

A New Perspective:  
Ricoh Document  
Governance Index 2012

Part 1: Business leaders puzzled  
by process priority jigsaw

## Contents

Executive summary	3
About the research	4
Key Finding 1 Business leaders puzzled by process priority jigsaw	5
Key Finding 2 Fewer than half of businesses have a fully developed and implemented document process management strategy	6
Key Finding 3 Inverse shift of priority targets in three years	8
Key Finding 4 Reviews are regular, but are they effective?	12
Conclusion Putting the pieces of the puzzle together	14
More information	15

## Executive summary

When we published the *Ricoh Document Governance Index 2009*, the business environment was dramatically different to today. In just three years, Brazil has leapfrogged the UK as the sixth largest economy, Apple have launched three iPads, and tablet use has revolutionised the way people consume information, with tablet sales expected to reach 118.9 million by the end of the year<sup>1</sup>.

Because of these global trends, businesses have had to adapt the way they work, and quickly. Underpinning all businesses are 'business-critical document processes' – the core interactions that occur regularly and repeatedly within areas like HR, finance, procurement and accounts. These drive every organisation, keeping employees on board, cash flowing, and making sure organisations are meeting legal and compliance requirements. And like businesses on the whole, these processes need to adapt with the times.

The *Ricoh Document Governance Index 2012* sets out to discover the impact today's business environment is having on these critical document processes. The key findings are:

- **Business leaders are puzzled by the process priority jigsaw**, and as a result many are failing to ensure their critical document processes keep up.
- **Fewer than half have a fully developed and implemented document process management strategy**, while many have set targets outside of a strategic framework, indicating confusion about the best way to keep up with the pace of change.
- **The last three years have seen an inverse shift in priority targets for document processes**, with new targets replacing old targets, indicating businesses are struggling to fit them all together under a strategic framework.
- **Reviews are regular, but are they effective?** Businesses are adopting a high-level approach which makes it difficult to fully understand how these processes are being managed, what the bottlenecks are, and how to make improvements – not to mention monitoring processes and implementing new ways of working on an ongoing basis.

Business document processes have become a casualty of the economy and the process priority jigsaw is incomplete in many businesses. Some industries are performing better than others, but there's a definite lack of cohesion. The challenge is to recognise the benefits to be achieved from giving these processes the attention they deserve. If managed properly, they have the power to save businesses money, time, reduce risks, and increase competitiveness both in Europe and abroad.

■ **"You can't be doing business with people who are sitting thousands of miles away without having a right, visible and clear framework around it, without having the right classification and communication and without the right practices and information." CFO, Financial Services, UK**

## About the research

*A new perspective: Ricoh Document Governance Index 2012* is an independent research study conducted by Coleman Parkes Research and commissioned by Ricoh Europe PLC. It provides a fresh perspective into how business-critical document processes are being managed across Europe, and builds upon Ricoh's previous Indexes – the *Ricoh Document Governance Index 2009* and the *Ricoh Process Efficiency Index 2011*.

The research focuses upon business-critical document processes – the core interactions in an organisation that occur regularly and repeatedly. They may be document-heavy but more importantly they have a direct impact upon businesses interactions with clients and employees. They include document processes within HR, financial management and reporting, procurement, accounts payable and accounts receivable.

The research consisted of 1075 interviews amongst C-level executives, Directors and other employees within large (1000+ employees), medium (500-999 employees) and small (fewer than 500 employees) organisations, located in Belgium, France, Germany, Italy, The Netherlands, The Nordics (Sweden, Finland, Norway and Denmark), Spain, Switzerland, the UK and Ireland.

