



WHITE PAPER

FROM TODAY TO FUTURE-READY: HOW TO PROGRESS ON YOUR DIGITAL TRANSFORMATION JOURNEY

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Let's be honest: most organizations still have some distance to go on their digital transformation journey. "Business as usual" can be a significant roadblock to your success in the evaluation and reconfiguration of everyday business processes.

From our [research with Economist Impact](#), we know most leaders believe work and business will remain digital. But while 80% are optimistic about their digital transformation, only 26% shared that their CEO is directly responsible for driving resilience initiatives.*

According to [research from Deloitte](#), "while 85% of CEOs accelerated digital initiatives during the pandemic, most can't articulate their overall strategy and progress beyond that they made a tech investment. The imperative for change is increasingly the creation of an adaptable business—one that can thrive in the digital economy. If CEOs can't say their digital transformation resulted in new business advantages or adaptability, then they haven't really transformed."

DIGITAL TRANSFORMATION: WHAT IS IT AND WHY IS IT SO IMPORTANT?

Digital transformation. It encompasses any initiative that uses technology to improve business resiliency and performance.

Today's tech-savvy and digitally native consumers expect immediate engagement. As a result, businesses should upgrade their core operational processes if they want to continue to grow and thrive. Otherwise, they risk being left behind.

Not every industry has the same consumer needs, so digital transformation may mean different things to different organizations. However, the result is the same. Financial institutions using machine learning to detect and predict fraudulent transactions? Digital transformation. E-commerce retailers searching for new ways to serve personalized customer recommendations? Digital transformation. Government agencies converting paper to digital for easier access to public records? That, too, is digital transformation.

GLOBAL STATE OF DIGITAL TRANSFORMATION

To survive in today's business world, drive customer engagement, retain and recruit employees, and build business resiliency, organizations need to evolve existing processes.

Between 2022 and 2024, [IDC predicts](#) investment in digital transformation will reach \$6.3 trillion and will be 55% of all information and communication technology (ICT) expenses by the end of that timeframe.

WHAT'S MORE IS THAT 53% OF ALL ORGANIZATIONS ARE PREDICTED TO HAVE AN ENTERPRISEWIDE DIGITAL TRANSFORMATION STRATEGY IN PLACE.

At this point, it's hard to imagine any business not accelerating their journey.

While the United States is said to be the **largest market investing in digital transformation**, the rest of the world is fast approaching.

"By 2025, digital transformation (DX) spending in Europe will reach \$653 billion, which is more than double the amount spent in 2020. Moreover, by 2023, DX spending will overtake non-DX spending, confirming the strong commitment of European companies toward digital transformation," shares **Angela Vacca**, Senior Research Manager of European Industry Solutions, Customer Insights & Analysis, for IDC.

Every good digital initiative baseline starts with modernizing an organization's data and information management systems. Only when businesses' everyday workflows reduce manual and paper-based processes can digital transformation and acceleration truly occur.

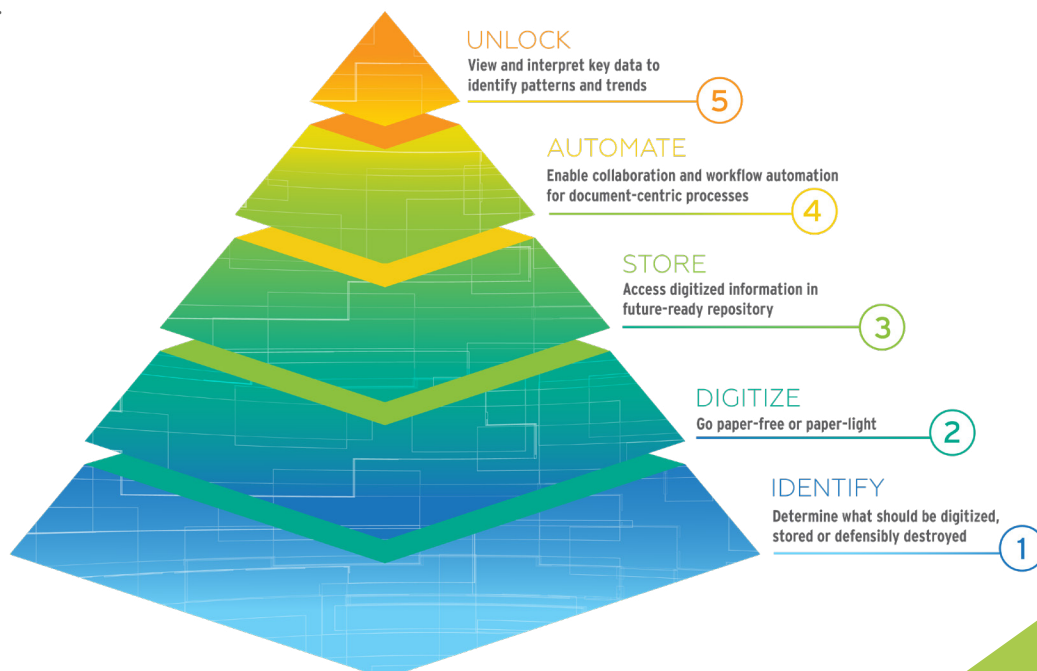
Our April 2022 research with a third-party provider revealed that 74% of organizations are planning to eliminate paper records altogether in the next five years.** Now, whether or not those efforts are successful is another question, and we believe it depends on two things: executive buy-in and a strategic process for implementation.

