A Business Value White Paper, sponsored by SAP and OpenText

IDC

The Business Value of SAP Enterprise Content Management Solutions by OpenText in the Digital-First World

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BUSINESS VALUE HIGHLIGHTS

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288%
3-year ROI

10 months
to payback

$7.0M+ additional
revenue generated per year

43% faster
document migration to S/4HANA

24% more efficient
document migration project teams

32% more efficient
invoice intake and processing teams

41% more efficient
accounts payable teams

43% fewer
invoicing errors reported

34% more efficient
auditing teams

Executive Summary

The digital-first world arrived almost seamlessly in the past few years as organizations navigated a global COVID-19 pandemic. With digital being a permanent yet dynamic fixture in this new world, organizations are now always asking themselves if there is some digital-based capability or enhancement that could improve our lives, our business, and our desired outcomes? In fact, this new digital era has brought forward a new term: *digital resiliency*. Digital resiliency is the ability of an organization to rapidly adapt to business disruptions by leveraging digital capabilities to not only restore business operations but also capitalize on the changed conditions. This focus means organizations want to spend more time managing their customers, suppliers, assets, and businesses by focusing on the content, data, and information digitally. This digital management includes investing in new SaaS- and cloud-enabled systems and new methodologies like digital payments and refocusing efforts to bring forward digital capabilities, answering client, employee, and supplier requirements to be more digitally resilient.

In a recent study, IDC interviewed eight organizations about their experiences using SAP enterprise content management (ECM) solutions by OpenText to help digitize and manage their document migration to SAP S/4HANA, SAP's enterprise resource planning offering. The solutions covered in this study are:

- **SAP Information Capture by OpenText**
- **SAP Invoice Management by OpenText**
- **SAP Extended Enterprise Content Management by OpenText**
- **SAP Archiving and Document Access by OpenText**
- **SAP Document Presentment by OpenText**

These customers spoke about the value they achieved by enabling more efficient migration to SAP S/4HANA, easier and more robust access to their documents, and enhanced business outcomes. Some of the outcomes achieved are managing and processing invoices in a timelier manner and streamlined compliance and business processes.

Based on these interviews, IDC calculates that interviewed organizations will realize benefits yielding a 288% three-year ROI by:

- **Enabling savings** on invoices, compliance, and operational activities through quicker access to documents
- **Improving the speed of S/4HANA migration projects** by making it easier for organizations to digitize, archive, and link their documents, reducing the size of the data and document footprint and enabling easy access and improved compliance within SAP
- **Capturing more revenue and improving business results** by freeing up staff to work on more strategic projects
- **Empowering invoice processing and management teams** to work more efficiently
- **Speeding business processes and team efficiencies** across all departments using SAP by providing immediate access to the right documents for the task at hand

Situation Overview

Organizations are embracing the digital-first world, moving from legacy systems to SaaS- and cloud-enabled systems. Over the past several years, IDC found organizations with digital transformation initiatives have an average of 14% financial improvement. In fact, IDC research found that, since 2015, the Revenue Performance Index (RPI) and Profit Performance Index (PPI) for digitally transforming organizations grew significantly while declining for non-digital organizations. In addition, IDC's September 2021 *Future Enterprise Resiliency* and *Spending Study,* Wave 8, found that about one-third of organizations believe technology investments for the next few years will have a direct correlation to digital transformation, closing execution gaps, and an operation's overall resiliency including its supply chain. This technology investment data has a direct correlation to the organization's content, data, and information.

As organizations contemplate this move from legacy ERP systems to more digitally enabled ERP systems called a digital core, they find the amount of information that is held within their systems is massive—and this amount of content can scare the organization. While moving and changing to new systems is a major undertaking, so too is the content and its migration. The content and data is the information and life blood of an organization, so its care, cleanliness, and quality are major concerns for the organization.

SAP Enterprise Content Management Solutions by OpenText

Enterprises embracing the digital-first world using SAP find content management is a critical element of their digital transformation. Organizations embracing SAP technology systems and migrating to SAP S/4HANA can start their digitalization process using SAP Information Capture by OpenText, which utilizes fax, email, and even paper documents. Digitizing everything means a digital record is kept and becomes part of the process depending upon the type of documents. The SAP ECM solutions by OpenText manage and record these documents based on governance and regulatory policies.

