



IDC Technology Spotlight

Rethinking ECM in the Cloud

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Melissa Webster

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Cloud computing enables organizations of all sizes – in every industry – to benefit from unprecedented economies of scale and accelerate the pace of innovation. The cloud offers rapid deployment and quicker time to value. It enables organizations to shift capital expense to operating expense and makes costs more predictable. And it dramatically reduces IT effort and costs – enabling organizations to reprioritize IT resources and devote a higher percentage of their technology budgets to new investments that create new business value.

We've seen strong adoption of cloud-based enterprise applications and productivity solutions – especially collaborative applications that enable employees to share files with external stakeholders and access their information on the go from their mobile devices. More recently, we've seen growing interest in – and adoption of – enterprise content management (ECM) in the cloud as well.

The cloud is transforming the way we think about enterprise content management. This would seem an obvious opportunity, and yet there is a fair amount of confusion around the topic that we believe has held back adoption to some extent. This paper examines the current trends, key benefits, and top-of-mind issues for ECM in the cloud, and looks at the role of ECM vendor OpenText in this strategically important market.

I. INTRODUCTION

Today we are in the midst of a major technology shift to what IDC calls the 3rd Platform and – as was the case during the last platform shift (from mainframes to client/server computing) – it is transforming the way we build, deploy, and manage IT systems and applications. The pillars of this new platform include mobility, social, Big Data, and – especially – cloud. Organizations of all sizes and in every industry are evolving strategies to take advantage of cloud computing, in different ways – depending on the application.

Some are adopting public cloud solutions, some are deploying private clouds, while others are choosing hybrid cloud solutions. Indeed, IDC's cloud taxonomy defines four types of cloud according to who hosts it (the organization itself or a service provider) and whether it is dedicated or shared – underscoring the need for customer choice.

Benefits of Cloud

Cloud computing frees organizations from the burdens of capacity planning, server and storage acquisition and configuration, network management, software procurement and installation, and application management. Organizations benefit from quicker deployment (they can achieve their business goals more quickly), lower startup costs, reduced capital expenditure, predictable costs, and potentially lower total cost of ownership (TCO) as resources (and costs) scale up/down dynamically, based on use.

Cloud providers typically offer better service-level agreements (SLAs) around security, performance, and availability than in-house IT departments can provide. Organizations are justifiably concerned about hackers and the potential for information leaks. Moving to a managed cloud infrastructure offers a higher level of protection for sensitive and confidential information. Best of all, "outsourcing" day to day operations to a cloud provider lets organizations focus more of their resources on innovation and new applications that drive new business value.

Organizations' desire to realize these benefits is seen in the burgeoning spend on cloud at all levels of the IT stack from systems infrastructure through middleware and applications: IDC expects spend on cloud software to double from \$57.8 billion in 2015 to \$112.8 billion in 2019.

Workloads Moving to the Cloud

Organizations are leveraging cloud computing for a wide variety of workloads today and they are using different types of cloud for different applications.

SaaS (that is, multitenant software hosted on public cloud infrastructure) has been a popular deployment choice for CRM and talent management, and for collaborative applications such as conferencing, email, instant messaging, team collaborative applications, enterprise social software, and, especially, file sync and share.

Private clouds, on the other hand, are a good choice whenever organizations need the ability to customize the application (SaaS applications are by their very nature limited to built-in configurability). Private clouds are also ideal for customers that wish to move existing on-premise applications to a cloud infrastructure without changing or reimplementing them.

Growing Interest in ECM in the Cloud

We see growing interest in cloud ECM, with multiple business drivers:

- **"Economy of scale" cost and service-level benefits; business agility benefits.** Organizations hope to realize the cost and service-level benefits that cloud computing affords such as lower startup costs, reduced capital spend, and improved SLAs. Quicker deployment means quicker ROI. Moving to the cloud also frees up valuable IT resources that can be redirected to innovation.
- **ECM as a foundation for SaaS business applications.** The need to provide content "in context" – that is, to make enterprise content available in the context of enterprise business processes – has been a key driver for ECM adoption over the past few years. As enterprise applications such as ERP, CRM, and HCM move to the cloud, integration with an organization's ECM system is paramount to ensuring that enterprise information remains broadly accessible and is properly governed.
- **Cloud content collaboration.** File sync and share solutions, which have seen rapid adoption, address user needs around mobility and external sharing but often result in new content silos. Integration with ECM improves the management and control of business-critical information and enables new ECM use cases (discussed in later sections).

II. BENEFITS OF ECM IN THE CLOUD

ECM in the cloud offers many compelling benefits including:

- **Rapid deployment.** Organizations are spared the tasks of procuring, installing, configuring, and managing servers, storage, networks, and software, while new ECM instances can be deployed in a matter of hours. This means they can achieve their business goals faster.

- **Improved user access/experience.** ECM in the cloud makes enterprise information accessible to users anywhere, anytime, and on any device – whether a desktop PC, laptop, smartphone, or tablet – without having to put in place a VPN or other access controls. Cloud-based ECM solutions are optimized to provide quick response time when accessing content over the Internet – whether uploading or downloading content or viewing documents and scanned images.
- **Shift from capital expense to operating expense.** ECM in the cloud is typically sold via subscription (hosting fees and annual maintenance are typically part of the subscription fee). This eliminates the need for large initial capital outlays and makes expenses more predictable. Organizations can potentially realize ROI in the same fiscal year as their deployment.
- **Data location choice.** Often, vendors offering ECM in the cloud operate datacenters in multiple geographies. This allows organizations to manage sensitive information – for example, personally identifiable information (PII) – in compliance with local laws. This is extremely important for organizations with business operations in Europe as they must comply with laws in different jurisdictions that implement provisions of the European General Data Protection Regulation.
- **Better SLAs.** Cloud providers typically offer better SLAs around security, performance, availability, and disaster recovery than an organization's in-house IT department can guarantee. Because ECM in the cloud runs on a shared infrastructure, compute and storage resources are dynamically allocated as usage grows; this saves IT organizations the need to anticipate demand and provision additional infrastructure ahead of growth, and eliminates risk.
- **Reduced IT costs and effort; automatic upgrades.** ECM in the cloud frees up IT resources that would otherwise be required for initial system provisioning and ongoing management. The ECM vendor manages the entire hardware and software infrastructure – performing hardware and software upgrades, patches, backups, and other administrative tasks. Organizations benefit from always being up to date with the latest version – with easily planned updates and less concern about upgrades.
- **Greater leverage of technical talent.** Outsourcing datacenter management tasks to the ECM vendor enables an organization to focus more of its technical resources on innovation and IT investments that drive new business value.

III. TRENDS: TOP-OF-MIND CONCERNS FOR ECM IN THE CLOUD

Although we see growing adoption of ECM in the cloud, a few perceived barriers and areas of uncertainty remain. Let's explore these.

Security Concerns

The most common objection to ECM in the cloud is the perception that content is safer when it resides behind the firewall. IT has good reason to be concerned about information security: more than half of IT leaders say their organization has experienced an information leak in the past 12 months. Enterprise content management systems routinely manage a wide array of sensitive information including customer information, employee information, product plans, and other confidential information related to intellectual property.

Ironically, content may actually be *safer* in the cloud than behind the firewall. For one thing, cloud providers typically offer more rigorous SLAs than the average IT organization. For another, putting content in the cloud can make it more accessible to those who need it, and content that is difficult to access usually finds its way from person to person via less secure routes such as email, personal EFSS accounts, local copies, and USB thumb drives.

Security concerns may well dictate the *type* of cloud deployment a particular organization is willing to use. For example, federal government agencies readily adopt hosted private clouds (dedicated instances that are hosted by the vendor) but have been somewhat reluctant to adopt public cloud solutions to store and manage enterprise information.

Geolocation

Organizations increasingly need to ensure that enterprise information resides within particular geographical areas. The EU data privacy laws noted previously are one of the drivers of this requirement. Leading cloud ECM vendors have therefore designed their solutions and datacenter locations to accommodate these customer needs, and can assist customers with best practices.

ECM in the Cloud and File Sync & Share Services

The rise of cloud collaboration creates fresh challenges for management of enterprise information. File sync and share services give users access to their documents from mobile devices and make collaborating with external stakeholders much easier but can quickly create ungoverned new silos of information – increasing the risk of information leaks and information loss. Integration with the organization's ECM system can help to ensure that important information is properly governed while providing "anywhere, anytime, any device" access.

Configuration and Customization Requirements

The degree to which organizations need to configure or customize their ECM implementations is another factor determining the appropriate cloud deployment model. A private cloud (dedicated ECM instance) gives large organizations the flexibility they need to customize for their specific business processes.

Cultural Issues

Old habits can be hard to break. IT organizations that see themselves as custodians of the ECM system can find it difficult to cede control (from an operations perspective) to vendor-managed services. It's no coincidence that where cloud computing has seen strongest adoption (enterprise applications and collaboration) line-of-business (LOB) stakeholders are often the champions. For LOB buyers, quick and easy deployment combined with reduced dependence on IT are pluses. A shift to the cloud can thus require some cultural adjustment for IT organizations and may force IT to rethink the value it provides to the business. That said, more and more CIOs are embracing a "cloud-first" IT strategy and characterizing themselves as "cloud CIOs."

IV. VENDOR PROFILE: OPENTEXT

OpenText is a global leader in enterprise information management (EIM). OpenText is enabling the digital world by creating a better way for organizations to work with information and achieve actionable results.

Part of the OpenText Enterprise Information Management (EIM) strategy, the OpenText Cloud processes more than 18 billion transactions a year for more than 64,000 customers around the world. The OpenText EIM strategy enables organizations to discover and manage information to spur growth and innovation, and decrease time to competitive advantage. The platform consists of comprehensive and integrated product suites including Content Suite, Process Suite, Experience Suite, Business Network, and Analytics.