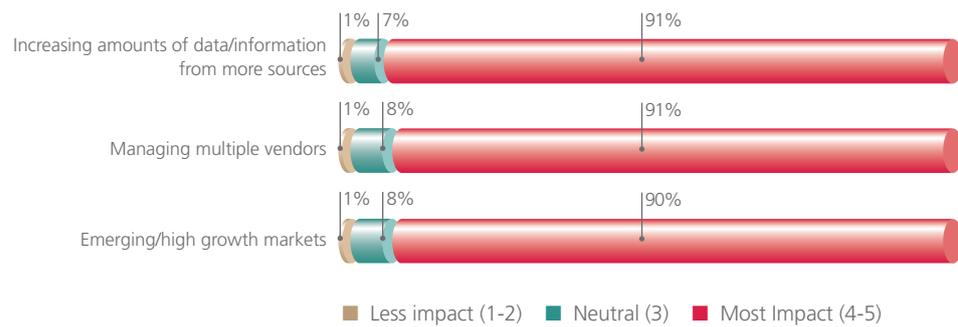
The organisations are based within the education, legal, utilities/energy, healthcare, public sector, retail, manufacturing and financial services sectors. Qualitative interviews were also completed with European C-level executives to gain further insight into how they manage their business-critical document processes.

**Key  
Finding 1**

## Business leaders puzzled by process priority jigsaw

In an uncertain market, confusion over business priorities is heavily impacting the way business-critical document processes are managed. Business leaders cited the big data threat, the challenge of managing multiple vendors, and emerging market opportunities in particular as the main trends impacting their document processes in 2012. [see figure 1]

*Figure 1: Please state on a scale of 1 to 5, with 1 being the least and 5 being the most, the level to which the following trends are impacting the way you manage your business-critical document processes.*



As Europe's businesses grapple with managing the rapid explosion of data volumes in recent years, this is having a major impact on the way document processes are managed. The opportunities for those able to master big data are sizeable – the European Commission recently estimated that Europe's public-sector data alone could be used to create growth of around 40 billion euro a year for the region's economy<sup>2</sup>. Businesses need to urgently implement a clear strategy for the effective management of the growing volumes of physical and digital data and the processes that underpin them if they are to benefit from these growth opportunities.

Businesses also identified the management of multiple vendors as causing a document process headache. Providing documentation in the format required by various partners – from e-commerce, to e-invoicing, to paper-based printed legal contracts – means businesses are spending a large amount of time managing these vendors in the 'back end' and often re-creating existing documents, time that could be better spent on front-end relationships and business development activities.

In addition, with new opportunities to explore in emerging economies, it's crucial that the document processes of European businesses – the foundations of their organisations – are working effectively so businesses can offer a seamless service to customers worldwide.

It is clear that European business leaders face a wider range of business challenges from a wider range of external factors than they did three years ago. As such, they need to ensure their business-critical document processes are optimised to keep up with the pace of change and are able to support operations as they navigate through an ever more complex business environment.

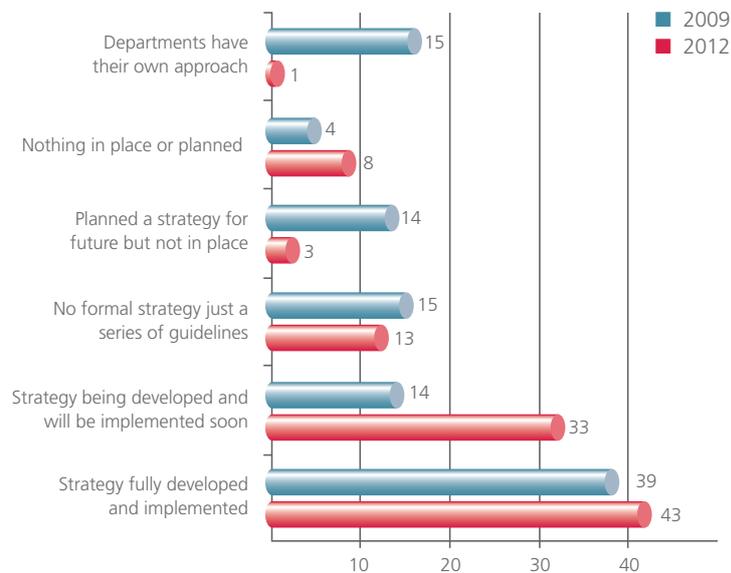
**Key  
Finding 2**

## Fewer than half of businesses have a fully developed and implemented document process management strategy

**This is an increase of just four per cent on 2009, and indicates that 57 per cent have not formally recognised the important role these processes play in the business. Encouragingly, far fewer businesses said departments have their own approach today, with just one per cent admitting this compared to 15 per cent in 2009.**

