



How a successful ECM project becomes a despised legacy application and 5 ways to prevent it

EXECUTIVE SUMMARY

Fixating on short-term objectives can cost you in the long run

When it comes to selecting and deploying enterprise software solutions, including enterprise content management (ECM), many IT departments face pressure to control costs, decrease time-to-benefits and give end users what they want. Tired of being known as the department of “slow and no,” many IT departments are inclined to play it safe and avoid challenging these demands.

However, IT departments that fail to challenge this kind of short-term thinking are taking a risk – and that may be surprising news to many organizations. Conventional

wisdom tells you to pick this kind of software: the quickest win for the least amount of money that the end users like best and will quickly adopt. How could you go wrong with a choice like that?

In fact, the ECM software that appears easier to use and less expensive to buy is often difficult to manage long-term. It's not flexible enough to meet the needs of users as they evolve and is more expensive to own over time.

Read the five steps on the next page to understand just what happens when organizations make the “easy choice.” Then, learn how involving IT in the buying process allows organizations to avoid those mistakes and create success both from the beginning and over the life of an enterprise software solution.

Step One: BUY SOFTWARE BASED ON LOW COST

Organizations are under pressure to contain cap ex spending. In response, IT adheres to the procurement department's policy to choose the ECM provider who provides software licenses at the lowest price.

Step Two: PICK THE SYSTEM USERS LIKE BEST

After all, if end users are happy then everybody's happy, right? Not to mention, it's a well-advertised fact that poor user adoption is the key reason that 50 percent of ECM projects fail. In response, organizations select the ECM software with a user interface that resonates most with the end users and don't take into consideration how easy it will be for IT to modify as those needs evolve.

Step Three: GO FOR THE QUICK WIN

Historically, business units have perceived IT as a hold-up rather than a business enabler. A protracted implementation is a risk IT departments can't afford to take. Wisely, they limit the scope and complexity of the initial project. Because the initial installation is fairly straightforward, organizations forgo the additional cost of paying their vendor for project management services and detailed documentation of the solution configuration.

After picking the low-cost vendor the users like best and implementing a small solution, the ECM system goes live on-time and on-budget. It's considered a big success for IT.

Step 4: LEARN TO LIVE WITH A MILLSTONE AROUND YOUR NECK

Fast forward one, three or five years. Now the solution is a millstone around IT's neck. The software end users rated so highly for ease of use is difficult for IT to maintain. Making changes to the workflow engine that appeared so simple in a sales demo actually requires writing custom script. Before long, business unit managers begin to complain about why it takes so long for the ECM software to reflect a simple change in their processes.

Thinking the solution was easy to modify, organizations don't have budget allocated for the needed skill sets on staff to write and update script. They're forced to routinely go back to the well for additional budget to pay for vendor professional services to modify workflows. Now the solution is coming under scrutiny from finance as well.

In addition, they don't anticipate the time, resources and expenses required for effective governance and change management documentation for the custom script. Over time, the quality of the code begins to degrade as different vendor services personnel make poorly documented modifications. Code changes soon become synonymous with system downtime. The lack of effective change management documentation means it takes longer for vendor tech support staff to resolve trouble tickets.

Step 5: THE ONCE-LOVED SOLUTION IS NOW UNIVERSALLY DESPISED BY END USERS AND IT ALIKE

Eventually, business unit managers decide they would rather put up with sub-standard ECM solution performance than deal with the business impact of downtime due to corrective maintenance. Upgrading to the latest version of the software becomes the last thing anyone wants to consider.

Luckily, there's another way

This doesn't have to be the way it goes. IT can provide unique and helpful insight into the buying process so organizations can avoid these mistakes.

WHAT YOU CAN DO ABOUT IT

1. Treat the initial ECM purchase and implementation as a milestone, not the end-game

Investing in ECM software is akin to buying a home. If you purchase a home based on the fear of spending too much, you may be stuck with a money-pit you don't like and can't get rid of for years. Or, if you buy a home based on features but forgo a thorough structural inspection, you may end up with a home you can't afford to fix and maintain.

