# Bridging the Document Disconnect in Sales

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*Melissa Webster, April 2015*

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## Introduction

**The need for sales staff to deal with paper adversely impacts revenue, customer engagement, and sales department productivity.**

Organizations of all sizes struggle today with the challenge of disconnected document processes, a pervasive problem whose negative impact cuts across all business functions. That being said, perhaps no other function feels the "document disconnect" more keenly than the sales department.

Documents are critical for nearly every step of your organization's sales process, from sharing ideas and information to recording our understandings with others. However, 80% of business documents are paper dependent, according to IDC's global study on document processes, *Addressing the Document Disconnect: Hidden Opportunity, Big Payoff*. In sales, only 22.2% of the documents that salespeople deal with are fully digital. The need for sales staff to deal with paper adversely impacts revenue, customer engagement, and sales department productivity.

Although enterprise investment in customer relationship management (CRM) and other sales applications continues to grow, the "last mile" of the sales process often requires exchanging information in document form to complete a transaction; obtain approvals, sign-offs, or acknowledgements; or enlist others for review and collaboration, including both internal and external stakeholders. Despite these investments in CRM and other applications, 77% of business leaders say automation gaps and a lack of integration between their existing systems adversely impact the quality of the customer experience they can provide. Even seemingly simple (but critical) tasks present problems: Salespeople and customers may need to print out paper contracts to sign and then scan them into PDFs and email them back simply to execute agreements. (IDC found 56% of information workers often have to print out a document and then scan it to create a PDF.)

Organizations that ignore the document disconnect do so at their peril. The good news is that sales and IT can work together to bridge this gap across the enterprise. This IDC white paper takes a closer look at the impact of — and the benefits of addressing — the document disconnect in the sales department.

# Executive Summary

In November 2014, IDC undertook a global study of more than 1,500 line-of-business leaders, IT leaders, and information workers in the United States, the United Kingdom, France, Germany, Australia, and Japan to assess the effectiveness of their organization's document-based business processes. The goal of our survey was to better understand the implications of inefficiencies in these processes.

Our study shows that organizations of all sizes in all industries around the world are suffering from what we call the "document disconnect." Broadly, the "document disconnect" results in significant delays and errors across critical business functions such as sales contracting and quoting, procurement, talent acquisition, and onboarding. It is a serious impediment to business that — according to our respondents — negatively affects revenue, compliance, cost, productivity, and customer experience.

This is a pervasive problem that affects all functional areas of the organization. Disconnected document processes can be found in every department, and they have a very significant negative impact on the organization. They:

- **Adversely impact revenue and revenue recognition and create audit issues.** 76% of line-of-business leaders say document process issues impact revenue recognition and/or create auditor issues.

- **Reduce business agility.** 46% of business leaders say disconnected document processes impair their ability to plan, forecast, and budget because of lack of visibility.

- **Reduce employee productivity and increase operating costs.** Business leaders say their staff spends more than one-third (36%) of their time on administrative tasks — and less than two-thirds (64%) on their core job function.

- **Create business and/or compliance risk.** More than a third of business leaders say they have problems with agreements that are missing signatures, initials, or dates — or that have been signed by the wrong person; nearly half (46%) aren't sure they have copies of all signed agreements. Just over half (51%) say they have problems with documents that are misfiled or lost.

- **Adversely impact customer experience.** 77% of line-of-business leaders say the gaps in automation in their existing systems — and the lack of integration between them — adversely impact the quality of the customer experience they can provide. 63% say document process issues negatively impact customer satisfaction.

Certainly, the negative impact on customer experience is costing organizations dearly in terms of bottom-line revenue.

