The Business Value of SAP ECM Solutions by OpenText

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Table of Contents

CLICK ANY HEADING TO NAVIGATE DIRECTLY TO THAT PAGE.

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 efficient accounts payable teams, automation and AI bring great benefits 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 additional value that ultimately enhances the right value proposition.

Through a series of in-depth interviews, IDC conducted research that explored the value and benefits for organizations integrating and using SAP Enterprise Content Management solutions by OpenText, including SAP Extended Enterprise Content Management by OpenText, SAP Invoice Management by OpenText, and SAP Archiving and Document Access by OpenText (collectively SAP ECM solutions by OpenText). This study looked at organizations using these products to manage and run their content and invoicing activities.

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BUSINESS VALUE HIGHLIGHTS

351%
three-year ROI

13 months
to payback

$9.29 million
average annual benefits per organization

35%
faster to complete document migrations

25%
faster to make vendor payments

37%
accounts payable team efficiencies

$5.36 million
invoicing and accounts payable savings per organization per year

16%
compliance team efficiencies

191 hours
of higher productivity per 100 users per year

IDC interviewed SAP customers and found that they have established more comprehensive and accessible content and invoicing platforms, which enable efficiencies 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 benefits 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 significant amounts of staff 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 efforts and reducing costs related to the timeliness, quality, and volume of finance 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

Enterprises are in a digital world, and with that comes a realization that their legacy systems can no longer underpin the organization to achieve success as in the past. The digital world requires more automation, enabling faster decision velocity for employees, which in turn brings greater speed, an increased ability to scale and grow, and, ultimately, more resiliency and competitive advantage to the organization. As organizations move into the digital world by modernizing their technology, IDC's 2024 *SaaSPath Survey* across 2,875 global organizations finds that organizations select a technology vendor because the brand is trustworthy and the, data security is robust and the organizations can achieve the value needed for the price paid. In addition, in the same survey, when asked about the use of the ecosystem partners of their main technology vendors, 80.7% of organizations responded that they utilize their enterprise applications' vendor ecosystem of partners to bring additional value. Furthermore, 57.6% of these organizations utilized the ecosystem partners for features, functions, and new workflows.

As organizations move into the digital world and away from their legacy ERP systems to more modern cloud ERP systems, they find 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 find with ECM. SAP ECM solutions by OpenText help bridge content silos and reduce frustration and time by expediting information flows 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 find 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 simplification of a large financial and procurement application landscape, driven by the data consolidation benefits of using the single SAP solution."*

The Business Value of SAP ECM Solutions by OpenText

Study Demographics

Table 1 provides a summary of key firmographic 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 profile 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 reflected significant 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), financial services, healthcare, higher education, and retail. See **Table 1** for additional details.

TABLE 1

Firmographics of Interviewed Organizations

	Average	Median
Number of employees	26,812	7,000
Number of IT staff	630	294
Number of business applications	139	120
Annual revenue	$32.42B	$500.00M
Countries	United States (3), Belgium, India, Netherlands, United Kingdom	
Industries	Utilities (3), financial services, healthcar higher education, retail	

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

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 efficiency 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 unified and efficient document management system across disparate business operations influenced study participants' decision to integrate ECM.

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

More functional platform for providing ease of access to content and documents:
"Relevant documents related to our day-to-day process operations in our S/4HANA system didn't work properly when kept in different systems … By implementing SAP Extended ECM by OpenText, we now have seamless integration, so people can easily create and consult documents."

Foundation for consolidation and simplification of financial landscape:
"Really, the main driver for our investment in SAP ECM solutions by OpenText was the consolidation and simplification of a large financial and procurement application landscape, driven by the data consolidation benefits of using the single SAP solution."

Right capabilities for content management needs:
"We've had different content management solutions. As part of our upgrade within SAP, we decided that this was an area of consolidation, and when we reviewed the SAP product, it certainly met the capabilities we were looking for."