OpenText's ECM Cloud Strategy

OpenText's cloud strategy gives customers the flexibility they need to forge their path to ECM in the cloud according to their specific priorities and timetables:

- Organizations can leverage OpenText's Managed Services to run existing or new ECM workloads in private clouds – without requiring change to running applications.
- Customers can embrace OpenText's cloud-native solutions.
- Organizations can take advantage of OpenText's integrations with cloud-based productivity and line-of-business applications.

Let's explore each of these in more detail.

OpenText Content Cloud

OpenText's flagship offerings are available both on-premise (OpenText Suite) and in the cloud as a managed service (OpenText Cloud). OpenText has a large global datacenter footprint and considerable expertise operating large-scale cloud infrastructure.

Feature parity between OpenText Content Suite and OpenText Content Cloud ensures that ECM applications will run without change in either deployment scenario. OpenText Content Cloud is deployed as a dedicated instance (private cloud) and is fully configurable and customizable. Customers can leverage Content Cloud to:

- Accelerate development of new ECM applications – including applications that will be deployed on-premise
- Move existing on-premise applications to the cloud to realize the benefits discussed previously including quicker time to value, reduced capital expenditure, and improved SLAs for security, availability, scalability, and performance
- Enable large enterprises with geographically distributed operations to use different deployment strategies in different geographies while standardizing on a single ECM supplier

OpenText Core: Cloud-Native Enterprise File Sync and Share with ECM Integration

OpenText Core is a cloud-based enterprise file sync and share solution that gives team members mobile access to enterprise information and lets them easily share information with external collaborators. As noted previously, the proliferation of cloud content silos is a serious concern in organizations that have seen rapid user adoption of file sync and share services in the past. The integration of FSS with ECM can help organizations regain control over enterprise content and ensure that it is properly managed and governed.

The integration of enterprise file sync and share with ECM also enables new, high-value content collaboration use cases that combine ad hoc collaboration with structured workflows (a common pattern in case management applications).

Over the coming years, OpenText plans to evolve OpenText Core into a comprehensive SaaS content management platform to address the emerging cloud-native ECM opportunity.

OpenText ECM Integration with Public Cloud Applications

OpenText has offered deep integrations between its ECM solution and enterprise applications from SAP, Oracle, and Microsoft for many years. (OpenText has also integrated its ECM solution with popular business productivity solutions such as Microsoft Outlook.) These integrations give users seamless access to enterprise content directly from their ERP, CRM, HCM, and other line-of-business applications – putting enterprise content to work in the context of the business process while ensuring that content is properly managed and governed. Moving content out of the local document stores associated with individual enterprise applications and into an ECM system makes

that content available to all who need access to it organizationwide, and eliminates silos of information – silos that create compliance risk.

OpenText's integrations with popular SaaS line-of-business and productivity applications – such as Salesforce, SuccessFactors, and Office 365 – bring those same benefits to customers that are adopting public cloud enterprise applications, extending the value of customers' ECM investments (whether on-premise or private cloud) via hybrid cloud.

Challenges

OpenText faces the same challenges that confront other ECM vendors and other enterprise software vendors that are long-time on-premise solutions providers – significant investment in R&D and potentially cloud infrastructure is required to support cloud deployment. Fortunately, OpenText already has a global cloud footprint, and a broad solutions portfolio that is private, hybrid, and cloud-to-cloud ready.

OpenText's approach – which combines managed (private cloud) services, integrations with SaaS applications, and cloud-native solutions such as OpenText Core – is a good fit for current customer needs. Longer term, however, we anticipate growing interest in cloud-native ECM. OpenText will have to fend off threats from emerging SaaS ECM providers and enterprise-focused FSS vendors that have ambitious plans to extend their current offerings with robust content management capabilities. OpenText Core will be key to its success there.

V. CONCLUSION

Organizations stand to reap significant benefits from cloud computing, including:

- Accelerated ROI helping them to quickly reach business goals
- Reduced capital expense and more predictable operating costs
- Improved SLAs around security, performance, availability, and disaster recovery
- The opportunity to shift IT resources away from "utility computing" to innovation and new applications that deliver new business value

The transition to the cloud is a journey: Organizations must evaluate cloud strategies of prospective ECM suppliers in the context of their own unique paths. ECM vendors that provide both on-premise and cloud offerings offer maximum customer choice. Look for a vendor that offers full functionality regardless of the deployment option. The solution should include strong integration capabilities as well as enterprise-grade information governance.

An ECM vendor with experience delivering solutions for both on-premise and cloud will offer good perspectives on the pros and cons of different deployment options and will be best able to offer advice and best practices to ensure success.

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IDC Canada

33 Yonge St., Suite 420
Toronto, Ontario Canada, M5E 1G4
Twitter: @IDC
idc-community.com
www.idc.com

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Global Headquarters: 5 Speen Street Framingham, MA 01701 USA P.508.872.8200 F.508.935.4015
www.idc.com

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