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A New Perspective: Ricoh Document Governance Index 2012

Part 2: The role of technology in the process priority jigsaw

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Executive summary

In a saturated market place, businesses are increasingly being defined by their ability to harness technology to deliver superior services. Achievements through IT are recognised by customers who reward companies with loyalty; as are the failures, with tech-savvy customers easily switching allegiances because of under-performing business processes, opting for more effective alternatives.

The race to keep up with the very latest technology devices and IT assets is set to continue indefinitely. A recent report from analyst firm Gartner estimated that worldwide sales of tablet devices will reach a staggering 119 million units by the end of 2012 – a 98 per cent increase on sales in 2011, which reached 60 million[1]. Technology of this type can be a game-changer for businesses as they discover newer, more flexible and fast ways of working and responding to the market. However, this sort of technology is of little use if it's not fully integrated within the business, enabling employees to access the business information they need, in the right format at the right time.

This second part of the *Ricoh Document Governance Index 2012* examines how business technology is working with business-critical document processes (the core interactions that occur regularly and repeatedly within areas like HR, finance, procurement and accounts). The key findings are:

- **Businesses have the latest technology, but aren't optimising its use, and cloud adoption is on the rise** but opinions are split as to whether it's helping or hindering the management of document processes.
- **There is a growing divide between the back and front office** in technology investment, exposing businesses to bottle necks as information can't be shared effectively throughout the entire business.
- **Businesses advise others to maximise existing investments and to take employees along for the journey,** but many admit to investing in the latest technology before fully understanding the functionality of existing devices.
- **Technology reviews are isolated from process reviews,** leading to disconnected document processes and making it hard to identify pitfalls and adopt new ways of working throughout the business.

This is the second Ricoh whitepaper in the 2012 Document Governance series, examining how European businesses link their document processes with business technology and employees to achieve a connected business. The first whitepaper, *Business leaders puzzled by process priority jigsaw*, explored the impact today's business environment is having on the way critical document processes are managed throughout Europe. All papers in the series can be found at www.ricoh-europe.com/thoughtleadership.

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 look 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 on business-critical document processes – the core interactions within an organisation that occur regularly and repeatedly. These may or may not be document-heavy but they all 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.
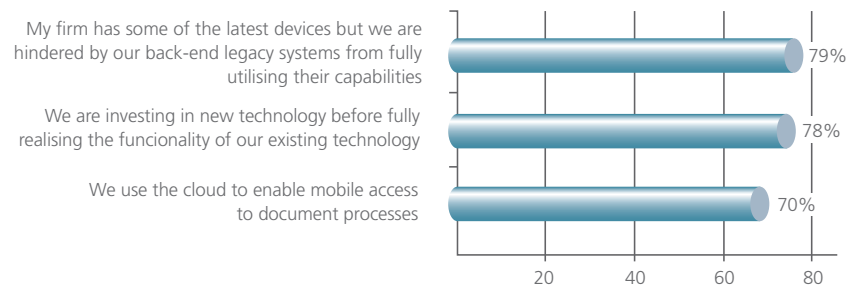
The organisations are based within the education, legal, utilities/energy, healthcare, public sector, retail, manufacturing and financial services sectors. Qualitative interviews were also completed with European C-level executives to gain further insight into how they manage their business-critical document processes.

Businesses have the latest technology, but aren't optimising its use, and cloud adoption is on the rise but opinions are split as to whether it's helping or hindering the management of document processes.

In a competitive environment, businesses in Europe are looking to new technologies to give them competitive edge. But this report reveals that while most businesses have 'all the gear', in many cases they're not maximising its use. Almost 4/5 of businesses surveyed admitted that while they have some of the latest devices, they are hindered by back end legacy systems from fully utilising the capabilities of technology [see figure 1].

Figure 1: Do you agree with the following statements?

