



White paper

# 5 steps to digital transformation





# Digital Transformation: The good, the bad, and the ugly

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When it comes to how successful organizations have been with their digital transformation initiatives, the news is decidedly mixed.

First the good: Companies are prioritizing digital transformation. In a [2023 KPMG survey](#), CEOs ranked digital transformation as their top priority, tied with attracting and retaining talent. In addition, 72% of those surveyed said that they have an aggressive digital investment strategy.

Also, many organizations are seeing benefits from their digital transformation efforts. When [researchers at Baker McKenzie](#) asked IT leaders about the benefits they have experienced as a result of their digital transformation projects, 87% said they have improved their cybersecurity and IT security. In addition, nearly three-quarters (74%) said they reduced costs and improved efficiencies, and more than half (58%) saw an improvement in existing business systems and processes.

On the other hand, there's some bad. Namely, organizations aren't seeing as much benefit as they had hoped. According to a [McKinsey](#) report, organizations are realizing less than a third of the value they had hoped to achieve from their digital transformation projects.

Some paint a picture that is downright ugly, stating that the digital transformation journey can take [twice as long as expected, at double the cost](#) than anticipated.

Organizations have different ideas of what digital transformation means. And efforts so far have been largely ad hoc and siloed, rather than enterprise-wide.

In the [Baker McKenzie survey](#), participants pointed to a host of barriers, including budget (58%), expertise/skills (43%), equipment/software (43%), and lack of clarity (31%). More than a quarter (28%) said they hadn't been able to find the right partner to help them in their transformation journey.

To help overcome these challenges, Iron Mountain recommends a five-step approach, helping organizations set and achieve realistic goals that help them achieve quantifiable benefits.

## 1. Identify

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Step one in the process is to identify what documents and data you have, and then determine what should be retained, defensibly destroyed, or digitized.

As a result of their efforts to date, most organizations are collecting and storing at least some records in a digital format. But most also have plenty of paper.

Before you can begin digitizing that existing paper, you need to understand what you have and whether you need to keep it all.

### **Why not digitize everything?**

Storing records is costly. Storing documents you don't really need can reduce productivity and increase your security risk. And in some cases, regulations actually require organizations to delete data after a set period of time.

The foundation to any successful digital transformation project is an understanding of exactly what your organization has. Yes, this step can be difficult, and it may take more time than any of the other steps in this process. But it's the key to implementing a successful digital transformation initiative.

## 2. Digitize



Once you understand what you have and what you need to keep, you can begin the process of digitizing existing paper records and workflows. You have three different options for how to embark on the digitizing process. The one that's best for you will depend on your organization's unique characteristics and what you discovered in step one.

- **Digitize everything** – In situations where your staff interacts with your paper files on a regular basis, your best strategy may be to digitize all your records at once. This carries some upfront cost, but it can pay off in the long run in the form of increased productivity and dramatically reduced physical storage costs.
- **On-demand** – If your staff needs to access only some of your paper records on an occasional basis, you can take an on-demand approach. When someone accesses a file, they can take a few minutes to scan it, so it's available digitally next time. This approach doesn't carry the same up-front costs, but it takes longer to achieve maximum productivity.
- **Day-forward** – If you rarely need to access your older files, you can adopt new digital workflows without worrying about your existing files. You may have greater physical storage costs, but you won't have to digitize your archives.

In many cases, enterprises use a mix of all three

approaches, applying different tactics in different situations as needed. No matter which strategy you choose, the ultimate goal is to maximize the potential benefit in terms of cost savings and improved productivity.

## 3. Store



After your records are all digitized, you need to decide how to store them. Again, you have three main options, each with their pros and cons.




Some organizations choose to keep their data in-house, managing IT infrastructure themselves. This can be the most costly and result in the most hassles.

Another option is to use a third-party data center. This alleviates some of the management burdens and reduces costs, but it might be limiting in other ways.

The third, and increasingly popular option, is to store your data in the cloud. This gives you the maximum flexibility, scalability, and reliability, but the organization may have less control.

The right choice for your organization will depend on your unique circumstances and the understanding you gained in step one. You may decide it's best for your organization to mix and match the approaches for different workflows and datasets. In every case, you want to make sure the end result is data that is centralized, secure, and easy for your employees to access.

Figure 1: Benefits and drawbacks of storage options

	Benefits	Drawbacks
<b>On-premises</b> 	<ul style="list-style-type: none"><li>• No need for offsite data transfers</li><li>• No risk of someone else's downtime affecting your business</li><li>• Limited scalability</li><li>• Potentially higher costs</li></ul>	<ul style="list-style-type: none"><li>• Sole responsibility for managing IT infrastructure</li><li>• Limited scalability</li><li>• Potentially higher costs</li></ul>
<b>Shared data center</b> 	<ul style="list-style-type: none"><li>• Ability to quickly scale up or down</li><li>• Access to the provider's space, power, and security experts</li><li>• Data transfer needs</li><li>• Limited flexibility</li></ul>	<ul style="list-style-type: none"><li>• Some responsibility for managing infrastructure</li><li>• Data transfer needs</li><li>• Limited flexibility</li></ul>
<b>Cloud storage</b> 	<ul style="list-style-type: none"><li>• Minimal maintenance</li><li>• Ideal for remote workers and collaboration</li><li>• Data transfer needs</li><li>• Potential for downtime not caused by your organization</li></ul>	<ul style="list-style-type: none"><li>• Limited control of IT infrastructure</li><li>• Data transfer needs</li><li>• Potential for downtime not caused by your organization</li></ul>

## 4. Automate



When your records are digitized and securely stored, you can begin exploring ways to automate your workflows.

