

A White Paper  
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**Integrated Solutions**  
FOR ENTERPRISE CONTENT MANAGEMENT

# ***An SMB's Guide To ECM Software***



## ***Tips For Selecting An ECM (Enterprise Content Management) Solution That Best Meets Your Unique Business Challenges***

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## **An SMB's Guide To ECM Software**



### **Introduction**

As an SMB, you face special challenges. Unlike larger organizations with hefty budgets and ample human resources you have to do more with less in order to compete. This obstacle can make it difficult for your business to succeed. In fact, research indicates that nearly half of all SMBs fail within the first five years. One of the main reasons cited for this failure is poor management of company information and processes. With this in mind, it is imperative that you streamline and control your core business processes as well as provide easy access to the information vital to those procedures. Luckily, ECM technologies are available that can help you achieve these objectives.

While budget restraints commonly make SMBs late adopters of technology, recent developments in ECM software design and pricing have made these solutions ripe for SMB consumption. This white paper is

designed to provide you with an understanding of the factors driving ECM adoption in the SMB community, tips for selecting the right ECM software solution for your business environment, and an overview of key benefits that illustrate the value proposition of ECM for an SMB.

### **Why Is Now A Good Time To Invest In An ECM Solution?**

Before you jump headfirst into an ECM initiative, you may first need to gain a better understanding of what it is about today's market landscape that makes now a great time to invest in ECM technology. Several factors are driving the relevance and viability of ECM in SMB circles. These factors include:

**The price is right:** ECM was once considered a niche technology reserved only for large enterprises with document-intensive applications and deep pockets. The solutions were application-specific, complex, dif-

## An SMB's Guide To ECM Software

difficult to integrate, and expensive. In fact, the costs of the software and document imaging hardware required for an ECM solution often carried a six- to seven-figure price tag that put them well out of the reach of SMBs. Over the past few years, the cost of document scanners has steadily decreased, and lower-cost ECM software options designed specifically for use by SMBs have also become available on the market. Today, a robust in-house ECM solution can be deployed for a low five-figure investment. Furthermore, on-demand or hosted ECM software is available on a pay-as-you-go basis for as little as \$25 per user per month.

**You need to comply:** Over the past several years, many government and industry regulations (e.g. Sarbanes Oxley, HIPAA [Health Insurance Portability and Accountability Act], SEC Rule 17a-4) have emerged that affect businesses of all sizes. These mandates require public and private companies to comply with specific document retention and

retrieval policies. Failure to comply with these regulations can result in hefty financial penalties. SMBs have fewer resources to allocate to document management tasks than do larger enterprises, and ECM can help automate and eliminate much of the work involved in compliance efforts.

**You need to compete:** As mentioned in the introduction, nearly half of all SMBs fail within the first five years. To ensure you don't fall victim to this statistic, you need to utilize resources more effectively and be more agile than your competitors. An ECM solution can help you accomplish this by increasing employee productivity, reducing labor costs, and improving your ability to respond to customer demands. Implementing an ECM solution before other SMBs in your industry do can provide you with a huge competitive advantage.

### **What Should I Look For When Selecting An ECM Software Package?**

Now that you know why the time is right to embark on an ECM initiative, the next step is to narrow your ECM software options. There are a variety of ECM software solutions on the market, but the following suggestions will help you select an ECM software package that will best address common SMB challenges:

**Keep it simple:** As an SMB, you have limited or no IT resources. Furthermore, you can't afford to invest in months of external consulting or third-party integration services. Because of this, you need to ensure the ECM software you select is easy to deploy and maintain. An ECM suite with a central point of security and administration can dramatically reduce overhead requirements. A solu-



## **An SMB's Guide To ECM Software**

tion that allows integration with other business applications without the need to program through an API (application program interface) also reduces implementation time and costs.

Since knowledge workers with little to no ECM experience will be the ones using the ECM solution you implement, the software should also be easy to use. Look for software packages with intuitive GUIs (graphical user interfaces) that mirror a Microsoft Windows or browser-type environment. Software interfaces that mirror a paper file environment (i.e. mimics a traditional file cabinet and folder structure look and feel) can also help shorten the learning curve. Finally, ECM software equipped with 'wizard-driven' functionality provides prompts that help guide users through tasks they may commonly get stuck on. In many cases, these prompts can even help users perform key ECM software maintenance tasks themselves, such as adding users or data fields to the system.

