

Managing Your Greatest Asset

BY DECK MURRAY



MOST COMPANIES HAVE MADE SIGNIFICANT INVESTMENTS IN KNOWLEDGE AND INFORMATION BUT ARE NOT FULLY LEVERAGING THEM TO MAXIMIZE REVENUES AND PROFITS.

What are your greatest assets? Your brands? Your trademarks? Your patents? Many would say “My people.” In fact, a generally accepted business philosophy says that a company can lose all of its factories, inventory and materials and still rebuild if it can retain its people. But why are the people so important? It is because of the information and knowledge they possess. And that, in all likelihood, is your greatest asset.

Yet your greatest asset might be one of your greatest challenges.

Turn Data Into Dollars

Three factors are at the core of the information management challenge facing most companies.

- *Not Leveraging Current Information Investment* – Most companies buy a lot of data (syndicated data, consumer research, U&A, proprietary studies, etc.). This data is typically purchased for a specific analytic purpose by one functional department which often closely guards access, use and distribution of the information. Today’s business leaders need the right information, in the right hands, in the right form at the right time.

- *Lost Knowledge From Turnover* –

Today’s workforce is increasingly mobile. As people leave, companies risk losing the knowledge, information and insight that these people possess. To minimize the potential loss of these critical assets, companies must develop systems and processes to collect and store key data and information. The creation of an enterprise data warehouse is a critical element in effectively managing and protecting information.

- *High Cost of Current Practices* –

Effective decision making generally entails using data and information from multiple sources (i.e., analyzing promotion effectiveness with shipment volume, syndicated data and promotion spending). The integration of disparate data sources is typically a manual process. This process is generally time consuming with a resultant high activity cost. Companies without the right information management tools have to spend a significant amount of time and money “crunching numbers” to get the insight needed to make good business decisions. This precludes quick decisions and drives up costs.

Knowledge Management

An integrated approach to the collection, creation, storage, organization, processing, retrieval and use of an enterprise’s information assets to support and improve business decisions.

ABOUT THE AUTHOR Deck Murray is a Managing Director in our Trumbull, Connecticut office. Deck works with clients on sales and marketing projects, as well as information/knowledge strategy development and system implementation. Prior to joining Dechert-Hampe, Deck’s career includes Vice President and managerial sales positions with Pantone, Inc., Tambrands, Inc. and Procter & Gamble.

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Most companies do not have a well-conceived strategy for managing information. If these challenges sound familiar, you need to develop an information management strategy and a game plan to more effectively manage your greatest asset and to turn your data into dollars.

The Information Challenge

Today's work is becoming increasingly "knowledge oriented." In order to make decisions, people need to gather, summarize and interpret data and information. Indeed, information has become a critical component for effective business operations. But the wealth of information available grows exponentially each year and the technologies for processing and managing information/data are expanding. Together, the amount of information and the technologies available to access and analyze information make managing business information complex.

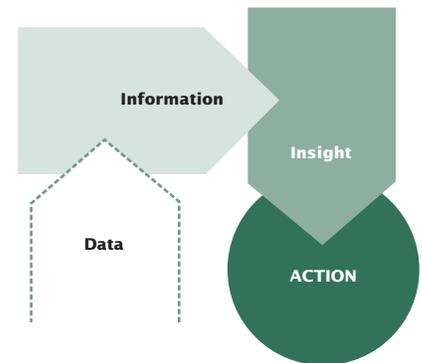
This information-intense environment in which businesses operate today makes it critical for business managers to have ready access to the information they require for good tactical and strategic business decisions. Managers often indicate that the information they need exists, but they generally can't find it, can't access it, can't combine it or can't manipulate it. The information and data that companies capture is often hidden away, scattered throughout an organization or on different systems. For many companies, the first step to solving the information and knowledge challenge is the development of an information management strategy.

Information Management

In order to make effective decisions, managers certainly need information, but they also need knowledge. Information management encompasses not only how to access or find information, but also how to turn data and information from statistics and facts into vital business insight.