Integrating the content with business processes; automating complex information capture, collaboration, and governance; and solving emerging business needs are all part of the scenario as organizations find with enterprise content management. SAP ECM solutions by OpenText help bridge content silos and reduce frustration and time by expediting information flows while also expanding governance so the organization is compliant to policies. Organizations with SAP technology applications that have embraced SAP Extended Enterprise Content Management by OpenText find great team productivity improvements and extensibility across the globe, making it easier to work from anywhere and at any time. One organization told IDC of its use of SAP Extended Enterprise Content Management solutions by OpenText: *"We are no longer dependent upon individuals ensuring compliance as our workflows are automated, and it is easier to stay current with changes and additions by country and region."*

The Business Value of SAP Enterprise Content Management Solutions by OpenText

Study Demographics

IDC conducted research that explored the value and benefits for organizations using SAP enterprise content management solutions by OpenText. The project included in-depth interviews with eight organizations that have extensive experience using SAP ECM solutions by OpenText and that have accrued significant practical knowledge of the benefits and costs related to the use. Questions asked of organizations' representatives were both qualitative and quantitative in nature and were designed to assist in developing an in-depth, nontheoretical understanding of the impact of SAP ECM solutions by OpenText specifically upon organizations' document migration, improved process efficiencies, and invoice management operations.

Table 1 presents study firmographics for the interviewed SAP ECM solutions by OpenText customers. Collectively, interviewed organizations shared the profile of a large enterprise with an average of 23,209 employees (median of 10,725), including an average of 129 IT staff (median of 100) supporting the entire employee base. Annual revenue averaged $11.1 billion, with a median of $2.7 billion.

The companies participating in the study represent a diverse sampling of enterprise-level organizations with companies based in the United States, Germany, Greece, and the Netherlands and offer experience across a wide range of industry verticals, namely energy, financial services, healthcare, industrial chemicals, and manufacturing.

TABLE 1

Demographics of Interviewed Organizations

	Average	Median
Number of employees	23,209	10,725
Number of IT staff	129	100
Number of IT users	23,209	10,725
Total number of business applications	190	20
Annual revenue	$11.1B	$2.7B
Countries	United States (5), Germany, Greece, the Netherlands	
Industries	healthcare (2), industrial chemicals (2), manufacturing (2), financial services, energy	

n = 8, Source: IDC In-depth Interviews, September 2021

Choice of SAP ECM Solutions by OpenText

The organizations participating in this study—as is true of many enterprises around the globe—are implementing digital transformation initiatives.

A key focus of these processes involves the digitization of documents, which addresses a range of common organizational needs, including:

- **Simplified, more efficient** document generation, management, and access
- **Enhanced ability** to integrate document management with other new technology solutions
- **Improved** document visibility across all relevant stakeholders
- **More efficient and reliable** document archiving

Invoice Management: A Key Digital Documentation Driver

The aforementioned needs are common across all departments and forms of document management. For the organizations participating in this study, collectively, the single most important category of benefits provided by SAP ECM solutions by OpenText were those related to invoice management. For these organizations—and likely for many organizations—the rapid digitization of invoice management is a priority. A technology-driven invoice management approach using digital invoices enables the entire invoice intake and accounts payable process to be more accurate, manageable, and efficient.

For the organizations participating in this study, collectively, the **single most important** category of benefits provided by SAP ECM solutions by OpenText were those related to **invoice management.**

Organizations spoke about the drivers that motivated their move to a digital document management process and their reasons for selecting SAP ECM solutions by OpenText for that phase of their digital transformation journey:

- **Helps with digital transformation and document management, healthcare:**
  "We are doing a digital transformation. We were focused on moving paper to digital. This would benefit employees and customers. We had lots of paper. We needed to simplify document management. We were looking for something that's state-of-the-art life-cycle management and works with (SAP S/4HANA). We also had archiving needs."

- **Was losing money while handling paper invoices, healthcare:**
  "Everything was paper based before. Invoices were time consuming. There was no history and no currency (distinction). That was the main driver to moving to a digital approach. There was €300,000 lost on paying invoices—not getting the 1.5–2% discounts. We needed better visibility to the accounting department. OpenText was the most professional provider. We wanted their expertise, knowledge, and reach across countries."

- **SAP and OpenText partnership could lead to time savings, energy:**
  "Maturity of the company and the need to upgrade our enterprise accounting system initially was the reason. That led us to SAP. The partnership and integration between OpenText and SAP was the biggest reason, once we moved toward a content management solution, that we decided to go in that direction. For both solutions—accounting and ECM—the business use cases that we looked at showed quite a bit of savings of time and labor for each. That was the main decision driver."

- **Needed something to support global operations, manufacturing:**
  "For vendor invoice management, we were looking to facilitate a centralized back-office solution for global invoicing and we needed a workflow process to manage that. We kind of doubled up with SAP Invoice Management by OpenText as we had previously purchased the SAP Extended ECM by OpenText. We moved to the ECM solutions based on SAP's recommendation for back-office document management and archiving. The key for us was integration with ECM."

