The Business Value of SAP ECM Solutions by OpenText

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Executive Summary

The world has turned digital, enabling more automation, faster productivity, and quicker time to value, allowing organizations to become more competitive with faster decision velocity. From document migration to vendor payments and more e cient accounts payable teams, automation and AI bring great bene ts for organizations to thrive in the digital world. IDC's April 2024 SaaSPath Survey data found that 52% of global organizations are prioritizing e-invoicing approaches in 2024.

In addition, the same survey data found that some of the top 10 attributes global organizations needed from their technology providers include:

- Ease of integration

- User experience

- Trusted brand

- Superior features and functionality

- Data management capabilities

In addition, in IDC's June 2024 CX Path Survey, 16.84% of organizations selected robust content management capabilities as a driver to adopt new or switch to their digital experience/communication solutions. All of these are critical to the business value that an organization can achieve in the digital world with enterprise content management (ECM) solutions that are paired with the right ecosystem partners to bring out

IDC interviewed SAP customers and found that they have established more comprehensive and accessible content and invoicing platforms, which enable e ciencies and higher quality as teams readily identify and obtain the information they need.

Based on interviews with current SAP customers, IDC calculates that they will realize bene ts worth an annual average of $9.29 million per organization ($54,600 per 1 million documents in their SAP ECM solutions by OpenText environments) by:

- Enabling fast, efficient, and high-quality document migrations,   which enables the use of new applications and services and saves signi cant amounts of sta time

- Streamlining and ensuring the quality of invoicing and finance-related operations, including through AI-powered functionality, thereby freeing up team time to focus on more strategic e orts and reducing costs related to the timeliness, quality, and volume of nance activities

- Supporting effective regulatory compliance   by making it easier to track and obtain the necessary documentation and information

- Driving operational efficiencies   by providing line-of-business end users with greater visibility and access into the documentation and information they need to do their jobs

Situation Overview

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As organizations move into the digital world and away from their legacy ERP systems to more modern cloud ERP systems, they nd that 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 migration of the content. The content and data are the information lifeblood of an organization, so their care, cleanliness, and quality are of major concern for the organization. Utilizing the partner ecosystem to make the migration easier and ensure the accuracy of content and data is most often a necessary step.

SAP Enterprise Content Management Solutions by OpenText

Organizations embracing SAP technology systems and migrating to SAP S/4HANA can start their digitalization process using SAP Information Capture by OpenText with SAP Invoice Management by OpenText, which utilizes fax, email, and even paper documents. Digitizing everything means that a digital record is kept, and it becomes part of the process, depending upon the type of documents. The SAP Enterprise Content Management solutions by OpenText manage and record these documents based on governance and regulatory policies.

Integrating the content with the business processes; automating complex information capture, collaboration, and governance; and solving emerging business needs are all part of the scenario, as organizations nd with ECM. SAP ECM solutions by OpenText help bridge content silos and reduce frustration and time by expediting information ows while expanding governance so that the organization is compliant with policies. Organizations with SAP technology applications that have embraced SAP Extended Enterprise Content Management solutions by OpenText nd great team productivity improvements and extensibility across the globe, making it easier to work from anywhere and at any time. As one organization told IDC of its use of SAP Extended Enterprise Content Management solutions by OpenText, "Really, the main driver for our investment in SAP ECM solutions by OpenText was the consolidation and simpli cation of a large nancial and procurement application landscape, driven by the data consolidation bene ts of using the single SAP solution."

The Business Value of
SAP ECM Solutions by OpenText

Study Demographics

Table 1 provides a summary of key rmographic attributes of SAP and OpenText customers interviewed for this study. The interviews were in depth in nature and covered areas of impact of using SAP ECM solutions by OpenText from both a quantitative perspective and a qualitative perspective.

As shown in Table 1, study participants had an overall pro le of a large enterprise in terms of average number of employees (26,812) and annual revenue ($32.42 billion). Medians were somewhat smaller but still re ected signi cant business operations (7,000 employees and $500 million in revenue). Interviewed organizations constituted a diverse sample in terms of geographic location, with participants based in the United States (3), Belgium, India, the Netherlands, and the United Kingdom. They also provided varied perspectives on their use of SAP ECM solutions by OpenText by industry, with representation from the following verticals: utilities (3), nancial services, healthcare, higher education, and retail. See Table 1 for additional details.

