



White Paper The Silent Killer of Business Efficiency: Information Mismanagement

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The silent killer of business efficiency and what to do about it: Information Mismanagement

A whitepaper for senior executives

“30% of time spent looking for information” – Gartner Group

Modern businesses are rightly focused on reducing costs. Trimming 2% of costs by reducing the workforce can make a big difference with many companies, but is not without its perils. As a result, staffing levels may be cut to the bone and can present a danger to staff morale and impact on customer service.

However, with better information management much greater savings can be made with less effort. Additionally, it has the added benefit of improving staff morale (as work is more productive) and customer service! See our whitepaper on the potential benefits of Information Management.

When we talk about information, we mean a full range of content such as documents, emails, tasks, reports, dates in calendars, plans etc, all the sort of unstructured information which doesn't fit easily into standard databases, as well as more structured data that you'd find in finance systems.

Nearly all companies manage unstructured information very badly, so there's plenty of cost savings to be realised and it is relatively easy and cheap to address. But if it's that easy, why doesn't every company do something about it?

We believe there are Seven Main Reasons:

- 1. Problems are hidden – senior executives are blind to the horror that goes on day after day.**

Information is a tricky concept to grasp. Where is information? What is it? What happens to it? It's easier to monitor staff (you can see them) or money (look at your bank account).

It's like this. If an MD walked into an empty office and saw a pile of hundred pound notes lying on the floor he/she would pretty quickly do something about it. The money would be put in a safe and a new procedure would be introduced to make sure it never happened again.

What if the company had spent £20,000 to conduct some vital market research and the only copy of the research was on a laptop in the empty office? Or what if a year's worth of project documents were just one click of a delete button away from extinction? Or what if engineers were drilling through walls without up to date electrical drawings showing where the cables in the walls were?

Of course, these scenarios happen day after day, without anyone ever knowing (until it's too late) but Information mismanagement is not an easy thing to detect and when things do go wrong it's usually people that get blamed.

- 1. No-one knows the value of documents**

If someone left some old paintings on your doorstep you' would do one of three things; bin them (if you thought they were worthless), put them in the safe (if you thought they might be valuable), throw them in the attic along with everything else that's gone up there over the years (if you were unsure).

And, because no one is ever really sure about the value of information everything goes in the attic. What's there? No one knows, and finding anything again relies on crawling about in the dark with a torch. It takes so long to find anything and often people give up and recreate the document.

Here's a real life example: At the end of a £2m project at a major transport company, some documents were handed over from the IT Company that installed the new system. The documents included some test scripts (of little value) and a document that documented how to rebuild the system from scratch (a very valuable document if anything were to go wrong). The company put the documents somewhere. A year later it became evident that the documents could not be found and consequently paid the consultants £20,000 to come back and recreate them.

The bitterest of ironies was that the IT system was a document management system!

This raises another issue. Who owns the valuable documents? Often this isn't clear, and with no owner who will look after them.

2. Information is organised around departments and not Customers or a Product

Whilst companies may be project, asset, or product based, or even customer sales focused, they also work in departments. These are arbitrary divisions of the company to make management of staff easier, and by default, information is divided up in the same way. As a result, sales information is held within the sales system, support documents held in the support department system etc.

But this is not the best way. It means that all information about a customer is isolated in many different systems. Often, you need a range of documents to deal with an issue. For example if a customer complains this means we need a range of information to deal with the complaint (e.g., the contract (held in procurement), the details of what the customer purchased (in sales), a list of support issues (support) and the specification of what was made for the customer (in operations). Also, all the various correspondence (trapped in people's email systems) may be called upon.

Instead, information should be built around the customers, or the projects, or the campaigns – depending on the business model.

3. Companies can't repurpose the same document for different uses

Even if information were to be built around the customer, or an asset or event, it does still need to be re-used in a different context. For example, a colleague of mine wrote a guidance paper for a customer on how to customise a product they had bought. He put the document in the customer folder.

