



Guideline

ECM Requirements Analysis



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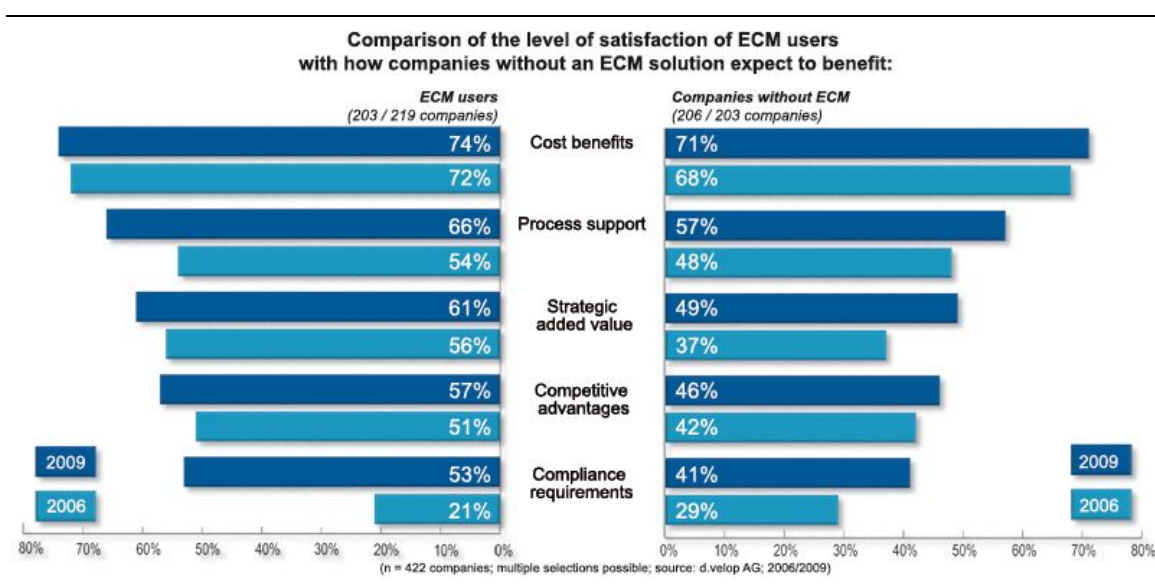
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How Companies View ECM

Over the past few years, companies have grown much more satisfied with their Enterprise Content Management (ECM) solutions. At the same, ECM has been steadily gaining in importance compared to other IT topics. As an accompanying development, the expectations companies not yet using ECM systems place in these solutions have greatly risen since 2006. These are some of the findings of a study questioning and comparing more than 400 companies with and without document management solutions in place.