TABLE 1

Firmographics of Interviewed Organizations

Choice and Use of SAP ECM Solutions by OpenText

Study participants described common challenges in their content management and invoicing activities that prompted the selection and adoption of SAP Enterprise Content Management solutions by OpenText. These ranged from the need to consolidate and unify multiple content management systems and improve data accessibility and governance to enhancing operational e ciency and compliance with regulatory requirements. Factors such as existing IT infrastructure compatibility, the promise of cloud compatibility if required, and the ability to provide a uni ed and e cient document management system across disparate business operations in uenced study participants' decision to integrate ECM.

Interviewed SAP and OpenText customers distilled the selection drivers for their organizations:

Interviewed SAP and OpenText customers spoke about what they view as the most significant impact of using the solutions:

Complete view of content that bridges SAP processes across organization:
"SAP Extended ECM provides business workspaces with digital files with all our content, which gives a complete view of all the content available. We can integrate different SAP processes and processes running outside of SAP, with SAP Extended ECM by OpenText bridging those processes."

Single source of documentation (ease of access for all users):
"We have combined two storage locations into one with SAP ECM solutions by OpenText. Our ability to surface more document types from SAP is available now, since we've got everything migrated into it. We have invoices, purchase orders, vendor documents — we can surface any of them through the archive link content server. Non-SAP users can go right in there — they don't have to navigate SAP."

Higher organizational productivity and regulatory benefits due to life-cycle management:
"We have achieved time savings and productivity gains and made all company-related documents accessible with SAP ECM solutions by OpenText. From the IT department and the governance perspective, we now have strict rules, an automated life cycle for documents from creation to deletion, and support for privacy regulations, which, in Europe, are very important."
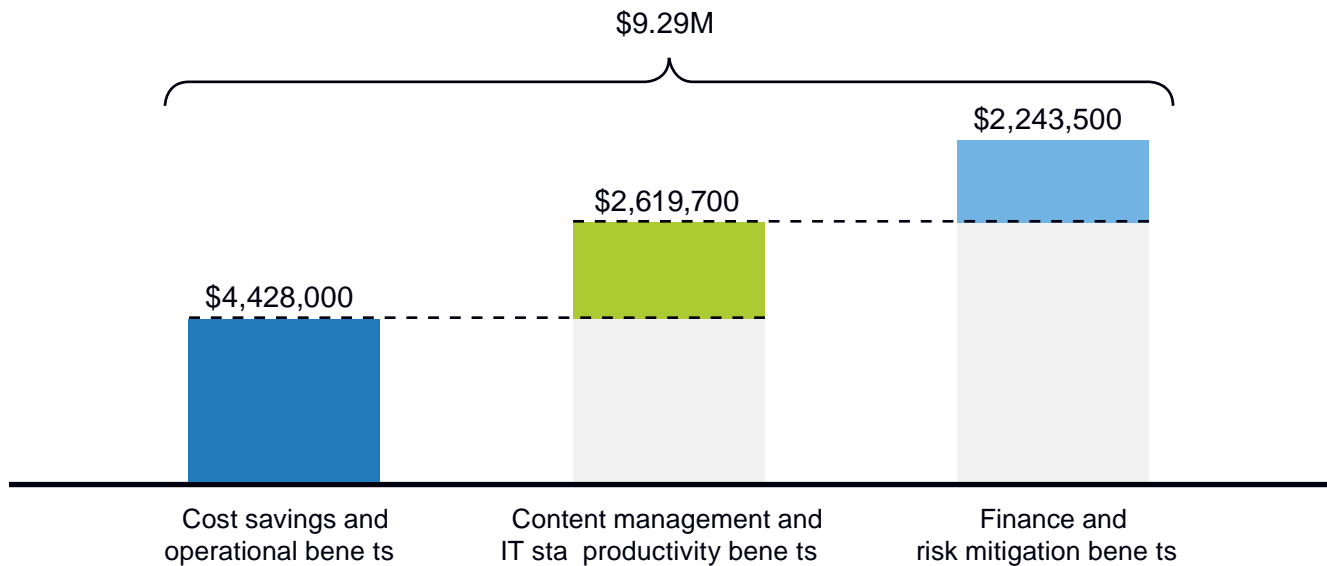
Ease of accessing data (strong reporting):
"That speed to access data with SAP ECM solutions by OpenText is beneficial and happening in a structured manner. From a reporting perspective, we can draw on multiple data points — functionality that wasn't previously available. That reporting piece is amazing because it allows more realistic and more informed decisions."

