DIGITAL TRANSFORMATION IN SOUTHEAST ASIA: MARKET INSIGHT PAPER

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INTRODUCTION

The digital landscape in Southeast Asia is evolving at an unprecedented pace. This transformation is a profound shift driven by an increasingly rigorous data-protection regime, the rise of remote work and paperless offices, and the emergence of increasingly sophisticated, often cloud-based solutions for managing documents, physical records, and data.

This market insight draws on recent research from Market Research firm Fortune Business Insights, as well as other sources, and aims to explore the growth of digital Information Management in Southeast Asia, emphasizing the adoption of Enterprise Content Management (ECM) systems, Document Management Systems (DMS), and the transition from physical to digital records. It will also highlight the implications for compliance and data protection.

We hope this report gives you some insight into why these changes are occurring, and acts as a primer for helping you get started on your digital journey.

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WHY IS INFORMATION MANAGEMENT SO IMPORTANT?

Information Management refers to everything from boxes of physical records in a warehouse that can be delivered to premises required (think healthcare records), to how an organization stores and analyses its data (think a legal firm doing discovery of documents). In this context, when we talk about "digitization", we're referring to the ongoing process of taking those physical records and processes and making them accessible and managed digitally. All of these solutions taken together mean the global Information Management marketplace, as of 2024, is worth around US $43bn.

> **Knowledge workers spend up to 50% of their time producing and organizing documents. And 47% struggle to find the information necessary to effectively do their job.**
>
> Digital Worker Experience Survey, Gartner, 2023

Enterprise Content Management (ECM) systems are the software tools by which this digital transformation is enabled. Allowing organizations to save time, money and reduce risk in the process. ECMs can include a vast array of software services under their umbrella: Document Management (DM) systems. Document Analysis tools (something generative AI is increasingly playing a role in), e-Discovery for law firms, Digital Asset Management and much more. The combined effect of all of these solutions is to simplify how documents are used in organizations.

The Association for Intelligent Information Management (AIIM), a non-profit and thought leader for Information Management issues, published their latest global survey in 2023 , asking firms how they were managing information. The crucial finding was an increase in the sophistication and complexity of what was being used. 80% of organizations surveyed were using ECM and DM systems, which isn't surprising. But the most notable statistic was the number of organizations using between 7-10 Information Management systems rose from 3% in 2013 to 14.4% in 2023. This pattern reflects that increase in complexity, and it also touches upon the drivers of Information Management software and consultation, such as ever-more complex data-protection law. Something we'll talk about later.

"

Organizations should carefully evaluate the growth of content systems… Consider information governance and interoperability when adding new systems.

"

David Jones, AIIM Survey author

Information Management is obviously going through a profound shift technologically, with fully digital solutions already available for almost any need, and both its impact on the SEA region's economy, as well as the opportunities that come from that, are huge.

[1] *The State of the Information Management Industry, AIIM, 2023.*

What are the growth areas in this "Digital Transformation" within ECM?

Document Management

Widely adopted across SMEs and large enterprises, document management systems help organizations manage document electronically, reducing dependency on a purely physical system. This is one of the highest-growth solutions, driven by the need for improved compliance with rigorous data-protection laws (think GDPR and comparable legislation). Newer Document Management systems are sometimes powered by generative AI for enhanced document analysis (especially useful in the legal field).

Total value in Southeast Asia (2024):

US $836.5m / -> 2032 CAGR 27.2%

Digital Asset Management

Similar to Document Management, but specifically for rich-media and digital assets (videos, images and so on), the need for robust digital asset management solutions is rising. This sector is expanding rapidly, especially in industries like media, advertising, and e-commerce. In some cases, this growth is driven by the need to convert physical assets (e.g. photographic plates) into digital formats.

Total value in Southeast Asia (2024):

US $687.7m / -> 2032 CAGR 29%

Web Content Management:

This refers to things like CMS (Content Management Systems) used to push content out to company websites. These are critical for effective management of digital presence. The demand for web content management systems is increasing, particularly in the retail, media, and telecom sectors.