**Err on the side of all-inclusive:** Many ECM software packages on the market are modular in nature. This means that key ECM components (e.g. document imaging, workflow, records management) are sold a la carte and integrated together to create a customized solution based on your specific business needs. While on the surface, this option may seem like a good way for you to control your ECM solution costs, adding modules (particularly as you expand the system in the future)

can quickly add up. Plus, given your budget and resource constraints, you're probably not going to want to worry about what additional features you may need to purchase down the road. With this in mind, look for ECM software that includes a broad set of core ECM functionality standard with the product. Ensure your ECM software comes equipped with features including document imaging, revision control, audit trail functionality, and retention scheduling.



Some will argue that ECM solutions with 'out-of-the-box' functionality address only one or two business needs well and will require an SMB to purchase other point solutions to address future requirements. This is something to be wary of, however, the ECM needs of most SMBs typically focus squarely on basic imaging, storage, retrieval, and collaboration

tasks. That's not to say that you may one day need to implement a more sophisticated records management or business process automation solution. The ideal is to find an ECM product that provides the most core functionality standard, but allows for more sophisticated capabilities to be added if necessary.

**Make sure it's scalable:** The one thing you want to avoid is to invest in an ECM solution that you outgrow in a couple years. Your ECM solution should be scalable enough to address the growing volume requirements you may face, while being flexible enough to address multiple lines of business from

## An SMB's Guide To ECM Software

the same platform. ECM software scalability starts with the product's content repository. You'll want to

choose a product with a repository that's large enough to handle a steadily growing number of document images and other electronic files.

### Leverage Existing Assets For Document Scanning

An ECM software platform will be of limited value without the document scanning devices that allow you to convert paper documentation into electronic images that can be managed by the system. Like ECM software, business-grade document scanning devices have become much more affordable to SMBs over the past few years. It used to be that a single business-grade document scanner required a five-figure investment. Today, several feature-rich desktop scanning devices are available in the \$500-\$2,000 range. However, depending on your needs, your ECM system may require multiple scanning devices with various volume capacities. These hardware demands can drive up the cost of the overall solution.



A digital copier or an MFP (multi-function peripheral) device can often serve as a document scanning on-ramp for your ECM system.

To alleviate some of these hardware expenses, you may want to consider leveraging the scanning capabilities of some of your existing investments —

your digital copiers or MFP (multifunction peripheral) devices. Most of today's MFPs provide simple scanning features and are networked, which means they can serve as a front end capture tool for an ECM system given the proper integration. In fact, middleware is currently available that can connect an MFP to back end ECM software. Since most offices already possess a copier, scanning with an MFP can enable your company to scan documents from multiple locations and distribute its scanning environment without making a significant investment in new hardware. Another advantage of using an MFP for scanning is it can shorten the learning curve because scanning on these devices is just as easy as making a copy.

While advantageous in many instances, you need to be selective in deciding when to use an MFP for imaging and when you need a dedicated scanner. For example, most MFPs don't offer the image enhancement features that dedicated scanners provide. Furthermore, MFPs are suitable only for ad hoc scanning and aren't equipped for larger scanning jobs. If a department has document-intensive imaging requirements or needs to scan complex documents (e.g. color documents, documents with photos or illustrations), then a dedicated scanner is still the best option.

However, the repository is just one aspect of scalability. Another way to ensure your ECM solution evolves with your business needs is to select a product capable of handling a variety of different file types. While you may just be looking to scan documents and store PDFs today, who knows what types of files you'll need to manage in the future? Your ECM software should manage scanned documents (in PDF and TIFF formats), PC-generated files (including Microsoft Word documents and Excel spreadsheets), e-mail, faxes, and even spooled files from a main-frame environment. These different file types should all be managed from the same repository, and you should be able to easily locate them through a single search.

Another aspect of scalability involves the ongoing accessibility of the files located in your ECM repository. Many SMBs only think of ECM as a way to more easily access files from within the four walls of their business. However, think about the additional value the ECM system could deliver if your current or future workers could access your content repository remotely. A Web-based ECM system can allow you to easily extend your