Three years ago, in the *2009 Document Governance Index*, we reported that 39 per cent of businesses had a strategy fully developed or implemented to manage their business-critical document processes. A further 14 per cent said one was being developed and would be implemented soon. Asked the same question in 2012, only 43 per cent have a fully developed and implemented strategy, an increase of just 4 per cent, with 33 per cent saying one is on its way. [see figure 2]

*Figure 2: When it comes to managing business-critical document processes, choose which one most applies*



*Note: Values may not add to 100% due to rounding*

These figures indicate that many businesses have failed to fully implement the strategies they had in development in 2009, most likely due to the complexity of the external factors impacting their businesses. But it's vital that they invest effort into developing a document process strategy that links to business objectives and supports the business and employees, before the external challenges become unmanageable and businesses get left behind.

Interestingly, when asked what they'd recommend as a priority to other businesses to improve their business-critical document processes, 45 per cent recommended having a strategy that links to a business objective, compared to the 43 per cent who actually have one in place. They also recommended businesses prioritise the important role of document processes in the business, but in the process priority jigsaw, the reality is that businesses are struggling to manage all the challenges presented to them.

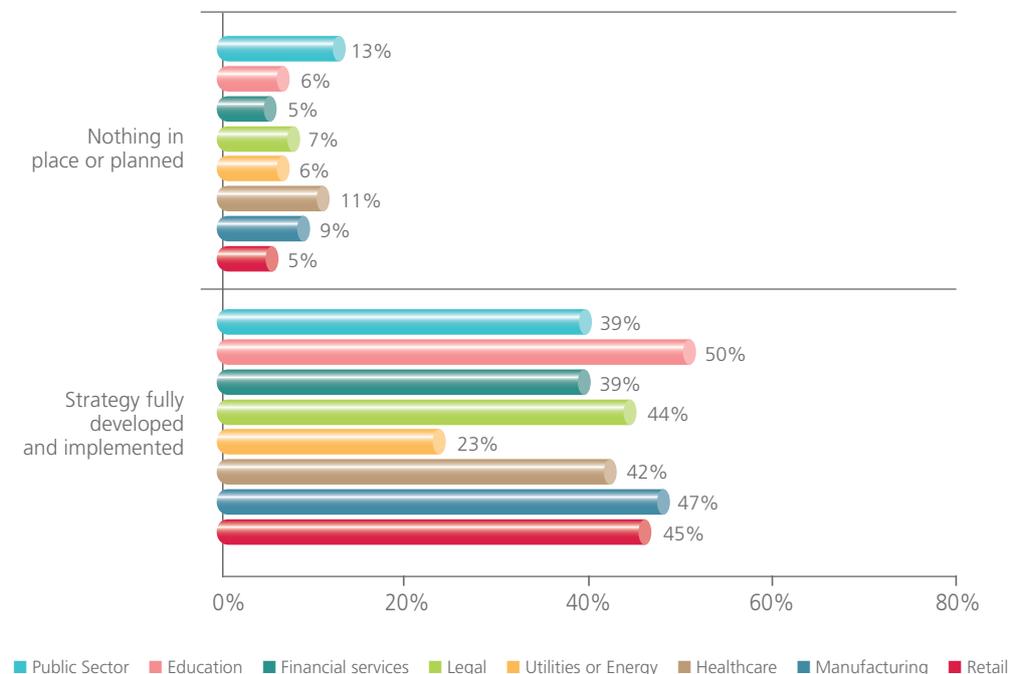
“Businesses, then, will have nowhere to hide over the next decade from the disrupting yet energising effects of technology change. Some organisations, and their employees, may find such change threatening, particularly if their processes, structures and culture are not flexible enough to adjust.”

*Economist Intelligence Unit, 'Agent of change - The future of technology disruption in business', March 2012*

Progress has, however, been made in taking less of a 'silo' approach to document process management. Only one per cent of departments now have their own approach to managing document processes, compared to 15 per cent in 2009.