Total value in Southeast Asia (2024):

US $1.06bn / -> 2032 CAGR 26.8%

E-Discovery

This is a solution tailored for the needs of the legal industry. It refers to electronically identifying and collating all relevant information in response to lawsuits. As would be expected, given the value of the legal industry itself. This is the most valuable sector as of 2024, although it is not the fastest growing.

Total value in Southeast Asia (2024):

US $1.65bn / -> 2032 CAGR 21.1%

GROWTH IN SOUTHEAST ASIA

In this section we will examine the rates of growth of the ECM/ Information Management industries across the Southeast Asia (SEA) region. SEA is particularly important in this regard because a mix of different drivers (which we'll explore later) are contributing to unparalleled growth beyond other economic regions. In particular, we will be highlighting **Singapore, Malaysia, the Philippines, Indonesia, and Vietnam.**

Regional Growth Overview

SEA's Information Management economy is witnessing remarkable growth, with a compound annual growth rate (CAGR) that outpaces many other regions.

The adoption of ECM solutions is a significant component of this growth, helping organizations streamline operations, reduce reliance on physical documents, and enhance data security.

According to recent data from Fortune Business Insights[2], the overall rate of growth across SEA averages out at a CAGR forecast (through to 2032) of 25.6% across the five countries listed above. Leading the way here is Vietnam with an expected CAGR of 28.6%. By 2032 it is expected that the total value of the ECM industry across Singapore, Malaysia, the Philippines, Indonesia, and Vietnam will be US $26.75bn.

Compound Annual Growth Rates by Country

	Forecast CAGR (2019-2032)	Total Forecast Value USD in billions (2032)
Singapore	19.5%	4.27
Philippines	23.4%	4.03
Indonesia	27.5%	7.39
Malaysia	26.3%	5.96
Vietnam	28.6%	5.1
Average/Total	**28.6%**	**26.75**

[2] *Enterprise Content Management: Global Market Analysis, Insights and Forecast 2024 – 2032, Fortune Business Insights, 2024.*

By comparison, the forecast CAGR for the Asia-Pacific region as a *whole* is around 22%. This is of course in part due to the more mature Northeast Asian economies, but it is also worth noting that this comparative lack of maturity provides opportunities for companies in SEA looking to digitize right now. More generally, SEA as a region outperforms the other regions in terms of forecast compound growth, as seen below.

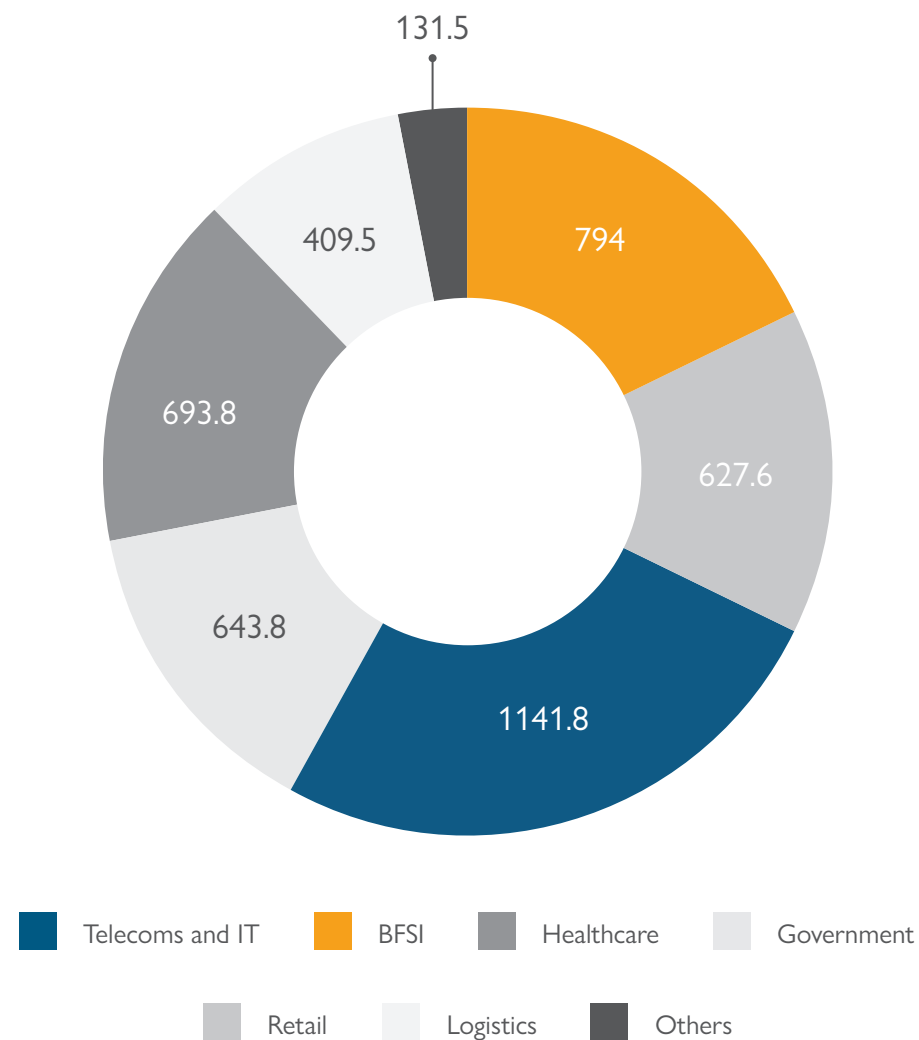|	Forecast CAGR (2019-2032)
Southeast Asia	26.7%
Asia Pacific (incl. SEA)	22%
Middle East & Africa	21%
Europe	15%
North America	11%