My firm has some of the latest devices but we are hindered by our back-end legacy systems from fully utilising their capabilities — 79%

We are investing in new technology before fully realising the functionality of our existing technology — 78%

We use the cloud to enable mobile access to document processes — 70%

If a business has the latest technology, but it is not fully integrated into the business, this means it may not be fully supporting document processes. For example, a scanner that produces fast, high quality images, isn't being maximised if it doesn't enable scanning directly to workflows or document folders within a business's shared network. Similarly, there's little use in providing sales teams with tablet devices if they're not integrated into the business's document workflow so employees are able to access information in real time, including up-to-date service agreements or contracts, or to submit orders or customer information back to the office in a secure way.

This issue – being hindered by back end legacy systems – is particularly prominent in the public sector, with 83 per cent citing this as a problem. A review of Government IT strategy across Europe could help the public sector to engage more effectively with the public it serves, with accurate information being shared between agencies in a secure and effective way, with no duplication of effort or information gaps.
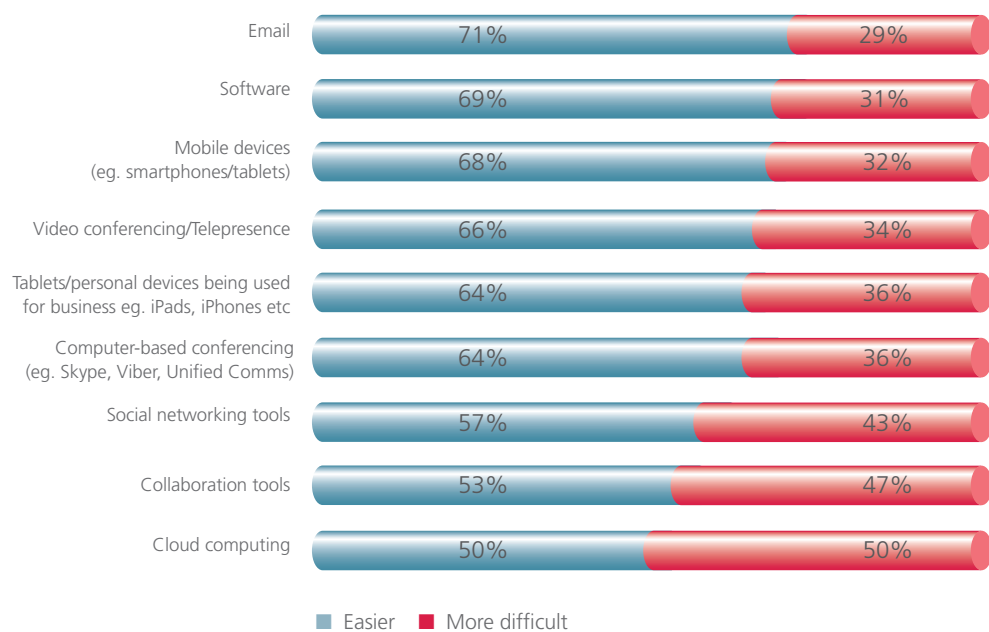
The research also found that mobile devices are helping businesses to manage their business-critical document processes like HR records, invoices and procurement policies. 68 per cent of respondents said that mobile devices such as smartphones and tablets had made managing business critical document processes easier, but it's crucial this technology is fully integrated into the business to see its full potential. As this paper highlights, in the majority of cases businesses are hindered by ageing back end IT systems and unable to fully realise the benefits of working in a more mobile and flexible way through tablets and other mobile devices.

A recent IDC paper recommended businesses prepare for tablet use to avoid putting new stresses on document processes, recognising the potential disruption from tablets, saying "there is a significant need to ensure the two [tablets and document-driven processes] play well together."[2]

Cloud computing: helping or hindering?

