

Unleashing the Power of Information

REDUCE COSTS, IMPROVE COMPETITIVENESS AND AVOID RISK BY MAKING INFORMATION MANAGEMENT AN ENTERPRISEWIDE STRATEGIC PRIORITY



EXECUTIVE SUMMARY

If business-relevant information is not well managed, secured and analyzed, it can become an underutilized asset or—worst case—a legal and competitive liability. Nearly all of the IT and business executives who responded to a recent survey recognize this risk, and say they understand the importance of having an enterprise information management (EIM) strategy. Even so, less than one-third say EIM is a strategic priority. That situation needs to change, and CIOs are well positioned to raise EIM's profile and adoption. It is increasingly important that technology leaders take on this responsibility. Exploding data volumes and formats, pressing business demands and industrywide trends are escalating the need for better information management, and raising the risk for organizations that do not establish comprehensive EIM strategies.

Albert Einstein may be best known for his ground-breaking physics formulas, but the iconic scientist also had a way with words. One of his quotes has particular relevance to modern organizations struggling to manage and exploit the sea of electronic data within and outside their walls. "Know where to find

the information and how to use it," Einstein advised. "That is the secret to success."

This common-sense advice is not so simple to follow as the volume of raw data and other information grows exponentially, dispersed across myriad data stores, applications and Web sites, stored in different formats and often incomplete, outdated or just plain wrong. Managing this information—and getting value from it—may not rise to the level of conceiving the general theory of relativity, but if it was simple more organizations would be doing a better job.

CIOs and other IT and business leaders understand that poorly managed information is an underutilized asset in the best case, and a potential liability in the worst. A recent survey of nearly 140 IT and business executives shows that majorities believe EIM systems can deliver benefits such as better data access and analysis, reduced costs and better alignment of IT activities with business objectives. The survey, conducted by IDG Research Services, also identifies a number of trends, ranging from mobile workforces to big data to cloud computing, that respondents say are escalating the need for EIM solutions.

Despite the recognized business benefits and imperatives associated with EIM, however, more than two-thirds of the organizations surveyed do not yet treat EIM as a strategic priority. CIOs and other IT managers now wield significant influence within their organizations, so are well positioned to champion the strategic importance of EIM. Corporations and other organizations that fail to make EIM a high priority will likely fall short of achieving their key business objectives, and could even place their very survival at substantial risk.

The information imperative

A range of technological advances and business practices have collectively catalyzed an information explosion over the past 20 years. Among the main information drivers: cheap digital storage, millions of Web sites, billions of mobile devices and the near total

dependence on electronic computation and communications for most business processes.

The proliferation of electronic data predictably sparked a parallel trend—an entire industry sector devoted to providing data management, business intelligence and data analytics solutions. For the most part, however, these solutions have tackled the task of organizing and mining value from the information stored in relational databases and other structured data stores. Managing and leveraging this structured information is a critical element of a comprehensive EIM strategy, but as much as 80 percent of the information in any organization resides in documents, emails, social media, slide presentations, videos and other unstructured data formats.

“Most of the problems related to managing and analyzing structured data have been solved,” notes Lubor Ptacek, vice president of strategic marketing at EIM solution provider OpenText. “Unstructured data is much more difficult to analyze, tabulate and extract value from. Organizations are discovering that a tremendous amount of hidden value lies in unstructured information. This is the next frontier of information management.”

Unstructured information is often a mission-critical asset that represents a significant investment and can be core to an organization’s product, service and overall mission. It not only exists in a range of formats, but resides in multiple locations and devices, including corporate servers, personal computers, smart phones and the cloud.

Given the variability and complexity of today’s information landscape, many companies find themselves dealing with distinct and nonintegrated information silos. Information in these silos is often disorganized, dated or duplicated, and data that could identify key trends or deliver critical insight is often buried

under mountains of insignificant information. The resulting risks: missed business opportunities, lower employee productivity, poor decision making, unhappy customers and potential legal or regulatory liability.

The IT and business executives surveyed by IDG Research Services recognize the high value of their information assets. Among the survey respondents, 31 percent say it is “critical” for their companies to have a comprehensive EIM strategy and another 49 percent say having such a strategy is “very important.”

These perspectives have yet to translate into company policy at many organizations, however. Only one third say their organizations currently treat information management as a strategic priority that is critical to supporting future business objectives. That same percentage sees EIM as critical. More than half—55 percent—do indicate EIM as necessary to solving existing business challenges, though, and just 5 percent say information management is of low importance to their organization.