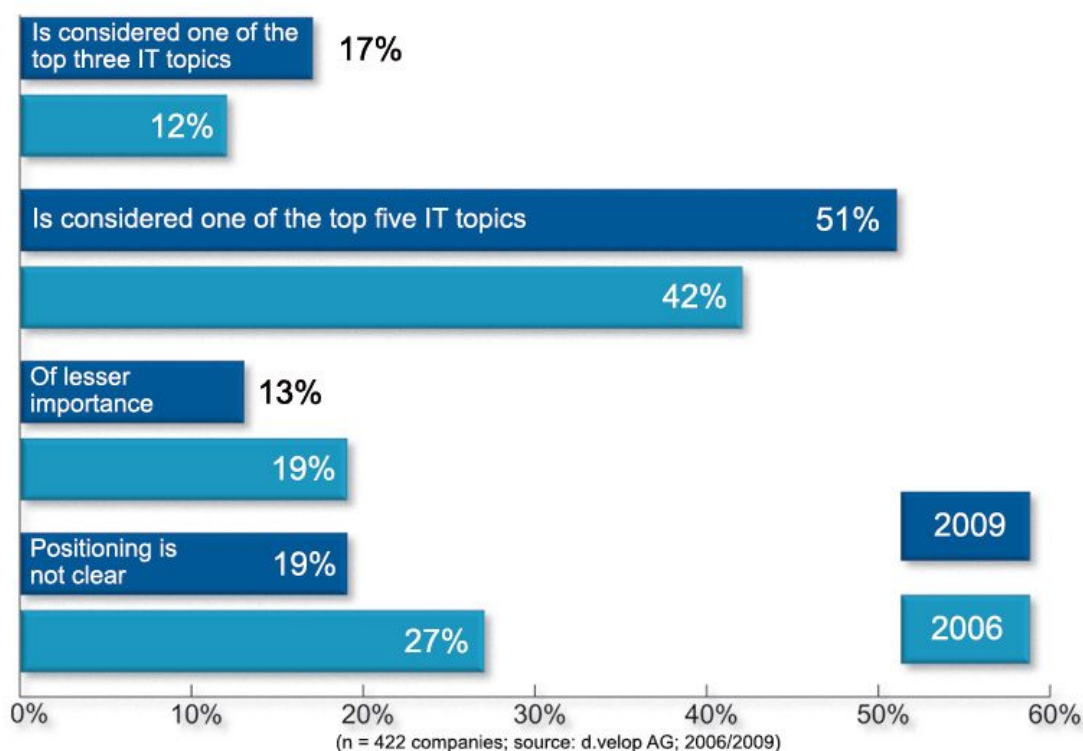
Overall, ECM ranks much higher on the corporate strategic agenda than in 2006. 17 percent of the companies questioned indicated ECM as one of their three top IT priorities, and even 51 percent had it on their top five list. Just three years ago, 14 percent fewer companies considered ECM highly relevant, and at present only 13 percent consider ECM to be of minor importance. Christoph Pliete, CEO of d.velop AG, comments on this trend, which is backed up by the company's business success in this market segment: "An ever growing number of companies have accepted that ECM belongs among the standard set of core IT applications."





This is also reflected in the positive feedback on benefits derived from such a solution. For example, three in four ECM users mentioned cost benefits, and two-thirds indicated process support as one of the major advantages. When compared with results of the 2006 survey, process orientation even showed an increase of more than 22 percent. This trend also holds true for the level of user satisfaction in terms of the strategic added value (61 percent) and the competitive advantages (57 percent) offered by ECM, which rose by 9 and 12 percent respectively. However, compliance support saw the most dramatic change of user opinion: While in 2006 only 21 percent considered ECM very helpful in this area, now 53 percent deem ECM an effective tool for better meeting legal provisions governing the management and storing of digital data.

At present, how important is ECM as compared to other IT topics?



The assessment of companies without an ECM solution in place has changed in a very similar way, but according to the d.velop study, all results are slightly below the numbers of companies already using ECM systems. What ranked very high was their



expectation regarding the financial impact (71 percent) and process support (57 percent). In all other areas, the figures are more than ten percent below the level of satisfaction expressed by actual ECM users. "The full breadth of ECM's possibilities and benefits can often only be appreciated by those applying this technology," says Christoph Pliete in explanation of why the assessment of the two groups differs throughout. The results of this survey thus represent a positive exception to the rule that "users are often disappointed with IT solutions that do not live up to their expectations. But with ECM it's the other way around as the expectations are actually exceeded."



Requirements Analysis for ECM Projects

A very important measure that should be taken before introducing any new technology is to perform an initial analysis of the company's specific requirements. The results provide critical insight into what function range and depth of performance must be considered when planning the requirements of the solution. Also, the performance features should be defined as precisely as possible in view of their concrete benefits.

Typically, the requirements analysis should cover the following five points:

1. Strategic added value
2. Financial benefits
3. Process support
4. Improved competitiveness
5. Compliance requirements

This guideline provides companies with concrete advice on how to analyze their individual requirements, helping those in charge of planning an ECM project to perform this task in a structured and effective manner.

