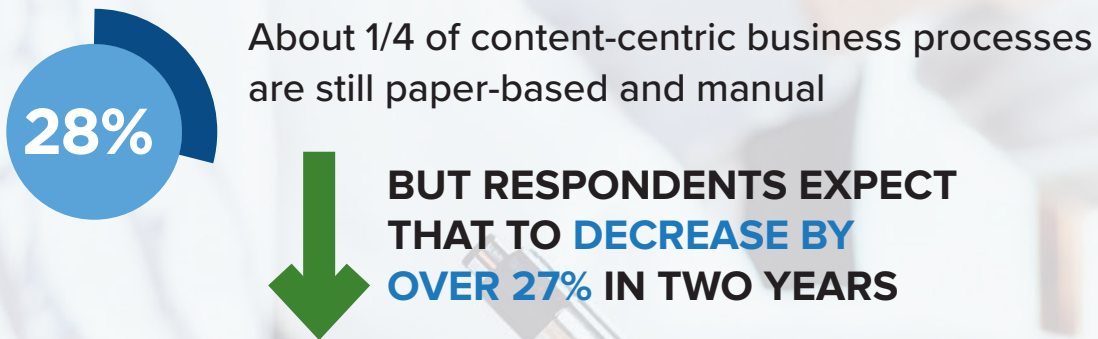
**#1 DECISION
MAKER IS THE
CEO (56%)**

**TOP BUDGET
HOLDER IS THE
CEO (35%)**

“I see a growing interest from the CFO’s office to understand the behavioural analytics of the organisation on spend.”
—CISO, higher education

Optimism for the Future

Percentage of paper-based workflows will decrease as digitisation increases



“When I first joined, we were on paper performance management, paper onboarding, and now we are trying to eliminate a lot of that. Because we are an academic unit, there are a lot of things that we’re doing to move away from paper for students as well.”

—Sr. Director of HR, higher education

What Is Next? AI and Content Agility

Content Agility is the ability to provide access to content in any type of format (structured or unstructured text documents, images, video, audio, social streams, etc.) with the use of artificial intelligence to influence and optimise the creation, ingestion, accessibility, transformation and/or utilisation of that content.

An example may be an “intelligent customer account opening,” which, could be structured as an interactive, interview-based experience, where components of the content are used to feed and customise different aspects of the customer onboarding process.

Almost three-quarters of respondents surveyed (62%) indicate that content agility is extremely or very important to content-centric business processes.

Respondents are using AI to digitise and/or transform content-centric business processes, and use will increase over two years.

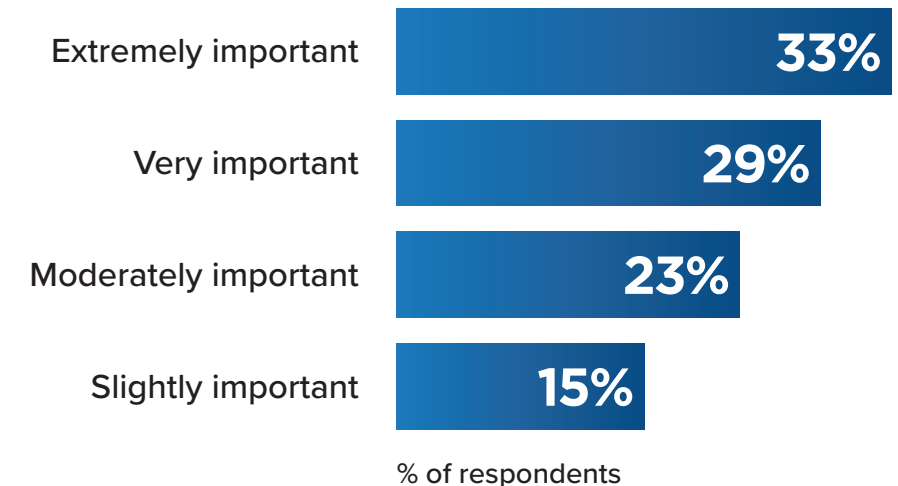
Content Agility: The “Next Frontier” in Content Automation

Focus group respondents had a very positive reaction to the concept of content agility:

Few believed that they have content agility today. It is seen as more aspirational to most at this point.

- Key barriers to implementing content agility include initial cost, interoperability, security, handling of unstructured data, and transparency on the source of record
- All saw it as something that their organisations should be striving for
- When asked who can provide content agility technology, Adobe was the only vendor mentioned in the context of the definition

How important is ‘content agility’ to the content-centric business processes and workflows in your organisation?



Recommendations

Consider the digitisation and automation of content-centric workflows as a core component of a broader, strategic, well-funded digital transformation program, that will:

- » Increase business value by increasing security, reducing cost, improving profitability, driving employee productivity, and improving both employee and customer experience

Select high value, customer and employee content workflows to automate using digitisation technologies:

- » Take advantage of e-signatures, intelligent capture, electronic forms, workflow automation/ business process management or other task or process automation
- » Automate the extraction of information from content with advanced capture tools

Build on digitisation experience by expanding across customer and employee use cases:

- » Start with high value use cases with defined success metrics. Measure success and use to build momentum for adjacent use cases

Methodology

The content for this IDC InfoBrief comes from two sources:

- A web survey was deployed in August 2019 to 400 decision makers in Western Europe with budget control or ability to influence budget spend for digital transformation projects
- Two focus groups were held in August 2019 with senior-level digitisation decision makers from both IT and lines of business
- Verticals industries included: financial services, state/local government, higher education, life sciences and other industries