Look at purchasing ECM software as a long-term investment and not a one-time project. ECM software should be used as a platform for continuous operational improvement – one that requires a sustainable change in mindset, behaviors and ways of working.

2. Make lifetime total cost of ownership (TCO) central to your ECM investment strategy

Cost management should never be the number one priority, but delivering and maintaining IT solutions that add sustainable business value should. Many organizations feel they can afford to buy ECM software only to find out later they can't afford to own and yield sustainable value from their investment.

Factoring lifetime TCO into your ECM investment calculations can be a challenging but sobering exercise. According to Gartner, "For a business application that is used for 15 years, the cost to go live is, on average, 8 percent of the total lifetime cost of ownership."^{*}

3. Acknowledge that end user adoption is critical but that ease of administration is how future changes and upgrades are accomplished quickly

It's widely understood that end user adoption is necessary for enterprise software to deliver value. Naturally, most ECM buyers make it a priority that an ECM solution be easy to use. Unfortunately, there are leading ECM systems that can deliver an exceptional user experience that have all the adaptability of granite.

If IT cannot easily modify an ECM solution to changing requirements, the most compelling user experience in the world will not save IT from the wrath of process owners when the software isn't meeting their needs.

Surprisingly few organizations make it a priority to purchase software that is easy for IT to change. This is particularly important with respect to the configuration of automated workflows. Many ECM vendors are quite adept at disguising how much custom script is required to execute the capabilities shown in a sales demonstration.

Challenge your vendor to make significant changes to the workflow configuration in front of you:

- Can they make these changes using menu-driven configuration wizards or will it require script?
- Would a trained business analyst be capable of making these changes or would you require a resource who can write code?

4. Scrutinize the ECM provider's history of software upgrades

Some ECM vendors have made such dramatic changes from one version of their software to the next that an upgrade to the latest release is no longer possible. Instead, the only way to get on the newest version is to purchase new licenses and services in order to migrate to a brand new platform. During the selection process, be sure to ask: Has the vendor ever severed the upgrade path between releases of the software?

If innovation is important for you to remain competitive, ask your vendor about the frequency of major upgrades. Vendors that are serious about investing in R&D will put out a major new release every year. Other providers will often wait three or four years between major releases.

Upgrading an ECM system that is pervasive throughout your organization can be a daunting task laden with risks. A single point of failure during an upgrade can cause a system outage for business units across your organization. Ask your prospective vendors if their systems are architected to support incremental upgrades, effectively allowing client interfaces from multiple versions of the product to connect to a common set of upgraded back-end components.

ECM systems architected for incremental upgrades allow a single business unit to go live on the new platform while other units continue to use the client interface from the previous version. That way, in the event system outage occurs during the upgrade, you can isolate the impact to only one area of operations.

5. Beware of vendors that set initial costs low or make them free

IT and procurement professionals are taught that they have the most bargaining power over software license costs. What's more, procurement departments are often incented to secure discounts. Negotiating a low initial price point becomes a higher priority than optimizing the cost of owning the solution over the lifetime of the investment.

Many leading ECM providers understand this and employ sales and pricing strategies designed to minimize the costs for an initial ECM solution to go live. Some vendors have incentive plans in which salespeople can earn quota relief by simply winning the deal. In this case the seller is incented to "sell it thin to get in" rather than selling the capabilities necessary to meet buyer objectives for a reasonable price. For IT infrastructure vendors, the money they make selling ECM software doesn't amount to much more than a rounding error in their total revenues. For these giants, it's common practice to give away ECM licenses in order to secure the purchase of more strategic products.

Both of these types of vendors understand that once you buy, you are essentially locked in. Switching to another system post-sale is typically politically and/or financially impossible.

CONCLUSION

By considering the complete life of the product and total cost of ownership, IT professionals can help their organizations yield desired results quickly but without undermining the long-term viability of their ECM investment. Rather than choosing one or the other, select the ECM vendor that is flexible and agile enough to meet the needs of today, but has the infrastructure and architecture to grow and evolve with you tomorrow.

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