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ENTERPRISE COLLABORATION: BENEFITS, MISALIGNMENTS, AND RISKS

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ABERDEEN

Enterprise collaboration and digital transformation initiatives, enabled by technology, bring tangible business benefits — but misalignments between business users and IT staff need to be resolved, and risks to enterprise data need to be addressed.

Enterprise Collaboration and Digital Transformation Initiatives: How Are You Rationalizing Technology, Business, and Risk?

The disruptive digital technologies that are *creating new opportunities* to change your business for the better — for example, strategic initiatives for **enterprise collaboration** and **digital transformation** — are also *creating new challenges* that need to be addressed, as prerequisites for those benefits to be fully realized.

These initiatives are motivated by the desire to increase the number and proportion of fully digital processes and transactions, which are both *more cost-effective for your business* and *more convenient for your users*.

At the same time, when digitally enabled collaboration, workflows, or transactions involve **data** which is valuable or regulated — for examples, see Table 1 — these initiatives must also address the corresponding challenges of *data privacy*, *data security*, and *regulatory compliance*.

- **Digital transformation** refers to the use of technology to radically change and improve traditional business processes in terms of lower costs, faster workflows, enhanced functionality, higher scale, and better user experiences.
- **Enterprise collaboration** refers to capabilities that make it easier for users throughout the extended enterprise to create, organize, find, share, communicate, and transact with one other — using familiar and convenient productivity tools.

Table 1: For Many Types of Data, Enterprise Collaboration and Digital Transformation Initiatives Must Also Address the Challenges of Data Privacy, Data Security, and Regulatory Compliance

Types of Data (illustrative)	Definitions / Examples
Personally identifiable information (PII) / Personal data	Data which relates to a living individual who can be identified, either by the data itself, or by the data in combination with other information.
Sensitive data	PII / personal data that relates to topics such as race, ethnicity, political views, religious beliefs, health, sexuality, or criminal activities.
Personal health information (PHI)	Clinical data about an individual such as typically collected in a healthcare provider's office, and possibly including full medical histories, diagnoses, allergies, medications, treatment histories and plans, immunizations, allergies, radiology images, laboratory and test results, and so on.

Types of Data (illustrative)	Definitions / Examples
Confidential information (CI) and intellectual property (IP)	Technical designs, product plans, production processes, test results, time-sensitive financial reporting, strategic plans, price lists, partnership agreements, employee records, customer records, and confidential information contained in emails and contact lists from key employees.
Employee records	Any PII related to employees or prospective employees; employee medical and benefits information.
Client data / business partner data	Confidential information, IP, financial information, employee records and so on related to contractual agreements or service-level agreement with clients, business partners, or service providers.
Cardholder data	Payment card account number, cardholder name, expiration date, and security-related information used to authenticate cardholders or authorize transactions.

Source: Aberdeen, June 2018

Either way you look at it, these initiatives are fundamentally about **risks**:

- The risks associated with your enterprise collaboration or digital transformation initiatives are not solely about the possibility of problems with data privacy, data security, or regulatory compliance. These *negative* outcomes can be referred to as **unrewarded risks**, in the sense that they are counter to the primary motivations behind going digital in the first place.
- On the other hand, the *positive* outcomes of cost, speed, functionality, scale, flexibility, convenience, and so on — outcomes which are desirable, but by no means *certain* — can be referred to as **rewarded risks**. Some illustrative characteristics of rewarded and unrewarded risks are summarized in Table 2.

Whether rewarded or unrewarded, the **uncertainty** is what makes either category of outcomes a *risk*, as opposed to a *fact*. Making business decisions about the trade-offs between enablement, practicality, and protection is always a balancing act — the important point is that to reliably realize the rewarded risks of your strategic initiatives, you also need to determine if and how best to address the unrewarded risks.

