



Whitepaper

Digital Friction Holds Back Today's Businesses

The proliferation of applications increases complexity, and the resulting digital friction erodes operational efficiency. Here's how IT leaders can meet the challenge.

As organizations look to the future of work, many are reaching a tipping point where the efficiencies created by digital business are offset by the inefficiencies of digital friction — the difficulty people have using technology to complete their daily tasks.

Digital friction is often caused by the proliferation of siloed applications, inadequate content management, and poor **application integration**. It's particularly troublesome in a world of hybrid and remote work in which employees,

CIO

SPONSORED BY

opentext™

some of them using dozens of different applications, need rapid, reliable access to trustworthy data.

The problem is pervasive: **95% of organizations feel the pain**, according to a new Foundry survey sponsored by OpenText™. Too frequently employees grapple with unwieldy interfaces, inaccessible data, and cumbersome operational processes.

Productivity, far from always being enhanced by digital technology, is, ironically, sometimes eroded by it. To that point, survey respondents spend an average of three hours per day searching for information to do their job — time that

could be spent on higher-level tasks with greater business value.

What causes digital friction? Complex processes and workflows (46%) lead the list, but there are other causes as well (see chart below).

- **41% – Poor data quality**
- **38% – Manual tasks/lack of automation**
- **34% – Limited access to timely information**
- **34% – Integration with existing technology**

What's causing digital friction?

Challenges impacting employee engagement and productivity
(Select all that apply)



Source: Foundry

The impacts of digital friction

The business impacts caused by digital friction are real and extensive, led by decreased efficiency (46%) and increased costs (43%) — see chart below. As wasted time takes its toll on task completion, investments in highly paid knowledge workers fail to deliver ROI.

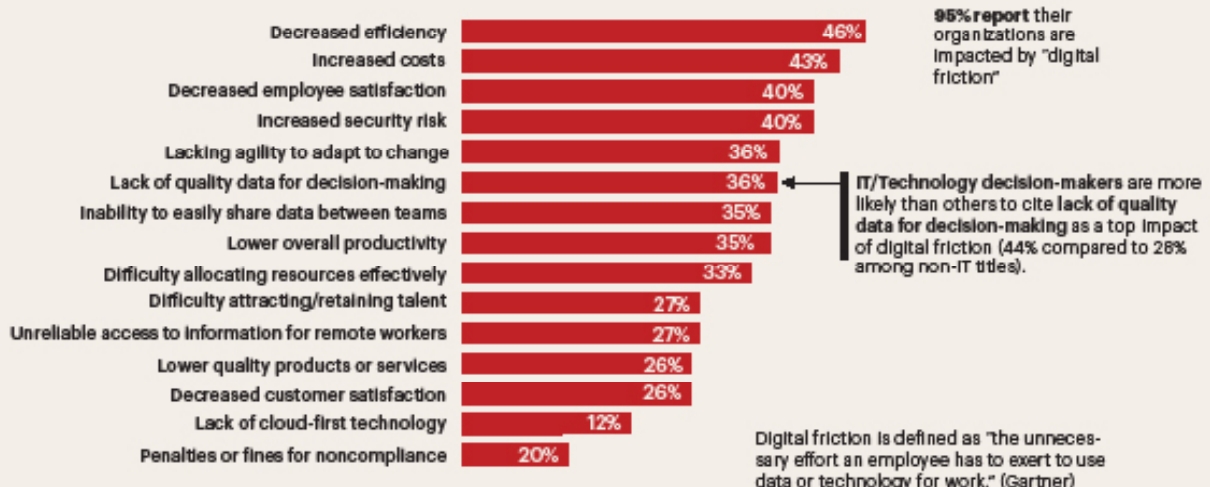
Not surprisingly, morale and job satisfaction (40%) also suffer when employees face obstacles to doing their work. Poor employee experience, in turn, often leads to more extensive business problems. When frustrated employees interact with customers, the result is often unsatisfactory customer experiences.

Lower morale also has a ripple effect on organizations facing a job market in which employees with digital business skills are scarce. Organizations that are more successful in overcoming digital friction can **better attract and retain talent**, thereby overcoming the widely reported technology skills gap.

Another business impact — increased security risk (40%) — results from the challenge of granting role-based access to data across multiple application silos. Organizations can ill afford the risks of substandard security as they attempt to meet regulatory requirements for data protection while warding off a burgeoning array of cyberattacks.

What's the impact of digital friction?

Impact of "digital friction" on the organization
(Select all that apply)



Although employee productivity obstacles might be overcome by having employees work extra hours, unrealized business opportunities, once missed, can never be recovered.

58% of the respondents have lost business opportunities because they cannot access data in a timely manner.

Whitepaper

Significant opportunity loss

Digital friction has serious competitive consequences. More than four out of five (82%) of the survey respondents reported that they have suffered delays or missed deadlines due to technology-related challenges. Although employee productivity obstacles might be overcome by having employees work extra hours, unrealized business opportunities, once missed, can never be recovered. According to the survey, 58% of the respondents said they have lost business opportunities because of an inability to access data in a timely manner.