With 70 per cent of businesses saying they're using the cloud to enable mobile access to document processes [figure 1], it's interesting that when asked if the cloud was making document process management easier or more difficult, businesses were equally split at 50:50 [see figure 2]. This indicates confusion about how to maximise the cloud to enable mobility and flexibility in the workplace. With its well-documented cost, efficiency and environmental benefits, it is disappointing to find that businesses are still struggling to maximise the cloud for managing document processes. It's hoped the European Union's Cloud Strategy for Europe (released September 2012) will encourage more adoption of this technology in the region, addressing some concerns about security, data storage and access.

Figure 2: What technologies have made managing business-critical document processes easier or more difficult?
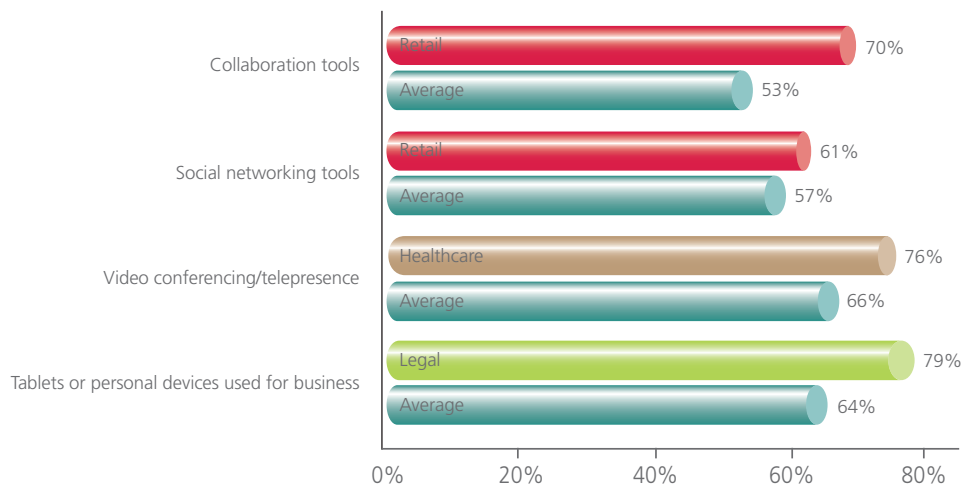
Technology	Easier	More difficult
Email	71%	29%
Software	69%	31%
Mobile devices (eg. smartphones/tablets)	68%	32%
Video conferencing/Telepresence	66%	34%
Tablets/personal devices being used for business eg. iPads, iPhones etc	64%	36%
Computer-based conferencing (eg. Skype, Viber, Unified Comms)	64%	36%
Social networking tools	57%	43%
Collaboration tools	53%	47%
Cloud computing	50%	50%

■ Easier　■ More difficult

"Maybe there will be things that we will do in the future but we don't see Cloud as the be all and end all." *Group Director of IT, Logistics, UK*

Retail, healthcare and legal industries leading the way in technology use

The **retail sector** is somewhat of a trailblazer when it comes to using technology to remain competitive. Perhaps in response to fast-changing consumer purchasing behaviours, the sector is more likely than others to adopt technology to help manage business processes and in turn, respond to customer needs more quickly and effectively. The research shows that the retail sector was more likely to say collaboration tools (70 per cent compared to overall average of 53 per cent) and social networking tools (61 per cent compared to an overall average of 57 per cent) made managing business-critical document processes easier.

The **healthcare industry** was more likely to say video conferencing/telepresence helps manage document processes (76 per cent compared to average of 66 per cent), using the technology as a tool to support collaboration on diagnoses and manage patient records more quickly. The **legal industry** appears to be the most open to a culture of 'bring your own device', with 79 per cent saying tablets or personal devices used for business are making the management of business-critical document processes easier, compared to an average of 64 per cent – an interesting finding in such a heavily regulated industry with strict rules about data access and information security. [see figure 3]

Figure 3: What technologies have made managing business-critical document processes easier?