Business objectives and industry trends drive the need for EIM

There is a disconnect between IT and business leaders’ recognition of the value of EIM and the nonstrategic priority information management receives in many organizations. The failure to institutionally prioritize EIM is paradoxical given that almost all of the survey respondents’ top business objectives are heavily information dependent.

Only one of the top objectives—improving the quality of information—explicitly cites information. But accurate, timely and accessible information is arguably central to increasing business productivity, growing revenue or achieving any of the other top objectives.



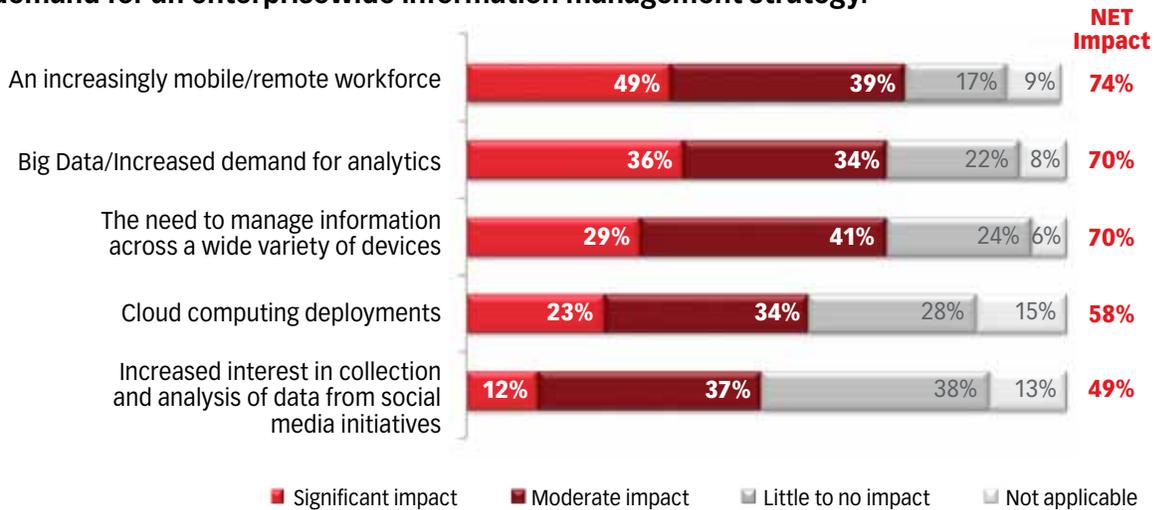
FIGURE 1. Top business objective over the next 12 months: *Increasing business productivity*

	(NET) Top 2	Critical	Very important	Somewhat important	Not very important	Not at all important
Increasing business productivity	80%	26%	55%	12%	2%	5%
Growing revenue	77%	43%	34%	15%	1%	7%
Improving the quality of information	75%	24%	51%	18%	3%	4%
Reducing costs/improving efficiency	74%	33%	41%	18%	4%	4%
Improving customer satisfaction	74%	30%	44%	20%	2%	4%
Increasing business agility	66%	22%	44%	26%	4%	4%
Improving employee engagement	64%	15%	50%	25%	7%	4%
Creating competitive advantage	63%	26%	36%	22%	9%	7%

SOURCE: IDG RESEARCH SERVICES; BASE: 137 RESPONDENTS



FIGURE 2. Mobility and Big Data initiatives are the most significant contributors to increased demand for an enterprisewide information management strategy.



SOURCE: IDG RESEARCH SERVICES; BASE: 137 RESPONDENTS

Other key business objectives driving EIM include a number of pervasive industry trends that generate huge amounts of information from new sources and devices, or involve sophisticated information analysis. More than 70 percent of the survey respondents say the top three of these trends—mobile workforces, big data and a proliferation of devices—are having either a moderate or a significant impact in increasing the need for an EIM strategy.

Job one for CIOs should be to establish clear EIM strategies and processes, which can then serve as a foundation to achieving business objectives.

Achieving the promise of EIM: CIOs positioned to make the difference

CIOs and other IT managers need to both highlight the linkage between information management and core business objectives, and leverage it to respond to the trends driving EIM demand. The survey respondents suggest IT’s role in enabling the top business objectives has grown notably in the past two years. For example, more than two-thirds report that IT’s role has increased somewhat or increased significantly in enabling each of the top five objectives.

More specifically, 76 percent indicate that IT management is significantly involved in driving information strategy at their organizations. By comparison, only 41 percent of executive management is significantly involved in this effort, and just 26 percent of marketing executives.