Given these projections, those who do not convert to digital workflows risk lagging behind competitors. Do you have a digital transformation plan in place? If not, read on.

HOW TO DIGITALLY TRANSFORM YOUR ORGANIZATION

Most business records today are "born digital." While paper records may always be required for certain purposes depending on local regulations, it's important to seek balance between the physical and digital files your business keeps. Any unnecessary use of paper results in a hybrid physical and digital information landscape, which can be difficult to manage. It duplicates efforts and increases risks to your business and its bottom line. The good news is our research conducted with Economist Impact shows that 93% of organizations surveyed have implemented initiatives to clean up legacy physical and digital documents, files, and data.*

To modernize your data and information management processes, having a solid digital transformation guide is key. Here, we outline our five steps to help set up your team for success in its digital transformation or acceleration.



STEP 1: IDENTIFY

DETERMINE WHAT SHOULD BE RETAINED, DEFENSIBLY DESTROYED, OR DIGITIZED

It's not surprising that 67% of leaders said identifying documents to be digitized is a top factor when it comes to cleaning up paper records for digital transformation.** You can't make good business decisions if you don't know what you have in your records and information inventory. A well organized and culled inventory is a critical first step to a digitally transformed organization. With a well organized inventory, you can make the right decisions about what records to retain, defensibly destroy, or digitize.

An extensive project? Yes, but worth it.

If you don't need it, destroy it. Organizations should have retention schedules in place based on legal, regulatory, and operational requirements for their specific industry to inform their decision-making process. Records that have met compliance obligations based on these rules can be defensibly destroyed. While the notion of keeping everything may be tempting, it's also potentially damaging and here's why:

- **Increased cost:** Storing records that have met their compliance retention requirements only adds to your organization's information management expenses.
- **Compliance risk:** Certain regulations require destruction once records have met their retention requirement.
- **Lost productivity:** The average employee spends 25% of their week filing, copying, indexing, or retrieving paper records.

After you've determined which records must continue to be retained, you can then decide what to digitize.

STEP 2: DIGITIZE

GO PAPER-FREE OR PAPER-LIGHT

Paper documents that remain fundamental to your business operations should be converted into digital format to enable easier access and deeper analysis. But not everything needs to be digitized. On average, organizations report that 42% of boxes containing paper records should be digitized.** The rest can be either securely stored or destroyed, depending on your obligations and needs.

Digitization enables organizations to take full advantage of the information already on hand and most have already progressed in this step. When it comes to record keeping, 72% of organizations already store records digitally.**

By digitizing paper records, your team can:

- Securely access company data anywhere, whether working remotely or in the office
- Identify, understand, and extract insights from digitized information across departments
- Streamline complex workflows to improve customer and employee experience
- Respond quickly and make informed decisions
- Increase day-to-day productivity

When it comes to digitizing, you have options:

- **Entire Backlog:** This route puts you in the fast lane for digital transformation, but it's a labor-intensive process and not always necessary. Start by categorizing your files by priority into smaller conversion projects which is known as Backfile Conversion.
- **Imaging As Needed:** Digitizing records as they are needed reduces the upfront burden of fully going digital, but you risk not having a digital copy immediately available.
- **Day Forward and Digital Mailroom:** Typically used in conjunction with Backfile or imaging as needed options, this path allows for scanning, indexing, and conversion of the new incoming paper documents.