Technology	Group	Percentage
Collaboration tools	Retail	70%
	Average	53%
Social networking tools	Retail	61%
	Average	57%
Video conferencing/telepresence	Healthcare	76%
	Average	66%
Tablets or personal devices used for business	Legal	79%
	Average	64%

"Just as PCs redefined mainframe computing in the 1980s and the Internet redefined client/server computing in the 1990s, today, cloud, big data, mobility (including tablets), and social business are redefining the way employees interact with applications and, by extension, with customers, suppliers, and co-workers." *IDC, Organizational Blind Spot: The Role of Document-Driven Business Processes in Driving Top-Line Growth, September 2012*

There is a growing divide between the back and front office in technology investment, exposing businesses to bottle necks as information can't be shared effectively throughout the entire business.

The research revealed an interesting insight into the way businesses are prioritising technology investments, with a clear divide in the technology used by the front office (eg sales and customer support) compared with the back office (eg finance, HR and marketing).
Part 1 of the *Ricoh Document Governance Index 2012* reported that 91 per cent of businesses said increasing volumes of information are having a major impact on their ability to manage business-critical document processes. Yet when they invest in the latest technology for the organisation, they focus on the front office activity, neglecting the needs of the back office and failing to integrate the two. The inevitable result is an even greater impact on their ability to effectively manage and control their business-critical data.

According to the findings, workers in the front office are equipped with the latest mobile devices and technologies, with 72 per cent of respondents saying their company provides smartphones to the front office, and 69 per cent saying they have tablets.

These figures are in stark contrast with the back office, where investments are focused on updating updating technologies such as scanners (74 per cent), faxes (73 per cent) and networked printers (72 per cent). [see figure 4]

"We are not on the top of technology, but we have plans to implement in the next 6 to 12 months with new technologies." *Director IT, Retail, France*