Addressing the document disconnect can provide exceptional benefits in terms of reduced cost and risk. Line-of-business leaders we surveyed estimate that fully addressing the gaps in their departmental document processes could yield a:

- **36% increase in revenue**

- **30% reduction in cost**

- **23% reduction in business/compliance risk**

IDC believes that organizations that address their "document disconnect" in the near term will enjoy clear advantages over competitors that ignore it. Despite the outsized impact that the "disconnect" has on the organization and its customers, ROI can often be realized without disruption of existing systems or great expense. Organizations can "start small" and work incrementally. The maximum benefit, however, will accrue for organizations that seek to address the document disconnect enterprisewide. IDC believes this is a golden opportunity for IT to take a leadership role.

This white paper reports the key findings from our global study on document processes and provides recommendations for addressing the document disconnect.

## Meeting Expectations in a Mobile, Connected World: The Document Disconnect

Organizations must support a mobile, connected customer base and workforce or risk being left behind. Mobility and connectivity have profoundly changed the way we live and work. The vast majority (83%) of people in developed economies use the Internet today (by 2018, this will grow to 86%). A preponderance (81%) of them access the Internet using a mobile device (by 2018, 92% will access the Internet using a mobile device).[1]

However, despite a heavy investment in mobility, connectivity, and specialized line-of-business applications such as enterprise resource planning (ERP), customer relationship management (CRM), human capital management (HCM), supply chain management (SCM), and contract management, the "last mile" of many enterprise business processes remains a disconnected, discontinuous experience.

That "last mile" often requires exchanging information in document form to complete a "transaction"; obtain approvals, sign-offs, or acknowledgements; or enlist others for review and collaboration — including both internal and external stakeholders. After all, documents are how people communicate ideas, share information, and record their understandings.

Alas, the information needed for these documents is often contained in multiple systems — essentially, "digital silos." 81% of the line-of-business leaders we surveyed point to problems that arise because they have different internal systems/applications that don't "talk" to each other or because people outside

their organization with whom they need to exchange documents use a different system/application. Because the systems aren't connected, information workers must undertake a series of separate, manual activities. As a result, these high-value, business-critical document-based processes are fragile, error prone, and fraught with risk.

The "document disconnect" undermines the quality of the end-to-end business processes those document processes support, whether quote to cash, procure to pay, hire to retire, and so forth. IDC believes the document disconnect is a primary impediment to the effectiveness of — and visibility into — mission-critical enterprise business processes.

## Hidden Risks

Because of the gaps in automation in "last mile" document processes, mistakes quickly crop up. All too often, they are discovered late in the overall business process, which creates significant business and compliance risk. 36% of line-of-business leaders cite agreements that are missing signatures, initials, or dates — or that have been signed by the wrong person. 51% say documents are often misfiled or lost; and 46% say they aren't sure they have copies of all signed agreements.

Disconnected document processes negatively impact revenue accounting. Three-quarters (76%) of business leaders say document process issues impact revenue recognition and/or create auditor issues.

The document disconnect results in business processes that lack visibility and traceability. 55% of business leaders say they can't tell whether documents have been viewed, reviewed, or signed by the appropriate people and find it difficult to get up-to-date status information. 38% of business leaders say it's difficult to relate documents or versions of documents to important context.

Finally, the document disconnect negatively impacts business agility. 46% of business leaders say the lack of visibility due to ineffective document processes impairs their ability to plan, forecast, and budget.

## Hidden Costs

Information workers feel the impact of the document disconnect on a daily basis. Although three-quarters of the information workers we surveyed use one or more enterprise applications, when it comes to that "last mile" of document-based interaction, they are left to improvise using a hodgepodge of general-purpose productivity and collaboration tools, stringing together a series of manual tasks. Over half (53%) of information workers say either their business applications don't automate their document-based processes or they have different systems/applications that don't talk to each other — or the people with whom they need to exchange documents use a different system/application.

The resulting manual effort costs information workers significant time and effort and reduces their productivity — driving up the organization's staffing costs. Often, information workers must manually create documents — spending valuable time copying and pasting information and dealing with a variety of formatting (and sometimes branding) issues as they compile content from multiple sources into a single document. 43% of information workers say they need to use several disconnected systems or applications and often have to copy and paste or rekey information.

