

THE 'INFORMATION MANAGEMENT GAP' IN THE MID-MARKET



Iron Mountain European Trends Report



The Iron Mountain European Trends Report is based on an extensive pan-European study of mid-market businesses and their attitudes towards information management.

The study surveyed a total of 900 decision makers across six markets; UK, Spain, Germany, France, the Netherlands and Hungary. Mid-market companies ranged from single site 25 employee organisations up to international 2,500 employee enterprises.

The research included thirty-six face-to-face interviews with decision makers from a cross section of the sample. The research was conducted by Work Research*, an independent research business based in the UK.

The research covered key aspects of information management including data management, records management, document scanning and indexing and shredding.

HEADLINE FINDINGS

- For a majority of mid-market companies a 'gap' exists between best practice and everyday reality, whilst attitudes towards information management solutions are positive, behaviour lags somewhat behind this
- For more sophisticated businesses, information management is a driver of competitive advantage and is seen as a way of enhancing performance
- There is significant growth in data volumes, and there are a range of emerging behaviours to cope with the differences between digital and physical information
- Decision makers in mid-market organisations are multi-tasking information managers. They sit across the organisation and often have responsibility for all aspects of information management

About Iron Mountain

Iron Mountain provides information management services that help organisations lower the costs, risks and inefficiencies of managing their physical and digital data. The company's solutions enable customers to protect and better use their information—regardless of its format, location or lifecycle stage—so

they can optimise their business and ensure proper recovery, compliance and discovery. Founded in 1951, Iron Mountain manages billions of information assets, including business records, electronic files, medical data, emails and more for organisations around the world.

Visit www.ironmountain.uk for more information.

THE GAP BETWEEN ATTITUDE AND BEHAVIOUR

The findings of the European Trends Report show that mid-market businesses don't always follow their own beliefs when it comes to best practice.

Information management emerged as an important and valued part of their business, yet often their actual behaviours and habits didn't match up. The research identified a 'gap' between attitudes and behaviour:

Overwhelmingly, attitudes to information management are positive amongst decision makers:

- **76% of decision makers believe information management can enhance company performance**
- **63% of decision makers agree that they are very aware of the importance of information management requirements**

Yet the processes and practices evident in the majority of mid-market businesses show that these beliefs don't translate into behaviour:

- **Only 30% of mid-market companies are storing their back-up tapes securely off site**
- **Only 21% of mid-market companies store their physical archives securely off site**
- **55% of mid-market companies believe their information management solutions are not sophisticated enough**

A significant trend is the low levels of outsourcing prevalent across Europe. Interestingly, the levels of outsourcing of information management mirror some of the low levels of secure storage and archiving. In data back-up, only 19% of the sample use a 3rd party and in records management only 14% use a 3rd party.

There is evidence that this 'gap' represents a potential threat to the mid-market.

Not only are their processes vulnerable to human error, but they are also aware that they are failing to take full advantage of potential cost savings and efficiencies that are available to them.

Only 30% of mid-market companies are storing their back-up tapes securely off site

Only 21% of mid-market companies store their physical archives securely off site

55% of mid-market companies believe their information management solutions are not sophisticated enough

POSITIVE ATTITUDES TO INFORMATION MANAGEMENT

76%

Information Management can really enhance company performance

63%

I am very aware of the importance of Information Management requirements

63%

Information Management has strong influence on processes and workflows within the company I work for

62%

Information Management is given a lot of importance within the company I work for

56%

There is a lot of potential for improvement of Information Management

45%

I believe Information Management systems within my company are quite sophisticated

32%

In my opinion there is no such thing as Information Management in general, just separate information management services/requirements