Figure 4: What technologies do you currently provide and/or allow back office (finance, HR, marketing) or front-office (sales, customer support, etc.) to utilise? (Respondents saying yes).
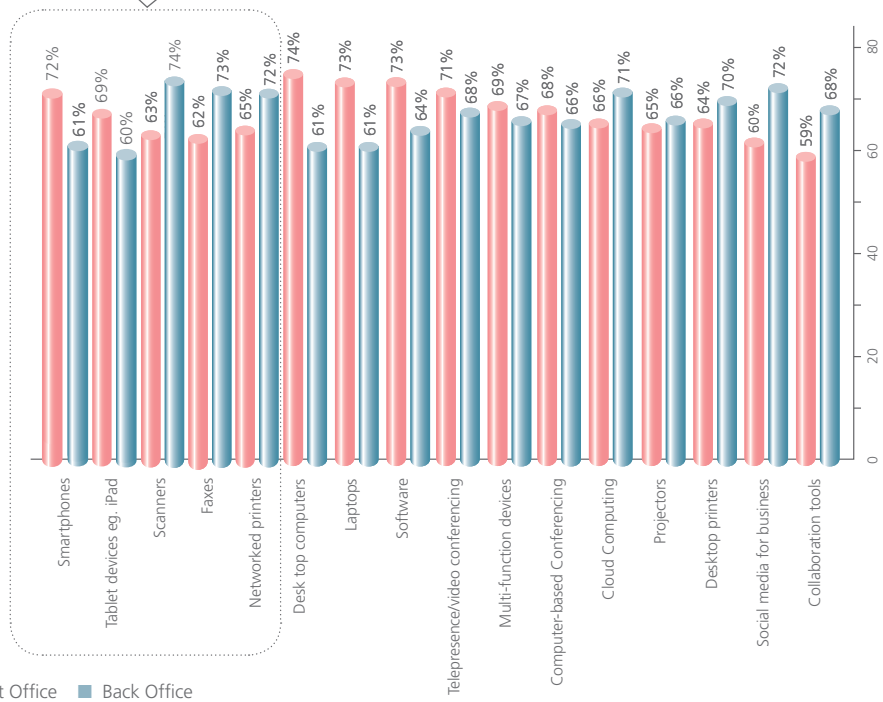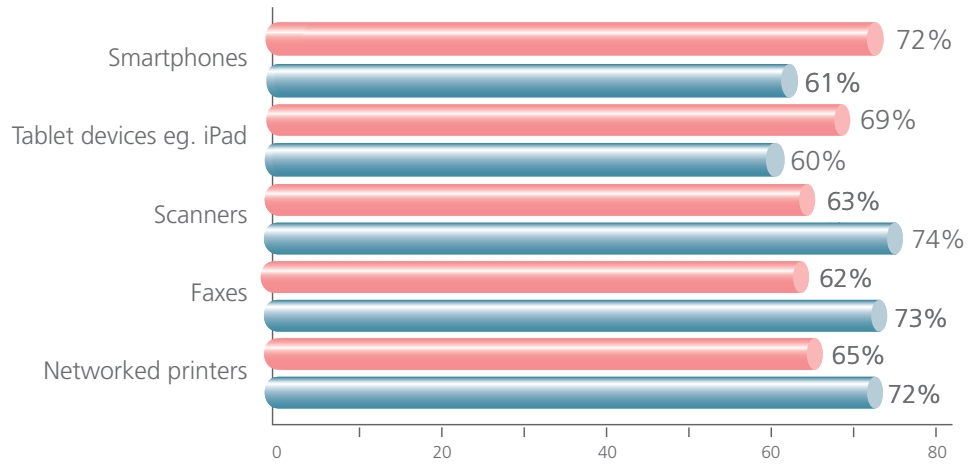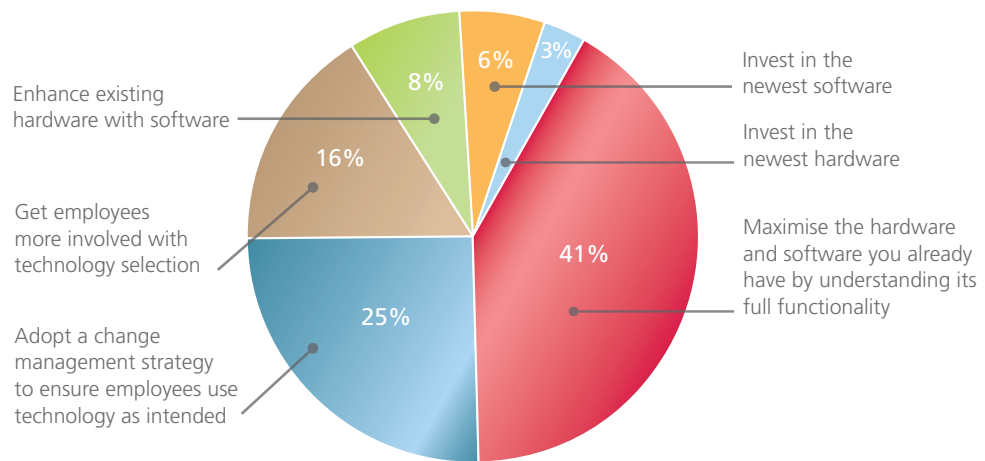
While all these technologies play an important role, the current divide between front and back office capabilities means the majority of organisations are not practicing a cohesive process management approach and are exposing themselves to bottle necks, with the 'well oiled' front office sending information to the back office which isn't set up to receive it or process it automatically. Effective document process management requires full integration of the processes and the technology used to manage them. Integration enables more effective information sharing, less duplication, greater security of data, and an increased speed of response to the market. With the majority of document processes being driven from the back office – for example invoicing or HR records management – it is critical that organisations implement a more equal approach to technology investment to bring the back office in line with the front office.

Businesses advise others to maximise existing investments and to take employees along for the journey, but many admit to investing in the latest technology before fully understanding the functionality of existing devices.

When asked what they'd advise another business to do to improve their business-critical document processes to make them more efficient and effective, 2/5 businesses recommended maximising the hardware and software already existing within a business. [see figure 5]

Figure 5: If you were to advise another business on how to improve their business-critical document processes to make them more efficient and effective, what top (single) piece of advice would you give?