## **An SMB's Guide To ECM Software**

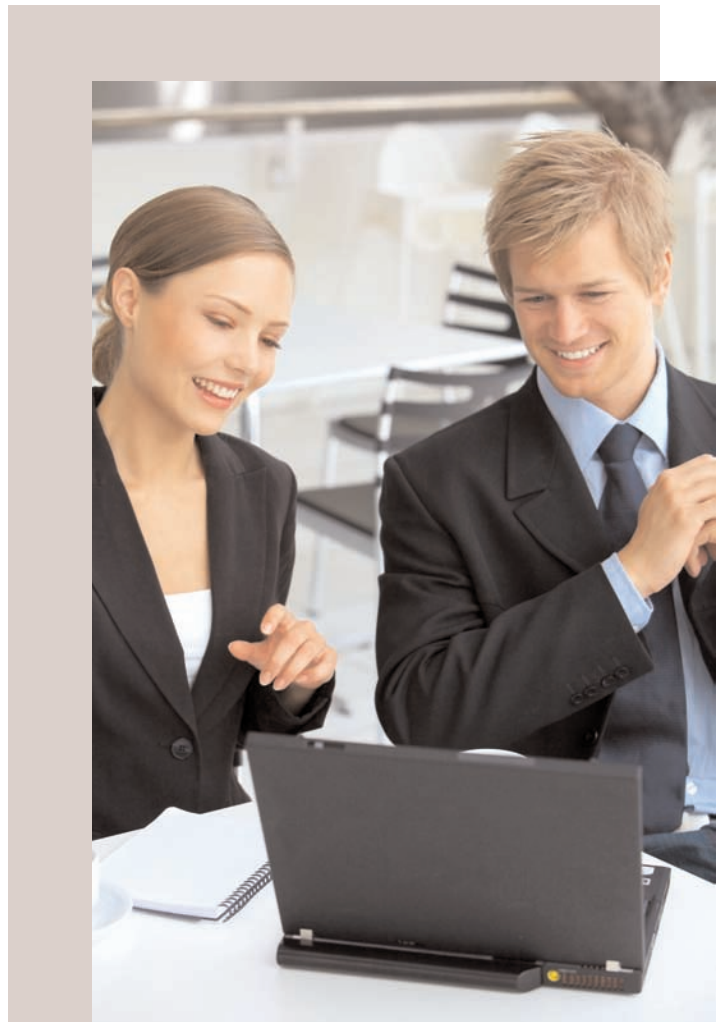
ECM capabilities outside your business, giving your customers, partners, and telecommuters the ability to access and collaborate on content from anywhere at any time. A Web-based system also allows you to quickly get new employees located in satellite offices up and running on the ECM solution as your business grows.

### **What About SaaS Or SharePoint?**

Over the past couple years, new ECM software options have begun to emerge that have been particularly appealing to SMBs. One of these options is the availability of on-demand or SaaS (Software as a Service) ECM offerings. These ECM solutions are hosted by a third party, and users pay a monthly fee to access the features of the software on a service basis. Basically, it's like renting an ECM software package rather than investing in an on-premises solution. Typically, on-demand ECM expenditures fall under a company's operating budget, rather than requiring a capital investment, which makes them attractive to SMBs. Furthermore, with an on-demand solution, an SMB can immediately begin using the system (with no IT support) rather than waiting for an on-site ECM system to be implemented. Finally, the low cost of entry (i.e. as little as \$25 to \$50 per user per month) is also a good way for SMB users to become introduced to ECM.

However, with all these advantages, there are a few key disadvantages of on-demand ECM solutions of which SMBs should be wary. First, many on-demand ECM platforms aren't as feature-rich as on-premises solutions. As a result, a SaaS solution may be ill-equipped to handle more sophisticated ECM applications. Second, the scalability of on-demand ECM platforms has been brought into question. While some SaaS providers claim to be able to scale to

handle any number of users, the consensus seems to be that ECM SaaS solutions are only ideally suited to handle a limited number of users (i.e. up to 75). If you expect your organization to grow beyond this size in the near future, then an on-premises option is not only more scalable, but can become more cost-effective as well. Finally, some security concerns surround on-demand ECM platforms. Most ECM SaaS options provide permissions-based security rules down to the document level as well as other security protocols. However, the fact remains that with an on-demand ECM solution your electronic content will be



## An SMB's Guide To ECM Software

### Gain Executive Buy-In For Your ECM Investment

This white paper is designed to provide you with the ammo you need to make an informed ECM buying decision. However, the initiative won't get too far if you can't convince upper management to approve the budget for the project. The following are some suggestions that can help you get executive buy-in for the ECM system:

**Relate the benefits of ECM with measurable results:** One of the most effective ways to build a business case for ECM is to implement a trial pilot system in one department and measure its impact on efficiency, resource utilization, customer service, and cost savings. Many ECM vendors, VARs, and systems integrators will install a free 30- to 60-day pilot system to prove the capabilities and benefits of an ECM solution. If you can demonstrate ROI in a pilot system, it is often easy to extrapolate what that ROI would be if a full-blown solution were implemented and extended to other departments.

**Show similar examples of success:** Much can be gained by researching published case studies on the ECM installations of other organizations or speaking with people in similar industries who have implemented ECM solutions. Learning how other companies with comparable business challenges have benefited from ECM technologies may help you convey the value of the initiative to upper management. Case studies can be obtained on many ECM vendor Web sites as well as through objective sources including industry publications such as *Integrated Solutions* magazine. Visiting with other companies in your area that have implemented the ECM solution you're considering can also provide you with real-world reference cases you can share with executive leadership.

**Justify the cost with value:** Review and compare the costs of the range of ECM offerings, and make a case for the one that will suit your company best. If the solution you want is not the most affordable, but is the best suited, then justify the additional expense with a value proposition. For example, if implementation, ongoing support services, and upgrades are included in the cost, then that could help justify a higher sticker price. Additionally, if the company itself will become more competitive in its field through the implementation of the technology, then investing in that solution is justifiably valuable from a business standpoint. This can be determined by showing how the technology could improve processes, improve the speed of product or service development and delivery, aid in the retention of key personnel, and eliminate or reduce redundancies and expenses for the company.

stored in an off-site facility, outside of your control. If you're an SMB that manages sensitive documentation or must comply with strict regulations, then you may not be comfortable with a hosted ECM solution.

A second new ECM option that has piqued the interest of the SMB community is Microsoft SharePoint. While SharePoint 2007 does offer some ECM capabilities, its posture as a holistic ECM platform is somewhat misleading. SharePoint was never designed to be an ECM suite — it was designed to be an application that streamlines and enhances business collaboration. While SharePoint's interface is intuitive and allows you to manage and collaborate on content, SharePoint lacks the document imaging and reports management functionalities crucial to an ECM solution. Therefore, if you want to get paper documents into SharePoint, you will require other document imaging components in order to do so. Furthermore, SharePoint has some repository limitations. It is intended to allow users to collaborate on content that is in some stage of revision, not to store and manage fixed content that needs to persist. In its current state, SharePoint is not equipped to store and manage the large volumes of document files that a traditional ECM system can. If you like the SharePoint interface and want to use it as the front end of your

## **An SMB's Guide To ECM Software**

ECM solution, that's fine. Just make sure you integrate it with traditional ECM software that is designed to manage fixed content.

### **What Can I Expect To Get Out Of My ECM Investment?**

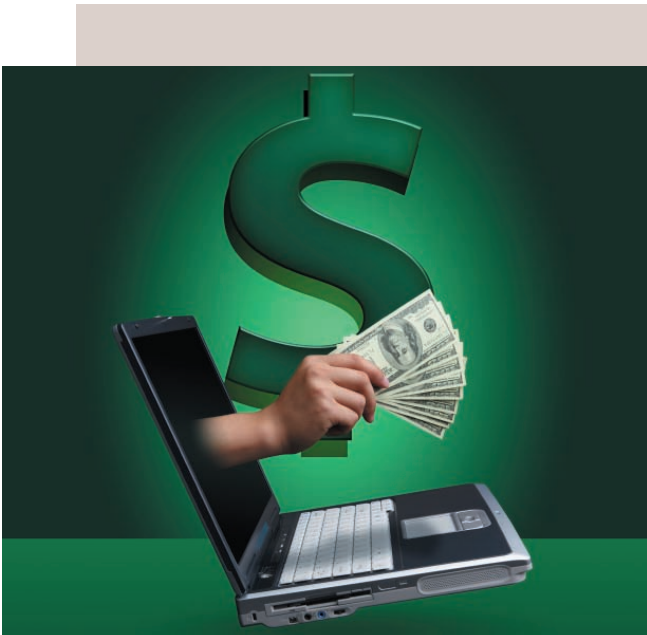
So, you've read the reasons why you should invest in an ECM solution as well as some tips for selecting a platform well-suited for your SMB needs, but what kind of return can you expect on your ECM investment? A well-executed ECM solution can provide a wide variety of hard and soft benefits including:

**Increased productivity/reduced labor and storage costs:** Studies have indicated that in paper-based systems, workers spend 20% to 40% of their time looking for the information they need to do their jobs. A study by Coopers & Lybrand actually associates costs with the time entailed in maintaining and navigating a paper-based document management system. This study shows that companies

spend \$20 in labor to file a document, \$120 in labor to find a misfiled document, and \$220 to recreate a lost document. This same study indicates that 7.5% of all company documents stored in paper form are lost and 3% are misfiled. Apply these statistics to your own business. Given the volume of documents you deal with, how much money in labor are you wasting each year by managing documents in paper form?

An ECM system puts document images at your fingertips. Your employees can search and retrieve documents in seconds right from a PC, and it is virtually impossible to lose a document archived in the system. In other words, your employees become more productive because they no longer need to spend valuable time sifting through a file cabinet to find the information they need. Furthermore, an ECM system provides simultaneous user access to documents throughout the company. Your employees no longer need to wait because a file they need is in use by a coworker. All of these advantages help to drastically reduce the labor costs associated with managing your documents. Electronic document management also reduces expenses associated with physical file storage. Recouping these costs alone can be enough to pay for the ECM system within 12 months.

**Improved customer service/competitive advantage:** How many times have you had to put a customer call on hold because you didn't have the documentation readily available to address their inquiry? In a paper-based system, customer service representatives regularly need to leave their desk and retrieve a customer purchase order, warranty, invoice, or other document from a central file cabinet. This process can take several minutes and prevents your company from being as responsive



## **An SMB's Guide To ECM Software**

as it can be to customer requests. With an ECM system, key customer documents can be accessed from a PC, allowing your customer-facing employees to immediately respond to customer inquiries and improve customer service. Furthermore, by making key business information easier to access and collaborate on via an ECM system, you can give your business a competitive edge. This is particularly true in industries where time to information is of utmost importance. For example, if you're a lending company, being able to easily access documents related to a loan application can allow you to approve the loan quicker than your competitors and win you the client.

**Facilitated compliance:** An ECM system can assist you in managing key documentation that your business needs to retain for compliance purposes. These solutions establish document access permissions based on the user, automate retention scheduling processes, and provide detailed audit trails that show which employees accessed specific documents and when. Furthermore, ECM can help you quickly locate and access information requested by auditors to fulfill regulatory mandates.

**Green benefits:** There is a growing desire among companies of all sizes to demonstrate to their customers that they are committed to 'going green' by being more environmentally conscious. Investing in an ECM solution is a great way for you to illustrate this commitment. By managing documents electronically, you reduce the amount of paper your business consumes. Lower paper consumption not only means you're saving trees, but you're

also reducing the carbon emissions and fuel consumption necessary to transport that paper to a local retailer or your office. ECM helps you further reduce carbon emissions and fuel consumption by eliminating your need to physically transport business documents between offices. Finally, by managing documents electronically via an ECM system, your business reduces its need to print, fax, or copy key business documentation, which conserves ink and toner.

### **Some Final Suggestions**

Hopefully, this white paper has helped provide you with the insight you need to begin your search for an ECM solution. To ensure your ECM implementation is as successful as it can be, here are some final suggestions to consider:

**Deploy your ECM solution incrementally:** While larger enterprises have the budget and human resources to deploy ECM technology as an infrastructure, SMBs do not. To ensure your ECM solution is successful, begin by deploying the system in a single department that is responsible for paper-driven processes that affect all other parts of the organization. These departments are fairly easy to identify, given that they are where paper bottlenecks occur and where your organization's information flow begins to break down. For most SMBs, these departments include accounting, financial services, human resources, and contracts. Once you've successfully implemented the system in this core department, you can expand the solution to others. Deploying the solution incrementally not only provides you with greater control over the implementation, but the ROI you gain from the initial installation can help fund the expansion of the solution.



## An SMB's Guide To ECM Software

**Work with an ECM VAR or systems integrator:** SMBs making their first ECM purchase may find it helpful to work with a local VAR or systems integrator to implement the solution. Many VARs specialize in specific vertical market (e.g. health-care, legal, government) or line-of-business (e.g. accounts payable/receivable, credentialing) ECM applications and have a wealth of domain expertise. These experienced partners can bring together multiple proven ECM technologies to meet your business needs and take a lot of the guesswork out of the equation for an SMB. Furthermore, the high-touch service and local

support that VARs provide can help ensure that your investment pays off.

**Make sure the solution adapts to your processes:** As long as your business has sound existing processes for managing paper documentation, the ECM solution should allow you to transfer these processes to an electronic environment. If an ECM vendor tries to convince you to change your processes in order to use its solution, take warning. A technology should adapt to fit your needs and enhance your current processes — you shouldn't have to adapt your business to fit the technology. ●

### About The Author



Ken Congdon is the editor in chief of *Integrated Solutions Magazine* produced by Corry Publishing, Inc. (Erie, PA). *Integrated Solutions* is a publication dedicated to showing IT end users how to enhance their business performance by implementing ECM, wireless, mobility, and RFID (radio frequency identification) technologies. As editor in chief, Congdon is responsible for developing the content of the monthly magazine. He also personally writes many of the feature stories, case studies, and technology trends articles that appear in the publication. Prior to assuming this role, Congdon spent four years as ECM editor for *Integrated Solutions Magazine* and its sister publication, *Business Solutions Magazine*, which targets the IT channel.

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David Nickason, office manager and IT specialist, Dibble and Miller Law Firm