## How Gaps Impact User Productivity

Because of the document disconnect, documents often make one or more transitions into and out of paper. For example, salespeople and customers may need to print out contracts to sign them and then scan them into PDFs and email them back to execute agreements. 56% of information workers say they often have to print out a document and then scan it to create a PDF.

Gaps in automation increase the organization's dependence on paper documents. In fact, information workers are spending just as much time today dealing with paper documents as they did two years ago. On average, one-fifth of their document processes are entirely paper based, one-fifth are entirely digital, and 60% are a mix of paper and digital. (In other words, 80% of document-based processes are at least partly dependent on paper.) Of the time they spend working with documents, information workers spend about a quarter of it dealing with paper.

Gaps in automation also increase the likelihood of problems arising when exchanging documents. 40% of information workers say the documents they send to other people don't always display or print correctly, and 38% say others sometimes can't even open them.

Information workers and the people with whom they exchange documents are forced to communicate by email or phone, meaning important context about the document is lost. This also increases the difficulty of collaboration. 41% of information workers find it difficult to collaborate across time zones, where they are much more dependent on email for context.

Because of the automation gaps, information workers must manually route documents and then follow up and keep track of their status using spreadsheets or calendar reminders. 53% of information workers say following up with people to get documents reviewed, approved, or signed is time consuming.

In addition, document processes are often multiparty exchanges that traverse functional (departmental) and organizational boundaries. On average, three to five people — often as many as seven — need to review, approve, sign, or take action on a particular document. This makes following up and keeping track of status even more challenging.

Finally, the document disconnect makes it much more difficult for information workers to get their work done using their mobile devices. Nearly half (46%) of information workers say they often have to wait until they are back at their computer to complete document-based tasks. Three out of five information workers are unable to view, retrieve, edit, comment on, send (for review or signature), track (documents they've sent for review or signature), or sign documents using their mobile devices.

All of this adds up to a significant drain on staff productivity because such a large percentage of information workers' time is spent working with documents (80%). Information workers report that they devote 72% of their time at work performing their core job function: 28% of their time is eaten up by administrative tasks. Information workers estimate that having an automated system that generates and routes documents for approvals or signing, tracks status, and files signed/approved documents would free 30% of their time for higher-value activities.

## Negative Impact on Customer Experience

Organizations are investing significantly in modernizing their customer-facing business processes. Ineffective document-based processes, however, undermine these efforts. 77% of business leaders say the gaps in automation in their existing systems — and the lack of integration between them — adversely impact the quality of the customer experience they can provide.

63% of business leaders say ineffective document processes negatively impact customer satisfaction. 72% of business leaders agree that improving their document processes would increase customer satisfaction and/or increase brand value. 82% of business leaders agree that taking the friction out of back-office and front-office business processes is essential for improving the customer experience.

## Business Benefits of Addressing the Document Disconnect

We asked line-of-business leaders to estimate the potential impact of fully addressing the gaps in their departmental document processes on revenue, cost, and risk. Overall, they see a huge potential payoff in all three areas:

- **36% increase in revenue.** 47% of line-of-business leaders say addressing the document disconnect would speed time to revenue, 46% say it would reduce cycle time and offer quicker time to results, and 41% say it would help them get new products and services to market more quickly.

- **30% reduction in cost.** 45% of line-of-business leaders and information workers say addressing the document disconnect would reduce cost, 48% of information workers say it would reduce errors and rework, 45% of business leaders say it would improve departmental productivity, and 41% say it would enable employees to focus on more important, valuable activities.

- **23% reduction in business/compliance risk.** The document disconnect exposes organizations to revenue recognition and contract compliance risks — not to mention risks related to information security and accidental exposure of confidential or sensitive information. Over half (55%) of IT leaders say their organization has suffered an information leak in the past 12 months.

Few IT investments afford such a compelling ROI. IDC believes most organizations can justify the investment based on hard-dollar cost savings alone.