28%

Information Management requirements are a burden

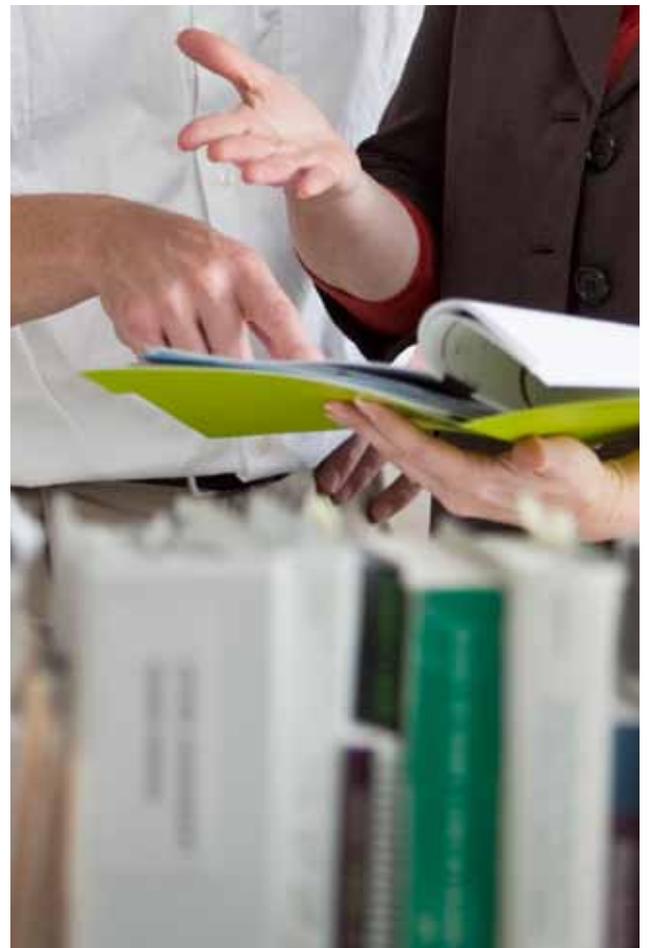
Base: All respondents in businesses of 10-2500 employees (838). % top 2 box agreement on 5pt scale

A real life example of this was cited by respondents in Madrid who remembered the dramatic 2005 fire in Madrid's business district, when unprepared businesses were left to start again from scratch.

"To be honest I never really thought about it until the fire, and then you realise that you could be in real trouble without any back-up" Spain, IT

"Dieter takes the back-up tapes with him, but he did once leave them in a bar when he met up with his girlfriend" Germany, Manufacturing

"I don't think that we have the best, most secure system - it's more habit than anything" UK, Finance



MID-MARKET BUSINESSES: THE EUROPEAN PERSPECTIVE

Information management is an important service for mid-market companies.

The European Trends Report research reveals the extent to which the mid-market is a massively varied set of businesses. It is home to a multitude of sectors and company structures.

What emerges as a constant is the importance of information management and an emerging trend for digital information management services.

Over 60% of the mid-market in Europe are smaller businesses of under 250 employees.

This is more exaggerated in the UK and Hungary where 65% and 69% respectively are at the smaller end.

Interestingly, Germany bucks the trend where only 50% of companies are under 250 employees.

The mid-market is also defined by high levels of fragmentation by category. Business areas such as Consultancy, Marketing, Media and IT are well represented in the mid-market, and less so in 2,500+ companies.

Looking at the mid-market by sector, we see that some sectors are more aware and involved with information management than others.

In particular, industries such as Legal, Medical, Finance, Engineering and Consultancy, as well the Public Sector are all sophisticated users of information

management solutions in their businesses. No mid-market sectors are in the dark with regards to information management; however some such as Construction and Transport have lower levels of awareness and involvement.

• Over 70% of decision makers in Legal, Medical, IT and Engineering firms agree that “Information Management is given a lot of importance within the company I work in”

There is a noticeable discrepancy between attitudes towards physical information and digital information. On the whole, physical information is stored on site and treated as something of a chore by the staff. By contrast, digital information lives in the IT department and the research shows much more progressive behaviours emerging such as using online back-ups managed remotely, and sophisticated digital archiving systems that allow easy access to data.

• When surveying those involved in digital information systems, they estimate that 50% of new documents are being scanned

• Amongst those involved, the vast majority, 74%, are satisfied with the retrieval process

“The ideal is just to scan it in and then it’s on file, in the right place, ready to access whenever.” Germany, Distribution.

Information now lives digitally and physically and this is creating a new environment for information managers.

