

**Enterprise Applications—
Adoption of E-Business and
Document Technologies:
2000-2001 Europe**

Executive Summary



Enterprise Applications—Adoption of E-Business and Document Technologies: 2000-2001 Europe

The following is a sampling of the information covered in this industry study. To purchase the full study, including more than 90 figures and tables, call 1-800-699-9277 or 734-302-7801 or visit the AIIM BookStore at www.aiim.org/bookstore.

Executive Summary

This report is the result of an ambitious study commissioned by AIIM International and conducted by Gartner, to provide a global view of five Enterprise Applications and their relationship to e-business and document technologies. This overview is from both the suppliers' perspective and the users' view of how these applications are purchased and integrated into their e-business and document technology initiatives.

Five document technologies are studied in this report:

- Workflow/Process Management
- Data Warehousing/Mining
- Content Management
- Electronic Document Imaging
- Collaborative Tools

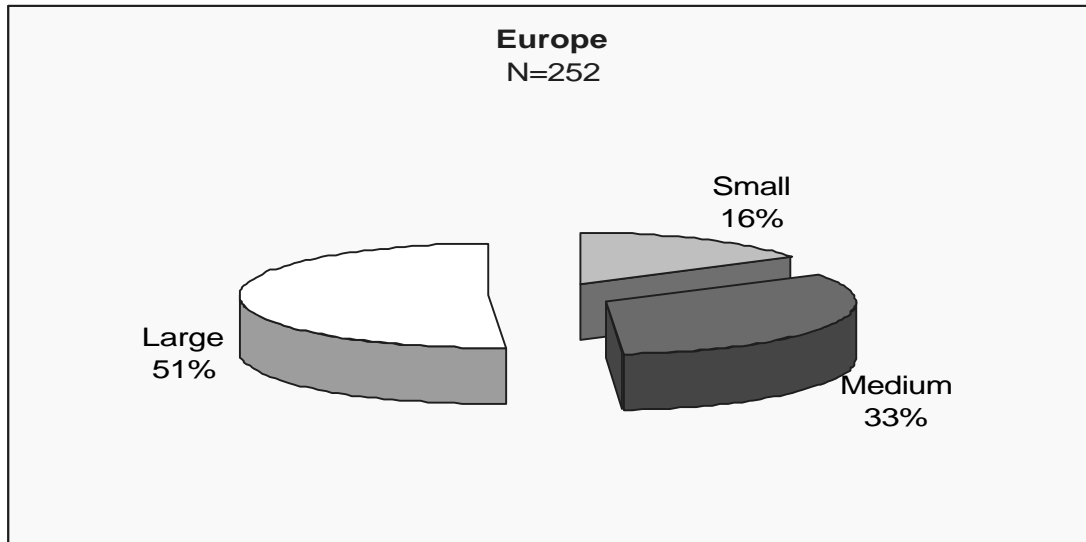
These document technologies are studied in relation to the following five Enterprise Applications:

- Customer Relationship Management (CRM)
- Enterprise Resource Planning (ERP)
- Records Management/Archiving (RM/A)
- Accounts Payable/Accounts Receivable (AP/AR)
- Human Resource Management (HRM)

Respondents' definitions of the Enterprise Applications are ambiguous and the boundaries between the Enterprise Applications and the document technologies studied here are blurred. The study finds that document technologies now play a supporting role within broader business goals. Document technologies are most often acquired to add additional functionality to Enterprise Applications. E-Business is well entrenched and growing, and opportunities for integration between the Enterprise Applications in conjunction with e-business abound.

This report focuses on the following European countries: United Kingdom, France, Germany, Austria, Switzerland, Denmark, Norway, Sweden, Finland, Netherlands, Belgium, Spain, and Italy. In this European market, Gartner Consulting interviewed 253 end users and 33 vendors.

User sample by company size



The full report contains more detail on the user sample by industry and role of survey respondent.

Document Technologies

The five technologies included in this survey take on new life in the era of e-business. These technologies clearly differ in terms of maturity. Electronic document imaging far surpasses the others in installed base.

European technology implementation status

Technology	Installed	Plan to use	Considering	Don't plan to use	Don't know
Workflow/Process Mgmt.	39%	27%	9%	21%	3%
Data Warehousing/Mining	39%	18%	10%	29%	4%
Content Management	36%	18%	11%	29%	6%
Electronic Doc. Imaging	59%	17%	9%	14%	1%
Collaborative Tools	51%	12%	11%	24%	2%

The full report includes tables for each technology with detailed implementation status by industry type and country.

Key industry trends for each technology are discussed. A sampling of these trends follows.

Workflow/Process Management

- Workflow/process management will succeed in organizations that are able to capture tacit knowledge, making it explicit in repeatable processes.

Data Warehousing/Mining

- The objectives for building a data warehouse or business intelligence infrastructure are shifting from those with a back-office, efficient, cost-reduction focus to those that are more front-office, customer-facing, and revenue-generating.

Content Management

- After investing strategically in content management, enterprises usually can save at least half of the time and money now spent on non-automated document management.

Electronic Document Imaging

- Electronic document imaging will not be viewed as a separate function for much longer. Images are treated as just another object to be managed within the context of a business transaction.