Use of SAP ECM Solutions by OpenText by Interviewed Organizations

Organizations participating in the study reported metrics that indicate a substantial degree of reliance upon SAP ECM solutions by OpenText for digital document management. **Table 2** details the averages and medians for a range of those metrics quantifying the organizations' use of ECM.

On a daily basis, an average of 11,169 users use SAP ECM solutions by OpenText for the generation and management of digitized business documents. The organizations surveyed are international enterprises, with an average of 119 branches distributed across an average of 28 countries. The geographical distribution of the organizations necessitates the ability to efficiently share invoices and other digital documents among offices distributed across many regions. The organizations also need the capability to share documents across systems and applications, with each organization deploying an average of 17 business applications supported with an average of four databases.

The sum total of documents that must be managed across all of those distributed locations, applications, and databases is an average of 3.9 million documents. The sheer volume of documents — a number that grows at an average of 10% per year — reflects the ability of SAP ECM solutions by OpenText to scale and manage massive volumes of documents.

TABLE 2

SAP ECM Solutions by OpenText Use by Interviewed Organizations

	Average	Median
Number of geographical locations (countries)	28	18
Number of sites/branches	119	21
Number of business applications	17	5
Number of databases	4	4
Number of documents	3.9M	1.5M
Average growth rate of documents	10%	11%
Number of day-to-day users of SAP ECM solutions by OpenText	11,169	450

n = 8, Source: IDC In-depth Interviews, September 2021

Business Value and Quantified Benefits of SAP ECM Solutions by OpenText

Organizations reported using SAP ECM solutions by OpenText to make their entire invoice management and other business operations more cost effective and efficient. Many benefits resulted from having digitized records that could be accessed from anywhere.

Study participants provided numerous examples that expressed the value of document digitization to their invoice operations:

- **Easier for multiple users to access documents, industrial chemicals:**
  "We can work independently of location and have secure access to documents—centralized. We have it assigned to a user account, so we do not have to have it on my laptop, for example. We can log in from anywhere. For invoice management, there is one process, it is uniform. It is easier to train people. We have more insight to where your invoices are in the process. If they are stopped, you know why they are stopped. And it's not being touched by human hands. That makes it a good tool to automate your processes."

- **Documents now providing global access and enabling easier archiving compliance, manufacturing:**
  "We have geographic coverage in three main purchasing centers across the globe. We need a way for them to access documents in all the process streams that we have. Doing this through mail is a disaster. That has been the biggest benefit: allowing people access to documents without having physical documents going back and forth. The other major benefit is with archiving. When you are archiving storage, you have to adhere to the regulations for each country. Because we have a centralized process and database, we are able to adhere to these regulations with minimal or no effort at all. That means you can keep your license in any particular country."

- **Users working with greater efficiency, both in office and from home, healthcare:**
  "It makes working remotely easier. With the pandemic, we have been able to have people work at home for one-and-a-half years and maintain efficiencies because everything is digital. They can handle the invoices working from home."

- **Easier on-demand, real-time access to documents that aids in compliance, healthcare:**
  "A single pane of glass across the enterprise is the biggest benefit. We have the ability to see content now, whereas the older way we had to search. We can now look at transactional records, so compliance is handled on schedule."

"When you are **archiving storage,** you have to adhere to the regulations for each country. Because we have a centralized process and database, we are able to adhere to these regulations with minimal or no effort at all. That means you can **keep your license in any particular country."**

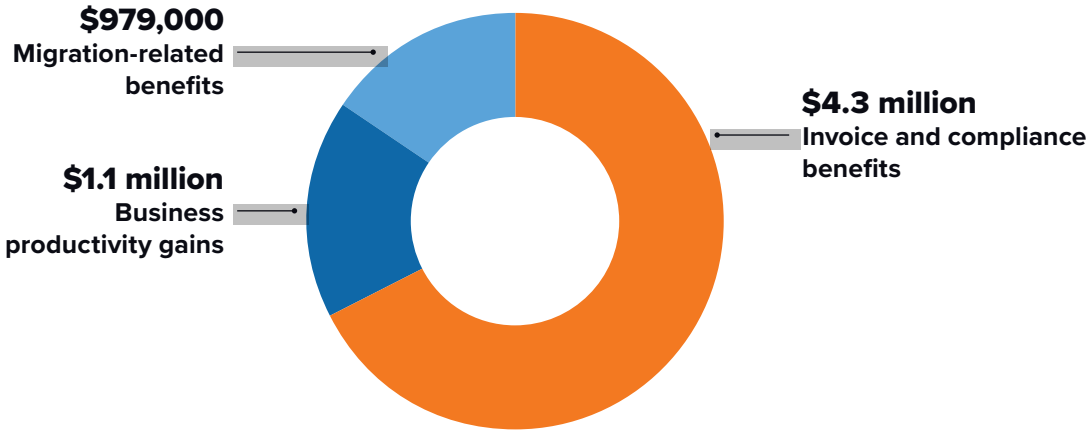
Based on interviews with customers of SAP ECM solutions by OpenText, IDC estimates that they will achieve benefits worth an annual average of $6.3 million per organization ($1.6 million per 1 million documents; see **Figure 1**, next page) in the following areas:

- **Invoice and compliance-related cost reductions and productivity gains:** Study participants reported optimizing costs associated with their entire invoice operations. IDC calculates that interviewed SAP ECM solutions by OpenText customers will realize cost savings and staff efficiencies worth an annual average of $4.3 million per organization ($1.1 million per 1 million documents).

- **Business productivity benefits and risk mitigation:** Study participants achieved better business results through enabling staff efficiencies that free them to work on more strategic initiatives, enabling the organizations to capture more revenue. Organizations also reported leveraging SAP ECM solutions by OpenText in digitizing documents for other lines of business, enabling greater efficiencies across those teams. IDC puts the value of higher net revenue and productivity at an annual average of $1.1 million per organization ($277,000 per 1 million documents).
- **Efficiencies related to document migration:** Study participants noted that they were able to digitize their paper invoices and related documents more efficiently with SAP ECM solutions by OpenText. IDC puts the value of these efficiencies at an average of $979,000 per organization ($252,000 per 1 million documents).

FIGURE 1

Average Annual Benefits per Organization



$6.3 million per year per organization

n = 8, Source: IDC In-depth Interviews, September 2021

Operational Benefits of SAP ECM Solutions by OpenText

The quantified benefits that were derived from SAP ECM solutions by OpenText stemmed, in part, from a number of operational efficiencies reported by the interviewed organizations. The digitization of documents, for example, enabled the automation of many document management (and related) processes that had previously been manual. The organizations noted that automation provided improvements in speed and accuracy, along with enhanced document accessibility among geographically distributed offices. The ability to more easily modify workflows was also noted—a benefit that the organizations found particularly useful for adapting to evolving compliance requirements—as was the ease with which documents can be converted from one format to another.

Ultimately, all of these benefits combined to enable staff to refocus time from routine document management tasks to more potentially profitable opportunities such as analytics and the optimization of processes:

- **More automated tasks leading to greater efficiency, industrial chemicals:**
  "The moment you go digitalized, less touching, and with automation, we see a 70% improvement over paper from automation. The system automatically validates and approves incoming invoices. This is an enormous improvement."
- **More adaptable to regulatory changes, manufacturing:**
  "We have out-of-the-box workflow that can be modified for compliance reasons. We can adapt. That is particularly important, enabling us to make faster responses to regulatory changes. You just have to modify one system instead of 15 applications."
- **Easily convertible documents making it easier to streamline processes, industrial chemicals:**
  "One of the things that we value is the ability to receive and distribute documents from multiple channels and convert into an XML format, etc. This streamlines the IT landscape. Before you had multiple applications. [SAP Extended ECM by OpenText] becomes a single point of integration."
- **Frees up accounts payable staff to work on different tasks, industrial chemicals:**
  "Most of our accounts payable people have been reassigned to more analytics and optimization of processes. This is because they are not just handling invoices anymore."

"The moment you go digitalized, less touching, and with automation, we see a **70% improvement** over paper from automation."

Document Digitization and Migration Benefits

Given that organizations participating in the study manage and store millions of documents, as specified previously in **Table 2** (page 8), migrating all of those documents from paper to digital is a formidable task in their efforts to digitize their entire operation as they migrate to SAP S/4HANA. Though document-related data migration represents a one-time cost, as these projects do not happen with regular frequency, any efficiencies gained in the migration process provide substantial cost savings. Organizations reported that SAP ECM solutions by OpenText provided notable migration-related efficiencies.

SAP ECM solutions by OpenText reduced the number of full-time employees needed for migration projects from an average of 128.6 to 97.3, a 24% improvement (see **Table 3**, next page). Likewise, the duration of migration projects was reduced from 12 to 7 months, a 43% improvement.