‘INFORMATION MANAGEMENT IS GIVEN A LOT OF IMPORTANCE WITHIN THE COMPANY I WORK IN’



Base: All respondents in businesses of 10-2500 employees (838). % top 2 box agreement on 5 pt scale

Job titles are blurring as archivists and records managers become more closely aligned with IT managers. The nature of information management is becoming more dynamic and user-centric in this new environment.

A definite trend in the mid-market is that of the multi-tasking information manager. Just over 25% of those surveyed were responsible for all three areas of information management; data back up, records management and scanning.

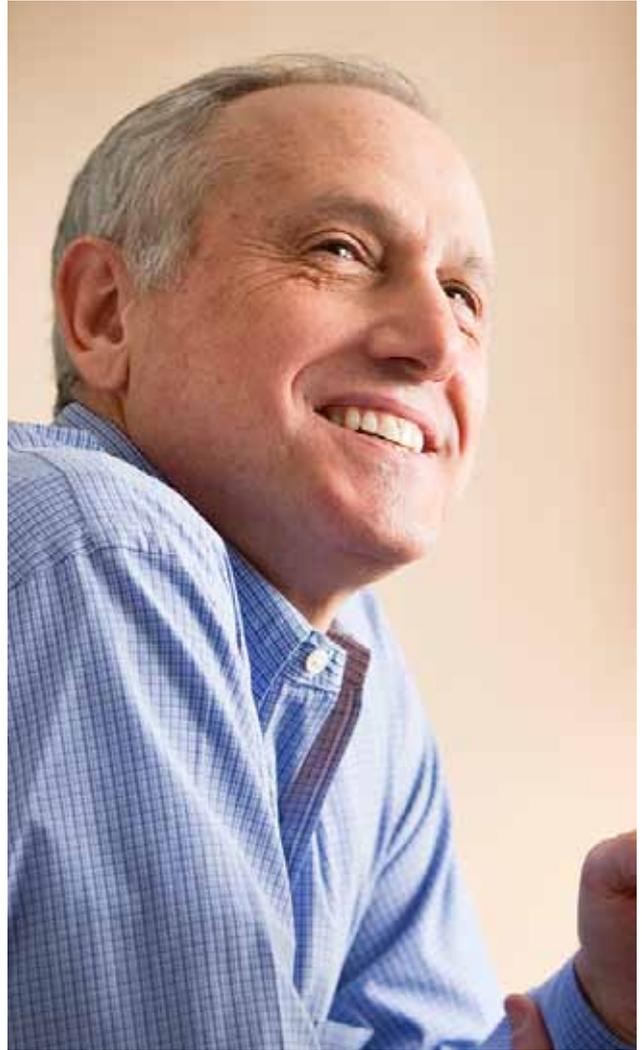
“All of those jobs come straight to me - I’m always learning new skills and figuring out how to make it all fit together. I like it that way!” Germany, Engineering

The research highlighted the extent to which information management is a multi-disciplinary task which falls under the remit of more people within the organisation.

Information management, covering data back up, archiving and scanning, falls within a broader range of job titles than in large organisations.

Only 15% of those responsible for at least one area are IT staff. The mid-market also exhibits much flatter hierarchies, and therefore more senior people involved in Information Management.

A significant 11% of decision makers are Senior Management and this creates an appetite for more sophisticated approaches and nimble decision making.



A BROAD RANGE OF JOB RESPONSIBILITIES



More than just IT roles involved in information

Base: All respondents in businesses of 10-2500 employees (838).

THE FUTURE

Whilst there is a 'gap' between the mid-market's current behaviour and their attitudes, they are keenly aware of the future challenges of information management.

The main driver of change is the growing amount of data and information being processed and held by businesses.

Over 50% of mid-market businesses say that the growth in the amount of information will influence their company's current-set up.

29% say that regulatory and legal changes will drive change, and anecdotally many of our decision makers when interviewed spoke about the need to keep abreast of regulatory changes.

"I have to really monitor of the changing legal frameworks and that's become a really important part of my job over the past five years." UK, Legal

"In Germany our company information used to be private but now there are new rules and we have to adapt." Gemany, Construction.

