Today's Critical Need for Better Information Management

Survey: 2023 will be a pivotal year to streamline workflows and modernize systems to meet and exceed customer expectations.

As the data businesses create and consume multiplies to reach greater quantities and complexity than ever, a new Foundry MarketPulse survey reveals that IT leaders are facing both steep challenges and significant opportunities as they embrace the strategic importance of data. Many are embarking on the path to build cloud-based environments that provide high levels of integration, automation, and security, according to the research, which involved 100 technology decision-makers at U.S. companies averaging more than 5,000 employees across a variety of industries.

2023: A critical year ahead

For the technology decision-makers who participated in the survey, the next 12 months will be momentous: Nearly all (96%) said information management will be either critical or very important over the coming dozen months. But that time span will be fraught with difficulty: More than 70% reported that they are experiencing challenges in achieving their information management goals. As IT leaders seek to reinvent their organization by creating digital fabrics, applying new business rules, and discovering new ways to work, they face obstacles that include storing and accessing customer data securely, providing personalized customer experiences, and meeting customer experience expectations.

Customers are front and center

With the move to online business interactions, spurred in large part by the COVID-19 pandemic, the ability for organizations to give their customers a secure, responsive, and rich experience has taken on increased importance. Not only do these customers expect the data they provide to vendors or partners to be protected but they also expect a fast and intuitive online interaction and that information from various sources will be integrated seamlessly. These integrations provide the necessary data to anticipate customer needs using artificial intellgence (AI) to build correlations between third-party data and first-party data like prior purchases and customer support interactions.
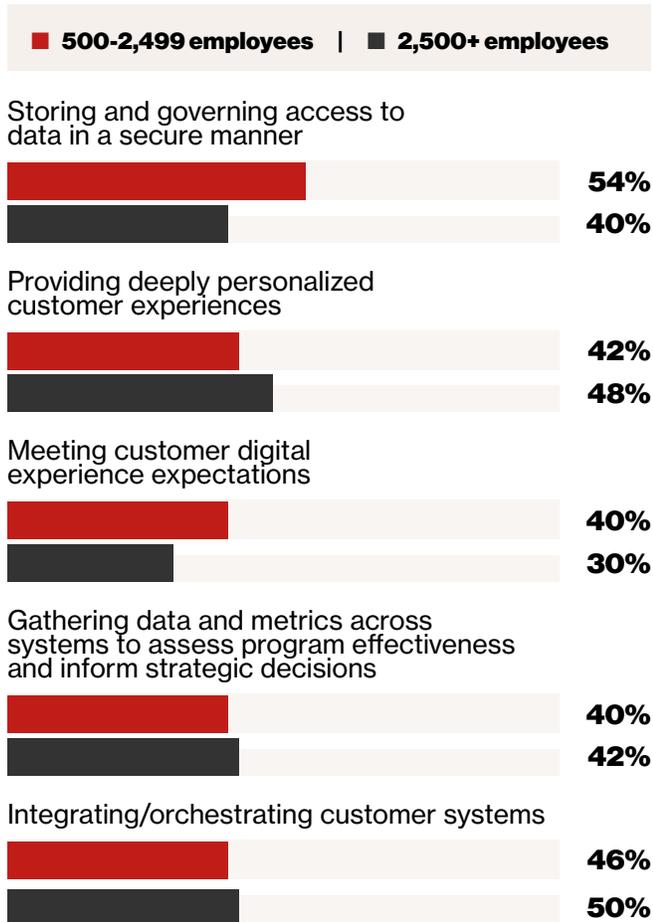
96%

said information management is critical or very important, **yet over 70% are challenged** to achieve their goals

The survey underscores contrasts between the approaches of larger and smaller organizations.[1] For example, smaller organizations are more challenged than large organizations by a notable margin — 54% versus 40% — when it comes to securely storing and governing data (see Figure 1). This contrast could be due to the differences in resources the two types of organizations bring to bear for retaining and managing data. Large organizations have more data but can also invest more budget and staff to analyze, govern, and protect it with content management disciplines, zero-trust cybersecurity strategies, and extended detection and response (XDR) capabilities.

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[1] *The Foundry MarketPulse survey was split evenly between companies with 500-2,499 employees (50%) and companies with 2,500 or more employees (50%).*

Figure 1 | Top information management challenges

■ 500-2,499 employees | ■ 2,500+ employees

Storing and governing access to data in a secure manner
- 54%
- 40%

Providing deeply personalized customer experiences
- 42%
- 48%

Meeting customer digital experience expectations
- 40%
- 30%

Gathering data and metrics across systems to assess program effectiveness and inform strategic decisions
- 40%
- 42%

Integrating/orchestrating customer systems
- 46%
- 50%

SOURCE: FOUNDRY

Challenges

Keys to more effective information management are automation of business processes and integration of different data types. Yet there are several difficulties organizations must overcome to achieve effective automation and integration.