These efficiency enhancements yielded one-time migration project staff cost benefits of $2.2 million, a 24% decrease in document-related migration project team costs:

- **Document migration is more efficient as organizations simplify processes and increase knowledge, manufacturing:**
  "Doing data migration is easier if you minimize the number of applications. The [SAP ECM by OpenText] environment helped us put building blocks in place. Our knowledge has increased, and the learning curve is less steep. We know more about what is required country to country."

TABLE 3

Impact on Migration Project Team Impact

	Before/Without SAP ECM Solution by OpenText	With SAP ECM Solution by OpenText	Difference	Benefit
Length of major migration project (months)	12	7	5	43%
Migration project team (FTE per organization, one time)	128.6	97.3	31.4	24%
One-time staff time cost	$9.0M	$6.8M	$2.2M	24%

n = 8, Source: IDC In-depth Interviews, September 2021

SAP ECM solutions by OpenText also enabled enhanced efficiencies with IT teams' contributions to document migration projects (see **Table 4**). On average, IT organizations reduced the number of full-time employees needed in the completion of migration projects by more than six, a 31% improvement. The improvement in IT teams' efficiency, in turn, resulted in a one-time migration project cost savings average of $625,000 per organization.

TABLE 4

Impact on Migration Project IT

	Before/Without SAP ECM Solution by OpenText	With SAP ECM Solution by OpenText	Difference	Benefit
Migration project IT team (FTE per organization, one time)	20.3	14.0	6.3	31%
One-time IT staff time cost	$2.0M	$1.4M	$625,000	31%

n = 8, Source: IDC In-depth Interviews, September 2021

Invoice-Related Efficiencies

As reported previously, the digitization of invoice management was a priority. The interviewed organizations reported easier access to digitized invoices, along with the ability to smoothly interface with other SAP invoice-related applications. These benefits, in sum, reflected substantial enhancements in the end-to-end management and processing of invoices. And those enhancements yielded notable cost savings across a number of invoice-related processes.

Table 5 focuses on cost savings that were experienced with intake and entry teams—the personnel that are the first to handle, code, and process invoices before relaying them to the accounts payable team. Prior to utilizing SAP ECM solutions by OpenText, the organizations' intake and entry teams required the equivalent of an average of 121.8 full-time employees. With SAP ECM solutions by OpenText, that number was reduced to 82.4, a 32% improvement, resulting in average savings of $2.8 million per year in staff time costs.

TABLE 5
Impact on Intake and Entry

	Before/Without SAP ECM Solution by OpenText	With SAP ECM Solution by OpenText	Difference	Benefit
Intake and entry team (FTE per organization per year)	121.8	82.4	39.4	32%
Staff time cost per year	$8.5M	$5.8M	$2.8M	32%

n = 8, Source: IDC In-depth Interviews, September 2021

Similarly, accounts payable teams experienced efficiencies that enabled team members to be more productive. The interviewed organizations' account payable teams reduced the (equivalent) full-time employees needed by an average of six per organization (see **Table 6**). That represented a 41% improvement, resulting in average savings per organization of more than $422,400 per year.

TABLE 6
Impact on Accounts Payable

	Before/Without SAP ECM Solution by OpenText	With SAP ECM Solution by OpenText	Difference	Benefit
Accounts payable (FTE per organization per year)	14.9	8.9	6.0	41%
Staff time cost per year	$1.0M	$620,600	$422,400	41%

n = 8, Source: IDC In-depth Interviews, September 2021

The team efficiencies enabled by SAP ECM solutions by OpenText resulted in invoice agility—substantial, quantifiable improvements in invoice management processes. The number of invoices that teams needed to handle improved by more than 40% (see **Figure 2**). And the time that teams required to pay invoices was reduced by 31%.

FIGURE 2

Impact on Invoice Agility

(% improvement)

n = 8, Source: IDC In-depth Interviews, September 2021

Compliance teams also reported improved performance metrics. These were enabled by the enhanced document visibility inherent with SAP ECM solutions by OpenText and the ability to find documents faster and easier. The average number of equivalent full-time employees that compliance teams required was reduced by 33% (see **Table 7**). As a result, the yearly average cost for compliance team staffers dropped by more than $300,000 per organization.