Table 2: Some Characteristics of Rewarded and Unrewarded Risks

	Rewarded Risks	Unrewarded Risks
Risk Management Objectives	Create value Enable assets Maximize upside	Protect value Defend assets Minimize downside
Areas of Focus	Innovation and growth Operational efficiencies Competitive advantage	Vulnerabilities and threats Regulatory compliance
Associated Assets	Revenue streams User experience Distribution channels Products and services Operations and supply chain Reputation and brand	Identities and access Applications and data IT infrastructure Physical infrastructure Physical safety

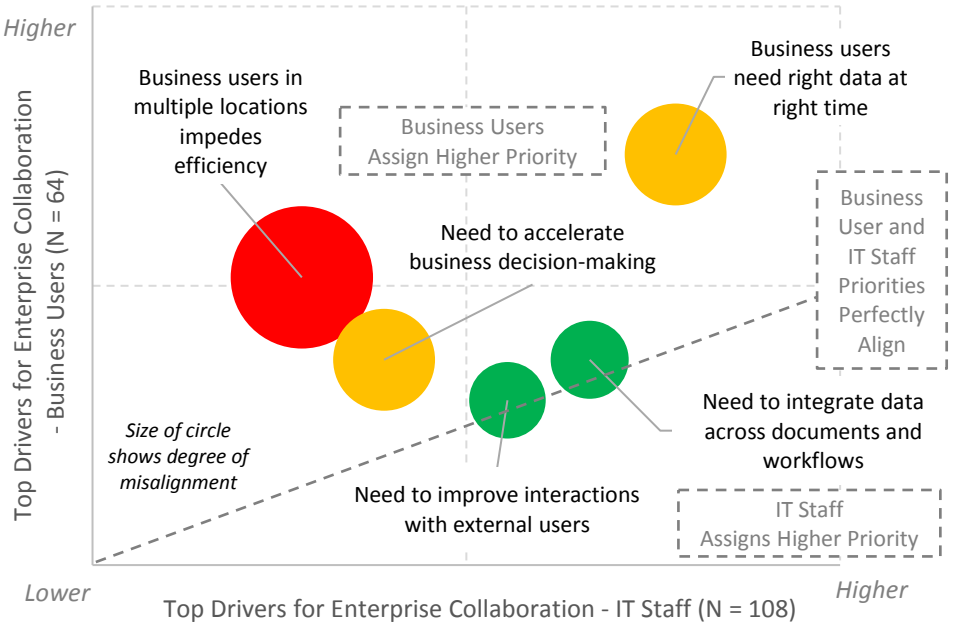
Source: Aberdeen, June 2018

Understanding the Status Quo: The Current Misalignment Between Business Users, IT Staff in Enterprise Collaboration

Aberdeen's benchmark research highlights how adopting a **strong focus on your users** factors heavily into these important business decisions. Based on a benchmark study of nearly 300 enterprises on the topic of enterprise collaboration, Aberdeen compared the responses from two key personas: **Business Users** (N = 64) and **IT Staff** (N = 108). In the context of their current enterprise collaboration initiatives, the findings reveal a significant **misalignment** between these two groups regarding the most important *drivers*, *priorities*, *challenges*, and *results*. For example:

- Business Users were **2 times more likely** than IT Staff to identify *providing business users with the right data at the right time* as the top driver for investing in enterprise collaboration initiatives — although both groups did rank it as their first choice (see Figure 1).
- *Improving the efficiencies in collaboration between users in multiple physical locations* was the biggest misalignment between the two groups, with a **4 times difference** between Business Users (who ranked it second) and IT Staff (who ranked it fifth).
- *Integrating data across business processes and workflows* and *improving interactions with external users* were the areas of closest alignment between the two groups, although in both cases Business Users were still more likely than IT Staff to identify these as top drivers for investment in enterprise collaboration initiatives.

Figure 1: Leading Drivers for Investment in Enterprise Collaboration Shows Misalignment of Priorities Between Business Users, IT Staff



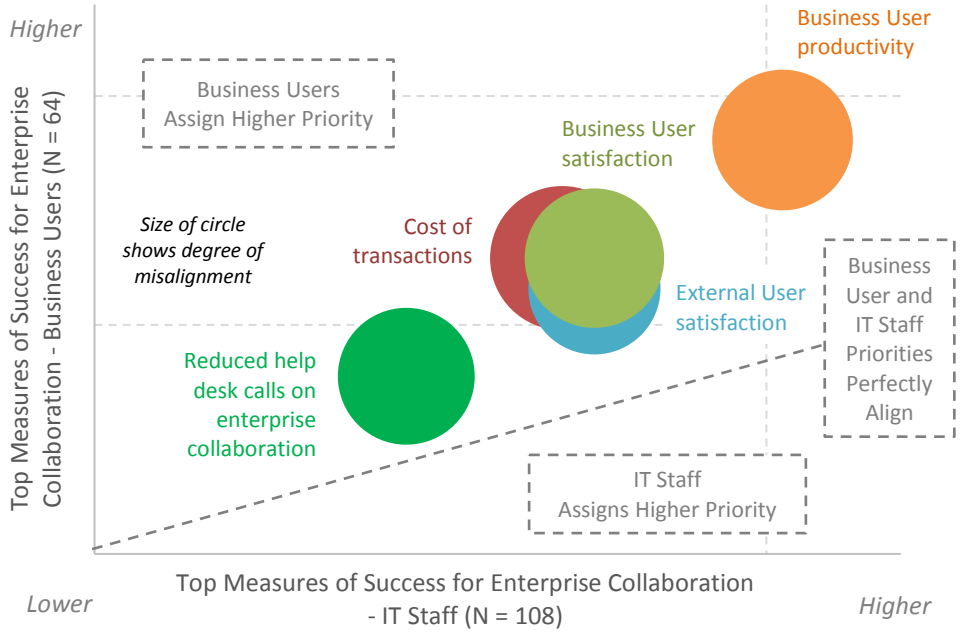
Source: Aberdeen, June 2018

IT Staff are two times more likely than Business Users to be focused on lower-level technology enablers — as opposed to the impact of these enablers on business needs, as the top drivers for investment.

The *priorities* for enterprise collaboration initiatives are another source of misalignment between Business Users and IT Staff. The two personas had a similar rank order for the top measures of success, but Business Users were about **two times more likely** than IT Staff to be focused on the business *outcomes*, as opposed to the lower-level technology *enablers* (see Figure 2). These include:

- **Higher productivity** of Business Users
- **Improved satisfaction** of users (both internal, and external)
- **Reduced cost of collaboration** (i.e., through faster and more efficient business processes, workflows, and transactions)
- **Reduced help desk calls** related to enterprise collaboration (i.e., another indicator of both higher operational efficiency and increased user satisfaction)

Figure 2: Top Measures of Success for Enterprise Collaboration Initiatives Shows a Misalignment of Priorities Between Business Users and IT Staff

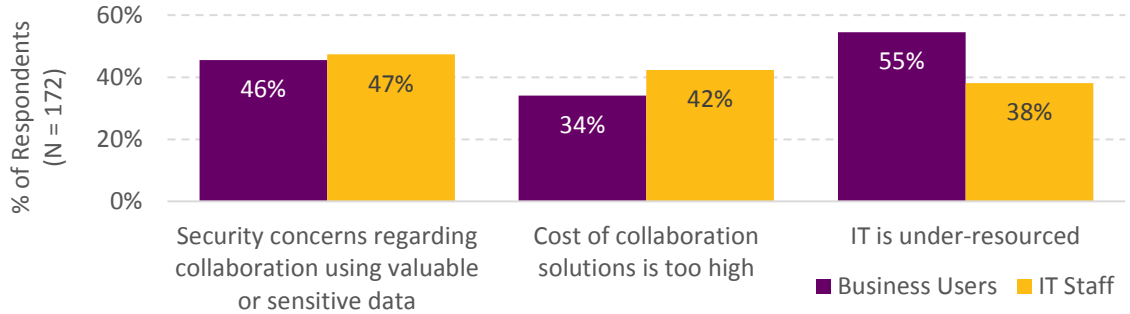


Source: Aberdeen, June 2018

Business Users are two times more likely than IT Staff to be focused on the business *outcomes*, as opposed to the lower-level technology *enablers*, as the top measures of success.

With respect to the top *challenges* faced in building out their enterprise collaboration initiatives, both personas agreed that **data privacy** and **data security** is a leading concern — e.g., when collaboration involves enterprise data which is valuable (e.g., IP, CI) or regulated (e.g., PII, PHI). But Business Users and IT Staff had significantly different views on **cost**, and on the **ability of IT** to support business needs (see Figure 3).

Figure 3: Top Challenges to Enterprise Collaboration Initiatives Highlight Areas of Agreement (Data Security) and Differences (Cost, IT Resourcing) Between Business Users and IT Staff

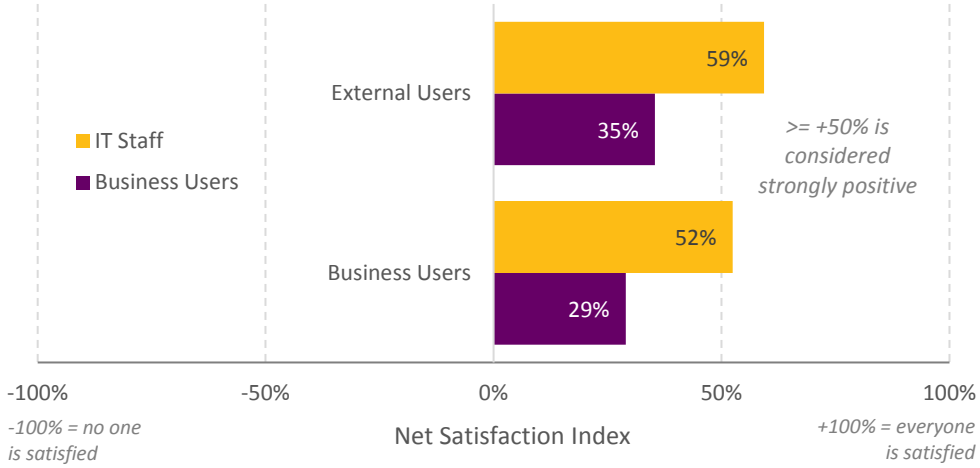


Source: Aberdeen, June 2018

The issue is not that these projects aren't being funded. When asked about resource allocation, a **net +72%** of all respondents in Aberdeen's study indicated a **year-over-year increase** in the resources being allocated to enterprise collaboration initiatives — with a **median year-over-year increase of about 25%**. The issue is that Business Users perceive that their needs change faster than the ability of IT Staff to keep up.

Rounding out the current misalignment between Business Users and IT Staff: when it comes to *results*, the net satisfaction of users (both internal and external) with current enterprise collaboration initiatives was **about 60% less** than what IT Staff perceived it to be (see Figure 4).

Figure 4: User Satisfaction with Current Enterprise Collaboration Initiatives is Perceived Differently by Business Users and IT Staff



Source: Aberdeen, June 2018

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Looking Ahead: What are Enterprises Searching For?

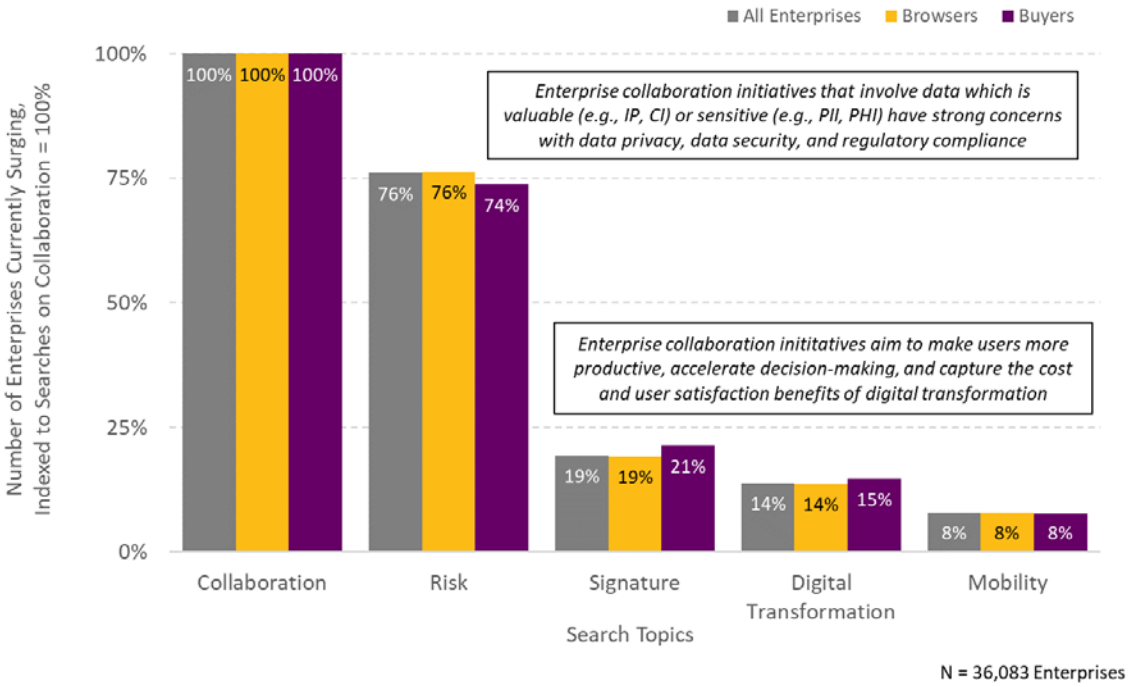
Both the *concerns* and the *capabilities* that are most strongly associated with enterprise collaboration initiatives are confirmed and reinforced by Aberdeen's analysis of the **online search activities** of more than 36,000 organizations on selected keywords related to this topic. For the purposes of this research report, the analysis was focused on organizations with 1,000 employees and higher. To show the relative level of online search activity in these areas, the number of organizations currently *surging* on selected topic groupings are indexed to searches on enterprise collaboration set to 100% (see Figure 5).

For example, when enterprise collaboration involves data which is valuable (e.g., IP, CI) or sensitive (e.g., PII, PHI), companies have strong concerns with the unrewarded risks of data privacy, data security, and

Company Surge is scored on a scale from zero to 100; a score of 60 or higher indicates online search activity which is significantly higher than normal.

regulatory compliance. **Seventy percent (70%)** of surges on enterprise collaboration also involve surges on these kinds of unrewarded risk.

Figure 5: Aberdeen's Correlation of Online Search Topics Provides Valuable Insights into Concerns and Capabilities Most Strongly Aligned with Enterprise Collaboration Initiatives



Source: Adapted from Bombora Company Surge; Aberdeen, June 2018

Concerns about the unrewarded risks to enterprise data are entirely justified: the more freely and widely that valuable and regulated data is shared, the more likely it is to be compromised. A quick look at 1,765 data breaches that were publicly disclosed in calendar year 2017 (see Table 3) provides ample empirical evidence of the scope of this problem:

- Average number of data breach disclosures: **nearly 5 per day**
- Median number of records per data breach: **about 2,000**
- Range of records per data breach: from **1 to more than 200M**
- Data breaches resulting from a motivated attacker: **about 82%**
- Data breaches with meaningful business impact: **about 97%**

Table 3: Public Data Breach Disclosures Show that Concerns About the Risks to Enterprise Data are Entirely Justified

Source of Data Breach	Examples	Identity Theft	Financial Access	Account Access	Personal Data	Nuisance	Total
With Intent	Malicious outsider, malicious insider, hacktivist, state-sponsored	979	258	91	79	32	**1,439**
Self-Inflicted	Accidental loss	242	16	32	16	20	**326**
Total		**1,221**	**274**	**123**	**95**	**52**	**1,765**

Source: Adapted from http://www.breachlevelindex.com/; Aberdeen, June 2018

The hard truth — as seen in Aberdeen's May 2018 research report *Enterprise Data in 2018: The State of Privacy and Security Compliance*, based on a study of more than 360 organizations — is that the majority of respondents are neither secure nor compliant, despite their considerable level of investment in initiatives for data privacy and data security:

- About **6 out of 7 (86%)** enterprises must deal with the **complexity** of *multiple types of data and / or data-related processes* that are subject to requirements for privacy, security, or compliance.
- Across a range of 11 common regulations and frameworks for data privacy and security, on average **only 61%** of all respondents were currently able to report achievement.
- About **3 out of 5 (58%)** enterprises experienced **at least one data breach** over the last 12 months (median = 3).
- About **3 out of 4 (75%)** enterprises experienced **at least one non-compliance issue** over the last 12 months (median = 3).
- A **median of 30%** of the **overall IT operations budget (OpEx)** is being allocated to the achievement and reporting / certification of compliance with data privacy and data security requirements.

The hard truth is that given the extreme complexity of the current business and technology landscape, most organizations are neither secure nor compliant, despite their considerable level of investment: a median of 30% of the overall IT operations budget.

Resources allocated to data protection and data security are unavailable for enterprise collaboration, digital transformation, or other strategic business priorities. This has a potentially enormous *opportunity cost* for the organization's pursuit of these types of rewarded risks.

On the rewarded risk side of the ledger, Aberdeen's analysis of online search activities also confirms that enterprise collaboration initiatives aim

to **make users more productive**, **accelerate decision-making**, and capture the **cost** and **user satisfaction** benefits of digital transformation.