Integration with existing technology; ability to move to cloud:
"We chose SAP ECM solutions by OpenText on technical grounds, particularly the fact that SAP was already part of our ecosystem. We wanted to have a solution that could predominantly be on premises, but since the world is moving to the cloud, we wanted a solution that could move there too."

Study participants reported using both content management and invoice management solutions for their SAP environments. Almost all study participants described significant use of SAP Extended Enterprise Content Management by OpenText, while half of the respondents reported using SAP Invoice Management by OpenText and several others mentioned using SAP Archiving and Document Access by OpenText for their SAP environments.

Table 2 shows how study participants were using SAP Enterprise Content Management solutions by OpenText at the time of interviews. Several metrics underscore the significant scale of their use, including an average of 78 business applications and 109 databases with more than 6PBs of data, but no single metric expresses the scale and breadth of their use more than the average of 170 million documents housed and shared on the platform each year. In addition, study participants reported that SAP directly supports an average of 71% of their revenue (80% median), emphasizing the criticality to their customer-facing business operations.

TABLE 2

SAP ECM Solutions by OpenText Use by Interviewed Organizations

	Average	Median
Number of business applications	78	21
Number of databases	109	13
Number of terabytes (TBs)	6,014	40
Number of associated documents	170.07M	35.25M
Number of internal users	9,068	900
Percentage of revenue affected/supported	71%	80%

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

Business Value and Quantified Benefits

Study participants reported effectuating significant positive change in the document management and invoicing activities with SAP Enterprise Content Management solutions by OpenText. They explained that the integration of ECM has enabled a more comprehensive view of information, streamlined document management and invoice processes, and fostered a more collaborative and efficient work environment. As a result, they have not only gained efficiencies and optimized direct costs associated with document management and finance operations but also reduced project timelines, increased business agility, and ensured more robust invoicing and compliance activities.

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 payments, minimizing late fees, and reducing third-party costs. IDC puts the value of these direct cost savings and higher productivity for end users as worth an annual average of $4.43 million per organization ($26,000 per 1 million documents).
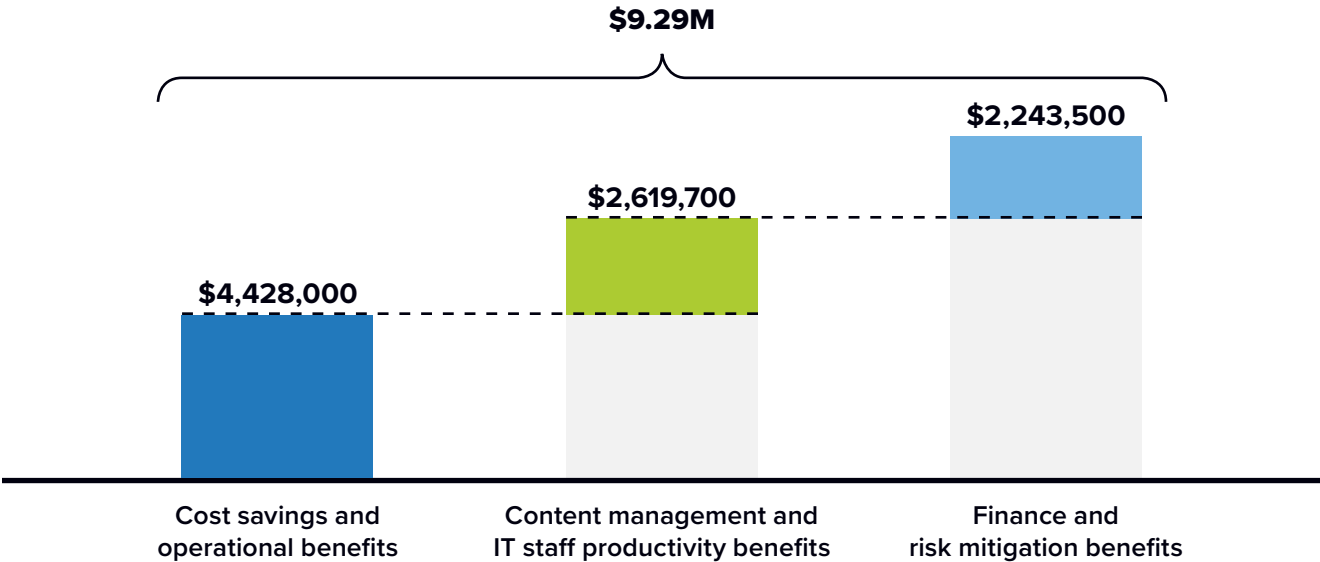
- **IT and document management staff productivity benefits:**
Study participants can more efficiently manage their document environments and carry out document-related migrations faster and with less effort required. IDC estimates that study participants will realize efficiencies for document-related 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 finance 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 Benefits per Organization