The growing influence of technology leaders carries increased responsibility for aiding their organizations’ success—and increased exposure when things go wrong. Given their understanding of the need for a solid information foundation

upon which to pursue almost all top business objectives, these IT managers need to help create and implement clear EIM strategies and solutions. (See “EIM: Best Practices for CIOs”)

Survey results suggest these efforts are already well underway. Thirty eight percent of the respondents report their organization has a consistent information management strategy already in place, and another 40 percent expect to develop an EIM strategy in the coming year.

FIGURE 3. Lack of standardized processes and/or organizational role definitions, as well as internal politics and culture issues, are top barriers to implementing an enterprisewide information management strategy.



SOURCE: IDG RESEARCH SERVICES; BASE: 137 RESPONDENTS

EIM: BEST PRACTICES FOR CIOs

OpenText recommends the following approach to designing an EIM strategy:

Take stock of your current information scene. Among the factors to assess:

- **FRAGMENTATION**—how many disconnected sources, flows and archives do you have?
- **VELOCITY**—what information processes are accelerating or need to do so?
- **VARIETY**—what kinds of information, media, documents and discussions are you most concerned with?
- **VOLUME**—how much information are you talking about?
- **SECURITY**—what kind of information security risks are most threatening to your organization?
- **COMPLIANCE**—what legal or regulatory requirements and risks exist in your company and your industry?

Prioritize your efforts. This prioritization should be done with an eye toward addressing the executive team's top business objectives, whether cost control, growth, innovation, competitiveness, compliance or some other requirements. Identify which of these objectives can most immediately and significantly benefit from improved information handling and analysis. These business needs should serve as primary targets and proving grounds for the initial EIM efforts.

Start small and gradually integrate. Become more comprehensive with compatibility and linkage among the various core elements of the EIM solution. The main elements, as defined and supported by OpenText's solutions, include content management, business process management, customer experience, discovery and information exchange. Ultimately, all of these elements must come into play to realize the full benefits EIM can deliver.

Overcoming the challenges to deploying EIM

Still, an EIM strategy poses technical, operational and cultural hurdles. The executives surveyed by IDG Research Services identify a number of challenges associated with creating and implementing comprehensive EIM strategies. Leading the list are a lack of standardized processes and the need to clarify the roles and responsibilities for information management.

Some of the EIM challenges are technical in nature, including the variety of data sources, the poor quality of information and the complexity and inflexibility of IT systems. In particular, having

information spread across distinct information silos is seen as a source of numerous problems and potential risks.

Meanwhile, the organizational and cultural hurdles to implementing comprehensive EIM often overshadow the technical difficulties, says OpenText's Ptacek. "Sometimes when companies need to change their processes, they must also deal with behavior and adoption challenges—and they may face structural and chain-of-command issues," he explains.

Complicating matters, many organizations have multiple and uncoordinated information management efforts underway. Survey respondents say only 15 percent of current information management initiatives are highly integrated, with 49 percent saying they are somewhat integrated. More than one-quarter of current initiatives are siloed and lack cross-initiative coordination and common goals. CIOs need to establish a centralized EIM strategy and guidance to ensure discrete initiatives are prioritized, coordinated and compatible.

Implementation challenges notwithstanding, the risks of failing to establish a comprehensive EIM solution can be significant. These include poor business decisions, lower productivity and poor collaboration, increased IT management burdens, increased costs, higher security risks and lack of regulatory compliance, among other concerns.

CIO call to action

Given the benefits of deploying a comprehensive EIM solution and the risks of not doing so, CIOs and other IT managers need to take leadership roles and make EIM their top priority. One commentator on the LinkedIn CIO Forum made the case for this responsibility, writing:

"By virtue of the fact that data and information is central to our profession, we become duty-bound as custodians to steward these assets with purpose; with an active set of guiding policies and principles and pre-ordained decisions coming from the business, regarding their lifecycle. A passive approach to enterprise information resources is akin to abdication of this duty. The question is not why have a strategy, but what is the appropriate strategy based on your organizational requirements?"

IT leaders do not need to shoulder the EIM burden on their own. OpenText offers a broad portfolio of industry-leading EIM solutions and business processes focused on managing and securing unstructured information, and delivering the high value hidden within it, while working closely with the major providers of structured information management products.

"IT is no longer simply a provider of information," says OpenText's Ptacek. "Now IT is tasked with empowering users with information that is both usable and actionable. We need to be able to analyze content itself, and provide seamless access according to user preferences—this is how you get people the information that really matters." ■