Industry-Specific Growth

The lion's share of the ECM marketplace in Southeast Asia is taken up by the Telecoms and IT sector, accounting for US $1.1bn. This tallies with the global data that we have, where Telecoms and IT also account for most ECM revenue.

The reasons for this are varied, but it is generally because IT and Telecoms firms already have experience with both developing and adopting technology, and are therefore less resistant to change. In more day-to-day terms, the high-rate of ECM and digital solution adoption among this sector is down to a desire to reduce back office expenses and ensure the huge volumes of data that they're dealing with are compliant with local and supranational laws and regulations.

BFSI understandably comes second here, with the range of financial regulations that exist and the cross-border nature of international finance itself, it's clear that this has an impact upon the industry when it comes to looking for compliant and efficient digital solutions for managing that information.

The legal sector, under "Others", accounted for a much smaller proportion of total revenue spent on ECMs, but this may be accounted for by the fact E-Discovery systems have been in place for much longer than ECMs themselves.

Total value of ECM market in USD in SEA (2024)

131.5
794
627.6
1141.8
643.8
693.8
409.5

Legend:
- Telecoms and IT
- BFSI
- Healthcare
- Government
- Retail
- Logistics
- Others

When we look at the forecast rate of growth over the next eight years however, the runaway leader is the healthcare industry. There are many reasons for this, but one key one would be the **sensitivity** of healthcare data. All of the five Southeast Asian countries we have looked at categorize healthcare data as particularly sensitive under their own legal frameworks. This, combined with increasing use of biometrics, is doubtlessly driving uptake of ECMs to manage the enormous volume of sensitive data that hospitals and other healthcare providers in the region are dealing with.

For example, according to a PwC survey, data breaches in the healthcare sector have the highest loss value at 47%.[3] PwC also highlighted Indonesia's Personal Data Protection (PDP) law as having a special impact on the healthcare sector, raising digital awareness and literacy around the risks of potential healthcare breaches.[4]

Forecast CAGR in SEA (2024-2032)

	CAGR
BFSI	22.96%
Government	22.48%
Telecoms and IT	26.20%
Retail	25.60%
Healthcare	29.02%
Logistics	22.04%
Others	19.38%

Legend:
- Healthcare
- Telecoms and IT
- Retail
- BFSI
- Government
- Logistics
- Others

[3] *Global Digital Trust Insights, PwC, 2024.*
[4] *Personal Data Protection: Foundations of digital transformation in the healthcare sector in Indonesia, PwC, 2024.*

WHAT IS DRIVING ALL THIS GROWTH?

