

Research Says: Focus on **Business Technology**



Agenda to Ensure IG Success

The Forrester Research and ARMA International records management survey, Q3 2014, reveals some bright spots for records and information management (RIM). But, the new “business technology agenda” of investing in tools to attract and serve customers and ensure operational excellence is driving the need for information governance programs to align their focus with these corporate priorities to get the funding and executive sponsorship they need to succeed.

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2014 marks the sixth year that ARMA International and Forrester Research have surveyed records and information management (RIM) decision-makers in an effort to track the key trends and challenges facing the profession. More than 600 respondents from around the world shared their perspectives in the survey that was conducted during the month of August 2014. A quick summary of the participant demographic data reveals that:

- North America dominated the survey, with U.S. participants at 74% and Canada at 19%.
- Government topped the list of vertical industries at 34%.
- Large enterprises – over \$1 billion in revenue – were represented by 20% of respondents (topped only by 35% who chose

not to answer).

- 19% of RIM programs report into a corporate services department, with 18% into legal, 15% into IT, 10% into lines of business, 7% into compliance, and 26% into “Other.”

When viewed through the lens of other Forrester research, these survey results provide several key takeaways for RIM professionals, including some distinct calls to action.

Reboot IG to Meet Corporate Objectives

Forrester Research has been tracking the shift into what is called the “business technology” (BT) agenda of enterprises increasingly investing in new technologies and changing their systems and processes, specifically to attract, retain, and serve their customers.

Organizations are increasing in-

vestments in tools for front-line employees and the customers they engage. As reported in Forrester’s July 2014 “Top Technologies for Your Business Technology Agenda,” business priorities for 2014-15 are clear: grow revenue; improve customer experiences, as well as reduce costs; differentiate in the market; and, of course, improve compliance with regulations.

Business units that support these priorities – sales, customer service, finance, marketing, and research and development – will be the top beneficiaries of new software investment. RIM professionals must recognize these larger corporate objectives and align new information governance (IG) program efforts to meet them.

In discussions with customers as well as key IG vendors, Forrester frequently hears that business cases for IG tied solely to storage cost reduction or risk mitigation are harder and harder to fund. The “defensible disposition” message does not always resonate with senior executives who have been tasked to do other things like grow markets, expand globally, renew contracts, or launch a new mobile strategy.

Successful, sustainable IG programs must align to those corporate objectives in order to gain sponsorship and budget. Organizations that have yet to establish an IG program can start down this path now; 31% of the Forrester Research-ARMA joint survey respondents report that they have “no formal governance structure” for their RIM program.

Address Risks in New Sources of ESI

As organizations move to this BT agenda and increase investment in tools to improve overall customer experience and grow revenue, RIM professionals must do a better job of keeping pace. Year over year, new sources of business communication that produce potential records are among the most neglected when it

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comes to applying retention policies.

Enterprise social or collaboration sites (including technologies such as Yammer, Chatter, or Jive) are among the content types with the lowest levels of interest for implementing technology for retention. Thirty-three percent of survey respondents are “not interested” in applying retention policies to these sources. A further 14% have interest, but they don’t have firm plans to look at retention for collaboration sites.

Similarly, 29% have no plans to apply retention to cloud-based file-sharing platforms (such as Box); 22% have no plans for instant messaging; and 21% have no plans for external social media (such as Facebook, LinkedIn, and Twitter).

Overwhelmed RIM professionals are still working to bring retention policies to the sources of electronic content that have been around for years. Document management or enterprise content management (ECM) systems top the list of sources for which they are “in the process of implementing” retention; this was followed by e-mail systems.

Forrester’s Point of View

The persistent neglect of new sources of potential business records sets up two new risks. First, there is

a risk that this unmanaged collaborative content will become a target for future e-discovery orders or investigations. Second, there is a risk that RIM programs are not in step with how business users are engaging with prospects, partners, or clients. Expect this gap and its associated risks to grow as more and more customer data is collected by marketers, sales teams, and field service teams.

Expect BT Spending to Increase

Satisfaction levels with current RIM products are generally good: 40% of survey respondents describe themselves as “somewhat satisfied” with their systems, with 17% “very satisfied.”

Optimism for ongoing rollout persists, with 59% planning to expand or roll out new systems into 2015, a figure that has been consistent year-over-year. However, with new “systems of engagement” like social platforms largely being left out of retention policies, RIM professionals should take an opportunity to visit their vendors’ roadmaps and ensure consistent policies can be applied across all key sources of business records – on-premises as well as cloud-based.