For midsize organizations, the implications are serious. The survey found that organizations with 1,000 to 4,999 employees are more vulnerable to the consequences of digital friction than larger enterprises. Simply put, smaller businesses have fewer automated processes and less extensive financial resources to invest in remediating digital friction.

A problem not well understood

Although “decreased efficiency” was cited as the top impact of digital friction, its opposite, “increasing operational efficiency,” is, in a seeming paradox, the least likely factor to be considered in purchase decisions (16%). This might be because fewer solutions are aimed at increasing operational efficiency versus more solutions being aimed at addressing more urgent business challenges. At the same time, IT and business decision-makers might deploy a solution designed to perform a specific business task while not recognizing the additional complexity they’ve introduced, negatively impacting efficiencies.

Given this conundrum, **operational experience** hangs in the balance.

Operational experience focuses on eliminating digital friction in the processes

that fuel the business, addressing operational business needs across Finance, Sales, Marketing, and other parts of the organization. Survey respondents recognize that improved operational experience is tied to both employee experience and customer experience.

Indeed, the top goal of decision-makers is improving employee productivity (30%), followed closely by reducing cost (28%). And 26% cited improving customer service as the top goal. However, the growth of applications intended to achieve these goals, with poor integration between them, erodes operational experience and contributes to ongoing digital friction.



Current tools falling short

Measured against two key yardsticks of digital friction, the current technology tools used by survey respondents fail to

deliver optimal results. Only 31% said their tools excel at enabling access to timely information. Similarly, only 27% said that their technology tools excel at embedding information into business processes so they can avoid the time-consuming effort of moving back and forth between multiple applications.

To remedy both shortfalls, organizations need solutions that help embed information in critical business processes. Doing so gives employees access to the information they need, while streamlining workflows. A **composable platform** that connects people, content, and processes is able to meet this need and improve employee efficiency while enabling smarter, faster decision-making.

Reducing friction to work smarter

Notwithstanding the ambivalence previously cited regarding purchases that increase operational efficiency, IT and business decision-makers would prefer technology tools that:

■ **42% –Are easy to use**

■ **42% –Enable rapid discovery of information**

■ **40% –Automate manual processes**

IT and technology decision-makers are more likely than their non-IT peers to point to the reduction of manual work as an important technology capability: 48% said it's one of the top three capabilities they would like to see (versus 32% of the respondents with non-IT titles). This finding shows that those most closely acquainted with technology see manual work reduction as both a challenge and an opportunity.

Respondents want technology to deliver on the following:

- **33% – Empower users to take swift action to help a customer or client.** With customer experience at or near the top of many organizations' business priorities, removing digital friction from interactions pays significant dividends.
- **32% – Reduce the need for multiple applications.** Requiring employees to continually switch between applications is a principal cause of digital friction.
- **31% –Integrate technology without forcing process changes.** Having to alter business operations when

bringing in new technology can be time-consuming and labor-intensive.

- **29% – Enable users to collaborate across lines of business.** Access to a common data set streamlines collaboration as team members share consistent information; its absence causes digital friction.
- **27% – Reduce data duplication.** Clean data is essential for efficient business operations as well as employee productivity.

Although the respondents were not asked specifically about generative artificial intelligence (GenAI) technology, it can enable many of these capabilities. By summarizing documents on command, for example, **GenAI** relieves workers of the labor-intensive work of tracking down information in various documents and then creating timely reports.

From digital friction to future-proof technology

Despite the transformational power of digital business, digital friction is still very much a dark cloud hanging over the future of work, affecting nearly all of the surveyed organizations. Because the complexity of technology-enabled work continues to

increase, digital friction is not likely to abate on its own and is likely to increase over time if not reduced.

Gaining control over complexity, mitigating digital friction, and improving operational experience will require more effective technology tools than many survey respondents currently employ. OpenText™ delivers a composable, scalable platform that eases digital friction and promotes operational efficiency. Deep, seamless out-of-the-box integration with foundational applications, including enterprise resource planning, financial, and human resources, delivers information when and where it's needed. This ensures that workers using different applications can access the same reliable data — the underpinnings of efficient employee productivity.

Reimagine knowledge to drive productivity

Providing a single source of truth as well as actionable insights eliminates the wasted time and effort of switching between different applications with inconsistent

data sets.

By embedding content into core business processes, automating data access, and streamlining workflows, organizations can help employees find knowledge quickly and easily to reduce daily friction. OpenText also delivers the power of cloud-based GenAI to reduce digital friction by summarizing documents or enabling workers to use AI chat to find documents. And in a world where cyberdefense is always a top priority, OpenText tightens security with policy-driven, role-based access.

With **OpenText™ Content Cloud**, IT and business leaders can deploy new digital business applications without increasing complexity and exacerbating the digital friction that inevitably results. By **future-proofing** their investments, they can ride the wave of technology innovation to gain a competitive edge.

For more information, see:
<https://www.opentext.com/products/content-cloud>