The research shows that there are clear benefits to sophisticated information management:

- For many, strong information management credentials are a way of getting industry standards and certification
- A key driver is efficiency and optimising the work force
- For senior management, outsourcing information management is a way of focussing effort on the core business offer

For all businesses information management provides peace of mind. For the more sophisticated companies, a positive theme in the research was the extent to which information management was seen as a driver of business differentiation and advantage.

• 80% of decision makers in sophisticated companies agree that information management enhances business performance.

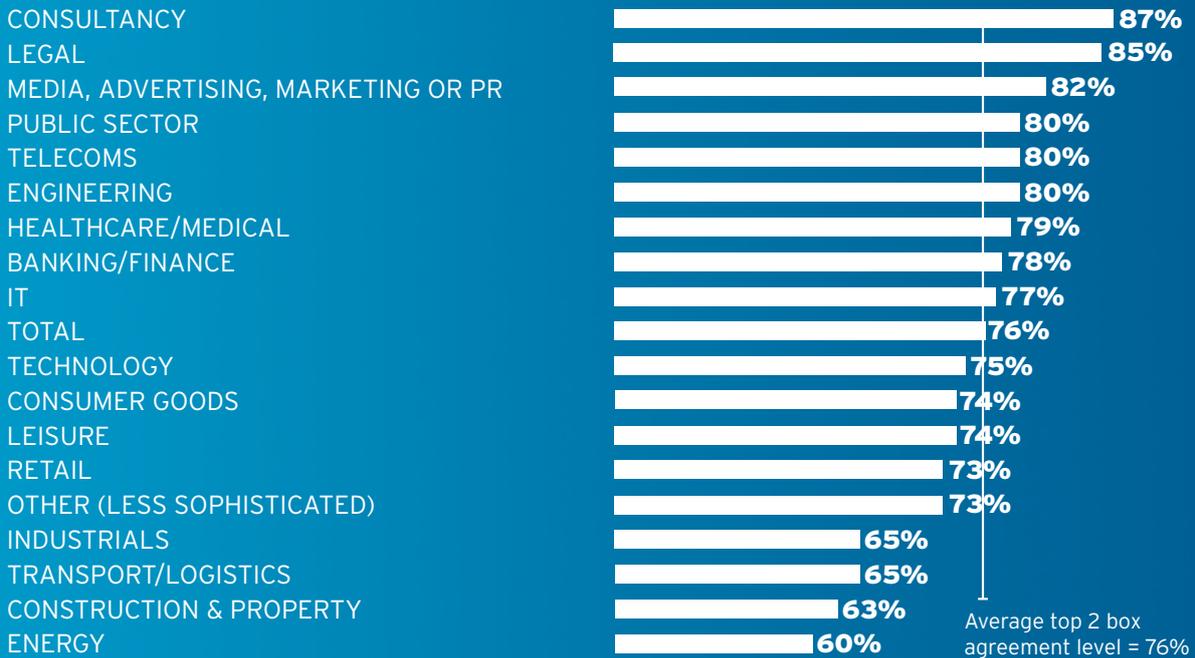


To take one example, in the legal sector in the UK, a digital scanning and indexing system was seen as an extra back up for clients and a quick recall system for the legal teams.

"It's actually a competitive edge for us - we can prove how quickly we are able to get our hands on our client's documents" UK, Legal

"Our sales force is stronger than ever because they can access exactly the right document wherever they are or whoever they're talking to" Spain, Sales

'INFORMATION MANAGEMENT CAN REALLY ENHANCE COMPANY PERFORMANCE'



Base: All respondents in businesses of 10-2500 employees (838). % top 2 box agreement on 5 pt scale

In conclusion - the 'information management gap' is both a threat and an opportunity for mid-market businesses across Europe.

Information management is clearly an area of company life that is important and requires clear strategy and direction.

In the best cases it is something that, when done well, can add real value to a business and is seen as a point of competitive advantage.

However, for some, there is a gap between perception and reality and with the acknowledged growth in data volumes and complexity it is a gap that will have to be addressed.