But this picture varies greatly by sector. The healthcare and public sectors are most likely to have nothing in place or planned. This means they have a long way to go to be able to manage external challenges cohesively and meet the expectations of their employees and customers, who expect secure access to information anytime, anywhere – requiring a fully implemented strategy. The education and manufacturing sectors lead the way in having fully implemented strategies, indicating these industries have already realised the importance of an effective document process strategy for supporting change and innovation. [see figure 3]

**Figure 3:** When it comes to managing business-critical document processes, choose what applies (by vertical market)



**Key  
Finding 3**

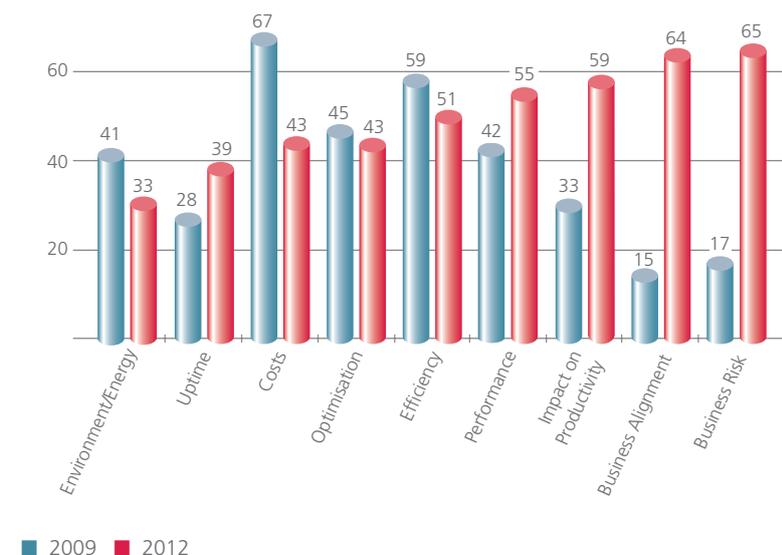
## An inverse shift of priority targets in three years, with new pieces of the puzzle being swapped for others, rather than fitting them all together

With so few businesses having a strategy in place, it's interesting to find they are setting targets for document processes, including for efficiency, costs, the environment/energy and business alignment. The measurement of these targets will be a challenge for those businesses that do not have a strategy to set targets within. Without a strategy in place, the progress against targets simply can't be measured or monitored.

In 2009, the majority of businesses had targets for costs, efficiency, performance and the environment/energy. In 2012, we see an almost inverse picture, with business risk and business alignment identified as top priorities, and costs and environment/energy falling down the target table. [see figure 4]

There can be no doubt that the changing business climate has been the driving factor of this priority flip, as businesses try to manage the challenges and opportunities brought about by the big data explosion, multiple business partners, and emerging markets. Perhaps because of these external factors, businesses today seem unable to set targets for all areas of their document management, instead swapping one aspect for another – meaning some aspects are always missing out on receiving the business attention they deserve. This indicates businesses could benefit from expert advice on how to set targets for all areas within a strategic framework that considers all pieces of the puzzle, connecting business technology and the way people work to create a more efficient and effective environment.

*Figure 4: Have you set specific targets for the following in relation to your business-critical document processes?*