Please note, however, that the five aspects mentioned cover typical requirements only and are thus not an exhaustive list. Depending on the use case, further individual requirements may need to be considered.



1. Strategic Added Value

Market experts agree that ECM will claim a similar position in a company's IT application landscape as has previously been reserved for commercial standard systems (ERP) or customer management solutions (CRM). This assessment is based on the fact that ECM covers a broad spectrum of strategic options. Likewise, the individual strategic demands placed on electronic document management are just as diverse.

What are the key strategic goals the ECM solution is to help achieve?

- Sustainably increase added value of business-critical functions:
- Establish or expand process-oriented corporate structures:
- Company-wide, multifunctional strategy for digitization:
- Integrate processes and technologies:
- Comprehensive document-based business processes:
- Automate document management processes:
- Improve process quality:
- Define and introduce lean organizational structures:
- Simplify planning and structuring of workflows:
- Handle organizational changes with greater flexibility:
- Base strategic and operative decisions on sound and reliable information:
- Coordinate cross-department/-site working processes with greater ease:
- Gain better ways of to stand out from the competition:
- Reduce business risks related to legal (compliance) issues:
- Other requirements of strategic importance:

Own comments:



2. Financial Benefits

Financial considerations remain to be the main incentive for a business to use document management solutions, and this equally applies to companies already employing an ECM system and to those still in the planning stage. These financial benefits are actually the result of a variety of separate benefits as ECM creates a flexible working environment that saves time and helps to reduce costs. It is accessible anywhere across the company at a click of the mouse and can readily be made available to customers and suppliers. ECM therefore improves the information infrastructure of a company in terms of performance and cost-effectiveness.

What are the major requirements in terms of reducing costs?

- Access business documents simply and quickly:
- Reduce space and staff expenses for archiving:
- Reduce time required to capture (redundant) paper-based information:
- Faster results when searching and accessing documents:
- Increase staff productivity by facilitating more efficient processing:
- Reduced effort for integrating documents into other business processes:
- Reduce error and rework rate of information processes:
- Gain protection from data loss and optimize search speed:
- Distribute documents faster both on the local level and across company sites:
- Save costs connected to document-based communication processes:
- Achieve simpler and better cost control through increased document process transparency:
- Other requirements related to reducing costs:

Own comments:



3. Process Support

Management processes are slowed down and made inefficient when paper-based and digital information is used side by side. This often results in redundant data entry and unnecessary delays caused by having to search for and transport physical documents, the whole process is more error prone, and, last but not least, paper-based documents cannot be adequately integrated into other business processes. At the same time, however, the goal of speeding up processes related to incoming invoices and accounting as well as customer or supply chain management (SCM) and many more business functions can only be achieved by ensuring that the documents are highly available. This, in turn, is only possible if the documents are maintained and processed in digital format. In this context, ECM can considerably support and speed up the processes.

What are the key demands placed on process support?

- Sustainably increase the efficiency of business processes:
- Avoid media discontinuities in the information processes:
- More productive corporate workflows by increasing the document availability:
- Process-oriented provision of information in other organizational units:
- Consistent and comprehensive workflows for processors:
- Improved control thanks to better process transparency:
- Reduce routine tasks by increasing the level of automation of information processes:
- Accelerate internal and external workflows:
- Improve the reaction time of business processes:
- Gain more flexibility for setting up document-based business processes:
- Support business processes integration:
- Other requirements:

Own comments:



4. Improved Competitiveness

There are ever growing pressures for business processes – in particular those closely tied to the market – to become faster and more precise. All relevant information must be readily accessible to allow companies to speed up workflows and improve overall data quality. Electronic customer files, which enable the digital provision of information previously maintained in paper-based format, satisfy this demand. For this reason, customer management processes can benefit from ECM systems. But there are countless other scenarios where ECM can help to establish fast and high-quality processes, such as digital supplier records or electronic records for other market-related functions.

What are the key requirements in terms of competitiveness?