($ per organization per year)

$9.29M

	$2,243,500
$2,619,700	
$4,428,000	

| Cost savings and operational benefits | Content management and IT staff productivity benefits | Finance and risk mitigation benefits |

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

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

Content Management and IT Efficiencies

Study participants rely on the unimpeded flow and sharing of digital content across their organizations to fuel their business activities. When this content cannot be easily accessed or there are significant 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 efficient work environment. Content no longer resides in silos that lack transparency, and the ability to integrate content systems has enabled benefits 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 significantly 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."

Unified access to documentation (improved document/data governance):
"Before SAP Extended ECM, our records and files 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 efficiency 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."

Importance of establishing relationships between documents:
"The ability with SAP ECM solutions by OpenText to surface the documents that are attached to SAP into the content server is valuable, as is the ability to create that relationship between the two: If you have a vendor and all their purchase orders you can connect those in the content server. It's easier for them to navigate."

Migration projects, particularly those involving content and document management, have become more cost effective and efficient with SAP ECM solutions by OpenText, with interviewed organizations reporting significant 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 efficiencies have had a notable impact on teams responsible for document migration work (see **Table 3**). On average, IDC finds that these teams are 53% more efficient with SAP ECM solutions by OpenText, a sizable and important benefit, given the scale of SAP-related content they are migrating and moving across their organizations.

TABLE 3

Document Migration Team Efficiencies

	Before/Without SAP ECM Solutions by OpenText	With SAP ECM Solutions by OpenText	Difference	Benefit
FTEs required for same activities	59.9	**28.3**	31.7	53%
Value of FTEs required ($ per organization per year)	$5.99M	**$2.83M**	$3.17M	53%
Percentage faster to complete document migrations	n/a	n/a	n/a	35%

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

Study participants also reported benefiting from having a more unified and consolidated content management system with SAP ECM solutions by OpenText, which they reported will generate average efficiencies of 58% for IT infrastructure teams supporting these environments, thereby saving or freeing up the time of an average of 3.9 FTEs per organization.

Invoicing and Finance Team Efficiencies

Study participants reported strong efficiencies for their invoicing and finance teams through the use of SAP ECM solutions by OpenText, especially the organizations using SAP Invoice Management by OpenText. For these organizations, consistent and unimpeded access to high-quality cross-organizational data goes a long way in ensuring consistent and successful invoicing and finance team activities. AI and ML functionalities associated with SAP Information Capture by OpenText have proven especially beneficial for several organizations, as they cut down the staff time required to carry out day-to-day activities substantially and reduce the likelihood of human error.

Interviewed organizations spoke about the specifics of how SAP ECM solutions by OpenText, and specifically SAP Invoice Management by OpenText, have enabled more efficient invoicing activities:

Value of invoice automation with SAP Information Capture:
"The AI and ML functionality integrated with SAP Information Capture by OpenText has revolutionized our invoicing operations. One of the most significant impacts has been the automation of invoice approvals, which has drastically reduced processing time and minimized human intervention."