- Invest in the newest software
- Invest in the newest hardware
- Maximise the hardware and software you already have by understanding its full functionality — 41%
- Adopt a change management strategy to ensure employees use technology as intended — 25%
- Get employees more involved with technology selection — 16%
- Enhance existing hardware with software — 8%
- 6%
- 3%

But this recommendation is in stark contrast to the 78 per cent of businesses who admitted they are investing in new technology before fully realising the functionality of existing technology. In this case, businesses know what they should be doing to get the most from their investments, but fail to follow their own advice.

Change management was also recommended by 25 per cent of businesses, indicating they recognise the importance of helping employees make best use of technology to extract value from such investments. Unless employees are consulted and aware of the features of new technologies and the benefits of introducing new processes, there is likely to be a lower rate of adoption and trust in a new way of working.

With 79 per cent of businesses saying they have the latest devices but are hindered by back end legacy systems, and 78 per cent saying they're investing in new technology before fully realising how to use existing investments [figure 1], it seems confusion still abounds on the best way to manage document processes.

Technology reviews are isolated from process reviews, leading to disconnected document processes and making it hard to identify pitfalls and adopt new ways of working throughout the business.

The study also provides evidence that businesses are reviewing their technology and their document processes in isolation, rather than the two pieces being viewed as connected and integral to each other's effectiveness. 53 per cent of organisations said that they review their technology to manage processes every six months, or every six-twelve months. This figure is in contrast to Part 1 of this research which revealed that 78.4 per cent of businesses review their processes in the same time period [see figure 6].

Figure 6: For business-critical document processes, how often do you review the process? How often do you review the technology that helps manage your business-critical document processes? (answers for 'every 6 months' and '6-12 months' shown.)
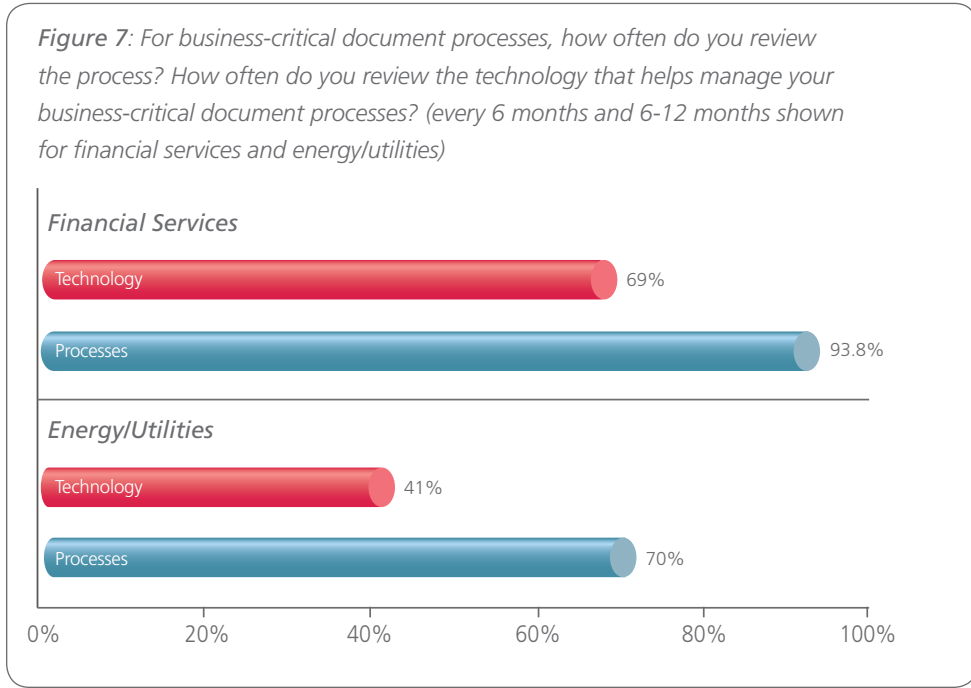
Processes — 78.4%
Technology — 53%
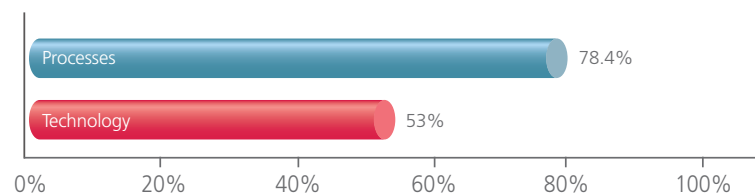
Regularly reviewing and maintaining the latest technology is important for efficient management of business critical document processes, but technology on its own is not a panacea. Instead, a deeper understanding into the way critical document processes work – including how information flows through a company and how technology helps that information flow – is required to truly understand any problems and identify solutions.