For example, Figure 5 also shows that about **1 out of 5 (20%)** organizations surging on enterprise collaboration are also surging on **electronic signature (e-Signature)**. Aberdeen's benchmark research provides some specific cases-in-point of how e-Signature capabilities help to deliver benefits that are in line with the strategic objectives behind investment in enterprise collaboration and digital transformation:

- In Human Resources: Automated documents management and e-Signature capabilities are enabling faster and more effective communication and workflows, as responsibilities are increasingly being distributed from centralized HR staff to departmental managers.
- In Sales Operations: Organizations using e-Signature technology are reducing the average length of their sales cycles at eight times the rate at which the sales cycles of non-users are being extended.

One final insight from Aberdeen's analysis of online search activities: enterprise collaboration initiatives are strongly associated with familiar and convenient productivity tools from **Microsoft** and **Adobe**, both of which have a pervasive enterprise footprint. These two solution families are highly complementary: among likely buyers in enterprise collaboration, 70% of surges on Microsoft are also surging on Adobe.

Electronic signature (e-Signature) refers to technology that provides the means for users to provide their consent or approval — analogous to a traditional handwritten signature — as an integral part of digital forms, documents, and workflows. The US, EU, and most industrialized countries have passed legislation that recognizes e-Signatures as legally valid and enforceable.

Pulling it All Together: A Checklist of High-Level Capabilities to Help Resolve the Current Misalignment Between Business Users and IT Staff, and to Address the Unrewarded Risks

Without question, the business benefits of enterprise collaboration and digital transformation initiatives are made possible by information technology — but Aberdeen's research reveals significant misalignments between Business Users and IT Staff that need to be resolved. In addition, these strategic initiatives also create new challenges for the privacy, security, and compliance of enterprise data that need to be addressed.

In support of your enterprise collaboration initiatives, the following checklist illustrates six high-level capabilities your organization should prioritize to help resolve the areas of misalignment and to address the unrewarded risks to its valuable and regulated data (see Table 4).

Enterprise collaboration initiatives are strongly associated with familiar and convenient productivity tools from **Microsoft** and **Adobe**, both of which have a pervasive enterprise footprint. These two solution families are highly complementary: among likely buyers in enterprise collaboration, 70% of surges on Microsoft are also surging on Adobe.

Table 4: High-Level Checklist for Productivity and Collaboration

Outcomes to Prioritize	Description / Examples
Focus foremost on delivering a better user experience	The user experience should be supported by enabling technology, not defined and dictated by it. Put the highest emphasis on productivity and collaboration solutions that help to deliver a better experience every time that users (both internal, and external) interact with digital documents, data, and workflows.
Ensure that documents and data can be easily shared between users	Few organizations can still get all their work done with only their own employees, and only within the traditional perimeters of their own enterprise computing infrastructure. Look for productivity and collaboration solutions that make it easy for users (both internal and external), to share documents and data across multiple physical locations.
Ensure that data can be easily integrated	To be useful, data needs to be integrated across the documents, workflows, and business processes that users need, at the time and location they need it. Look for productivity and collaboration solutions that make it easy to achieve this level of integration.
Look for opportunities to transform workflows and business processes	As an example: Slow, manual, physical signing processes can be transformed into a faster, automated, digital user experience by using e-Signatures.
Focus on reducing the end-to-end cycle time of workflows and business processes	Enabling technologies should help to accelerate the speed of business, not become a friction that users must endure and overcome. Look for productivity and collaboration solutions that make it easy for users (both internal and external) to accelerate decision-making and take the next right steps — e.g., by supporting both web and mobile access.
Proactively address the privacy, security, and compliance requirements for valuable and regulated data	It's true: Data privacy, data security, and regulatory compliance is more effective when it's designed in, as opposed to bolted on. Look for productivity and collaboration solutions that integrate support for capabilities such as *authentication*, *access controls*, *encryption*, *e-Signatures*, and persistent controls over actions which can be taken on documents and data, wherever they flow (e.g., *rights management*).

Source: Aberdeen, June 2018

Related Research

Enterprise Data in 2018: The State of Compliance, Privacy, and Security; May 2018

Building a Seamless Employee Experience: Documents Management and e-Signature; November 2017

e-Signature and Sales Operations: A Catalyst for Competitive Improvement; November 2017

Digital Transformation Initiatives: Why You Should Focus on Your Users; *March 2017*

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