- Be able to better respond to queries based on a digital information pool:
- Sustainable increase of added value in customer processes:
- Higher level of automation in processes with high market relevance:
- Leaner processes with shorter throughput times for market-relevant functions:
- React faster to business partner requests:
- Reduce error rate in customer and supplier management:
- Process claims more quickly:
- Gain high information transparency to control market-relevant processes:
- Comfortable processes for customers and suppliers due to digital information base:
- Account for industry-specific requirements:
- Other requirements to boost competitiveness:

Own comments:



5. Compliance Requirements

Today's numerous legal provisions require companies to implement transparent processes and precisely document all business activities in a traceable manner to support comprehensive audits and checks. These compliance requirements comprise a breadth of individual regulations, such as KonTraG (Control and Transparency in Business Act), Euro-SOX, Basel II and GDPdU (Principles on Data Access and Auditability of Digital Documents). Without an extensive and transparent data base, these provisions cannot be met. ECM solutions go a long way towards helping companies comply with the plethora of regulations governing data archival and access.

What are the key compliance requirements?

- Store documents in line with legal provisions:
- Guarantee integrity of legally relevant data/documents:
- Protect documents used in organizational processes from loss:
- Secure and manage sensitive documents in a legally adequate manner:
- Gain better control of business processes for which legal provisions apply:
- Manage documents in an audit-compliant manner:
- Implement user-friendly compliance management functions:
- Other requirements to support compliance:

Own comments:



Guidelines for Implementing ECM Projects

ECM systems generally carry the potential of achieving a quick and high return on investment (ROI). Best practices should be adhered to during the planning and implementation stage to make the most of this opportunity. The following guidelines outline these best practices:

No ECM project without a clear strategic goal: It is very important to clearly assess the potential benefit by defining concrete requirements and expectations as to how the solution should provide added value. Possible risks and implementation obstacles should also be considered in an objective manner. In addition, to create the basis for a strategic target projection, the total costs need to be calculated as precisely as possible, including the costs for project planning, the product itself, training as well as operating the ECM solution.

Do not try to define projects using minimalist specifications: If you fail to properly differentiate and define the actual technical requirements and specific needs of the end users, the later implementation of the ECM project will not rest on a solid foundation. If the goals are specified in a general and imprecise manner, it will be very difficult to implement an on-target solution. For these reasons and also because the specifications create the framework for planning costs and resources, they must be defined with great care.

Needs-based market evaluation: The specifications also play a key role in selecting the ECM solution as they provide the basis for deriving the function profile and further aspects of the solution, such as ease of use and implementation. If the level of precision is inadequate, it will be very hard to properly compare products and providers. However, not only the software itself should be scrutinized – sometimes it can be even more important to assess how innovative, flexible and cooperative the provider is.

Ensure intelligent project management: The success of any ECM project depends on organizing the whole process methodically and intelligently. This also involves defining specs and guidelines with great precision and putting consistent controlling processes into place. The required skills and project resources must also be provided, and, if necessary, user training needs to be planned and carried out.



Leverage project marketing to foster user acceptance: Introducing a solution for digitizing corporate information has a direct impact on the people working in the company. Project marketing therefore has the responsibility to explain the new technology to ensure user acceptance, because failed acceptance can result in a whole string of negative effects.

Plan time and resources for testing: It takes highly realistic usage scenarios in order to be able to reliably ascertain whether the specifications were properly realized and whether the users will be able to work efficiently with the new system. A solid test concept and needs-based test coordination are therefore a must. Also, enough time needs to be allocated for test procedures under real-life conditions to allow for technical and process-based testing.

Account for the time after the project end: The rollout does not mark the end of the ECM project; in most cases, it is followed by introducing necessary optimization processes during productive operation. On top of this, data is evaluated to determine company-specific best practices that will provide the basis for future optimization and extension projects. Resources as well as budgets should be planned for these measures ahead of time.

Own comments:
