



WHITE PAPER

Enterprise Content Management Meets Enterprise Business Processes: SAP Extended ECM by OpenText

Sponsored by: OpenText and SAP

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INTRODUCTION

Over the last two decades, large organizations have made significant investments in enterprise applications (EAs) to automate and optimize their mission-critical business processes. The implementation of enterprise resource planning (ERP), customer relationship management (CRM), supplier relationship management (SRM), and human capital management (HCM) systems — in conjunction with business intelligence, analytical applications, and business activity monitoring — has given organizations the control they need over their business processes, and a far more accurate and up to the minute view of their operations.

These applications, however, manage only part of the organization's business-critical information: They don't capture or manage the growing volume of unstructured information — or "content" — that plays an essential role in these business processes. Managing all of this content — including planning documents and spreadsheets, customer correspondence, engineering drawings, scanned images of invoices and sales orders, contracts, case files, employee files, compliance documentation, marketing assets, and so on — has been the province of the enterprise content management (ECM) system.

All of this content plays an essential role in the business processes that are enabled by the organization's enterprise applications: It is critical input into decision-making, it documents decisions that have been made, and it triggers workflows within the process itself. There is important content in every business process where information must be shared between people, and indeed many business processes could be said to be "content-centric."

And yet, in many organizations today, there is little or no integration between the transactions in the enterprise applications and the related content in the enterprise content management system. The organization is essentially stuck with two parallel but unrelated systems, leaving users to bridge the gap manually — essentially taking part of the business process "offline."

This creates significant challenges around business process efficiency, consistency, and visibility; information worker productivity and collaboration; and compliance and risk management.

Content-centric processes that live outside of the enterprise application remain unautomated, compromising the efficiency and consistency of the overall business process of which they are a part.

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Information and task workers are left to search for relevant content that is fragmented across a variety of separate systems. Content assets that are locked up in siloed applications can't be shared across business processes and among users of different applications.

A high rate of duplication occurs as content is copied from one application to another, or shared via email, to make it usable in multiple contexts — increasing inefficiency and compliance risk, and escalating storage costs. As no "single version of the truth" exists, information workers must spend time sorting out version management issues — if indeed they are able to find the right version.

Finally, the lack of a consistent approach to enterprise content management — together with the resulting duplication and version management issues — undermines organizations' records management efforts — jeopardizing compliance, increasing the organization's discovery costs, and limiting the organization's ability to create and leverage a consolidated view of its operations or customers.

The Need for Vendor-Supplied Integration

In fairness, integration of EAs with an ECM system is a very challenging problem: Developing integrations between ECM and enterprise applications requires domain expertise in two very broad and deep technology stacks as well as a long-term vision of how best practices in information management will evolve — including standards. It also requires vertical industry domain expertise: The business workflows that need to combine content and data vary considerably from one industry to another.

IDC believes that ECM/EA integration is a task best left to the vendors: Vendor-supplied integration is a far more robust, future-proof, and cost-effective approach, and as IDC research shows, this is an area where customers are looking to their vendors for support. Customers tell us developing custom integrations between ECM and enterprise applications is difficult and expensive work — fraught with risk. Custom integration code also becomes part of the organization's legacy IT asset: It adds significantly to the cost of software upgrades/migrations, and ongoing maintenance diverts IT resources from other efforts that could create new value for the enterprise.

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Let's take a brief, if somewhat technical, tour through approaches tried in the past, to demonstrate why this is a fundamental challenge that vendors must jointly address.

Local Content Stores

EA vendors have endeavored to address the need to bring in relevant content and make it part of the business process by adding document repository services to their applications. Because the document is ingested by the EA, the EA can properly classify it and manage it in the context of the transaction, and it can be archived or disposed of along with the record that owns it. The downfall of this strategy is that it creates additional silos of information inaccessible to the rest of the organization (and from users of other applications), so in practice the information effectively becomes just another copy, with no authoritative version.

ECM Interfaces

Alternatively, content management vendors have furnished application programming interfaces (APIs) that let other applications add, delete, and manage content in their repositories. These APIs can be used by systems integrators and others to attempt some level of integration that treats the ECM system as a virtual document management system, in lieu of the EA's own document repository services.

This approach leaves the content in the ECM system, making it searchable and available to all users and applications that connect to the ECM system — not just EA and ECM users but also those using collaborative applications such as Outlook and SharePoint. Because there is one version of the truth, this strategy alleviates the duplication, compliance, and ediscovery issues that arise with local EA content stores. It also lets EA users take advantage of advanced storage management systems.

IDC believes this is fundamentally the right approach: enterprise content should be managed by the ECM system. However, a simple interface from the EA to the ECM system isn't enough.

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Full Integration

What's required is a much deeper level of integration that addresses three key requirements:

- ☒ **Seamless access.** As is the case with EA local content stores, users must have access to relevant, related content from their familiar EA user interface (UI) without finding they are clicking away to a separate application with a different UI whenever they need to view, add, or delete a document. The integration should be so transparent that users require little or no training.
- ☒ **Content in context.** An automated mechanism is required for classifying content that creates the context for the document and its linkage to the EA. The ECM system must, in essence, "understand" the EA content hierarchy, and provide a mechanism for keeping the ECM hierarchy in sync with the EA hierarchy, as content may be ingested directly into the ECM system and then need to be connected to an EA context.
- ☒ **Single system view.** From an information management perspective, the integration should make the two systems appear as one system. This extends to system administration — the ability to manage user rights and security — and also to records management — the ability to manage records that include both structured and unstructured information.

IDC sees growing awareness at large organizations of the need to extend enterprise applications with ECM and provide a holistic approach to information management — what might be called, "extended ECM" for enterprise applications. Bridging these two worlds effectively is important from a business process efficiency perspective, and also for information worker productivity, and governance, risk, and compliance. Our research shows that a majority of enterprises recognize the need to tie EAs and

content together, and our conversations with larger customers show ECM is emerging as a core component of an EA strategy.

Happily, vendors are beginning to bridge these two worlds with integrated solutions.

The remainder of this paper looks at SAP and OpenText and their joint solution, SAP Extended Enterprise Content Management by OpenText (SAP Extended ECM by OpenText).

SAP AND OPENTEXT

As leaders in enterprise content management and enterprise applications, respectively, OpenText and SAP have partnered to address the challenge of integrating the worlds of ECM and EAs. The two companies have leveraged their development resources, industry and technical expertise, and customer support and implementation services to realize their shared vision, and streamline content-intensive business processes.

The two companies have a history of cooperation spanning two decades beginning with SAP's alliance with IXOS, an archival and records management software vendor headquartered in Germany that OpenText acquired in 2003 (SAP has resold OpenText's archival solution for many years).

The SAP-OpenText partnership has broadened and deepened over time, and today SAP resells a long and growing list of OpenText solutions, including:

- ☒ SAP Archiving by OpenText
- ☒ SAP Document Access by OpenText (includes SAP Archiving)
- ☒ SAP Extended ECM by OpenText (includes SAP Document Access)
- ☒ SAP Digital Asset Management by OpenText
- ☒ SAP Document Presentment by OpenText (formerly StreamServe)
- ☒ SAP Invoice Management by OpenText
- ☒ SAP Employee File Management by OpenText
- ☒ SAP Travel Receipts Management by OpenText

In addition to these, OpenText also sells:

- ☒ OpenText Supplier Information Management for SAP Solutions
- ☒ OpenText Application Governance & Archiving for Microsoft SharePoint
- ☒ OpenText WebParts for Microsoft SharePoint and SAP NetWeaver Portals

The companies' joint archiving and ECM products are widely used today. According to Patrick Barnert, vice president of OpenText's SAP Solutions Group, approximately 4,000 major customers use OpenText's SAP solutions for archiving and document access, and about 120 use SAP Extended ECM with customers representing nearly two dozen different industries, including many in energy, utilities, life sciences, and public sector.

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Whereas SAP Archiving by OpenText and SAP Document Access by OpenText are concerned with the management of content whose life cycle stays within the SAP process — that is, content that is filed and retrieved from an SAP application — SAP Extended ECM takes this a step further: It provides all necessary facilities — such as capture, document management, collaboration, content access, DoD 5015.2-compliant records management, and archiving — to manage enterprise content throughout its life cycle, from creation through archival and destruction, whether or not it is tied to an SAP transaction.

Because it includes SAP Archiving and SAP Document Access, SAP Extended ECM also provides users of these two solutions an upgrade path that lets them leverage their existing investments as they embrace enterprise content management in its fullest definition.

As the above product list shows, OpenText has also brought a series of packaged applications to market that extend customers' investments in their SAP systems by content-enabling specific line-of-business (LOB) processes. These applications can be sold standalone — that is, without requiring investment in SAP Archiving, SAP Document Access, or SAP Extended ECM — so they make ideal initial projects for SAP customers contemplating a broader strategic move to OpenText. Given the size of SAP's customer base, IDC expects these offerings to see strong uptake, and we expect to see OpenText continue to add new LOB applications and potentially also industry-specific applications to the list.

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Vendor Commitment and Support

SAP Extended ECM was jointly developed and is sold by SAP through its worldwide sales force. The customer signs an SAP end-user license agreement (EULA) and SAP provides support. SAP and OpenText have linked their support systems to provide a seamless mechanism for escalating problems to OpenText. This means SAP customers continue to enjoy a single-vendor relationship for both sales and support.

As an SAP-sold solution, significant effort has gone into assuring both the compatibility of Extended ECM with the SAP platform and its adherence to SAP's standards of quality and supportability — the same standards SAP uses for its own products. SAP's Premium Qualification (PQ) process evaluates solutions against 16 different SAP product standards, including functionality, performance, security, usability, accessibility, business solution configuration, technical implementation and change management, and application management.

A key aspect of the qualification process is ensuring the partner solution can be managed by SAP Solution Manager which participates in the upgrade strategy and

process for SAP's own applications, and provides monitoring and remote diagnostics. SAP Extended ECM has been developed in accordance with SAP guidelines, and leverages the SAP NetWeaver platform. This makes SAP Extended ECM a safe investment for organizations that are committed to the SAP platform.

SAP has also invested significantly in training its systems integration partners around the globe, and is working with OpenText on additional localizations for European and Asian markets.

Strategic Relationship

SAP and OpenText have a very strong working relationship at the field sales and technical levels, making it easy for them to bring their respective (and deep) expertise enterprise business processes and ECM to bear to ensure customer success. OpenText provides implementation services to SAP customers; SAP customers can also turn to systems integrators and consultants.

OpenText is clearly the gold standard for ECM at SAP, and executives at both companies are enthusiastic about the partnership. According to Barnert, SAP Extended ECM is the only ECM solution fully integrated with SAP today, i.e. built within SAP's ABAP stack. Tom Roberts, global vice president, Software Solution Partners at SAP, said, "When we speak with our customers strategically about their content management needs, they tell us SAP Extended ECM is exactly what they need. OpenText is a fabulous partner because of the high value they deliver to our customers. This has been a tremendously successful partnership for SAP."

SAP EXTENDED ECM — CAPABILITIES AND BENEFITS

OpenText speaks of "journeys" when it describes the many routes that customers take as they progress along the path from point solutions and targeted content applications to extended enterprise content management.

When customers implement point solutions to address specific content-related business problems, it can often be difficult later on to integrate these into a holistic enterprise content management strategy. With SAP Extended ECM, customers can deploy selectively in phases, beginning with aspects of the overall solution that address their pressing needs, and then expand out as business priorities dictate without creating information silos that could be difficult to rationalize down the road. This approach provides quantifiable ROI at each stage.

Let's briefly explore the capabilities of SAP Extended ECM, and see how it benefits the organization and its information workers.

Enterprise Content Management in Context

SAP Extended ECM manages the contextual relationship between the content and the SAP business process. This is a key distinction between SAP Extended ECM and solutions that merely enable users to link content in the ECM system to their SAP business process.

The goal of integration is to extend SAP's business processes with the content-centric workflows that occur outside of SAP in most organizations.

Transparent Access to Content From SAP Applications

As noted previously, one of the most important aspects of an integrated approach to enterprise content management is the ability to surface content from within users' customary applications — the applications they spend time in every day to get their work done. What's needed is the ability to *transparently* extend these applications to access content in the enterprise content management system without changing existing applications or user interfaces, or handing users yet another separate application.

SAP Extended ECM provides transparent access to enterprise content of all kinds — such as customer correspondence, scanned images of invoices, contracts, and word processing documents and spreadsheets — from within users' familiar SAP applications. This makes users much more productive because they don't need to spend time browsing or searching for related information: the application delivers precisely the right content to the information worker according to their role and/or process step. This not only saves time and cost filing and retrieving information, it drives additional value from the business processes themselves — all the while improving compliance by automating process controls.

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By transparently extending local SAP document storage with an enterprise class repository, SAP Extended ECM enables organizations to embrace enterprise content management without the disruption or the costs they would otherwise incur in user training and application support.

Access to Enterprise Content From Non-SAP Applications

SAP Extended ECM lets SAP customers extend access to "SAP content" to users who don't need (or shouldn't have) access to SAP applications, in a controlled manner. These non-SAP users can transparently access "SAP content" from within the applications they use every day, using familiar user interfaces, as SAP Extended ECM leverages OpenText's integrations with Microsoft Outlook and Exchange Server, Microsoft SharePoint Server, and file shares.

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Since content is stored in the enterprise content management repository rather than within separate application-specific document databases, it is available in a secure manner (in accordance with highly granular business rules) to all of the organization's workers. This benefits the organization by enabling it to leverage content assets across business processes — facilitating collaboration among all of its information workers, and thus boosting productivity and accelerating business decisions.

Business Workspaces Support Both SAP and Non-SAP Users

Collaboration is a common requirement in content-centric business processes. SAP Extended ECM provides business workspaces that allow users to collaborate around content whether inside or outside the firewall. Business workspaces make it easy to share targeted content with external users who need to participate in the business process but don't have access to an SAP client.

Automatic Content Classification

SAP Extended ECM provides automatic classification of content according to business rules in a manner transparent to users. This frees users from the onerous task of filling in forms of metadata to classify documents (saving time and effort); it ensures that the SAP business process context is automatically captured and maintained for a given document (making the document easy to retrieve, and also enhancing compliance and litigation preparedness); and it also improves the accuracy of the process (studies over the years have shown that even professional librarians are only about 50% consistent in tagging information). By embedding content management directly in the business process, documents are automatically classified and the context of the content is automatically maintained.

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DoD 5015.2 Certified Records Management

SAP Extended ECM enables organizations to manage and control both their physical and electronic records — including SAP and non-SAP content — and ensure compliance with regulatory and internal controls. They can apply DoD 5015.2 certified records management controls to content in their SAP applications, email systems, non-SAP applications, and document repositories. According to OpenText, it is the only ECM vendor that provides a DoD 5015.2 solution for SAP today.

Thanks to SAP Extended ECM's automatic content classification facilities, record declaration can be fully automated and made transparent to the user. SAP metadata can be used to drive retention schedules, and rules for retention can be implemented either via SAP's rules engine or in OpenText ECM. Records management facilities include legal discovery, legal hold and disposition, and warehouse space and circulation management.

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Storage Optimization

Many SAP customers are concerned about escalating storage costs, and the need to contain these costs has been a key driver for the market success of SAP Archiving and SAP Document Access. In addition to helping reduce storage costs by moving infrequently accessed files to a less expensive storage tier, SAP Extended ECM's deduplication, migration, and archiving facilities save customers save significant time and cost with application upgrades, migrations, consolidations, and decommissioning.

PUTTING SAP EXTENDED ECM INTO PRACTICE

SAP's Value Engineering team has provided management and strategy consulting to SAP customers and prospects for many years. The group uses industry performance metrics to help SAP customers benchmark their key performance metrics (KPIs) against those of their peers, and then provides a deeper assessment of the potential ROI from investments in SAP solutions leveraging industry-specific best practices, the experiences of customers with similar problems, and its expertise in SAP enterprise architecture.

This is an approach that OpenText has also adopted over the past few years, and OpenText's Value Engineering team has several years of experience making the ROI case for OpenText's archiving solution — a case that is based primarily on reducing storage and ediscovery costs through improved information management and deduplication. More recently, the OpenText team has turned its attention to making the ROI case for Extended ECM. We spoke with Krishna Rao Inapurapu, director for Value Engineering for SAP Solutions at OpenText, who walked us through their methodology and some of the tools the group has created.

On the quantitative side, Inapurapu's team has developed a Cost Impact Analysis tool that helps customers identify and add up potential cost savings based on business outcomes (for example, the impact of reducing customer churn, reducing records management costs and retiring legacy content management systems, improving quality and reducing defects, and so on). We also saw an early version of a new tool that itemizes costs and estimates cost savings by business process, with KPI comparison to industry benchmarks for peers.

OpenText's value engineering team has developed a Cost Impact Analysis tool that helps customers identify and add up potential cost savings based on business outcomes.

On the qualitative side, the group is working closely with SAP to define the delivery process for SAP Extended ECM, and map out all of the content-centric workflows that need to be incorporated into particular SAP business process, module by module. The group calls this process value blueprinting.

At a high level, an SAP Extended ECM implementation entails associating business documents with SAP objects; identifying and mapping document retention policies; creating business documents in SAP Extended ECM; identifying required business workspaces and search and display requirements; configuring workspaces, views, notifications, and retention mappings; and training and deployment.

The approach is to identify the content — including electronic documents and images, and paper-based information that is scanned or faxed — that is required to support the particular business process, determine whether it is captured, referenced, or updated as part of the process, and define requirements for security, records management, and other activities on the content. The result is a "content-enriched" version of the SAP business process blueprint. The blueprint in turn helps to guide implementation, which tailors the blueprint to the individual customer's needs.

Let's take a look at three examples as a means to illustrate how SAP Extended ECM adds value to SAP business process by tying in related content and content-centric workflows.

Investigative Case Management

Investigative case management (ICM) applications are inherently content-centric, and share a common pattern: They assemble a dossier or folder of documents pertinent to a case and manage it to completion through various workflows to facilitate a (human) decisioning process.

ICM applications are commonly found in public sector, healthcare, and fraud prevention. In the public sector, for example, they are found in law enforcement and the justice system, emergency and disaster management, aid and entitlements,

immigration, homeland security, and intelligence, among others. The need for effective ICM in the public sector has become increasingly acute as organizations at the federal, state or regional, and local levels cope with finite resources in the face of increasing complexity, strategic uncertainty, and globalization.

OpenText's Value Engineering team has developed a blueprint for the ICM life cycle, from instigation and investigation through finalization and review and analysis, based on SAP's platform. The ICM solution blueprint leverages relevant SAP modules, including Incident & Lead Management; Identity/Entity Resolution; Investigation Processing; Operations & Activity Management; Investigative Support; Investigation Analytics & Information Management, Property Evidence and Exhibit Management; and Enterprise Resource Management and Task Force Management.

SAP Extended ECM brings in the ability to manage the case file (including documents, images, and rich media assets, as well as scanned images of paper documents) through the completion process, link the case file and its components to SAP Objects, and apply retention policies. This eliminates information silos, and ensures a consistent, standardized process for managing case file content that streamlines the ICM process from initiation through handover of case documents to courts or other entities. The combination of SAP and SAP Extended ECM also ensures that SAP information and case-related content is managed together, in a consistent way, from the IT perspective.

SAP Extended ECM brings in the ability to manage the electronic case file, link the case file and its components to SAP objects, and apply retention policies.

ICM is inherently a collaborative process, and it's critical to enable a variety of different roles to participate, for example police officers, supervisors, detectives, and prosecutors, as well as data quality managers and archivists. These roles all have different requirements in terms of the scope of the information they need to access and the kind of user interface they require, and some of the participants may not, in fact, be SAP users (as is often the case when participants from outside the organization are involved in an investigation).

SAP Extended ECM addresses these needs by providing collaborative workspaces for case workers and external participants that facilitate sharing of case files, checklists, and other information, as well as by enabling access to relevant content from Outlook, SharePoint, or other collaborative applications. The case workspace is automatically created when a new case is created in SAP. It provides online/offline access to all case-related unstructured information, including offline information such as evidence gathered in the field which is then synchronized to the central case repository. It offers tight integration with Microsoft Office, and supports the end-to-end ICM process, including investigative activities as well as case review, approval, and handoff.

By eliminating information silos and connecting the case file to the business process, the integration of SAP Extended ECM gives organizations much better visibility into the status and performance of the ICM process itself, as well as insight that can help to guide ongoing business process improvement.

Plant Maintenance

In capital-intensive industries such as manufacturing, life sciences, oil and gas, and utilities, plant maintenance consumes a large percentage of the organization's revenues. It's not surprising, then, that these organizations have invested heavily in work and asset management applications to manage their assets, the work performed on them, and the resources required to perform that work.