Reduction in repeated processes with AI and ML:
"The AI and ML functionality has removed repeat processes for invoicing and sales, which has been the main benefit. Machine learning concerning this data has been important, as we can sort and manage data far better."

Automated invoice processing, which improves quality and saves time:
"Having vendor invoice management with SAP Invoice Management that automatically recognizes invoices and inserts the information in SAP improves the quality of the invoices compared with manual processing. We save the invoices in a compliant way in a long-term archive."

Access to reporting information, which means faster accounts payable:
"As the financial systems are all in one environment now with SAP ECM solutions by OpenText, it's easier to get reporting information. The speed at which we now close the books is the biggest benefit."

Table 4 (next page) reflects these efficiencies for core invoicing teams, with study participants reporting operational improvements such as making vendor payments 25% faster and benefiting from average efficiencies of 22% for their invoicing teams through the use of SAP ECM solutions by OpenText.

TABLE 4

Invoicing Team Efficiencies

	Before/Without SAP ECM Solutions by OpenText	With SAP ECM Solutions by OpenText	Difference	Benefit
FTEs required for same activities	32.6	25.5	7.1	22%
Value of FTEs required ($ per organization per year)	$2.28M	$1.79M	$493,900	22%
Percentage faster to make vendor payments	n/a	n/a	n/a	25%

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

Efficiencies from the improved flow and quality of data extend beyond core invoicing teams to broader accounts payable activities, with these teams reporting average efficiencies of 37% through the use of SAP ECM solutions by OpenText (see **Table 5**).

TABLE 5

Accounts Payable Team Efficiencies

	Before/Without SAP ECM Solutions by OpenText	With SAP ECM Solutions by OpenText	Difference	Benefit
FTEs required for same activities	66.1	41.8	24.2	37%
Value of FTEs required ($ per organization per year)	$4.62M	$2.93M	$1.70M	37%

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

Invoicing and Finance-Related Cost Savings

Study participants also reported that the improved timeliness and quality of invoicing and finance-related activities with SAP ECM solutions by OpenText have led to significant direct cost savings in a number of cases. Ineffective invoicing and finance operations leave organizations susceptible to fines and penalties, as well as needing to pay for additional solutions and support to operate effectively. One interviewed organization commented on how SAP ECM solutions by OpenText have improved its invoicing and finance operations across the board: *"We've seen a notable decrease in errors and increased accuracy in data entry, ensuring that our financial records are consistently reliable. Additionally, the intelligent system has streamlined workflow by learning from previous transactions, allowing for more efficient handling of repetitive tasks. As a result, our overall business operations have become more efficient, freeing up valuable resources to focus on strategic initiatives and enhancing productivity across the board."*

Study participants attributed cost savings related to invoicing and finance activities through their use of SAP ECM solutions by OpenText worth an annual average of $5.36 million (see **Figure 2**, next page).

Study participants broke down these savings into three primary categories:

- **Direct invoicing cost savings,** including cost savings related to the digitization of invoicing activities and avoidance of additional support and services costs, worth an average of $2.53 million in savings per organization per year

- **Accounts payable process savings,** including reducing the likelihood of incurring accounts payable–related fines, worth an average of $1.74 million in savings per organization per year

- **Faster vendor payments savings,** including avoiding late fees and earning discounts through prompt and timely payment of invoices, worth an average of $1.08 million in savings per organization per year