After you've identified what you have, categorized it, and scanned it, the next step is figuring out where all the information goes, regardless of its format or type.

STEP 3: STORE

ACCESS DIGITIZED INFORMATION FROM A SECURE, FUTURE-READY REPOSITORY

As you continue your digital transformation journey, it can be difficult to manage all aspects of it. It may seem as though your team can successfully maintain a hybrid environment of paper and digital.

However, storing information digitally in a centralized cloud-based repository enables employees to access and more effectively manage company data. We found that 64% of organizations surveyed believe improvement in integrating new technologies like cloud storage is mandatory to foster resilience.*

The shift to advanced digital storage technologies has been shown to:

- Ensure compliance and reduce risk
- Protect against data loss and cyber threats
- Accelerate innovation
- Streamline workflows
- Respond to litigation or audits
- Facilitate merger, acquisition, and divestiture activities
- Make data accessible for analytics

To limit the volume of paper you have, consider destroying records after they've been digitized. However, even after digitizing and destroying, you'll likely be left with physical records to store as they have not been deemed essential for imaging or they have not met their eligible destruction date. Whether digital or physical, your storage choice depends largely on your digital transformation goals, informed by your records and information management policies and procedures.

When evaluating your digital storage options, here are a few avenues to consider:

ON-PREMISES

Pros: Onsite storage is the most convenient option. There's no third-party involvement, no need for offsite data transfers, and no risk of someone else's downtime affecting your business. In short, you're the master of your own digital domain.

Cons: Data creation is predicted to swell to a total of 175 zettabytes (ZB) by 2025. While this presents greater opportunities to extract insights and achieve digital maturity, storing large amounts of data on-premises is only possible with significant investment in infrastructure and hiring additional staff.

Does complete onsite data storage outweigh the perpetual costs of staff and infrastructure?

COLOCATED DATA CENTERS (OFFSITE)

Pros: Shared data centers provide an attractive operating expense model with the ability to quickly scale up or down, access to the provider's space and power, as well as staffing for 24-hour security and support.

Cons: You will need to use a third party and transfer your data to the designated outside location. There is a risk (albeit a small one) of someone else's downtime affecting your business.

By choosing a colocated data center storage option, there are lower total costs of ownership compared to commissioning a private data center. It also frees up IT staff to focus on more dynamic, higher-value projects.

Offsite data storage also has a higher degree of guaranteed security and protection from both man-made and natural disasters.

IN THE CLOUD

Pros: With greater flexibility, scalability, and reliability, there's minimal maintenance and upkeep expenses. Cloud storage is ideal for remote workers needing on-demand information access and easier collaboration. Furthermore, this solution reduces capital expenditures for business leaders looking to cut costs.

There's also considerable flexibility within the cloud that can make for an attractive storage option. For example, it can be used as backup for active data or archiving legacy data.

Cons: Of course, the cloud is not without its drawbacks. Given its potential for access by anyone with a computer, it can be more susceptible to a breach. Opting-in for cloud storage means your organization may consider implementing security measures to strengthen protection against data breaches.

However, not all cloud solutions are equal.

Many providers have built solutions that emphasize storage volume and scalability, while others were designed specifically for enterprise data management. The latter tends to prioritize security. So, if you're looking for a cloud storage solution to optimize your data storage, it's probably a good idea to choose an enterprise cloud solution.

KEEPING YOUR DATA IN ARCHIVED STORAGE

When it comes to archival data storage, a solution that promises 24/7 connectivity and on-demand access to data is not required.

In comparison to the previous solutions, archival data storage methods are less costly, require less maintenance, and can result in lower energy consumption and total cost of ownership.

STEP 4: AUTOMATE

ENABLE COLLABORATION AND WORKFLOW AUTOMATION FOR DOCUMENT-CENTRIC PROCESSES

Now that you've organized and made decisions about your information, it's time to automate manual processes that consume a significant portion of your employees' valuable time. This is especially relevant to the parts of the business that manage numerous records, such as Human Resources and Accounts Payable.

According to [Forbes research](#), “the demand for workflow automation processes is expected to spike to \$26 billion by 2025, up from less than \$5 billion in 2018.” The pandemic only expedited these efforts. We’ve found that 75% of organizations have increased investments in cloud-based technology or digital tools to improve workflow automation since the pandemic began.*

Take Accounts Payable (AP) as an example of a common document-centric process found across nearly all organizations. Supplier invoices typically arrive at multiple locations, in multiple formats (paper and digital), layouts and languages, and are transmitted one by one as email attachments to the headquarters’ AP team for invoice and purchase order matching and approvals. This manual, paper-intensive process is often inefficient and results in late payments to suppliers, weakening supplier relationships.