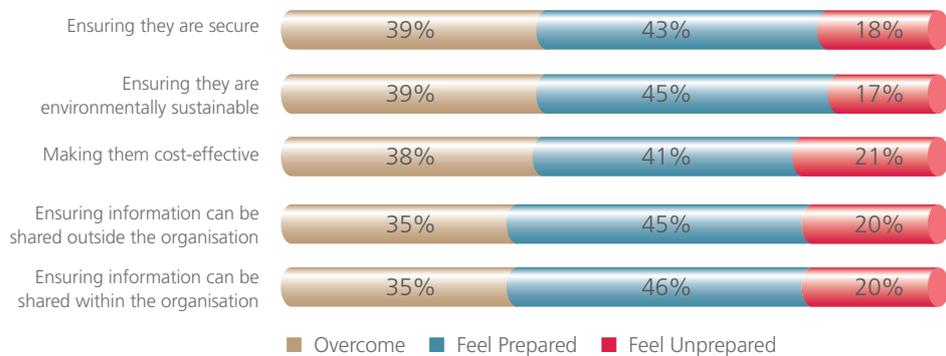


**"I don't think there's a process out there that doesn't have some sort of document or documents attached to it."**

*VP, Global IT, Large Manufacturer, Cosmetics\**

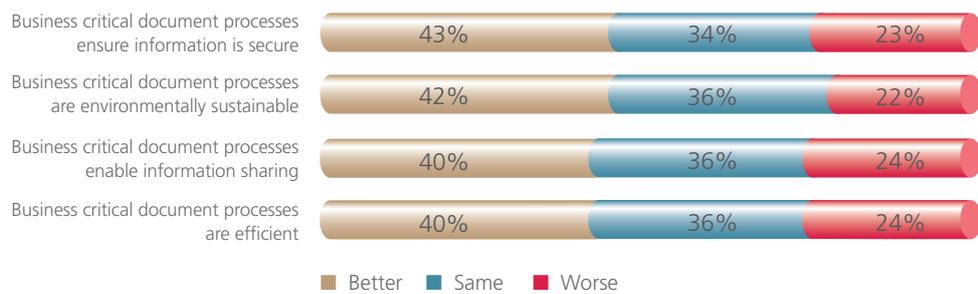
Within the context of this lack of targets, businesses told us they have not yet overcome the challenge of ensuring their document processes are secure, sustainable, cost-efficient, and enable information sharing. Almost a quarter of respondents said these aspects are worse today than in 2009. [see figure 5 and figure 6]

**Figure 5:** Please tell me whether you have overcome the following aspects to the way you manage your business-critical document processes. If you haven't overcome them, which are you most prepared to manage in future; and which are you least prepared to manage?



Note: Values may not add to 100% due to rounding

**Figure 6:** In relation to the following, do you think ... is the same/worse/better than 3 years ago?



**"It only takes one mishap to damage a reputation."**

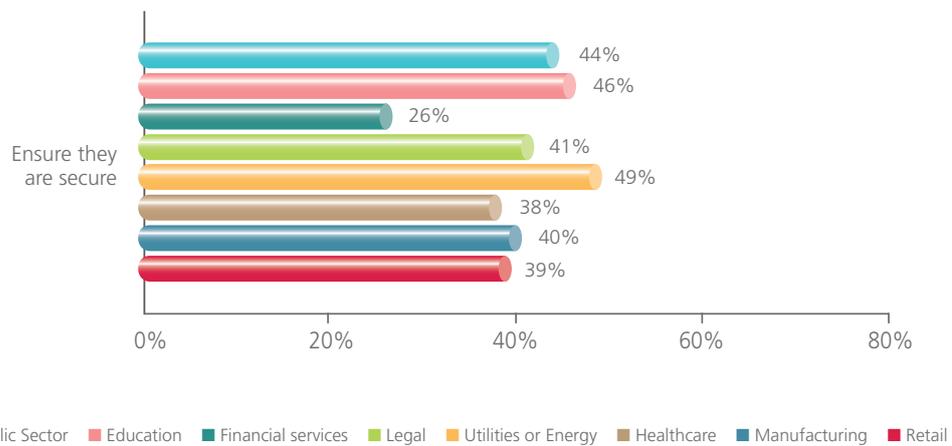
*VP, Marketing/Product Management, Global Financial Services Firm\**

This means businesses are impacted in the following four key areas.

### 1. Reputation

- Half of European businesses are exposed to risk from compliance and data leaks and almost a quarter think their information security is worse than in 2009.
- The financial services industry is least likely to have overcome the challenge of making sure business-critical document processes are secure, with just over one quarter saying they have done so. [see figure 7]

Figure 7: Please tell me whether you have overcome the following aspects to the way you manage your business-critical document processes [overcome % shown, by vertical market]



### 2. Knowledge management

- One fifth are struggling to share information effectively, either within their organisation or outside the firewall.
- Only around one third think 'information sharing' is a problem they have overcome and for almost a quarter, this is an issue that has gotten worse in the last three years.

“Acquiring a new customer is usually more difficult and expensive than retaining an existing customer; however... it appears that inefficient and ineffective document processes are actively driving customers to other providers.”