"Any organisation which does not have the basic fundamentals and principles in place will be open to risks. Having the right policies, procedures, right training and monitoring system are the basic and fundamental requirements."
CFO, Financial Services, UK

Regulation the key to regular reviews?

When it comes to technology reviews, the heavily regulated financial services industry is most likely to review technology regularly, with 69 per cent completing reviews at least once a year, compared to the energy and utilities sector on 41 per cent. But both industries review their document processes more regularly than they review technology (with 93.8% of financial services reviewing processes once a year, and 70% of energy/utilities doing likewise), so there is also a disconnect between process and technology across industries. [see figure 7]

Figure 7: For business-critical document processes, how often do you review the process? How often do you review the technology that helps manage your business-critical document processes? (every 6 months and 6-12 months shown for financial services and energy/utilities)

Financial Services

Technology	69%
Processes	93.8%

Energy/Utilities

Technology	41%
Processes	70%

0%   20%   40%   60%   80%   100%

Across all industry sectors, a rigorous, regular and integrated review and assessment of the technology that underpins business critical document processes is vital. In fact, a truly effective review process is ongoing and constantly monitors how business processes and business technologies are performing, looking for bottle necks and improvements at all times.

Conclusion: fitting the technology and process pieces of the puzzle together.

With technology innovation expected to continue at an unprecedented rate, there's no question businesses should look for new tools to help them work more smartly. Technology will support changing work styles in the future, enabling collaboration across borders and mobile working; supporting faster, more direct response to customers; and helping to speed up and automate business-critical document processes to free up employees to focus on core business tasks.

But technology must not be viewed as a cure-all, as it can't transform the workplace on its own. For this to happen, the technology needs to be fully integrated with document processes and the way employees work, to ensure it is supporting the process to run more smoothly, more quickly, and more securely.

IDC, global provider of market intelligence, also recognises the pitfalls of relying on technology to digitise document processes as the sole answer to streamlining process management, saying recently: "the least effective processes are also the least paper based … simply automating a broken process does not automatically fix it, and getting rid of paper alone is not enough to ensure a robust process."

Working with a partner with expertise in both document process management and technology will help businesses to join the pieces of the puzzle together. By providing an overview of how both the process and the technology are working – individually and together – a specialist can identify opportunities to streamline and to remove bottle necks throughout the organisation. A specialist can also introduce a full change management approach to make sure employees are involved in any new ways of working so they are able to maximise technology to support critical document processes.[3]

Business leaders can gain competitive edge if they master the full puzzle to connect people with information, enable collaboration and encourage knowledge sharing – but only if they integrate technologies with the business processes that run through the entire organisation.

"Technology cannot transform the workplace on its own."

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[1] Gartner press release: Gartner Says Worldwide Media Tablets Sales to Reach 119 Million Units in 2012, April 2012, http://www.gartner.com/it/page.jsp?id=1980115

[2] IDC, Organizational Blind Spot: The Role of Document-Driven Business Processes in Driving Top-Line Growth, September 2012.

[3] IDC, It's Worse Than You Think: Poor Document Processes Lead to Significant Business Risk, June 2012.

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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.co.uk