Digital Transformation for the Connected Office

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The digital transformation mandate

A focal point of business and technology strategy

Digital transformation (DX) is enterprises’ use of 3rd Platform technologies (cloud, mobility, big data analytics, social business) to create value and competitive advantage through new offerings, new business models, and new relationships.

Digital transformation isn’t simply applying the next generation of technology to existing processes. It is a business strategy where technology enables innovation and creativity that delivers new and better customer experiences.

2/3 of CIOs in the G2000 will put DX at the heart of their corporate strategy

Worldwide spending on DX technologies will grow to nearly $2 trillion in 2019

Source: IDC Digital Transformation Maturity Model, 2015
DX drives business transformation and documents drive business...

... and paper documents remain an issue for businesses of all sizes in all industries

IDC research shows that 65% of US organizations are laggards in terms of digitizing and automating document-intensive business processes

Document challenges

Collaboration is difficult
43% of knowledge workers indicated that it was difficult to route documents and over 1/3 cited missing documents or information.

Knowledge workers told us that day-to-day tasks were cumbersome
32% said that searching for and finding documents was difficult, and almost one-third cited poor data, errors, and inaccuracy of information.

Integration with back-office systems is inefficient and error prone
43% of knowledge workers said that it took a lot of time due to manual steps, and 40% indicated that data extraction was a challenge.

Insufficient security and compliance
39% of knowledge workers responsible for legal, compliance, and/or security cited lack of processes for regulation and compliance.

Almost half of knowledge workers in HR and 37% of healthcare workers told us that the physical space to store documents was a problem.

Paper-based workflows are less secure

- 28% said that they were concerned with employees transferring company proprietary information by printing, scanning, faxing, or copying documents, and 28% were concerned about documents left in output device trays.

- 35% of knowledge workers cited an inadequate audit trail.

- 29% said that compliance with mandated security and privacy regulations within their industry was a challenge.

We spoke with over 600 knowledge workers globally who digitized, automated, and optimized document workflows to overcome these challenges.

We asked about four types of document workflows, and impact on security

- **Day-to-Day Tasks**
- **Information Management**
- **Collaboration, Routing, Approvals**
- **Security**

“Digitization and reengineering of document workflows helps remove the inefficiencies of information silos and disconnected processes, and integrates disparate information types and channels... and contributes to greater organizational security.”


*Information management refers to the collection, communication, processing, and storage of business-critical data within an organization, including integration with enterprise applications such as ERP, SCM, or employee, patient, or student information systems.*
Well over half of knowledge workers surveyed saved time and increased productivity on day-to-day tasks.

- On average, 5.4 hours per week per employee was saved; 6.2 hours for healthcare knowledge workers.
- HR respondents reduced time spent per week by 38%.

Healthcare and financial services knowledge workers gain competitive edge

<table>
<thead>
<tr>
<th>% Reduction</th>
<th>Total</th>
<th>Financial Services</th>
<th>Healthcare</th>
</tr>
</thead>
<tbody>
<tr>
<td>Error reduction</td>
<td>36%</td>
<td>34%</td>
<td>33%</td>
</tr>
<tr>
<td>Reduced time searching/re-creating</td>
<td>43%</td>
<td>39%</td>
<td>42%</td>
</tr>
<tr>
<td>Paper reduction</td>
<td>34%</td>
<td>34%</td>
<td>35%</td>
</tr>
<tr>
<td>Time reduction</td>
<td>33%</td>
<td>34%</td>
<td>35%</td>
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- Reducing the time spent on document-related tasks corresponds to an average savings of $9,948 per employee annually, and an average savings of $12,057 annually for healthcare knowledge workers.

Knowledge workers spend more time on mission-critical tasks

Financial resources can be diverted to strategic and/or revenue generating tasks

- 41% of knowledge workers involved in customer onboarding said that employee satisfaction increased
- 42% reduction in time spent looking for and/or recreating lost or misfiled documents
- 43% reduction in errors on average
- 43% reduction in paper documents
- 36% Document storage costs reduced by

Streamlined information management also frees up valuable resources...

