



White Paper The Importance of Information Management

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The Importance of Information Management

All white-collar workers do all day every day is work with information.

They take information that someone else has produced, use or combine it with other information from other sources and convert it into information for others to use. That is 65% of the working population; Accountants, project managers, company directors, bankers etc. Despite one of the real products of the 21st century, information is rarely taken seriously. Multiple industry research projects have shown that white-collar workers lose 35% of their time searching for information and the problem grows year on year.

All companies entrust accountants to look after their money. But how many bring in information management experts?

Some think they do with hired programmers or departments looking after IT systems.

But this just isn't enough. Software and hardware is not information. Software and hardware can be replaced but your information never can be. Putting old emails in public folders, holding a database of letters sent to customers, or having a set of folders on a network where sales quotes are stored does not mean this information is managed.

A lot of companies do not even recognise that they manage information badly. This is a little bit like most households not realising the vast amounts of money they waste through poorly insulated homes, old boilers etc. It just becomes a fact of life.

As the volume of information grows, companies often employ people simply to process information (document controllers, clerks, administrators etc). They gather, distribute, log and retype information day after day. Information systems will do this just as well and for a fraction of the cost in the long term.

Companies have now realised how serious this is. Unfortunately this is usually triggered by an expensive wakeup call from the loss of data, costly mistake, or H&S issue that forced them to address it. Through addressing their Information Management they become companies with a serious competitive advantage in the Knowledge Economy.

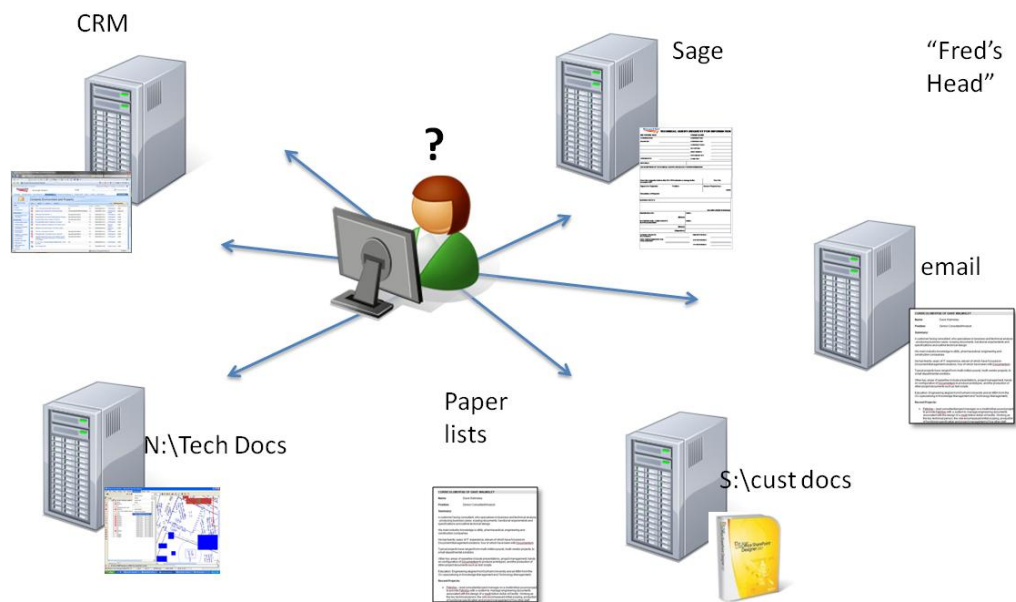
Example Scenarios Showing the Cost of Managing Information

Typically, companies already have a lot of existing systems; CRM, email and public folders, network drives, XL spreadsheets with analysis and reports, local experts who know a thing-or-two about how people should process information, and out of date written procedures. All staff use local PCs and can access everything they need to.

Companies have terabytes of information that is all backed up and sometimes safe.

So what's the problem?

Imagine for a moment a new starter to the company.



For our typical new employee, getting to know where all information is stored is difficult. Not just from unfamiliarity with the functionality of each system, but also the inconsistent way information is managed within each one of these systems. When they look at the tech docs folders there may be a 'superseded' area where old versions are kept. However, in the sales folders all old versions are just mingled in with current versions. All file names are different and the folder structures don't always make sense.

What tends to happen is that the new starter learns how to use their departmental application such as CRM if they are in Sales. They would then rely on asking other staff for information when needed which would be emailed to them, a process that may take multiple requests, delays, and plenty of frustration. They then store this on their local PC (or just leave in their inbox) and may continue to refer to it long after a new version has been created!

The new starter may create their own documents and with no process to getting it approved and stored somewhere they create their own. As time goes by, and people come and go, these variants of processes flourish.