*IDC, 'Organizational Blind Spot: The role of document-driven business processes in driving top-line growth', September 2012*

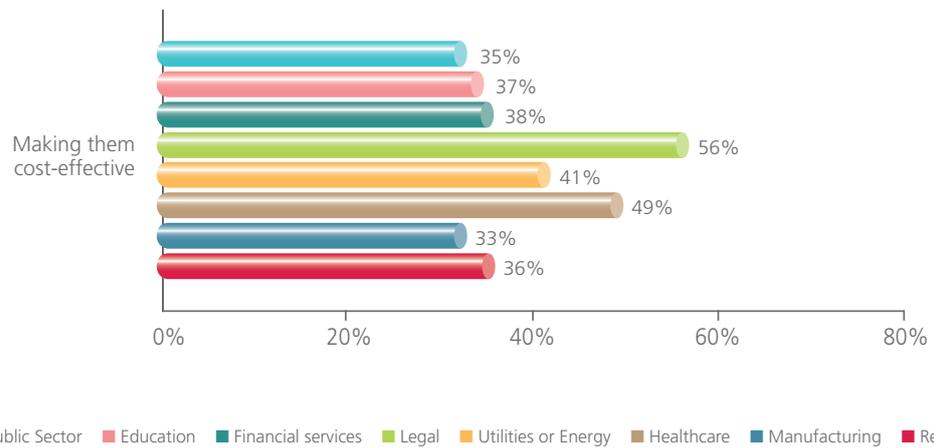
### 3. Environmental sustainability

- Just 39 per cent of European business leaders feel they have overcome the challenge of ensuring environmental sustainability within their document processes.
- For 22 per cent, this is a problem that has grown worse over the last three years.
- The Energy and Utilities industries are most likely to confirm their document processes are environmentally sustainable, with just a quarter of the legal industry saying the same.

#### 4. Cost

- Only 38 per cent have made their document processes cost effective, and almost a quarter say document process efficiency has worsened in the last three years.
- Just 35 per cent in the public sector, and 33 per cent in manufacturing say this is something they have overcome, compared to 56 per cent in legal services. [see figure 8]

*Figure 8: Please tell me whether you have overcome the following aspects to the way you manage your business-critical document processes [overcome % shown, by vertical market]*



The solution to the business priority jigsaw is to look ahead to three years' time and ensure none of these impacts are ignored by replacing one target with another. Rather, a strategic and measured approach to business-critical document processes will ensure all areas can be managed effectively.

**Key  
Finding 4**

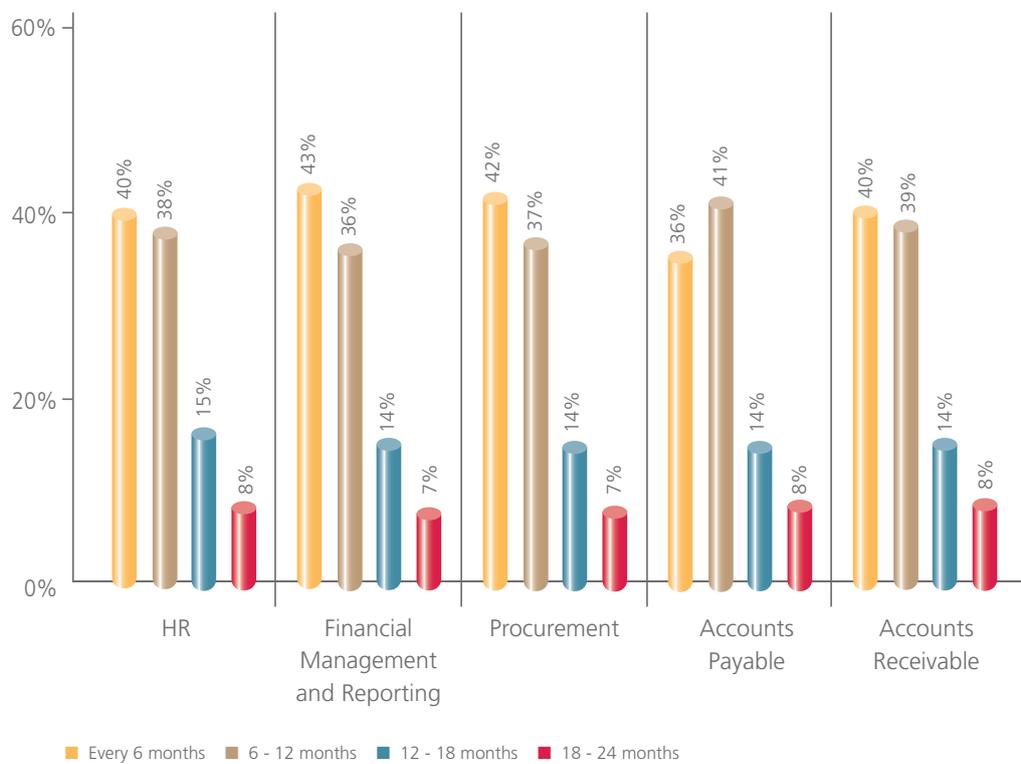
## Reviews are regular, but are they effective?