Broadly, enterprise asset management integrates the functions of Design & Specify, Procure & Build, Operate & Maintain, and Decommission & Dispose in an end-to-end process. Let's briefly consider the plant maintenance business process, which is the aspect of enterprise asset management that focuses on inspection, preventive maintenance, and repair.

In addition to ensuring compliance with complex regulatory controls, plant maintenance is aimed at reducing or eliminating unplanned outages or downtime, and the unpredictable and significantly higher costs these incur, as well as the risks associated with unforeseen events (which can be catastrophic for utilities and energy companies). SAP's Plant Maintenance (PM) module (a module within SAP's Enterprise Asset Management application) automates the myriad workflows associated with the plant maintenance business process, for both operations and unscheduled maintenance.

In addition to the budget, resourcing, and project management data stored in PM, however, these organizations must keep track of a tremendous amount of unstructured information, including engineering drawings, specifications, calculations, facilities plans, customer- and site-specific operating instructions, land surveys and maps, photos and audio/video materials, permits and licenses, maintenance bills of material, repair manuals, manufacturer notices, inspection checklists, project plans and status reports, change orders, safety data sheets and hazard assessments, reports on prior repairs and inspections, and reports of injuries or accidents. Utilities and energy companies must have all of the necessary documentation in place before technicians can go out and perform maintenance on a plant, an oil rig, or a refinery; during and upon completion of the project, they must be able to track status and document work that was done and file necessary regulatory documents.

SAP Extended ECM can manage this content and enable it to be leveraged in the context of the specific plant maintenance project — including the facility and equipment locations and specifications, maintenance ordering and scheduling, and the work items for which team members are responsible, all of which is managed by SAP. SAP Extended ECM can also manage the workflows associated with document approval, distribution, and acceptance, while at the same time ensuring versions are kept when required, and enforcing strict retention and disposition policies. The result: reduced project costs and improved project execution that is in accordance with standard operating procedures, security standards, and regulations — improving safety and reducing downtime.

As noted previously, there is typically a non-SAP constituency that is involved in the business process and that needs access to the content that is managed by SAP Extended ECM. This is certainly true of plant maintenance. SAP Extended ECM

SAP Extended ECM project workspaces enable external workers — including engineers, electricians, and other contractors — to access dedicated information while maintaining granular security controls.

project workspaces enable external workers — including engineers, electricians, and other contractors — to access dedicated information while maintaining granular security controls. Similarly, SAP Extended ECM can support the version control needs of the technical authors who write operating and repair instructions and may not be SAP users.

Real-Estate Life-Cycle Management

Large retailers, banks, and telecom companies must manage a tremendous number of retail outlets, making real-estate management a core competency. SAP Real Estate Management (RM) provides the tools to manage the life cycle of these investments from both an operational and strategic perspective. The myriad processes involved in managing company owned or leased properties include Acquisition & Disposal, Property Portfolio Management, Technical Management, and Control & Reporting.

All of these processes are very content-intensive. What's needed is an integrated enterprise content management solution that ties the huge volume of related business documents into the real-estate life-cycle management processes in the SAP system of record, including sales contracts and lease agreements; planning and budgeting spreadsheets, and documents associated with construction, build-out, refurbishment, maintenance, modernization, and space allocation; partner and supplier contracts for facilities management; and engineering and facilities documentation.

As in other content-intensive business processes, there are domain-specific notification and approval processes that SAP Extended ECM can help to choreograph, and there are also external users who need Web-based access to relevant documents, including agents, suppliers, and contractors.

Once again, ECM becomes a strategic enabler of the overall business process. As long as these documents and their associated workflows live outside of the SAP system, the overall business process is hampered by inefficient and inconsistent manual processes that increase the organization's risk, and the organization lacks full visibility into the overall business process. SAP Extended ECM ensures relevant content is automatically surfaced to users in the context of the business process and their tasks, and manages retention and disposition to ensure compliance.

SAP Extended ECM can help to choreograph domain-specific notification and approval processes to external users, including agents, suppliers, and contractors via the Web.

Customer Vignettes

We spoke with business managers at SAP and OpenText to learn more about how their joint customers are progressing along the journey to integrated ECM/EA. Although initial priorities differ from one customer to the next, we heard some recurring themes. Typically, the SAP Extended ECM initiative is part of a significant business transformation project that unfolds over many years (sometimes over a decade or more), and customers that embrace the concept of integrated ECM/EA appear to be committed to rolling out SAP Extended ECM companywide — to all of their employees, or at least to all their SAP users — replacing legacy ECM "point" solutions.