Over time an organisation loses track of where information is, how it should be used, and where it should be stored.

If you don't think this can amount to serious problems, imagine an experienced person dealing with a customer enquiry. Yes, these things happen – in fact there are more queries and issues for companies that don't manage information well! Maybe you are in the middle of a project and you suddenly have to deal with an invoice query.

This may involve:

- Getting latest invoicing details from the finance system
- Asking procurement for a copy of their contract and T&Cs

- Searching through old emails to see what was informally agreed, and asking colleagues to look through their emails
- Checking the timesheet system to see who entered time for the project
- Finding the latest version of the project plan from the project manager and maybe a previous version
- Getting some contact details from the supplier to find out what they provided
- After this is done, a response is drafted, and it has to be approved before going out. The approval information is stored in the person's inbox just in case

In short, a lot of people waste countless hours dealing with the simplest of tasks.

Given that most office workers do little else other than deal with information in everything they do, from multiple sources, you can begin to see where problems come from.

The end results are:

- Inefficiencies and slow response
- Mistakes and unnecessary rework
- Poor customer service
- Risk of data loss
- Non-compliance with regulation
- Risk of legal action
- Ineffective sales
- Teams not working as teams
- Management with simply no real picture of what is going on
- Decisions made on incomplete information

That's a scenario for ad-hoc work. What about the more predictable work like sending out a sales quotation? Again, this requires input from lots of different people and referral to lots of other information.

What about a simple technical specification that might be sent to a customer? Surely, nothing can go wrong as the company has a manual approval process.

Here's another scenario to illustrate how things can still go wrong and what the costs will be:

A company sends out specifications to suppliers who upgrade plant equipment based on them.

An employee drafts, then prints off, the specification and walks it around to manager for approval. Whilst it is sitting on the manager's desk the customer has asked for a minor change a day or two later and this change request sits in the employees email inbox. He/she amends the spec and takes it to a different manager (as the first one is not around). The second manager writes out some comments and, after the author has amended it again, approves it.

However, the document now goes to a clerk who logs it and emails it to the supplier. The clerk also has to put a signed copy in the post.

When the first manager reappears he has reviewed the document and spotted a mistake and emails back his comments.

This then means he has to revise the document, which is tricky as he/she needs to work out which version is which and where he/she stored the different versions (was it my hard disk or the network?) and reissue it via the clerk.

At some point in future, the supplier makes the modification and it is wrong. A dialogue will then begin between the two parties—“You used the wrong version of the specification”—“No, you sent the wrong version” etc.

This then triggers a long period of trawling back through emails to work out what has happened.

The end result:

1. Time lost initially in printing and getting documents approved manually
2. Time wasted having someone log and issue documents
3. Time wasted for the author to find the right version of the document
4. Time wasted trying to work out what has happened, involving other people in the information chase etc
5. Cost of rework due to the wrong work being done by the supplier
6. Possible loss of a customer

It's not just storage of information

It is unlikely you can do too much to stem the tide of data created within, or consumed by, a company. You won't get full benefits from being able to store and classify it in one place.

The trick is in having a system that can present only the right information to the right person at the right time. This information can come from a variety of sources. However, to achieve this information must be classified consistently across different systems; the underlying content must be managed and presented via a portal or intranet in a clear way.

Benefits of Good Information Management

Get information management right and the benefits are huge:

- Reducing administrative labour cost – less actual time moving information around and outside the company saves massive amounts of staff time and labour cost.
- Reducing wasted time and mistakes – access to constantly updated information from an easy to locate source prevents repetition of work on out of date documents. Staff can add and amend information efficiently and quickly.
- Better collaboration – projects requiring content and information from different departments and external parties benefit from easier access, greater team working, and faster completion.
- Increased Customer Service – responding to customers quicker with more complete and relevant information gains sales and retains clients.
- Compliance with regulation – effective Information Management will reduce the cost of audits and assist in complying with regulations such as Health and Safety.

Why don't companies see the problem?

Managers see problems that are well presented e.g. H&S issues, a cash-flow crisis etc. When the problem is almost invisible and hidden within the mysterious world of computing it is a different matter. Managers just don't know the full scale of the problem.

As they have invested significant amounts in systems over the years and may employ bright application developers to enhance these different systems, they no doubt assume that all that can be done is being done.

Organising Information Correctly is Vital

Systems are often configured around specific applications or departments rather than presenting all employees with holistic views of projects, customer information, or asset information that they need.