TABLE 7

Impact on Compliance Teams

	Before/Without SAP ECM Solution by OpenText	With SAP ECM Solution by OpenText	Difference	Benefit
Compliance team (FTE per organization per year)	13.1	8.8	4.3	33%
Staff time cost per year	$918,800	$618,600	$300,100	33%

n = 8, Source: IDC In-depth Interviews, September 2021

Enhanced compliance team performance enabled by SAP ECM solutions by OpenText delivered benefits that extend beyond the personnel costs of those teams. Metrics indicated that compliance teams performed with greater efficiency and with greater accuracy. Organizations experienced a 43% drop in the quantity of errors found within invoices generated using SAP ECM solutions by OpenText (see **Figure 3**). Correspondingly, the number of delayed payments was reduced by 35%, while the amount of interest (and penalties) paid resulting from late payments was reduced by 36%. The improved compliance-related KPIs reported by the organizations demonstrate the ability of SAP ECM solutions by OpenText to enable improved compliance outcomes relative to the invoice management process.

FIGURE 3

Compliance-Related KPIs

(% improvement)

n = 8, Source: IDC In-depth Interviews, September 2021

The improved team performance and KPI metrics translated to a substantial reduction in invoice-related expenses for the interviewed organizations (see **Table 8**). On average, organizations benefited from invoice-related savings of $1.5 million per organization with SAP ECM solutions by OpenText.

TABLE 8

Invoice-Related Cost Reductions

	Per Organization
Reduction in invoice-related expenses	$1.5 million

n = 8, Source: IDC In-depth Interviews, September 2021

Audit teams also benefited from enhanced efficiencies enabled by SAP ECM solutions by OpenText. Features such as improved search functionality and easier access to documents yielded measurable improvements in audit teams' efficiency (see **Table 9**). On average, audit teams were able to reduce the equivalent full-time employees needed by 5.6 per organization, a 34% improvement. As a result, organizations participating in the study each saved an average of $392,800 in audit teams' staff costs per year.

TABLE 9

Impact on Audit Teams

	Before/Without SAP ECM Solution by OpenText	With SAP ECM Solution by OpenText	Difference	Benefit
Audit team (FTE per organization per year)	16.6	11.0	5.6	34%
Staff time cost per year	$1.2M	$771,000	$392,800	34%

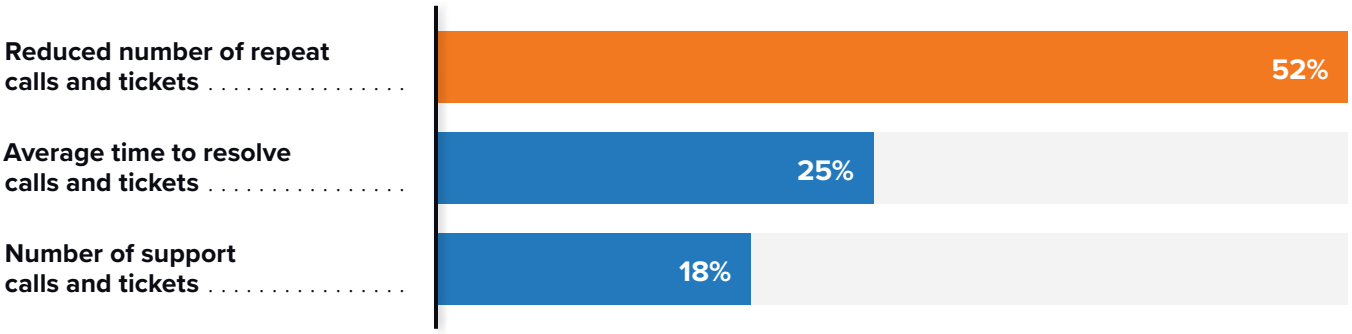
n = 8, Source: IDC In-depth Interviews, September 2021

Easier access to document data — enabled by SAP ECM solutions by OpenText — also resulted in improved efficiencies for help desk teams, as indicated through the metrics in **Figure 4**. Perhaps most notably, the number of repeat help requests (calls or tickets) was slashed by more than half, dropping by 52%. The average time required to resolve help requests was reduced by 25%, while the total number of support calls was reduced by 18%.

FIGURE 4

Impact on Help Desk

(% improvement)



n = 8, Source: IDC In-depth Interviews, September 2021

Business Benefits

As the range of staff performance-related metrics reported previously indicate, the interviewed organizations found that SAP ECM solutions by OpenText helped staffers perform their duties with considerable boosts in efficiency and accuracy. As a result, a portion of staff personnel were able to redirect the focus of their efforts from performing routine day-to-day tasks to working on more strategic revenue-producing initiatives. Other teams also took note of the document digitization benefits the various teams involved in the invoice management process were achieving and were looking to see if SAP ECM solutions by OpenText could help their teams as well.

Interviewed organizations spoke to a range of specific business benefits:

- **Integration with other SAP applications can mean more business opportunities, financial services:**
  "We are always looking at ways of building a more fully integrated environment. The coming integration with S/4HANA will improve our business relationship with lending corporations. What is amazing is that we will have SAP, OpenText, and Microsoft all integrated. This is what I was just mentioning—adding external users. As a development bank, we interact with lawyers, bankers, consultants, and customers. The further integration will open that up."