For example, a large United States manufacturer of power generation systems and equipment bought SAP Extended ECM to help manage the tremendous volume of documents associated with its growing nuclear power business. It needed a platform that could tie its construction documents, specifications, bids and quotations, and so on to its SAP ERP and CRM systems of record, both to improve collaboration and to enable it to demonstrate compliance with government regulations. It also realized it could leverage this platform to simplify its human resources (HR) processes, where it had large volumes of paperwork: By scanning and digitizing its HR documents, it is able to manage this information holistically in conjunction with the Hire to Retire business process.

A large city council in the United Kingdom provides utility services to citizens. The council was under financial pressure to streamline its operations and lower costs, and it wanted to consolidate offices, but these were filled with filing cabinets. It needed a platform that would let it digitize all of this paper and enter it into its SAP system of record or use physical records management — that is, barcode it, put it into boxes, and move it offsite. It also needed a platform that would help it move more to electronic processes going forward. The city council purchased approximately 7,000 SAP Extended ECM seats — one for each SAP seat.

A leading foodservice supplier in North America is undertaking a five-year business transformation project to modernize its highly distributed operations across approximately 150 subsidiaries. The company realized it needed an enterprise content management platform to address its broad needs. Working with a large systems integrator, the company has identified more than 200 different document types that support its SAP business processes, spanning ERP, CRM, HCM, enterprise asset management (including plant maintenance and fleet management), master data management, and business intelligence. Its initial targets for SAP Extended ECM are CRM and fleet management, but the company also plans to roll out SAP Extended ECM under SAP's HCM, FI, SC, Procurement, and Operations modules, and it has purchased an enterprise license that provides SAP Extended ECM to all its employees — more than 50,000 seats. The company also uses SAP Digital Asset Management by OpenText for brand management and marketing, and OpenText Email Management.

A global agribusiness leader headquartered in the U.S. is undertaking what is certainly one of the largest business transformation efforts in the world — a 10-year SAP implementation. Initially, from a content perspective, the company was focused mainly on archiving, and on records management of archived information. Increasingly, it realized it needed a way to manage all of its unstructured information in the context of its SAP system of record, and so it became convinced that ECM needed to be an integral part of the SAP rollout. It has purchased SAP Extended ECM for its 130,000 employees to ensure that all of its business information — both structured and unstructured — is managed information, and it is beginning with five key SAP processes: Procure to Pay, Order Trade Settlement to Cash, Plan to Produce, Record to Report, and Managed Goods.

A large oil and gas company in the U.S. is using SAP's ERP/FI, HCM, CRM, EAM, Project Management, and Materials Management modules. What's unusual about this company is that the manager responsible for the company's document management

system is also the SAP team lead. It is starting its ECM/EA journey with CRM to support content from customer interactions, contracts, complaints, and inquiries. In the future, it would like to leverage its investment in SAP Extended ECM to support Procure to Pay and Resource Management, and potentially also to manage contracts which are not part of its SAP suite today. Other future opportunities include archiving — for both data and documents — and records management.

CHALLENGES/OPPORTUNITIES

We are still in the early days of EA/ECM integration — we've only just begun the journey to integrated enterprise information management. There are hundreds of business processes that can benefit from EA/ECM integration, and it will take years to address them all in the context of different industries and their unique requirements.

Standards are still evolving, and they will need to be informed by real-world customer needs. Vendor solutions don't address the full spectrum of customer needs out of the box, and professional services will continue to be a significant component of integrated EA/ECM deployments for the indefinite future. But this is already beginning to change, as vendors incorporate lessons learned and industry best practices into their products.

Customer case studies demonstrating ROI are still relatively scarce, but we are at the point where building a credible business case is a fairly straightforward task. One of the challenges OpenText and SAP have had to face in the past was finding the right people in the organization to talk to: ECM and enterprise applications remain very separate disciplines in most organizations, and often these two teams have never met. As Barnert points out, "Staff are either responsible for SAP ERP or for ECM. There are very few companies looking at it from a holistic approach — from a pure information management requirement."