FIGURE 2

Invoicing and Accounts Payable Cost Savings

$5.36M per organization per year

$1,083,300
Cost savings from
faster vendor payments

$2,532,500
Direct invoicing
cost savings per year

$1,742,000
Accounts payable
process savings per year
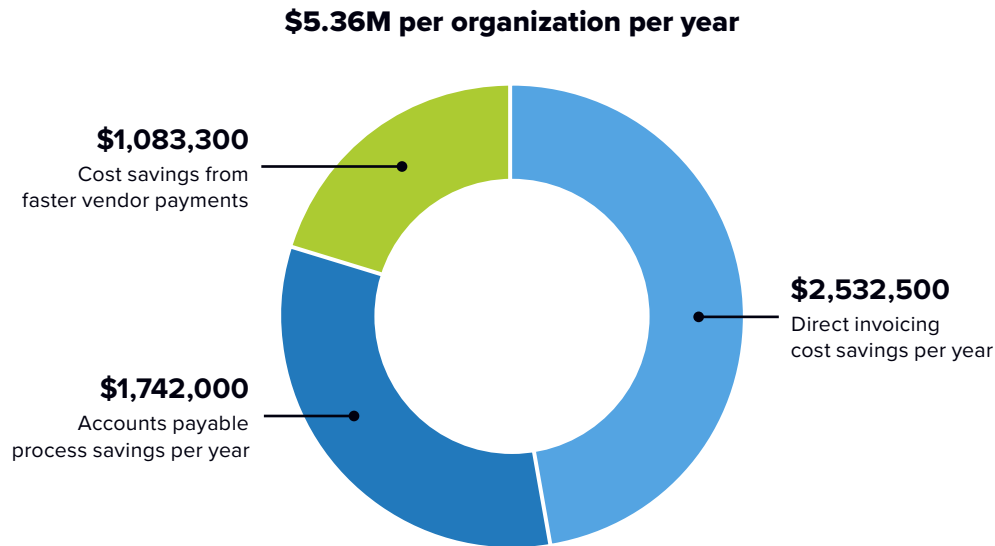
n = 7; Source: IDC Business Value In-Depth Interviews, May 2024

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 has significantly reduced their exposure to risks related to compliance, enabling better data governance and life-cycle management of documents. This has been particularly important in regions with stringent privacy regulations, such as Europe. One interviewed customer provided details about these compliance-related benefits of use: *"With SAP Invoice Management, we can see not only a customer's invoices and contracts but also all the work that has been done and all the documents that have been produced as part of that work. There's a lot of value in this because it allows us to organize our work better and collaborate with our contractors better. For the organization, there's a governance aspect to this as well because we can classify content and archive it at a certain age, adhering to either company or legal rules."*

IDC calculates that study participants' compliance teams benefit from average efficiencies 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 effectively ensure compliance with changing compliance requirements (see **Table 6**).

TABLE 6

Compliance Team Efficiencies

	Before/Without SAP ECM Solutions by OpenText	With SAP ECM Solutions by OpenText	Difference	Benefit
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 benefits 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 significant extra time to find 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	$7,100

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

Study participants further linked their use of SAP ECM solutions by OpenText to less immediately tangible but still very important business benefits, most prominently their ability to provide timely and robust support to their customers.

Interviewed SAP and OpenText customers provided examples:

Better overall customer experience:
"SAP ECM solutions by OpenText really help our overall customer experience because they speed up our ability to find the information we require, which improves our ability to provide services."

Improved ability to access information to serve and support customers:
"The main improvements we've had with SAP ECM solutions by OpenText is our ability to service our clients better because we have all the information on that client at our fingertips. Whenever somebody calls, whatever kind of customer or client interaction we have, we always have that information ready, and that's helpful. There's a side of organizing our work: Because we have photos of previous work done, we can better prepare for the work that we do, so there's productivity and efficiency on that side."

ROI Summary

Table 8 (next page) presents IDC's analysis of the financial benefits and investment costs for study participants related to their use of SAP ECM solutions by OpenText. As shown, IDC calculates that they will realize discounted benefits over three years in IT and document management team efficiencies, invoice and finance team efficiencies, and finance-related cost reductions worth an average of $21.40 million per organization ($125,800 per 1 million documents). These benefits compare with three-year discounted investment costs of $4.75 million per organization ($27,900 per 1 million documents), which would result in an average three-year ROI of 351% with breakeven of just over one year.