However, was it the right place? Without knowing about its existence, I spent a long time trying to work out how to do the same thing that he'd explained in his document for another

customer. I looked in the product folder and nothing was there. If I'd looked in the "Application Development" folder I would not have found it there either.

The document should reside in all three places at once! Because it didn't, I spent a day figuring out what to do. This is the common cost: unnecessary rework.

Modern systems can handle this by usage of document tags. Any outstanding tasks in a project can be easily aggregated to present management with an overall view of progress, without a manager having to look through each project etc.

4. People really think they are efficient, so improvements never happen

My Grandma had a mangle that she used for her washing. It was a strange green machine with some white rubber rollers that she bought new a long time ago. It was far better than the old washboard she used to use. Therefore, she thought she was ultra-efficient, and for a time she was. Time moved on however, and modern washing machines came along. My Gran, however, still thought she was efficient. She didn't really understand the new machines, but she remembered the washboards and was happy to know how much better off she was.

People, or departments, or entire companies can be like this too. I worked with an energy company that sent electricians out to deal with new power supplies to house extensions, offices etc. They were efficient, so they said, in the way they sent out packs of documents to their electricians. Yes, it took a few days for the packs to arrive, and of course there were issues when electricians were ill, or the packs got lost in the post, or when the customer changed their mind, but the (large) number of complaints had barely increased over the last few years, management didn't complain, so they thought they ran a tight ship.

Of course, just making these packs downloadable had a huge benefit, but "if it isn't broke, don't fix it" they said.

Sometimes departments really are efficient and have good systems so people within the department can find information quite easily! However, for anyone from another department getting information is very hard. They need to phone up and ask. This might mean a long wait, or they ask for the wrong thing, or they just do without. It means mistakes, rework, and poor customer service.

It's hard to change this status quo...Pride comes into it, people are very protective of their systems. "It's not the system, the sales department always ask for things without enough warning, and often they ask for the wrong things" etc.

This is where elements of business change come in.

5. People confuse technology with information

Email is great. You can send information quicker, you can send really big files, there are some very clever features like filtering emails on rules, and everyone has it.

But, faster, bigger, cleverer does not mean better. If the wrong things are being sent, and no-one can ever work out what's been sent to whom months later the system is not good.

It's the information that is the key, not the technology. In fact, with a good information system, people hardly need to send emails at all!

6. "Storing information is enough" Syndrome

Company executives really believe that getting all the company information into one place and having access for all staff is enough. Look at Google...everything's there and anyone can easily find it..."why can't we just do that and worry about the niceties later"?

However, they fail to recognise the difference between finding A LOT OF information and having the RIGHT information in place to support business processes.

If I have to go and fix some signal equipment in the underground, I MUST have the latest copy of the signal drawing for Embankment. When I've done my work, any changes I've made MUST be recorded for the next person. The company MUST know which version of the drawing I used if there's an incident in six months time. This is fundamentally different than finding things on Google.

Therefore, executives must understand the challenges and how Information Systems involves business processes, training, and data cleansing. Information Management projects are not always as easy as they might think and it is strongly advised that you listen to experts.

7. We tried before and failed

Executives are often frustrated by technology. 'We have some very bright people in our IT department but they tried to get an intranet up and running and it was a disaster'.

This is a very common complaint. Again, this is where technology (the domain of the IT department) is confused with information. Information Management is a specialist subject that bridges technology and business. It is very rare for an IT company to be able to deliver serious Information Management projects.

Conclusion

Information Management can offer many benefits; reduced staff costs, better customer service, reduced business risk etc.

However, naivety of the situation often gets in the way of anything being done.

Executives must realise just how serious the situation is and the benefits that can be gained. The software is there to help, and there is best practice and expert advice to draw on.

It might take considerable effort to address and rectify all a company's shortcomings, but a programme of incremental, low cost steps can make a big difference.