This is beginning to change, however. As Roberts points out, "A few years ago, if we'd asked our customers to rank the importance of integrating ECM with enterprise applications, it wouldn't have been at the top of their priority list. But it's increasingly becoming a priority. It's partly an issue of CIOs wanting to get the most out of their IT assets. But it's also about the line of business stakeholders, who want to see content in the context of their business processes. These days, in customer conversations, we're getting pretty quickly to that 'aha!' moment."

From our conversations with customers, it's clear that the benefits of full integration between EA and ECM are resonating with many customers. Increasingly, we see customers planning around a 1:1 deployment model, that is, an ECM seat for every EA seat. OpenText also offers components that provide access to content, including both SAP and non-SAP documents, in Microsoft SharePoint and SAP NetWeaver Portal. As a result, even casual users can participate in processes in the application interface that are most appropriate for their roles.

We believe OpenText and SAP have a huge opportunity going forward, not just with SAP Extended ECM but with their growing joint portfolio of related products. We would expect to see the two vendors continue to take a pragmatic, customer-driven

Vendor solutions don't address the full spectrum of customer needs out of the box, and professional services will continue to be a significant component of integrated EA/ECM deployments for the indefinite future.

approach to product planning that incorporates lessons learned in customer engagements as they add to it.

A couple of years ago, the drivers for a holistic approach to enterprise information management centered on compliance, mitigating enterprise risk, and managing down litigation costs — especially storage and ediscovery costs. Of course, these remain important drivers — and SAP Archiving and SAP Document Access address them — but increasingly, we are seeing the discussion broaden to encompass business value, and this bodes well for the future of SAP Extended ECM. It's the integration with enterprise applications that is enabling customers to realize the vision of enterprise content management.

IDC believes systems integrators and consultants have a major role to play in this evolution. As Roberts points out, "It's really about business transformation. By combining unstructured information and structured data, we are taking business process automation to the next level. We are seeing systems integrators that have practices in both ECM and SAP starting to combine them. There is a big market out there for partners that have expertise in both. SAP Extended ECM lets them focus more of their time on business process optimization, rather than technical details, so the customer engagement is more strategic."

CONCLUSION AND RECOMMENDATIONS

IDC believes that SAP customers should explore the opportunity to augment their existing SAP implementation with ECM and bring their content into the context of their business processes. ECM projects can be undertaken as part of a business transformation project, or as discrete business optimization projects. Migrating content out of local content stores to an ECM system also helps pave the way for enterprise application rationalization and consolidation, so those contemplating a project to consolidate multiple SAP instances should consider adding in the ECM component.

Given the complexity of EA/ECM integration work, IDC believes customers should look to vendors to provide commercially developed and supported integrations, rather than take on the difficult and risky task themselves or by using integrators. SAP Extended ECM addresses the key requirements for a successful integration, and should be considered by all SAP customers.

Customers that aren't quite ready to broadly deploy ECM across the company can deploy ECM selectively for specific business processes, and leverage the ECM investment forward for additional projects over time. Alternatively, organizations can start by addressing some of their paper-based business process, leveraging SAP/OpenText LOB applications with the OCR option. IDC research continues to highlight the attractive ROI that capture projects afford.

There are many starting points for the journey to ECM. The good news is that customers can pick their area of greatest need as their departure point, and expand their investment over time. This choice reduces project risk and accelerates time to value. We believe SAP users will see tremendous benefit in the ability to transparently leverage ECM in conjunction with their portfolio of SAP applications

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without needing to change their existing processes, reimplement their applications, or retrain their users. They can start with one SAP application area and roll out to others across the organization without disruption to the business. Rarely does IT have such a good opportunity to enhance the organization's controls over information management without impacting existing users and applications.

IDC recommends that organizations embarking on the path to integrated ECM and enterprise applications leverage the resources of vendors such as OpenText and SAP to help them:

- Develop a solid business case and ROI model, one they believe is realistic, attainable, and measurable
- Map their priorities into a phased implementation plan that is nonetheless architected for the future
- Choose a solution that is as pre-integrated as possible, to avoid writing custom code, and to leverage their vendors' domain knowledge, expertise, best practices, and practical experience from customers who have gone before
- Choose a systems integrator with expertise in both SAP and ECM

We believe OpenText and SAP have correctly anticipated the emerging needs of enterprise customers for an integrated enterprise information management approach, and are well positioned to address the evolving needs of customers in diverse industries.

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