TABLE 8

Three-Year ROI Analysis

	Per Organization	Per 1 Million Documents
Benefit (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 specific tools and support services provided but also the company's vision and the way individual components and tools fit 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 different 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 differentiation 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 benefit and minimize the likelihood of silos or errors negatively affecting 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, unified, and efficient work environment. As a result, these SAP customers have realized substantial benefits, including streamlined and more timely document migrations, enhanced invoicing and finance operations that benefit from AI-powered functionality, improved regulatory compliance, and organizationwide operational efficiencies from the ability to more readily share and access data and content. IDC's analysis shows that these benefits will translate to value of an annual average of $9.29 million per organization through the use of SAP ECM solutions by OpenText and yield a strong average three-year return on investment of 351%.

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.

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 ECM solutions by OpenText.** In this study, the benefits included staff efficiencies, cost savings, higher revenue, and other productivity gains.

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 ECM 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 ECM solutions by OpenText over a three-year period. ROI is the ratio of the net present value 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 the 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.

Appendix 2:
Quantified Benefits of Use of SAP ECM Solutions by OpenText

Table 9 provides details about the areas of value that IDC quantified related to study participants' use of SAP ECM solutions by OpenText. As noted previously, IDC calculates that they will realize benefits worth an average of $9.29 million per organization per year ($54,600 per 1 million documents).

TABLE 9

Specific Calculations: Benefits from the Use of SAP ECM Solutions by OpenText

Category of Value	Average Quantitative Benefit	Calculated Average Annual Value
IT infrastructure team efficiencies	58% efficiency, worth 3.9 FTEs, $100,000 salary assumption	$284,000
Document migration team efficiencies	53% efficiency, worth 31.7 FTEs, $100,000 salary assumption	$2.34M
Invoicing team efficiencies	22% efficiency, worth 7.1 FTEs, $70,000 salary assumption	$364,300
Accounts payable team efficiencies	37% efficiency, worth 24.2 FTEs, $70,000 salary assumption	$1.25M
Compliance team efficiencies	16% efficiency, worth 12.2 FTEs, $70,000 salary assumption	$628,600
Invoicing cost savings per year	$2.53M per year	$1.87M
Cost savings — faster vendor payments	$1.08M per year	$799,100

Category of Value	Average Quantitative Benefit	Calculated Average Annual Value
Accounts payable process savings	$1.74M per year	$1.28M
Higher user productivity	1.9 hours of higher productivity per user, worth 9.2 FTEs, $70,000 salary assumption	$476,000
Total annual benefits	$9.29M per year	

Note: The calculated average annual value includes 9.4 months' deployment time in year 1.

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

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

Appendix 3: Supplemental Data

This appendix provides an accessible version of the data for the complex figure in this document. Click "Return to original figure" below the table to get back to the original data figure.

FIGURE 1 SUPPLEMENTAL DATA

Average Annual Benefits per Organization

	Amount
Cost savings and operational benefits	$4,428,000
Content management and IT staff productivity benefits	$2,619,700
Finance and risk mitigation benefits	$2,243,500
Total	**$9.29M**

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

Return to original figure

About the IDC Analysts

Mickey North Rizza
Group Vice President, Enterprise Software, IDC

Mickey leads the Enterprise Applications and Strategies research service along with a team of analysts responsible for IDC's coverage of next generation of enterprise applications including digital commerce, employee experience, enterprise asset management and smart facilities, ERP, financial applications, HCM and payroll applications, procurement, professional services automation and related project-based solutions software, supply chain automation, and talent acquisition and strategies. In her role, Mickey and the team advises clients on these intelligent, modern, and modular enterprise applications for businesses of all sizes with an emphasis on the key trends, opportunities, innovation and the IT and Business Buyer concerns, requirements, and buyer behaviors.

More about Mickey North Rizza

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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 solutions and initiatives to create value through efficiencies and business enablement.

More about Matthew Marden

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