Manual tasks and workflows

Even though paper documents are a vital part of myriad organizational tasks, just 15% of the survey respondents have fully automated the digitization of printed documents and the extraction of data from them. In fact, data extraction is completely manual for 58% of the companies represented in the survey. This gap is worrisome, because manual data extraction is both slow and inaccurate. These shortcomings echo throughout business processes, causing operations to bog down and incorrect information to be fed into business analytics tools. Organizations that automatically digitize documents and extract data from them inevitably will move faster and enable executives to make more valid decisions based on data-driven insights.

The survey also examined automation and workflow integration, finding that both are works in progress. Although discrete processes and tasks are often automated, only 28% of the organizations have integrated those automations into workflows, leaving potentially large productivity gains unrealized. For example, automating accounts payable might eliminate the manual retrieval of contractor invoices and the mailing of payments, but integrating accounts payable with the entire procure-to-pay life cycle removes many manual steps, such as creating and approving requisitions, purchase orders, and goods receipts, saving significant time and freeing up staff members so they can focus on higher-level tasks.
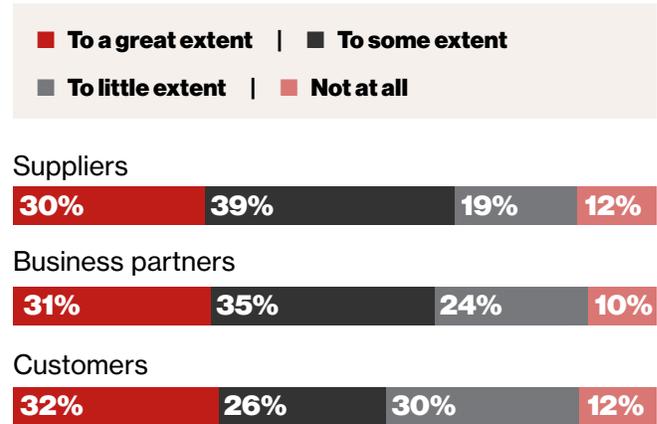
External integrations

Because digital business operations typically occur within ecosystems of multiple businesses, any disruption to B2B interactions can have severely detrimental effects on an organization's ability to operate effectively. In this area, the survey generated important findings that show that a lack of integration causes disruption to the ease of doing business with suppliers, partners, and customers (see Figure 2).

Business disruption due to integration issues is a bigger problem for larger organizations than for smaller ones. This is particularly true between large businesses and their suppliers, with 74% of the larger organizations reporting disruption due to integration challenges, versus 64% of the smaller companies. This finding suggests that larger businesses have greater variation and volume of information exchanges with outside parties as well as more complex technology environments that may span both legacy on-premises and modern cloud-based systems.

Although integrating partner and supplier systems is key to digitizing supply chains, two roadblocks stand in the way:

1. **Security and compliance.** As data from a partner or supplier is ingested, it may contain either proprietary information or personally identifiable information (PII). Proprietary information might include product characteristics that are covered by patents; PII must be protected, by

Figure 2 | **Disruption of business caused by integration challenges**

■ **To a great extent** | ■ **To some extent**
■ **To little extent** | ■ **Not at all**

Suppliers

30%	39%	19%	12%

Business partners

31%	35%	24%	10%

Customers

32%	26%	30%	12%

SOURCE: FOUNDRY

law, according to regulations such as the European Union's General Data Protection Regulation (GDPR), the California Consumer Privacy Act (CCPA), and the healthcare industry's Health Insurance Portability and Accountability Act of 1996 (HIPAA) guidelines. Both proprietary data and PII must be protected from alteration and disclosure throughout the information management life cycle. In addition, financial documents are often subject to local regulations, which can change frequently.

2. **Complex file mapping and document regulations.** When data from one database is sent to another, the fields in which the data appears must correlate from one database to the next. Complex files, or files that contain different elements such as

text, images, or video, can pose a particular challenge when mapped across databases, because different databases recognize them in different ways.

For large organizations, the degree of difficulty is exacerbated by insufficient or inflexible tools/technology (40% larger versus 24% smaller) and lack of executive support (38% larger versus 22% smaller). This finding could be particularly dire, because large organizations generally are dealing with more data and more complex data than smaller firms, resulting in integration needs that cannot be met without executive support for adequate budgeting for the right technologies.

The path forward

Despite a plethora of challenges, 2023 will be a year of modernization for information management. The survey found that nearly all the IT leaders recognize the need to improve information management in their organization — only 4% admitted that they are unlikely to

58%

of organizations that plan to upgrade in place or stay on-premises **will also implement a cloud-based solution**.

