

The Consequences of Failed ECM Implementation

ECM Implementation Failure

IT Projects are notorious for having low success rates without proper Project Management. Some of the best software products in the world have failed to meet client's expectations because the salesperson set unrealistic expectancies or the implementation time was shortened in order to meet a magic budget number. Only 32% of all projects succeeded with on time delivery, within budget, and with required features and functions, according to a 2009 study.¹ While this number is not all that surprising to experienced IT professionals, the success rate is astonishing to most executives-and it should be. This is equivalent to a *68% failure rate* –an unacceptable percentage in almost all other aspects of business. Could you imagine a 32% success rate with car manufacturing, refrigerator operation, or worst case-shuttle development?

After being in the ECM industry for over 10 years, and overseeing hundreds of implementations, we have found that success is typically not based on the technology. According to a study on aiim.org², research has shown that the most common reasons for ECM failures are due to:

- Underestimating the impact on business processes and organizational structure
- Improperly trained users
- Project derailment by internal politics
- No implementation of adequate governance processes

Evaluating these causes, you will notice that none of them actually deal with technology! The issues arise from the process of implementing the technology and the manner in which you enable users to utilize the system. A proper ECM system must be developed in coordination with the intended user audience.

Proper project management for ECM implementation follows the same general principles of standard project management. However, the mixture of IT and process change creates a unique work environment in which employees, managers, and directors need the courage to first admit there are problems with their current process. When we work with clients to determine their needs, technology is not even discussed until there is a full understanding and buy-in concerning their current process state.

In short, we cannot stress enough the importance of not just selecting a vendor that delivers an elegant software solution, but an organization that has the knowledge and ability to assist your company from the very first step. The evaluation of a vendor's personnel, experience, and technique are paramount to

¹ Jim Johnson - Chairman, Standish Group's CHAOS Summary 2009.

² C3Associates – Presentation to AIIM International – 2009 – Top 10 Reasons for Failure.



the overall success of an implementation. Whether your company is in the process of selecting a vendor through demos and/or evaluating RFP responses, ensure that you put the same amount of consideration into the product implementation process as the technology itself.

But my ECM Implementation already failed, now what?

Unfortunately, as previously mentioned, this is not all that uncommon. As a provider of document management and workflow solutions, over 50% of our larger implementations involve some type of conversion from an inferior ECM system. Implementations are completely dependent upon the success of the technology, as well as the professional services integrating them. Often, compromises are made on both, resulting in insufficient technology requirements as well as a failure in implementing the process properly.

The challenge of purchasing a new ECM system to replace an older system is generally twice as difficult so avoid it all costs if you haven't fallen into this realm already. A little bit of research in the proper areas will yield significant savings in the long run. While the monetary loss is a large enough setback in this situation, there are many other intangible concerns that also need to be considered:

- Concept of why are we doing this again – it already failed once
- Cost of replacement solution itself (Doubling the cost of the total deployment)
- Cost of converting images from previous system into new system
- Cost of reevaluation of your current process
- Cost of retraining your users on a new system
- Cost of convincing your users that a new system will not fail like the previous one

These are just a sampling of some of the concerns and costs associated with replacing an ECM system. As a result of these failed ECM implementations, we have become experts at converting data from other systems. The conversion process can become quite costly if the scope is not managed properly. It is important that you spend the time to understand what will be migrated and how data will be validated post conversion. We have seen conversions originally estimated at a couple weeks end up taking well over a couple months because of assumptions made by both the vendor and the client. Often, initial implementation requirements were ignored or best practices omitted resulting in corrupt and incomplete data that is not evident until a detailed inspection is conducted or the company faces a crisis.

The conversion process is in one way a minor part of the overall migration to a new system – the justification and trust to users is perhaps the most difficult part of the process. Many of the users have already seen failure once and therefore it can be a significant challenge to gain consensus on moving towards a new system. It takes great project managers and implementation specialists to ensure this transition is as seamless as possible.

Below is a simple chart that shows the potential cost of having to replace an existing ECM system for a larger organization:

Old System	Costs	New System	Costs
Existing ECM System Cost	\$200,000	New ECM System	\$200,000
		Conversion from Old System	\$25,000
Professional Services ³	\$20,000	Professional Services	\$50,000
Training	\$5,000	Training	\$10,000
Total Costs	\$225,000	Total New System Costs	\$285,000
Overall Cost of Original Projected Solution			\$510,000

As you can see, by taking a lower cost solution with less professional services and training, the total cost of your original solution is now half a million dollars. The client could have saved \$260,000 by selecting a more specialized vendor. Often times the ‘cheapest’ solution becomes the most expensive.

In summary, be sure that you are complete in product functionality, being careful to choose the right vendor for your requirements and properly evaluating during the initial stages of planning. A skilled and experienced vendor with the right software for your needs will understand your business process fully. From the initial stages, to properly implementing the procedure, to providing support-these are all integral pieces to your company’s success. Lacking in one means an overall failure.

³ We have assumed the professional services were underbid and therefore caused the project to fail.