**Most companies are reviewing document processes at least once a year, but 56 per cent are spending only a day or less doing so. The majority of businesses do not even make any changes to their document processes following review, indicating that this regular but 'high-level' approach is not thorough enough to identify opportunities for improvement.**

The majority of businesses say they review their document processes at least once a year, and within some business functions (HR, Finance, Procurement and Accounts Receivable) document processes are reviewed by most businesses at minimum every six months.

[see figure 9]

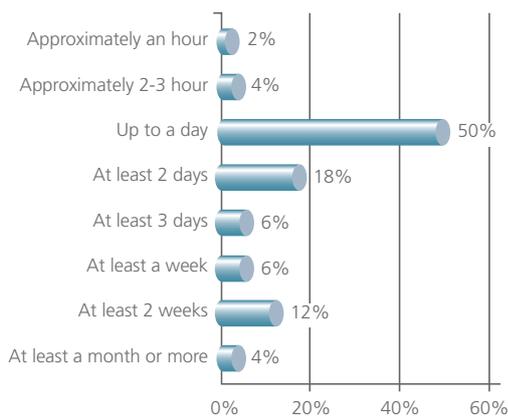
*Figure 9: For business-critical document processes in each of the below functions, how often do you review the process?*



*Note: Values may not add to 100% due to rounding*

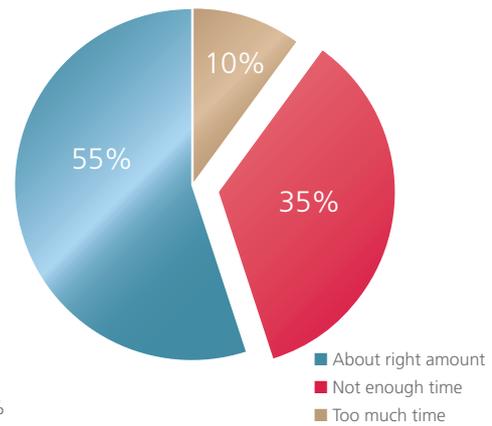
The research also reveals that for most businesses (56 per cent), a maximum of just one day is spent reviewing processes – confirming that a 'light touch' review is taking place, rather than a full, strategic review of the whole business. [see figure 10] Respondents admit this to an extent, with 35 per cent saying not enough time is spent reviewing document processes. [see figure 11]

**Figure 10:** In total, how much time did you spend reviewing them?



Note: Values may not add to 100% due to rounding

**Figure 11:** Do you consider this was the right amount of time/too little/too much?



Given this approach, it's not surprising that the majority of companies are not making document process improvements as a result. It is interesting to note though that generally, smaller businesses are better than larger companies at reviewing their processes regularly, with the majority reviewing at least once every six months, and, on average, most likely to make changes as a result.

The regularity of reviews is to be encouraged, but true optimisation of document processes requires an ongoing review process, where processes are constantly monitored to identify inefficiencies, and to highlight effective practices so they can be replicated in other areas of the business.