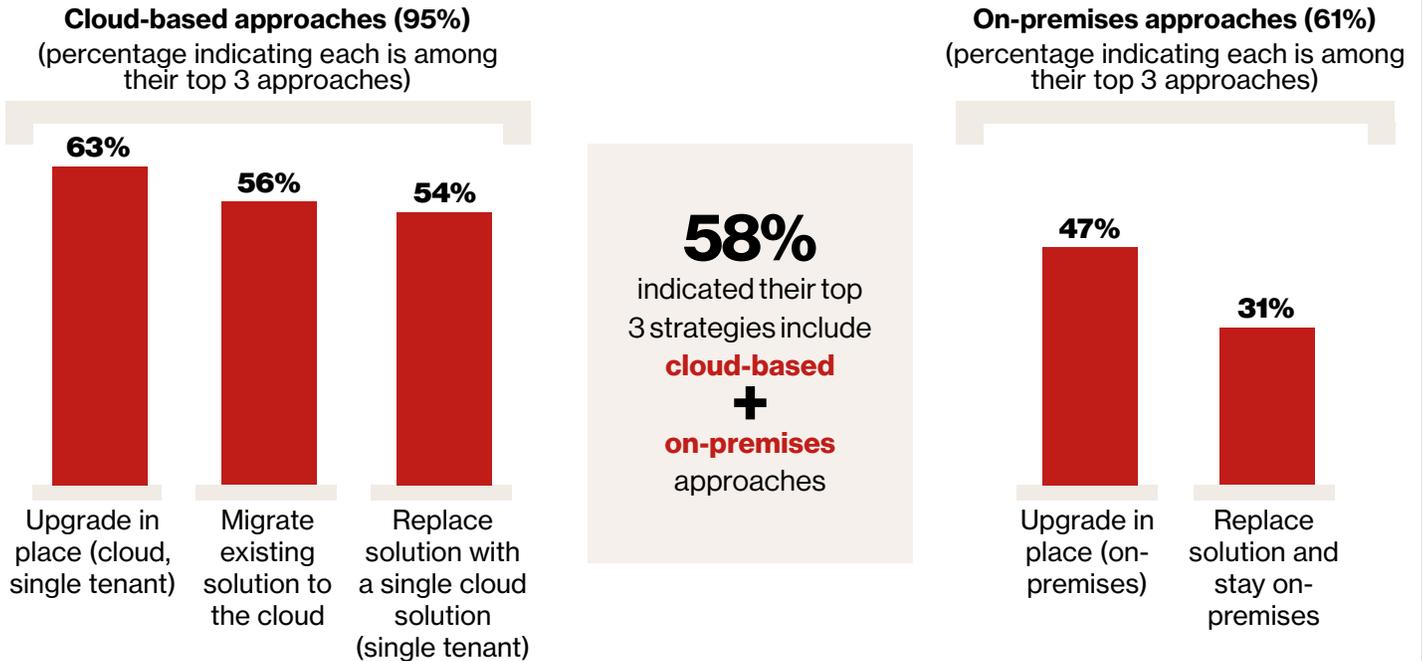**Figure 3** | **Likelihood of modernizing systems in the next 12 months**
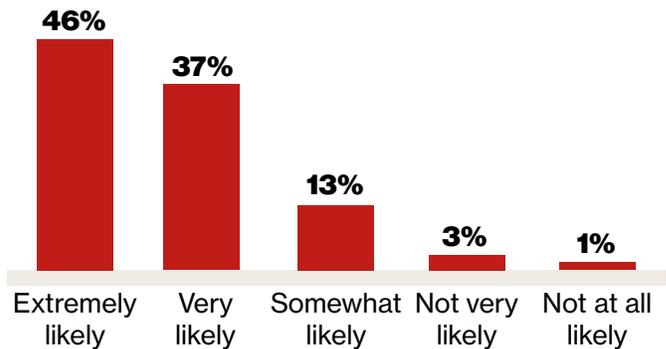
SOURCE: FOUNDRY

modernize their systems in some way in 2023 (see Figure 3).

In these upcoming modernization efforts, the cloud will be the primary focus. Organizations that have already moved to the cloud are likely to upgrade those systems; others will migrate to the cloud or replace on-premises systems with cloud-based services.

Although the survey results reveal significant momentum in favor of cloud-based approaches, some respondents plan to retain and upgrade on-premises implementations. This finding is not unusual, since there are often workloads that either cannot or ought not to be moved to the cloud, for a variety of reasons. However, the survey also shows that 58% of organizations that plan to upgrade in place or stay on-premises will also implement a cloud-based solution, resulting in a hybrid cloud implementation, the type of environment

Figure 4 | Approaches to modernizing systems in the next 12 months

Cloud-based approaches (95%)
(percentage indicating each is among
their top 3 approaches)

63%

56%

54%

Upgrade in
place (cloud,
single tenant)

Migrate
existing
solution to
the cloud

Replace
solution with
a single cloud
solution
(single tenant)

58%
indicated their top
3 strategies include
cloud-based
+
on-premises
approaches

On-premises approaches (61%)
(percentage indicating each is among
their top 3 approaches)

47%

31%

Upgrade in
place (on-
premises)

Replace
solution and
stay on-
premises

SOURCE: FOUNDRY

that many observers believe will be the prevalent paradigm throughout the cloud era (see Figure 4).

Conclusion

With plans in place to modernize information management and integration in the cloud in 2023, IT leaders should seek out a cloud-based platform that brings together different types of data from a variety of sources and implements automation securely. In the intensely competitive digital business era, these organizations will accelerate beyond their peers.

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