A majority of survey respondents (52%) expects that overall RIM spending for products and services will grow into 2015. Forty-four percent expect increased budget to upgrade their existing on-premises RIM technologies, while 36% expect to invest in new on-premises tools.

Only 21% expect to see an increase in spending for software-as-a-service (SaaS) or hosted RIM tools. Currently, 19% of RIM professionals use SaaS or cloud solutions for records management. While this is a significant increase from the 10% noted in 2013,

56% still proclaim “no plans” for cloud RIM in the foreseeable future.

Anticipate Moving to the Cloud

Fear of the cloud continues to be driven by potential privacy or security concerns. Named by 27% of respondents, this is, however, down substantially from 2013, when 58% selected it as a concern.

Fifteen percent admitted they do not know why their organization is inhibited from considering cloud for RIM, and 13% described themselves as “not familiar enough” with SaaS approaches or products.

Only 11% named “policies, regulations or laws prevent using this approach” as an objection to using the cloud for RIM. This is also a shift in thinking from 2013, when this latter objection was named by 25%, the second most popular choice after privacy or security concerns.

Forrester’s Point of View

Failure to explore cloud-based technologies to manage records or retention policies may keep RIM programs from catching up to the bigger BT agenda. As lines of business work with their IT teams to shift the focus to growth-oriented goals, expect to see more adoption of simpler, cloud-based, mobile-friendly applications to be adopted by the enterprise. RIM professionals must keep pace.

Prepare for Digitization Acceleration

Not surprisingly, 81% of survey respondents expect the volume of electronic *non-records* to increase as we look into 2015. A mere 5% expect this volume to decrease. The volume of electronic *records* is expected to increase by 90% of survey respondents, with only 1% expecting a decrease.

The volume of paper, however, is expected by most respondents to decrease. For physical records managed by third-party storage providers, 36% expect the volume to decrease. Only 16% expect outsourced volumes to

increase, with 29% expecting it to stay the same.

Paper records managed onsite are expected to decline, according to 44% of survey respondents. Twenty-five percent expect their onsite paper levels to increase, with 29% anticipating the status quo.

Outsourcing costs to manage physical records in 2015 are expected to decrease, according to 24% of survey respondents, though 17% expect this to rise, and nearly half (49%) expect it to remain the same.

Confidence in long-term preservation is more optimistic in 2014. Paper has long been viewed as the safest form for items with a retention period beyond a decade. This may be starting to change as digital preservation heats up.

Survey findings reveal that 27% of respondents are “very confident” about rapidly and cost-effectively

retrieving electronic records in 15 years, up from 19% in 2013, while 40% are “somewhat confident,” which is comparable to the 41% from 2013. Support for archival file formats – specifically PDF/A – is important to 31% of RIM decision-makers when making technology purchasing decisions.

Forrester’s Point of View

The move to turn business content and transactions into data that can be used for better decision making will continue to rise in importance. Paper records must be kept not only to meet legal and regulatory requirements, but also to ensure continuity of corporate memory. However, the cost to retroactively digitize historical artifacts is high.

According to Forrester Research’s July 2014 “Global Enterprise Content Management and Archiving Online

Survey,” enterprises get the highest return on investment from enterprise content management platforms when they’re used to automate processes and eliminate paper. RIM professionals must work with line-of-business leaders to identify opportunities to digitize forms and workflows, applying capture and retention policies to the electronic items.

Balance Legal, Business Stakeholder Needs

With the BT emphasis on growth, customer experience, and service, RIM programs and IG strategies that focus too narrowly on legal and risk may not have the agility and flexibility to address the rapidly changing business environment.

As reported in Forrester’s June 2014 “Extend Compliance and Risk Management to What Really Matters for Your Business,” reputational

damage and customer loss are more likely to cause a company to fail than fines or sanctions. Modern approaches to IG provide guardrails for safe innovation and content generation, not stoplights that impede responsiveness to market needs.

Narrow Focus Skews IG Efforts

With respondents primarily (79%) from the United States, survey par-

are actively involved with their organization's e-discovery process.