To streamline a manual AP process, we suggest a combination of digitization and leveraging modern technology like artificial intelligence and machine learning. This helps to create a digital mailroom where you can automatically pull key data out of digitized documents to get the right information to the right person at the right step in your process.

It’s important that the platform you choose can integrate with relevant systems where users need to access information as part of your process.

Automating habitual administrative tasks eliminates bottlenecks, making your business faster, leaner, and more agile. It also frees up your employees’ time to focus on strategic, high-value initiatives, rather than being hamstrung by resource-heavy tasks that have less impact for your business.

For any department, breakdowns in records and information management force employees to waste time chasing down solutions to avoidable problems, preventing your organization from becoming faster, more efficient, and adaptable.

STEP 5: UNLOCK

VIEW AND INTERPRET KEY DATA TO IDENTIFY PATTERNS AND TRENDS

This is the final step in your organization’s digital transformation. After you’ve identified what to keep, digitized what you need, defined where to store it, and begun to automate manual processes, it’s time to gain a better understanding of your business data.

Getting this far in the digital transformation process enables you to start taking advantage of data insights to uncover true value.

Research shows that 90% of organizations surveyed have implemented advanced technologies like artificial intelligence (AI) and machine learning (ML).* Incorporating AI and ML capabilities allows you to classify and extract data so that your team can search and analyze information across multiple repositories. By aggregating and visually connecting this data through dashboards on one platform, you’ll gain powerful insights to make more informed business decisions.

With these advanced analytics, identifying patterns and trends becomes a simple task to help you better understand your company’s data landscape. It also has the potential to uncover new revenue streams you may not have considered before.

AVOID REPEATING THE PAST— THE VALUE OF AN UP-TO- DATE RETENTION POLICY

Completion of these five steps gets your organization through its initial digital transformation. However, as technology continues to advance and more data is created, it's imperative to ensure the continuity of your efforts by maintaining good data hygiene for long-term success and resilience.

So, the journey to digital transformation is not linear but circular. Once you've completed the five steps to digital transformation, the focus shifts to repeating the process. This means implementing a well-planned records retention schedule to avoid mistakes of the past.

Records retention schedules define an organization's legal, operational, and compliance recordkeeping requirements, regardless of format. It helps guide employees on how long to keep records for legal and operational purposes and when it's time to securely dispose of them.

With a robust retention schedule, you'll:

- Control the unrestrained volume of records growth
- Demonstrate compliance with statutory and regulatory recordkeeping requirements
- Improve the ability to locate and retrieve information when required
- Reduce litigation risks

How you execute your retention schedule is a matter of choice—you can:

- Manually track and record your information (in a spreadsheet, for example) and then disseminate policy as needed via email and/or memos
- Use a third-party platform that automates the more laborious processes
- Use automation to attach rules to applications or records using metadata.

Retention schedules are a necessary element of digital transformation; schedules exist to ensure your journey remains on track and compliant—both now and in the future. Consider it your long-term digital transformation management blueprint.

Due to continuous technology evolution, industry and legislative regulations are constantly changing, with many enacting stricter rules on how businesses manage their information. Organized, accessible data makes compliance easier to achieve, which can prove significant when facing the possibility of millions of dollars in fines.

Modern data storage compliance is arguably more important to the long-term vitality of your business than any other digital transformation initiative.

PROTECT YOUR INVESTMENT IN DIGITAL TRANSFORMATION

The move to digital and new technologies affects organizations of all sizes, across all industries. Most importantly, it reshapes the employee and customer experience, to which all businesses need to respond. Therefore, the question isn't whether to digitally transform but how to accelerate your transformation.

Investing in digital transformation or acceleration is akin to spring cleaning but with a far greater payoff.

By the end of this journey, you've inventoried your entire backlog of paper records and decided what to digitize, store, and destroy. You've automated key workflows and started unlocking insights from your information.

We hope this guide sets you on the right path for your digital transformation. To help you on your journey or simply for expert guidance, Iron Mountain is here to help. Contact us today.

**Research by Economist Impact, sponsored by Iron Mountain, conducted in January and February 2022*

***Survey of Records and Information Management Professionals, conducted via a third-party provider, April 2022*



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