NUCLEUS
RESEARCH

CONTENT MANAGEMENT RETURNS $8.55 PER DOLLAR SPENT TO SMB CUSTOMERS

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THE BOTTOM LINE

Nucleus found that for small to medium businesses, investing in content management returns $8.55 in benefits per dollar spent. The key value drivers for these solutions are increased user productivity and cost savings from redeployed staff or avoided additional hires. As organizational transparency and the value of data continue to grow, companies that fail to fully leverage their own digital content will lag behind more savvy competitors.

OVERVIEW

All organizations create, consume, and share digital content, yet most companies are slow to invest in upgrading, modernizing, or even sometimes simply deploying enterprise grade content management (CM) systems. For large enterprises, these systems' importance is obvious – with thousands of people needing to collaborate and access shared content remotely, a business could not run without it. At first glance, it may seem feasible for a smaller organization to operate by sharing content directly using a traditional email, telephone, and hand-delivery system; however, for the business to truly scale and optimize efficiency, a digital solution that can securely organize, manage, and surface content is necessary.

Modern content management systems are far more sophisticated than most legacy sync-and-share applications. Along with document storage, these modern systems come with extensive capabilities such as permissioning to ensure that only designated users can access certain files, data extraction so the documents can be automatically scraped for relevant data and embedded analytics to extract insights from that data, business process automation like contract management, and collaboration tools to allow users to share and work together on documents and projects in real time.

Nucleus found that for small to medium businesses, defined in this case as organizations comprised of less than 500 people, each dollar invested in CM solutions returns $8.55 in benefits. To calculate the value that an SMB could realistically set out to glean from a CM solution, we examined 8 recent ROI case studies concerning small organizations deploying and benefitting from CM systems. We only considered the case studies within the past 4 years because cloud technology is a key value driver for CM solutions, and in years before that the cloud was not yet widely adopted, so the comparison would be inherently flawed.

> **Every dollar invested in CM solutions returns $8.55 per dollar spent in benefits for SMB customers.**

KEY BENEFITS

Nucleus identified the main benefits from investing in CM technology are increased productivity, cost savings from redeployed staff and/or avoided hires, and reduced risk due to better records management.

- Increased productivity. The average productivity increase was 36 percent with one customer achieving a 70 percent increase; the most modest improvement was 20 percent. Post-deployment, with organized directories, document search capabilities, automation, and, increasingly, new capabilities built around document metadata, human agents can find and access content much faster, saving time wasted searching through messy directories or filing systems and allowing the agents to refocus their efforts on value-add tasks.

- Cost savings from redeployed staff and/or avoided hires. Every deployment studied for this report either redeployed staff or was able to avoid new hires. Because of the speed and ease of locating content and retired physical systems, companies can increase the scale without a corresponding increase in system complexity or cost. Often this allowed companies to shrink their content management teams or to expand their existing roles. One customer was able to shrink the department responsible for managing its digital content by 35 percent as a result of the efficiencies from the new deployment.

- Reduced risk due to better records management. In the high-risk modern-day marketplace, businesses can't afford the risk of mismanaging customer or company information. By centralizing documents and leveraging new capabilities like process automation, companies can standardize the handling of privileged information with access and governance tools to reduce the risk of losing or mishandling it.

BEST PRACTICES

We also studied the customer feedback in each case study and identified the most commonly recommended best practices for similar organizations. The most frequently mentioned are embracing automation wherever possible, breaking down silos to centralize as much content as possible, and leveraging consulting services to avoid self-builds and lengthy configuration trials.

- Embrace automation. There are massive potential time and cost savings for organizations who effectively automate repeatable processes like invoice processing and contract management. Automated business processes can reduce human errors

and free up human agents for more value-add work. To smoothly transition from human to automated task management, it is crucial to clearly define and standardize the process from end-to-end and eliminate human touchpoints; these should be tested extensively before going live in a production environment to avoid disruptions to the business.

- Break down silos and centralize content. It seems natural that information settles in disparate silos by department, region, or even user, however this can restrict information flow throughout the organization, creating blind spots and inefficiencies. While not all users can or should be able to access all of a company's digital assets, by centralizing as much content as possible, organizations can maximize overall visibility and eliminate many of the expensive and time-consuming inefficiencies around searching for files and transferring them between disconnected silos.

- Leverage consulting services. With any implementation, it's important to stay on-time and on-budget. As issues arise and company-specific configurations are always needed, customers recommend that other companies executing subsequent deployments leverage consulting services to outsource in-house builds in order to keep projects on track. That said, they also caution against extensive customization that requires large amounts of custom code and configuration as it can impede future updates and dramatically extend the project. It is key to strike a balance between leveraging out-of-the-box options for rapid go-live, and extensive custom functionality that can be difficult to build and integrate in the organization's greater application ecosystem.

CONCLUSION

We see businesses looking to achieve "digital transformation" in droves, and content management seems a lower-risk area to begin. Organizations without a coherent, standardized strategy around efficiently leveraging their digital assets will be at a major disadvantage moving forward. One area of major potential is the intersection of analytics and content management systems. By integrating or embedding analytics functionality along with data extraction capabilities, enabled by a computer vision AI module that "sees" data fields on documents and can then write the data to a centralized database in structured form, companies can automatically mine and analyze data from their digital content libraries and extract valuable business insights. As artificial intelligence (AI) continues to be a hot area for investors and engineers to dedicate capital and time, innovative companies that can automate data extraction and analysis while still securely managing and governing digital content should expect to realize additional incremental ROI with a data-driven strategy.