Some companies have incrementally added local applications over the years to manage different sets of information which is better than doing nothing. Somewhere within various systems and departments lurk sales leads, project documents, resource schedules, and customer correspondence. But usually these systems aren't joined up, are not really managed well and cause huge problems. The following examples show:

- A new customer is dealt with by the sales department, and all the contact data, quotations etc are stored in the 'sales system' that the department uses. **This is wrong.** The information is about a customer that other people in the company may require not just the sales department.
- The customer agrees a contract, drawn up by the legal team, and this contract is held by the legal department in their contracts system (maybe Outlook Public Folders). **Again, this is wrong.** The information relates to the customer and may be needed by other staff.
- And so it goes on. The finance department hold details of invoices sent and paid, the operations department holds project details, specifications etc and the support personnel have various emails and requests stored in inboxes. **Wrong, wrong and wrong again!**
- Local copies are sometimes created and stored in other locations. But these local copies cannot get updated and just serve to hinder future searches for information.

There's nothing wrong with holding information in different systems **if they are integrated**. Holding all the information in one system with the correct information architecture and a flexible user interface to display the relevant information for the relevant groups is even better.

Getting Information Architecture Right

If you are a product or asset based company then you should build information around the product or asset. Conversely, a sales focused company should most probably build its information around the customer. Sales information, job or project information, correspondence tasks, financial details, contracts that all relate to a customer should be stored and managed in a holistic manner so that

people can work swiftly and make intelligent decisions. Information should not be trapped within departmental boundaries.

When a project manager deals with a tricky customer, he/she knows what contract they have, what they've paid so far, when the salesperson last called, and what specification they have been given.

To reinforce why this is so important it is useful to use the analogy of a body. The human body is similar in many ways to an organisation. It has many different parts (limbs/organs/departments etc), but needs to function as a whole. It also resides in a very competitive world where survival of the fittest governs who thrives and prospers. A body has plenty of different organs but just one nervous system. Information (stored centrally) passes swiftly from one part of the body to the next creating a highly effective and efficient person. Imagine a competitive event between a human designed like this and one where each limb had its own, disconnected nervous system!

The Technology is Here

Why aren't the information management systems of companies designed like humans?

One reason is that the technologies have never been ready to meet the challenge. Things have been done locally as needs arose and IT systems evolved. However, with the astonishing success of Microsoft SharePoint companies can now build information systems to benefit the whole company without major upheaval and cost. Over time, companies can take manageable but significant steps to reap major benefits.

Of course, the big danger is that companies take Sharepoint and build systems themselves or rely on traditional IT companies that are good with hardware and software. This is akin to having someone who is very good with MS Excel managing the company's financial information! Companies must engage with technology suppliers who are primarily information focused but who are also experts in implementing and supporting the underlying technologies, introducing best practice to information management projects. Experts instinctively know when a project is too large or when it is too trivial.

Unfortunately, it is well known that these experts are thin on the ground. It is important to find one like NetMonkeys who really have the experience and knowledge required.

What Should Companies Do About It?

It's not something that is solved overnight. Companies must realise that this is just like financial planning. The 'experts' (like accountants) need to understand the business and its plans in order to work out a series of steps to take to achieve long term benefits.

It must be repeated that whoever you turn to for advice MUST understand business change and technology, must know what "best practice" is, and must be able to demonstrate their experience. It is a world of difference from being able to install and develop a MS Access application and embarking on a company wide Information Management system.

The main starting points are:

1. Assess how they currently manage information – using outside assistance is very valuable, as they will bring a fresh pair of eyes

2. Investigate new Information Management technologies – again, outside companies such as NetMonkeys are always happy to do this
3. Conceptualise a high-level solution
4. Undertake some scoping work to see how best to address current shortcomings over a long period of time. Some of this will be how best to integrate existing systems, some will be how best to replace inadequate systems
5. Develop a business case – even if this is not detailed, it is important to work out where the key benefits and costs will be

After this, a solution is designed and built using good project management and best practice. Of course this is a major topic in its own right. Please see our whitepapers for a step-by-step approach to delivery of a project.

Why Can't Our IT Department Sort This Out?

Whilst the technology is important, the change to the business is more important. IT departments are good with technology but are usually not good with:

- Understanding how the business really works and building systems around the business
- Focusing on key areas of benefit
- Managing the change with users and different groups
- Knowing what is best practice in deploying enterprise wide systems

It is a good thing to work with an expert in the field, ensuring technical knowledge transfer so that over time the IT department can support and add incremental functionality. However, industry advice and statistics backs up just how risky and unlikely to succeed these projects are if undertaken in-house.

Once a project like this fails it is very difficult to try again until the dust has well and truly settled.

In conclusion

This paper has introduced information management but there are many other complementary whitepapers on our web site that we urge you to read.

Please feel free to talk to us. We are always happy to talk through any of the issues raised in this paper.

Information Management is too important an issue to just ignore.