Forrester's Point of View

The focus on e-discovery in the RIM profession feels disproportionate if just over half of its practitioners take an active role in discovery activities. There is no dispute that e-discovery is a resource-intensive, risk-laden corporate function that

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ticipants name general counsel or the senior-most legal decision-maker as a key executive sponsor for a RIM program, at 21%. This is slightly ahead of the CIO or most senior IT role (at 20%) and executive committee (17%) and the CEO (at 13%).

This is an interesting contrast to data from the UK-based Information and Records Management Society. The same question posed to a predominantly UK respondent base showed that the CIO was most often a backer of a RIM program, followed by an executive committee, a line-of-business manager, and legal.

Even though legal has a much stronger hold on RIM programs in the United States, RIM professionals should ensure that this does not skew the governance mission too narrowly.

E-Discovery Drives Vendor Selection

E-discovery remains an important consideration when RIM professionals assess vendor capabilities. When looking at solution providers, 65% of respondents deem it important to support collection, review, or other processes as part of e-discovery. This is relatively consistent with the 68% who deemed these capabilities important in the 2013 survey. Just over half (55%) of RIM professionals, however,

must be executed consistently and transparently. Technology innovations originating with e-discovery vendors have produced tremendous gains in areas such as machine learning, technology-assisted review, and tagging, as well as content analytics for very large volume environments.

RIM programs, however, also must look at solving the information stumbling blocks that hold back their organizations' progress in meeting customer-focused objectives. RIM professionals must stake out their place in the BT agenda.

Expect the Same – and Some New – Challenges

The issues that hinder success have remained relatively constant year over year. However, in 2014 we did find that the cost of RIM solutions has become a concern. Of the 226 respondents who chose "solution is too expensive" as a problem, 48% listed it as "very challenging."

Other top challenges, in line with 2013 findings, include stakeholder alignment, coordination of efforts, and inconsistent user filing, as well as skills development. Privacy was named as a concern by 301 respondents, but a very low number (15%) actually deemed privacy "very challenging."

Coordination Is Lacking

Coordination of stakeholders and initiatives continues to plague programs. Of the 260 respondents who named "IT, legal, compliance and business stakeholder alignment" as a challenge, 46% deemed it "very challenging." And, of the 236 who named "synchronization of eDiscovery, records management and archiving efforts," 43% deemed this "very challenging."

User Skills Are Lacking

Skills development and user proficiency are persistent barriers to success. Complexity of many RIM technologies and low emphasis on product usability by most vendors will make this a difficult challenge to overcome if the status quo reigns. Of the 253 respondents who named "inconsistent classification by end users" a concern, 42% identified it as "very challenging."

Staffing and development of in-house expertise was named as challenging by 269 respondents – the second highest option – but just 33% described it as "very challenging." Continuing education activities are essential to ongoing RIM skills development.

The top resources that records management professionals turn to in order to keep up with trends and recommended practices include: online sources, such as webinars, podcasts, or mailing lists (26%); traditional publications such as books, journals, or manuals (23%); in-person conferences hosted by professional associations, such as ARMA (22%); and professional certifications such as IGP, CRM, or PMP (13%). Vendor events and university/college courses were named by 11% and 4% of respondents, respectively.

Forrester's Point of View

As RIM evolves to find a fit in the broader BT agenda, simpler, more automated approaches to content capture, categorization, and classi-

fication must be explored. Business users will continue to reject complex, multi-step, desktop-dependent content and records management systems. Forward-looking RIM teams must look at simpler, mobile, and web-friendly tools with a high degree of behind-the-scenes policy application to break past the adoption barrier.

Continuing education is essential for professional development and program success. However, RIM professionals who want to drive their IG agenda into the future must proactively leave the echo chamber. Learn what technologies and projects are being adopted across your sales, marketing, and customer service teams and understand how content and potential business records are being generated. Focus as much – if not more – on proactively capturing new records rather than just cleaning up yesterday’s mess.

Make the Shift to BT to Ensure Success

The 2014 Forrester Research-ARMA International Online Survey results show distinct bright spots. Fear of the cloud is dissipating, confidence in long-term preservation has grown, and paper volumes are on the decline. But there remains much work to be done.

RIM professionals cannot take the risk of being left out of their enterprises’ shift from the traditional IT agenda to the BT agenda. Corporate priorities will differ from business to business, across vertical industries and geographies. More technology decisions are being driven by the need to attract and serve customers, as well as to ensure employee and operational excellence. Focus RIM resources on helping to move these business objectives forward by providing the guidelines and guardrails to facilitate safe, secure, sustainable success. **END**

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