- **Multiple departments can access information they need, energy:**
  "There are areas where we can piggyback on SAP data. Specific to the land department, we see a benefit. Monthly joint inter-spilling statements (related to oil spills and strategies for preventing or mitigating) that need to be developed are expedited. There are several different reports stacked two feet high each that need to be managed—in the past, for instance, they would be manually collated. Done digitally now, from 2.5 weeks [to process] to an hour or two. The well division does mail mergers of Excel spreadsheets and Word documents to be sent out to the well owners (reports and well investment proposals); before this would have taken several hours but it is now done in 20 minutes."

- **Use cases extend beyond just invoicing or accounts payable, energy:**
  "Business units, such as the land department or marketing department, are coming to us looking to find uses for ECM. It has become sort of a utility resource across the company for document management. So we keep capitalizing on the technology."

- **More automated processes mean more opportunities to focus on business development, manufacturing:**
  "We're seeing a 3–5% increase in revenue. It's a huge milestone moving into the solution. Being paperless has created efficiencies that have allowed us to focus on business development."

"We're seeing a **3–5% increase** in revenue. It's a huge milestone moving into the solution. Being paperless has created efficiencies that have allowed us to focus on business development."

Improved interactions with external customers, enabled with SAP ECM solutions by OpenText, also provided more opportunities for increased revenue generation. In addition, the increase in automation with SAP ECM solutions by OpenText provided opportunities for increased revenue—a manufacturing company reported as much as 5% in increased revenue with SAP ECM solutions by OpenText.

The benefits noted previously enabled organizations participating in the study to realize an average total revenue increase of more than $7 million per year (see **Table 10,** next page).

TABLE 10
Impact on Revenue

	Per Organization
Total additional revenue per year	$7.0M
Assumed operating margin	15%
Total additional net revenue per year*	$1.1M

* The IDC model assumes a 15% operating margin for all additional revenue.

n = 8, Source: IDC In-depth Interviews, September 2021

Similarly, the benefits of digitization achieved through SAP ECM solutions by OpenText significantly impacted the interviewed organizations' end users. Enhanced interdepartmental document sharing and the automation of manual processes were specifically noted as beneficial to end users. The organizations also reported that SAP ECM solutions by OpenText digitization technologies were found applicable to other lines of businesses and departments, enabling end-user benefits similar to those that may have been initially focused on invoice management.

Table 11 provides metrics illustrating the beneficial impact of SAP ECM solutions by OpenText to end users. On average, gross user productivity increased by 21%, leading to 4,794 productive hours gained per organization. As a result, organizations, on average, were essentially avoiding the hiring of 2.6 full-time employees to accomplish equivalent workloads, resulting in $178,000 (average) in enhanced user productivity value per organization.

TABLE 11
Impact on End Users

	Per Organization
Number of users impacted	12
Gross productivity gains	21%
Productive hours gained	4,794
End-user impact (FTE per organization per year)	2.6
Value of increased end-user productivity	$178,000

n = 8, Source: IDC In-depth Interviews, September 2021

ROI Summary

IDC's analysis of the financial benefits and costs related to the use of SAP ECM solutions by OpenText by interviewed organizations is presented in **Table 12**. IDC calculates that on a per-organization basis, interviewed organizations will achieve total discounted three-year benefits of $14.8 million, or $3.8 million per 1 million documents, based on faster and more efficient invoice management, improved staff efficiencies, enhanced revenue-generation opportunities, and the automation of many document management processes. These benefits compare with projected total discounted investment costs over three years of $3.8 million per organization. At these levels of benefits and investment costs, IDC calculates that organizations will achieve a three-year ROI of 288% and break even on their investment in SAP ECM solutions by OpenText in 10 months.

TABLE 12

ROI Analysis

	Three-Year Average per Organization	Three-Year Average per 1 Million Documents
Benefit (discounted)	$14.8M	$3.8M
Investment (discounted)	$3.8M	$983,700
Net present value (NPV)	$11.0M	$2.8M
Return on investment (ROI) (%)	288%	288%
Payback period	10 months	10 months
Discount rate	12%	12%

n = 8, Source: IDC In-depth Interviews, September 2021

Challenges and Opportunities

As with any technology provider, it's important to assess not only the technical functionality of specific tools and support services provided but also the company's vision and the way that individual components and tools fit together.