Many companies still rely on manual processes to route documents from one person or team to another. But recent advances in artificial intelligence (AI) are enabling teams to streamline these processes.

For example, your organization probably receives a lot of different kinds of invoices – paper and digital in different sizes, shapes, and formats, and possibly even different languages. Today, your team might manually scan and email invoices one by one. But AI-based automation can extract the key information from each invoice and automatically send the invoice to the correct person for the next step in the accounts payable process.

Automation like this helps your teams become more efficient and productive, giving you a competitive advantage.

## 5. Unlock



In the Automate step, you begin to access the power of AI, and in the Unlock step, you unleash its full potential.

Intelligent document processing uses techniques like

natural language processing, keyword extraction, metadata enrichment, and sentiment analysis to add meaning and context to your files. It allows you to aggregate and categorize your data to find patterns and trends. Through advanced analytics, you can uncover hidden insights that lead to new opportunities.

In this final step, you begin to truly harness the full benefit of digital transformation.

## Repeat steps as needed



Digital transformation isn't a one-time process. As new technologies emerge, your company can—and should—adapt.

Right now, a lot of innovation is happening around AI and innovation. As a result, you may find that you repeat the Automate and Unlock steps several times in order to take advantage of emerging technologies. You may even need to revisit the Digitize and Store steps as new opportunities arise.

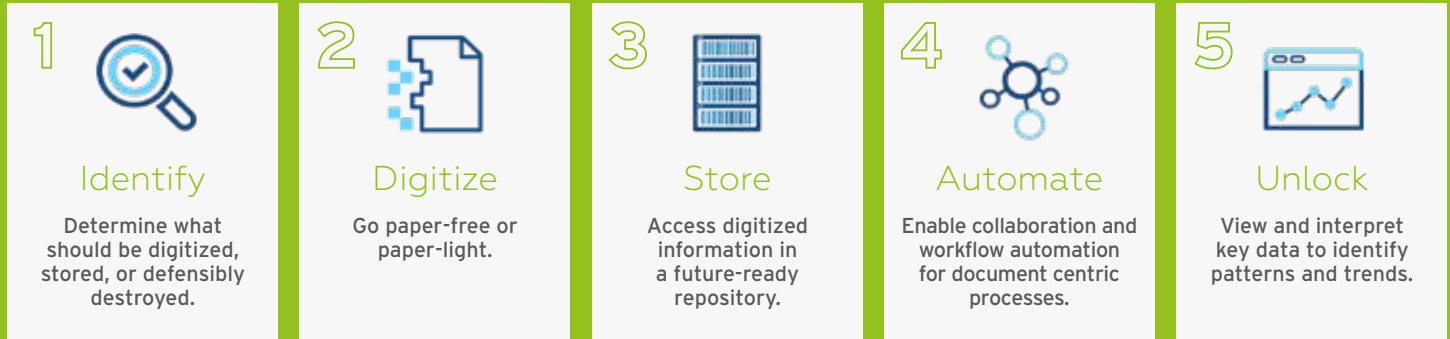
Throughout your transformation journey, this process can help you stay focused on your ultimate goal—helping your organization become more efficient and effective in achieving its long-term mission.

For more information about digital transformation and Iron Mountain's five-step process, visit: <https://www.ironmountain.com/business-challenges/digital-transformation>.

## 5 steps to digital transformation

Iron Mountain takes a very pragmatic approach to digital transformation. It helps other companies use technology to automate their administrative processes, enhance the end-user experience, and obtain deep analytic insights. Along the way, these companies optimize their workflows, eliminate data silos, improve security, and reduce costs.

Having helped thousands of customers take the next step on their digital transformation journey, Iron Mountain has developed a five-step process that streamlines digital transformation:



For more information, listen to the podcast series on the 5 steps of digital transformation, available at <https://www.ironmountain.com/business-challenges/digital-transformation>.

### About Iron Mountain

Iron Mountain Incorporated (NYSE: IRM), founded in 1951, is the global leader for storage and information management services. Trusted by more than 225,000 organizations around the world, and with a real estate network of more than 85 million square feet across more than 1,400 facilities in over 50 countries, Iron Mountain stores and protects billions of valued assets, including critical business information, highly sensitive data, and cultural and historical artifacts. Providing solutions that include information management, digital transformation, secure storage, secure destruction, as well as data centers, cloud services and art storage and logistics, Iron Mountain helps customers lower cost and risk, comply with regulations, recover from disaster, and enable a more digital way of working.



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