Based on interviews with organizations currently using SAP ECM solutions by OpenText, IDC projects that they will realize benefits worth an annual average of $9.29 million per organization ($54,600 per 1 million documents) in the following areas (see Figure 1, next page):

• Finance cost savings and other operational benefits:
  Study participants reduce and avoid significant costs associated with invoicing and accounts payable operations by better managing pay5 (o6 p)0tl

- IT and document management staff productivity benefits:
Study participants can more e ciently manage their document environments and carry out document-related migrations faster and with less e ort required. IDC estimates that study participants will realize e ciencies for document-related and IT teams worth an annual average of $2.62 million per organization ($15,400 per 1 million documents).

- Finance and risk team efficiencies:
Study participants enable nance and accounts payable teams to focus more on project work and business initiatives by automating many day-to-day tasks associated with data entry and management. IDC calculates that study participants will realize productivity gains worth an annual average of $2.24 million per organization ($13,200 per 1 million documents).

FIGURE 1

Average Annual Bene ts per Organization

($ per organization per year)

$9.29M

$2,243,500

$2,619,700

$4,428,000

| Cost savings and operational bene ts | Content management and IT sta productivity bene ts | Finance and risk mitigation bene ts |

n = 7; Source: IDC Business Value In-Depth Interviews, May 2024

For an accessible version of the data in this gure, see Figure 1 Supplemental Data in Appendix 3.

Content Management and IT E ciencies

Study participants rely on the unimpeded ow and sharing of digital content across their organizations to fuel their business activities. When this content cannot be easily accessed or there are signi cant questions about the quality or status of content and data, it can put the brakes on business initiatives and create friction for employees across organizations.

Interviewed customers explained that SAP ECM solutions by OpenText have facilitated a more comprehensive view of information, streamlined document management processes, and fostered a more collaborative and e cient work environment. Content no longer resides in silos that lack transparency, and the ability to integrate content systems has enabled bene ts such as reduced project timelines, increased business agility, and better governance and compliance adherence.

Study participants provided numerous examples of how SAP ECM solutions by OpenText have signi cantly improved their ability to manage digital content and facilitate consistent and broad access to it:

Greater access to required documentation and operational information:
"We now have the ability with SAP Extended ECM to have a complete view of all the available information, whether it's our customer, our operations, or information that we have on our customers' use. We always have a complete view of the information, and that's very valuable for us."

Uni ed access to documentation (improved document/data governance):
"Before SAP Extended ECM, our records and les were in multiple systems. These systems ran on shadow IT as well — they weren't even managed or governed. We can now look at all types of data in one place with SAP ECM solutions by OpenText. It's all about speed and e ciency of access by having one place to go instead of many and the ability to take data governance seriously."

Ease of reviewing purchasing/invoicing information:
"When we have a purchase order, managers have to manage the obligations of that purchase order. There could literally be millions of invoices tied to that purchase order. Once it's uploaded to SAP ECM solutions by OpenText, they can look up that purchase order and see those invoices — so it saves their review time."

Migration projects, particularly those involving content and document management, have become more cost e ective and e cient with SAP ECM solutions by OpenText, with interviewed organizations reporting signi cant reductions in the time required to complete such projects (35% faster document migrations on average). The centralized management of documents and content with SAP ECM solutions by OpenText has minimized content silos, ensured easier access to information, and contributed to a single source of truth within the organizations. These e ciencies have had a notable impact on teams responsible for document migration work (seeTable 3). On average, IDC nds that these teams are 53% more e cient with SAP ECM solutions by OpenText, a sizable and important bene t, given the scale of SAP-related content they are migrating and moving across their organizations.