- 60% said that productivity increased and 59% saved time - and 70% of HR workers saved time
- On average, time was reduced by 35%
- Errors were reduced by 43%
- Back-office knowledge workers saved approximately 17 hours/week which is equivalent to $26K in annual savings per employee

... and financial resources

- 57% of customer onboarding workers said that reducing the cost to store documents was a significant benefit
- Costs to store documents were reduced by 42%

65% of knowledge workers told us that automating and optimizing collaboration, routing, and approvals saved time, increased productivity, and reduced errors...

52% said version control was important for back-office workers

Back-office knowledge workers said that errors were reduced by almost half

41% noted an improvement in finding the right versions of signed documents and said that they can ensure that the appropriate approvals and signatures are obtained

OVER 50% of knowledge workers in EMEA also cited error reduction

Security is a top priority for organizations of all sizes and across all industries, and secure, digitized document workflows play a significant role...

Almost half of knowledge workers said that the resources required to ensure compliance and decrease risk were reduced.

50% of healthcare knowledge workers said that compliance and business risk was reduced.

58% of knowledge workers for legal, compliance, and/or security said that the time required to ensure compliance and decreased risk was reduced.

60% of knowledge workers in Asia Pacific indicated that compliance and business risk was reduced.

54% noted that visibility, auditability, and accountability increased.

How does my organization optimize our document workflows?

Half of knowledge workers surveyed had deployed technology to convert paper content into a digital format. Respondents also deployed:

- **38%** Online and/or digital forms
- **36%** eSignature or digital signature technology
- **46%** Cloud-enabled solutions


Q. What technology was deployed to digitize, automate, and/or optimize document workflows?

Note: Weighted
However, we know that document workflow lags other transformation efforts.

- **31%** Image-only capture, connection to content repositories.
- **16%** Content extraction indexing and categorization are automated.
- **12%** Integration of 3rd Platform technologies drives anytime/anywhere access.
- **7%** Full automation, managed by intelligent software.

So what took you so long?

We asked knowledge workers about the initial barriers to adopting a capture solution or other technology related to automating and optimizing document workflows:

- **37%** indicated that there were competing IT and/or digital transformation initiatives
- **35%** said that a barrier was disparate systems that were not integrated
- One-third (34%) said that there was no clear return on investment (ROI) or they lacked visibility into the cost of document workflows
- **26%** said that the current processes worked just fine; this was true for 37% of knowledge workers in Asia Pacific
- **22%** cited lack of management support and **21%** cited siloed organizations

Consider managed services

Almost half of knowledge workers said that managed services enable them to offload tasks that are not a core competency of the organization and to free resources to perform higher-value/core tasks.

40% said managed services provides access to document domain expertise and best-in-class technology that may not be resident within the organization.

Over one-third said that outsourcing reduces the administrative costs associated with managing a program internally, including management of multiple vendors.

Those who used managed services saw greater improvement in meeting regulatory guidelines...

- We have improved our record in meeting regulatory guidelines: 72% (Managed services) vs. 62% (Self-managed)
- We have reduced fees paid for non-compliance: 34% (Managed services) vs. 32% (Self-managed)
- Better compliance with mandated security and privacy regulations within our industry: 71% (Managed services) vs. 59% (Self-managed)
- We are more efficient, spending less time on compliance reports or tasks: 76% (Managed services) vs. 69% (Self-managed)

...and better compliance with mandated regulations
Essential guidance

• **Assess the current state**
  - Proactively evaluate your organization’s print and document infrastructure and process and workflow pain points

• **Create a strategy to address those pain points**
  - Identify use cases with the greatest potential return on investment
  - Involve key stakeholders, including the relevant lines of business
  - Enlist senior management support

• **Develop a pilot initiative for one specific workflow and measure the results to drive the business case**

Consider a managed services provider to access document domain expertise and best-in-class technology
Metholology

This IDC InfoBrief explores the benefits and best practices associated with secure digital workflow automation and optimization, including deployment of capture technology for paper-to-digital transformation.

Methodology included a Web survey of 605 knowledge workers in the US, Western Europe, and Asia from organizations with more than 100 employees; respondents are technology influencers and/or decision makers. Respondents have adopted document capture/workflow either as a self-managed initiative or via a managed services/contractual engagement.