In addition, with almost half (49 per cent) of business leaders believing that document process improvements are best managed in-house and almost half (46 per cent) believing a specialist partner is required to effectively manage this, confusion reigns. While employees should be involved throughout the process, relying on employees alone to review processes and implement improvements only goes part of the way towards the solution. It is vital to involve employees in document process change management, but to make real, lasting improvements often requires changes to existing workflows, responsibilities and even business culture. With employees embedded within the existing business culture, an external expert with change management expertise can often be the best way to achieve lasting change that produces results – all the while working closely with employees to take their knowledge and views into consideration in new document process design.

**“Reengineering processes requires deep expertise and outside perspective, while simply adding hardware to a broken process can serve to simply “lock in” inefficiencies.”**

*IDC, 'It's Worse than You Think: Poor Document Processes Lead to Significant Business Risk', June 2012*



## Conclusion: Putting the pieces of the puzzle together

As business leaders seek to overcome the many document process challenges facing them in an increasingly complex business environment, there is clear confusion around how best to improve those processes so they keep up with the pace of change. Almost 40 per cent of organisations worry that they will lose their competitive edge if they do not keep up with the pace of change<sup>3</sup>, yet business leaders are not putting in place effective change management programmes for document process improvements.

We see from this research that businesses are perplexed when it comes to fitting all the pieces of the business process puzzle together – unable to juggle wider trends with the need for a strategic approach that encompasses targets for all important aspects of the business.

Business leaders need to ask themselves: Do I have a strategy to manage my document processes, with targets that link to business objectives? Are we carrying out the right sort of reviews that will drive change? Do we have the time and expertise to fix processes that aren't working?

True change can only be achieved through a holistic view of processes, technologies and employees, and should be a continuous process of review and improvement, rather than a cursory review once or twice a year. Combined with an over-reliance on internal employees for document process improvement, it is no wonder that Europe's businesses are struggling to make lasting, strategic improvements to their business-critical document processes.

Working with a specialist partner will enable businesses to benefit from ongoing document governance, where the efficiency of document processes is measured constantly to ensure they are meeting the ever-changing needs of the organisation. A specialist partner will also offer dedicated change management expertise, working closely with employees to ensure viewpoints from across the business are heard, while at the same time providing an impartial review. Against the backdrop of a challenging economic climate, European businesses can gain competitive advantage by mastering business-critical document processes, but the first step in this journey is to develop a rigorous process strategy for the long term.



**“European businesses can gain competitive advantage by mastering business-critical document processes.”**

---

<sup>1</sup> Gartner, iPad and Beyond: The Future of the Tablet Market, April 2012

<sup>2</sup> European Commission, Digital Agenda: Turning government data into gold, 12 December 2011

<sup>3</sup> Economist Intelligence Unit, Agent of Change: The Future of Technology Disruption in Business, March 2012

<sup>4</sup> From IDC, It's Worse than You Think: Poor Document Processes Lead to Significant Business Risk, June 2012



## More information

### Website

[www.ricoh-europe.com/thoughtleadership](http://www.ricoh-europe.com/thoughtleadership)

### Sales queries

[cco@ricoh-europe.com](mailto:cco@ricoh-europe.com)

### Press queries

Janice Gibson/Louise Yarrall

Tel: +44 (0)20 7465 1153

Email: [press@ricoh-europe.com](mailto:press@ricoh-europe.com)

### Social media

[www.twitter.com/ricoheurope](http://www.twitter.com/ricoheurope)

[www.facebook.com/ricoheurope](http://www.facebook.com/ricoheurope)

### Media centre

[www.ricoh-europe.com/press](http://www.ricoh-europe.com/press)

### About Ricoh

Ricoh is a global technology company specialising in office imaging equipment, production print solutions, document management systems and IT services. Headquartered in Tokyo, Ricoh Group, operates in more than 200 countries and regions. In the financial year ending March 2012, Ricoh Group had worldwide sales of 1,903 billion yen (approx. 23 billion USD).

The majority of the company's revenue comes from products, solutions and services that improve the interaction between people and information. Ricoh also produces award-winning digital cameras and specialised industrial products. It is known for the quality of its technology, the exceptional standard of its customer service and sustainability initiatives. Under its corporate tagline, *imagine. change.* Ricoh helps companies transform the way they work and harness the collective imagination of their employees.

For further information, please visit [www.ricoh-europe.com](http://www.ricoh-europe.com)