Collaborative Tools

- Gartner theorizes that, by 2004, 90 percent of collaborative projects will involve at least 10 vendors or business partners (0.6 probability). As a result, one-third of the enterprises engaging in collaborative projects through 2004 will suffer time delays and cost overruns of 30 percent due to undermanaging the many vendors or partners involved (0.6 probability).

Enterprise Application E-Business Trends

When asked if their company conducted e-business via the Web, 71 percent of the respondents indicated that they do. Six areas of e-business were studied: Business-to-Business (B2B), E-Procurement, Extranets to Partners, Intermediary Marketplaces, Business-to-Consumer (B2C), and Business-to-Employee (B2E).

E-Business usage for organizations involved in e-business

Status	B2B	E-Procurement	Extranet	Intermed. Mktplace	B2C	B2E
Fully active	32%	35%	28%	17%	38%	25%
Planning	31%	26%	31%	10%	22%	11%
Considering	15%	13%	9%	9%	8%	8%
Not involved	18%	22%	23%	56%	30%	50%
No response	1%	0%	2%	2%	1%	0%
Don't know	4%	4%	7%	7%	1%	7%
N=	179	179	179	179	179	179

The full report includes tables for each type of e-business with detailed implementation status by industry type and country.

The use of enterprise applications in support of e-business processes was identified for three of the areas: B2B, B2C, and B2E.

Enterprise application usage that supports e-business processes

	B2B	B2C	B2E
CRM	34%	NA	44%
ERP	32%	12%	22%
RM/A	35%	21%	33%
AP/AR	12%	7%	8%
HRM	5%	4%	20%
N=	112	107	63

Enterprise Applications

Five strategic Enterprise Applications were studied: Customer Relationship Management (CRM), Enterprise Resource Planning (ERP), Records Management and Archiving (RM/A), Accounts Payable/Accounts Receivable (AP/AR), and Human Resource Management (HRM).

AP/AR has the highest installed base and HRM the lowest; CRM tops the list of planned installations in the year 2001.

European enterprise application implementation status

Enterprise Application	Installed	Planned 2001	Not Planned	Don't Know
CRM	42%	27%	26%	5%
ERP*	52%	17%	26%	5%
RM/A	53%	26%	17%	4%
AP/AR (exclusive of ERP)	50%	16%	17%	17%
HRM (exclusive of ERP)	37%	21%	34%	8%

*80% of ERP includes AP/AR, 53% includes HRM

Users were additionally surveyed on market perceptions related to purchase criteria, preference of vendor type for application acquisition, obstacles to deployment, and application maturity. Among the findings are:

- Application reliability, usability/ease of use, and application performance are considered to be the most important purchase criteria.
- The top three obstacles to deployment, according to users, are data integrity concerns, security concerns, and a limited ability to integrate. Security as an obstacle is predictably high for government, utilities, and telecom. Similar high ratings are seen for data integrity obstacles in these same three industries.

- AP/AR is perceived as the most mature application and CRM, the least mature. On average, none of the applications are perceived as immature or obsolete.

Current status of Web-enablement ranges from 18 percent to 46 percent. However, Web-enablement is not mandatory for an Enterprise Application to support e-business processes. The support can be, and often is, accomplished through middleware products.

European enterprise application Web-enablement status

Status	CRM	ERP	RM/A	AP/AR	HRM
Currently Web-enabled	41%	38%	46%	18%	26%
Not Web-enabled	53%	57%	51%	75%	67%
Don't know	6%	5%	3%	7%	7%
N=	174	175	201	76	91

For each type of enterprise application, the full report discusses key industry trends; market penetration and adoption; implementation demographics relative to expenditures, industry and country; Web-enablement; ASP utilization; and wireless access. The following is a sample of this information.

Customer Relationship Management

- The most important CRM initiatives involve Web-based customer support and interaction systems along with customer information management and data mining tools. This focus is giving impetus to the deployment of e-contact centers that integrate call centers with such Internet-enabled interaction systems.

Enterprise Resource Planning

- ERP is rapidly transitioning to ERP II, which enables and optimizes enterprise and inter-enterprise collaborative, operational, and financial processes. This means a change from an architecture that traditionally is closed and monolithic to an architecture that is Web-enabled and designed for integration.

Records Management and Archiving

- To date, a number of Integrated Document Management (IDM) vendors have not fully addressed the need for records management within their products. As a result, the market has potential to grow for RM/A vendors that can partner with IDM vendors and integrate their products with major IDM platforms.

Accounts Payable/Accounts Receivable

- Business Service Providers (BSPs) are a growing vendor segment in the accounting and financial services applications market. These companies leverage Web-native or Web-enabled applications to provide business services to small and midsize companies.

Human Resource Management

- The practice of line of businesses (LOBs) bypassing the HR department for purchasing specialty requirements, such as performance management, is pervasive. This activity increases the risk of having multiple applications from multiple vendors running within the same enterprise.

Document Technologies Use in Enterprise Applications

One of the main objectives of the study was to explore how the technologies are keys to enabling the five Enterprise Applications—Customer Relationship Management, Enterprise Resource Planning, Records Management/Archiving, Accounts Payable and Receivable, and Human Resource Management.

Among other findings, the results of this study clearly point to the need to integrate the document technologies with the Enterprise Applications to deliver the functionality required to fully meet business needs.