Owing to the breadth of SAP's technology portfolio, it's important that organizations perform an evaluation of the different products' functionality across the company's applications, tools, and platforms. The goal of such an evaluation is to understand the functionality across the current and future products as well as their capabilities for the functions to perform their business processes and tasks in a digital fashion. In this way, overlaps can be minimized, automation breadth and depth is known, and the business processes and tasks with little automation can be worked toward full automation.

In addition, an organization may see clear value in the solutions but lack internal developer skills and resources to take full advantage of the technology. In this case, third-party services partners such as OpenText can be brought into quickly to capitalize on the organization's needs changing it up quickly.

As always, IDC recommends proof-of-concept projects and in-depth reference calls for any enterprise considering new technology from solution providers and partners in the IT market.

Conclusion

As organizations move into the digital-first world, an organization shifts its focus to full automation, reducing and minimizing processes that go outside of a system and might be representative by building of spreadsheets and data extractions and manipulations. These scenarios are from a world that was pre-pandemic and does not scale or bring agility in the digital-first world.

Removing the pre-pandemic complexity with simplified and automated processes resulting in zero touch by employees is a great ROI opportunity. In addition, digitally future proofing the business is a requirement in the digital-first world. This study is very clear as more automation in the digital world with SAP ECM solutions by OpenText results in more efficient document migration, efficient invoice intake and processing teams, and efficient accounts payable teams. It also lowers invoice processing costs, improves employee productivity, and results in zero touch invoices.

Appendix

Methodology

IDC's standard Business Value/ROI methodology was utilized for this project. This methodology is based on gathering data from organizations currently using SAP enterprise content management solutions by OpenText as the foundation for the model. Based on interviews with organizations using SAP ECM solutions by OpenText, IDC performed a three-step process to calculate the ROI and payback period:

1. **Gathered quantitative benefit information during the interviews using a before-and-after assessment of the impact of using SAP enterprise content management solutions by OpenText.** In this study, the benefits included IT infrastructure cost savings, IT staff and development team efficiencies and productivity gains, reduced costs associated with risk, and higher revenue.
2. **Created a complete investment (three-year total cost analysis) profile based on the interviews.** Investments go beyond the initial and annual costs of using SAP enterprise content management solutions by OpenText and can include additional costs related to migrations, planning, consulting, and staff or user training.
3. **Calculated the ROI and payback period.** IDC conducted a depreciated cash flow analysis of the benefits and investments for the organizations' use of SAP enterprise content management solutions by OpenText over a three-year period. ROI is the ratio of the NPV and the discounted investment. The payback period is the point at which cumulative benefits equal the initial investment.

IDC bases the payback period and ROI calculations on a number of assumptions, which are summarized as follows:

- Time values are multiplied by burdened salary (salary + 28% for benefits and overhead) to quantify efficiency and manager productivity savings. For purposes of this analysis, based on the geographic locations of the interviewed organizations, IDC has used assumptions of an average fully loaded salary of $100,000 per year for IT staff members and an average fully loaded salary of $70,000 per year for non-IT staff members. IDC assumes that employees work 1,880 hours per year (47 weeks x 40 hours).
- The net present value of the three-year savings is calculated by subtracting the amount that would have been realized by investing the original sum in an instrument yielding a 12% return to allow for the missed opportunity cost. This accounts for both the assumed cost of money and the assumed rate of return.
- Because IT solutions require a deployment period, the full benefits of the solution are not available during deployment. To capture this reality, IDC prorates the benefits on a monthly basis and then subtracts the deployment time from the first-year savings.

Note: All numbers in this document may not be exact due to rounding.

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Mickey leads a team of analysts responsible for IDC's coverage of the next generation of enterprise applications including enterprise resource planning (ERP), financial applications, procurement, supply chain automation project and portfolio management, enterprise asset management, services resource planning (SRP) and related project-based solutions software, and the digital commerce business network. In her role, Mickey and her team advise clients on ERP and i-ERP systems, associated applications, and digital commerce with a focus on key trends, opportunities, innovation, and the IT and business buyer concerns and requirements.

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Message from the Sponsor

SAP enterprise content management solutions by OpenText are available both in the cloud and on-premise deployment models as SAP Solution Extensions. These solutions pass rigorous testing process (premium qualification) and offer long-term return on investment. SAP Solution Extensions are built into the SAP roadmap to ensure customer investment is future proof. Customers get SAP commitment—SAP Solution Extensions are supported by the SAP support program, which provides one consistent support delivery experience, one set of comprehensive life-cycle management tools, and one comprehensive infrastructure for mission-critical support.

Learn more about SAP ECM Solutions by OpenText

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