Driver 1: Data-Protection Laws

Perhaps the biggest driver of ECM systems and digital transformation in general is the growth of data-protection laws globally. Although this paper doesn't deal with Europe specifically, the influence of the General Data Protection Regulation (GDPR) which was launched in 2018 in the European Union has been felt far and wide, including in Southeast Asia. ASEAN (The Association of Southeast Asian Nations) was immediately impacted by this,[5] and the past six years has seen new or amended laws across the region. This increased impetus on rigor around personal data naturally increased the urgency for more rigorous data protection systems, digital transformation and more among organizations large and small.

There have also been some notable data breaches across the region that have increased data literacy around personal information and its protection. For example, the leak of over half a million customers' data at the Marina Bay Sands hotel in Singapore[6]. Or more recently (June 2024), a huge breach of customer data from the Filipino fast-food chain Jollibees, which may have affected some 11 million customers.[7] Fines and penalties aside, the reputational damage from an Information Governance Policy that doesn't stop these breaches is obvious.

[5] *The EU GDPR's impact on ASEAN data protection law, Financier Worldwide, 2019.*
[6] *Data Breach at Singapore's Marina Bay Sands Affects 665,000 Customers, InfoSecurity Magazine, 2023.*
[7] *Jollibee data breach may affect almost 11 million customers, Philstar Global, 2024.*

Malaysia

Personal Data Protection Act (PDPA): Enacted in 2010, Malaysia is in the midst of reviewing the PDPA and tabling new amendments to strengthen its enforcement. Specifically, the new amendments will require organizations to issue mandatory notifications about data breaches. They will also require significantly more compliance responsibilities for data-protection officers, and of course, more compliance regulations mean more potential use-case applications for ECM systems.

Singapore

Singapore has had a personal data law since 2013. The **Personal Data Protection Act (PDPA)**, much like other similar acts of the same time, established a working definition for sensitive data and required consent. Amendments to the act in 2021 expanded the scope of deemed consent, introduced a mandatory data breach notification (similar to Malaysia) and crucially, introduced criminal liability for certain infringements.

Vietnam

Until 2023, Vietnam had no personal data protection law, and breaches or misuse of personal data largely fell under the remit of the civil code. However, in April of last year, the Vietnamese Government introduced the **Decree on Personal Data Protection (PDPD)**. Much like other data-protection laws, it requires explicit consent and distinguishes between "basic data" (a given name for example) and sensitive data such as biometrics. It also requires organizations have a Personal Data Controller and Personal Data Processor.

Indonesia

Four years after the launch of GDPR, Indonesia passed its own data-protection legislation (2022) called the **Personal Data Protection Law (PDP)**. The PDP mandates explicit consent for data usage, it also created a governing body to oversee enforcement of the PDP. It also, for the first time in Indonesian legal history, categorized certain kinds of data breaches as a criminal offense.

Philippines

The Philippines was one of three states in the region (including Malaysia and Singapore) to possess a data-protection law in place prior to GDPR. The **Data Protection Act of 2012** established the need for users to consent to use of their data, as well as the protection of what it called "sensitive information". Since then there has been an understanding that aspects of the law and its enforcement need to be strengthened. As of 2022, there are two bills that plan to make both fines and imprisonment for breaches more severe, expanding the definition of "sensitive personal information" (to make the law more in line with GDPR) and more.

Driver 2: Remote Work

Remote work has been a key theme in terms of workplace trends since the COVID-19 pandemic. Southeast Asia is particularly notable here as a number of countries in the region offer "Digital Nomad" visas: Indonesia, Malaysia, Thailand, and the Philippines all offer some variant of this visa. Allowing foreigners to enter the country and work remotely, provided they fulfil certain criteria.

It isn't just foreign nationals however: much like in Europe and North America, Southeast Asian workers are now also more likely to work from home. The knock-on effect of all of this is that organizations throughout Southeast Asia have to account for an IT environment where many people are not working from an on-premise workstation. This drives investment in ECMs and digitalization because it allows for more effective management and delivery of the information that they need when not in the office (as well as scrutiny).