## The Document Disconnect: Sales

Our study examined the impact of the document disconnect on individual departmental business processes in detail. As noted previously, this is a pervasive problem that affects all functional areas in the organization including sales, marketing, human resources (HR), finance, procurement, compliance, legal, operations, engineering/research and development, and manufacturing. Survey respondents told us that addressing the gaps in document processes would free up valuable time and empower them to:

- Improve branding and advertising

- Make customer communications more personalized

- Create new product and service offerings, improve product quality, and improve customer service

- Improve billing/collections and capture early payment discounts to improve cash flow

- Optimize inventory management

- Spend more time on forward-looking analysis and planning

Survey respondents were also asked to quantify the impact on sales of bridging the document disconnect. Sales teams estimate that addressing the document disconnect could free up 33% of their time. This would be tantamount to hiring one-third more salespeople. Clearly, this could have a tremendous impact on the organization's ability to generate increased revenue. In addition:

- Closing deals faster eliminates risk and can mean the difference between a good quarter and failure to meet revenue goals.

- Addressing the document disconnect helps eliminate revenue recognition and/or auditor issues, reducing business and compliance risk.

- Sales management gains visibility into and more control over the deal pipeline and forecasting.

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Finally, addressing the document disconnect empowers salespeople to make a difference. Asked how they could put time saved to better use, they told us:

- "I could spend more time prospecting, negotiating, and selling — and following up with existing customers for additional orders/referrals."

- "I could spend more time coaching sales team members to make them more effective."

- "I could spend more time analyzing sales results and on strategic planning."

- "I could improve our competitive intelligence. That would help the whole team."

Figure 1 shows the types of documents that take up sales staff time. 19% of the documents that sales staff deal with are paper based; 56.7% are a mix of paper and digital. Only 22.2% are fully digital.

**FIGURE 1**

## Document Types That Take Up Sales Staff Time

*Q. How many of these documents do you work with per month? Is the workflow predominantly paper based/manual, digital/automated, or a mix of paper and digital?*
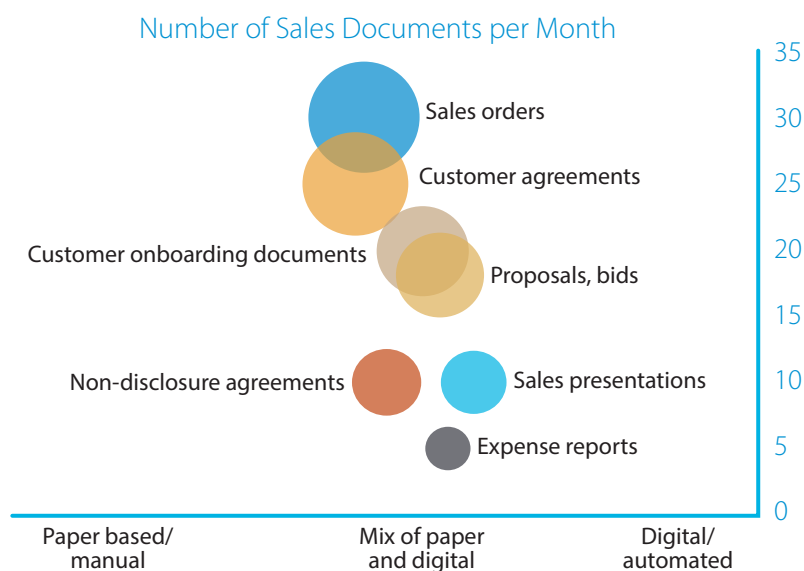


*n = 154 information workers who work in sales; median number of documents per month*

*Source: IDC's Global Document Processes Survey, November 2014*

**Addressing the Document Disconnect in Sales**

IDC believes the potential rewards of addressing the document disconnect in sales are very compelling. Our study also shows good alignment between the business and IT with regard to the importance of delivering a good customer experience. To learn more, download the PDF of the full IDC white paper, *Addressing the Document Disconnect: Hidden Opportunity, Big Payoff,* sponsored by Adobe.

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