TABLE 3

Document Migraad

TABLE 4

Invoicing Team E ciencies

	Before/Without SAP ECM Solutions by OpenText	With SAP ECM Solutions by OpenText	Di erence	Bene t
FTEs required for same activities	32.6	25.5	7.1	22%
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FIGURE 2

Invoicing and Accounts Payable Cost Savings

n = 7; Source: IDC Business Value In-Depth Interviews, May 2024

Compliance Efficiencies and Risk Mitigation

Study participants rely on their content management systems to provide the backbone of strong compliance regimes. They reported that the use of SAP ECM solutions by OpenText

IDC calculates that study participants' compliance teams bene t from average e ciencies of 16% with SAP ECM solutions by OpenText, as they can more readily access the data and content they need to demonstrate compliance and more e ectively ensure compliance with changing compliance requirements (see Table 6).

TABLE 6

Compliance Team E ciencies

	Before/Without SAP ECM Solutions by OpenText	With SAP ECM Solutions by OpenText	Di erence	Bene t
FTEs required for same activities	76.9	64.7	12.2	16%
Value of FTEs required ($ per organization per year)	$5.38M	$4.53M	$852,200	16%

n = 7; Source: IDC Business Value In-Depth Interviews, May 2024

Business and User Enablement

Study participants reported business and operational bene ts related to their use of SAP ECM solutions by OpenText, primarily related to various teams having access to digital content and data that helps them make better business decisions and take timelier actions to serve and support customers. One interviewed customer commented: "Without SAP ECM solutions by OpenText, at least 15%–20% of the work we do would be impacted if we hadn't organized our content with it. It would take signi cant extra time to nd the relevant information and not be able to do work because you don't have the right information without SAP ECM solutions by OpenText." IDC calculates that study participants will capture productivity gains for line-of-business teams worth an average of 9.2 FTEs, or 191 hours per 100 users per year (see Table 7).

TABLE 7

Business Enablement: Higher User Productivity

	Per Organization	Per 100 Users
Productivity gain	9.2 FTEs	191 hours per year
Value of higher productivity	$645,300	

TABLE 8

Three-Year ROI Analysis

	Per Organization	Per 1 Million Documents
Bene t (discounted)	$21.40M	$125,800
Investment (discounted)	$4.75M	$27,900
Net present value (NPV)	$16.65M	$97,900
ROI (NPV/investment)	351%	351%
Payback period	13 months	13 months
Discount factor	12%	12%

n = 7; Source: IDC Business Value In-Depth Interviews, May 2024

Challenges/Opportunities

As with any technology provider, it's important to assess not only the technical functionality of speci c tools and support services provided but also the company's vision and the way individual components and tools t together. In the digital world, this is even more critical, as automation becomes paramount to the operation's success.

Due to the breadth of SAP's technology portfolio, it's important that organizations perform an evaluation of the di erent products' functionality across the company's applications, tools, and platform. 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, the organization should bring in third-party services partners such as OpenText to quickly capitalize on the organization's needs and quickly change up the experience.

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

Conclusion

Organizations increasingly recognize that they must modernize their technology infrastructures to remain competitive and achieve di erentiation in their digital-based businesses. These technology infrastructures include their enterprise content management systems, and modernizing these systems is imperative to organizations' ability to leverage digital content and operational data to their bene t and minimize the likelihood of silos or errors negatively a ecting business operations. This IDC study considers the impact on organizations of implementing and using SAP Enterprise Content Management solutions by OpenText to manage and record digital documents and content.

Interviewed organizations reported consistently that SAP ECM solutions by OpenText have facilitated their ability to integrate content with business processes, automate information capture, and leverage digital content to address changing business needs. They explained that ECM integration has enabled a more comprehensive view of information, streamlined content-related processes, and fostered a more collaborative, uni ed, and e cient work environment. As a result, these SAP customers have realized substantial bene ts, including streamlined and more timely document migrations, enhanced invoicing and nance operations that bene t from AI-powered functionality, improved regulatory compliance, and organizationwide operational e ciencies from the ability to more readily share and access data and content. IDC's analysis shows that these bene ts will translate to value of

Appendix 1: 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 to run and support their content management and invoicing activities.

About the IDC Analysts

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Matthew is responsible for carrying out custom business value research engagements and consulting projects for clients in a number of technology areas with a focus on determining the return on investment of their use of enterprise technologies. Matthew's research often analyzes how organizations are leveraging investment in digital technology

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 quali cation) and o er 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

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