Driver 3: Efficiency Gains and The Paperless Office

BusinessWeek famously claimed in 1975 that paper would be all but obsolete by 1985 for example. Paper clearly has more staying power than many people have anticipated. However, while being careful to avoid hyperbole, it does seem as though technologies such as generative AI and AI-driven document analysis are contributing to a paradigm where we could realistically consider paperless offices, allowing employees to retrieve documents using human-like speech and analyze them in real time.

Crucial to remember here is that paper has the flexibility to be integrated into a cloud-based, AI-driven digital system. Scanning and Hosting are two aspects of digitalization for example that account for an abundance of paper. Particularly in industries like Law and Finance.

The cost of paper filing and management is contributing factor towards "going paperless". According to an M-Files report, the average cost to file a document is between US $20 and $125 per misfiled file and $350 per lost document.[8]

In terms of market indicators, key players such as Box Inc. seem to be positioning their products for a more paperless future. Box Inc's 2022 product, Box Canvas, looks to leverage collaboration at an enterprise level by providing a virtual whiteboarding tool for example.

The Internal Revenue Service (IRS) in the U.S. launched a paperless processing initiative in 2023, designed to cut down on the amount of paper that is processed during tax season. When talking about Southeast Asia specifically, much of the region is ahead of the curve here, with Malaysia and Singapore having had paperless tax filing for many years, and the Philippines following in 2023 with the BIR 2316.

Finally, the productivity gains of ECMs and Document Management systems in general is becoming increasingly obvious, driving an uptick in their adoption. According to McKinsey, employees spend 9.3 hours every week searching for relevant information to do their jobs.[9] Custom ECM systems and overall digital transformations of organizations allow employees to access relevant information more easily, in very simple terms.

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[8] *The Total Economic Impact of M-Files, 2023.*

[9] *The Social Economy: Unlocking value and productivity through social technologies, McKinsey, 2012.*

HOW CAN YOU GET STARTED?

Getting started with digital transformation looks much the same regardless of the sector or industry your organization sits in. If you're not conversant with exactly when and how your organization is generating, using, and retaining data, then it needs to begin with a consultation to establish just that.

Set clear priorities, expectations, and responsibilities. What do you want to achieve, and what sort of timescale are you looking at achieving it by?

" Remember that digital is not just about tech. It also includes people, processes and systems. These need to be mapped out too! "

Where will I start from?

What does your current position look like? Do you have all the information on how your business works right now in terms of how it is gathering and storing records? Take time to map that down. Use this as your benchmark to measure changes and success against. Ideally start small with something that will deliver quick wins and build confidence. (Every project must solve a shared business problem)

01

Where am I going?

What does the end of the journey look like? Do you know what you want to achieve? How that will benefit your customers, employees, and organization as a whole. Make sure everyone knows and is included in the objectives. This could include creating or updating your Information Governance Policy to make sure all data you create on your CRM has a date by which it is deleted.

02

Who is going with you?

Are the leaders involved? Have you fully understood who this will affect and how much – both internally and externally? Create a Stakeholder Engagement Matrix that includes all teams that create data that could potentially be labelled as "sensitive" for example.

03

Plan your route

Does everyone know where they need to be and by when? Does the plan have milestones to stop and re-evaluate? Creating a programme of tasks and activities will deliver quick wins whilst still allow for the bigger picture achievements.

04

Execute and improve

Bring your plan to fruition. Learn and use this experience to support the next project. What benefits did it deliver? If you start with something very basic like ensuring a certain proportion of all your records are scanned and digitized, then maybe the next project could be something more ambitious, like a Document Management Solution.

05

Crown Records Management helps clients to maximize the value of their "corporate memory" through the storage, active management and timely distribution of information assets.

In 40 countries, Crown provides secure archiving and retrieval of information in physical and electronic format, as well as digital imaging, media management and data destruction.

Crown Records Management is part of Crown Worldwide Group, a privately owned, global logistics company founded in 1965 and headquartered in Hong Kong. An extraordinary and purposeful business committed to making it simpler to live, work and do business anywhere in the world.

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