Information management often encompasses identifying and mapping intellectual assets within the organization, generating new knowledge for competitive advantage, making vast amounts of corporate information accessible and/or the sharing of best practices. It also generally includes the use of technology that enables all of the above. Information management requires more than just information, data and computers; it is a total system that incorporates people and business processes with information and technology. It includes decision support tools that enable real-time, interactive access, analysis and manipulation of mission-critical information thereby providing users with information, that can be leveraged to gain a competitive advantage. Information management provides users with valuable insight into key operating information to identify business opportunities or problems. Importantly, an effective information management strategy recognizes that information and knowledge are corporate assets, and that processes, policies and tools are needed to manage those assets.

TURNING DATA AND INFORMATION INTO INSIGHT AND ACTION



Turn Data Into Insight and Action

All companies already have data and information available on their products and/or services. In fact, most companies have more data and information than they can effectively leverage. This does not diminish the importance of data and information since they are generally considered the foundational building blocks needed to make good business decisions. However, a key challenge facing business today is in turning that data and information into insight and action.

A DHC project entailed helping a client create a tool that integrated diverse data to create key account scorecards across 30+ key sales pressure points. The tool enabled senior management to get real-time answers at their desktops, eliminating the prior need to contact various personnel and manually integrate data. Review time was cut from weeks to minutes!

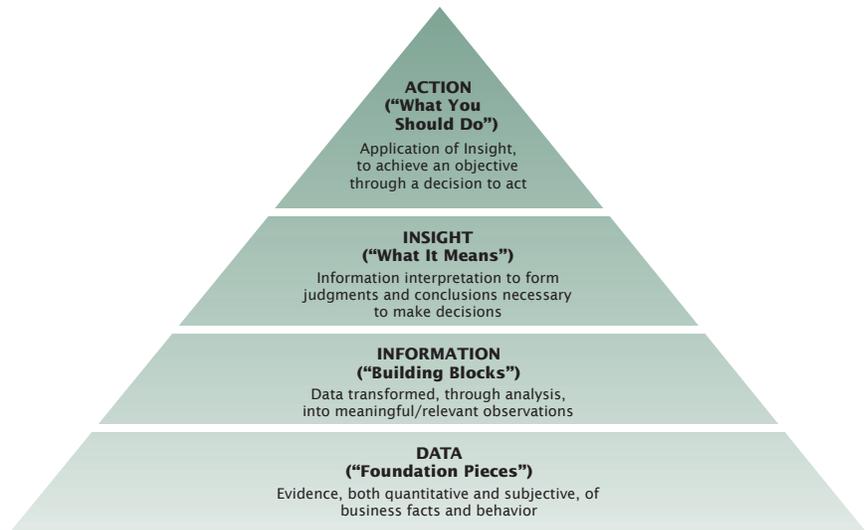
It is becoming increasingly important for business leaders to move from asking, “What do we know?” to asking, “What do we do?” This process involves the progression of turning data into information, information into insight and ultimately insight into action. Data generally encompasses the basic facts (both quantitative and qualitative) about a company’s products, services, customers and consumers. Information, on the other hand, typically comprises transforming the data through analysis, into meaningful and usable observations. Businesses must then interpret this information to form the judgments and conclusions necessary to make decisions. Finally, businesses must apply the information to attain their goals and objectives.

As companies look to transform their data and information into insight and action, they must first fully understand the potential scope of an information management initiative. Typically companies address four key areas:

Information and Data

- What do you already have and need to keep; what do you have, but do not use?
- What additional data do you need that is not currently available?
- Where does your information/data come from?
- What functional group(s) is/are responsible for managing/owning the data?
- How is your information/data gathered, delivered, retrieved today?

TRANSFORMATION HIERARCHY



Technology and Architecture

- What systems, tools and applications are currently used?
- What systems, tools and applications are available to enhance the action-ability of data access, manipulation and ad hoc analyses?
- Are you able to integrate data across various sources, business units and/or geographies?
- Have you conducted an assessment of hardware and software inventory compatibility across all business partners (internal, vendors, suppliers)?
- Have you reviewed your network including worldwide architecture, security and remote access?

Organization

- Have you determined the potential organization synergies from an integrated data/information management approach (both within and across business units, as well as across geographies)?
- Have you reviewed your current organization structure and considered potential alternate structures including roles/responsibilities and data ownership/management?
- Have you conducted a skills assessment (current skill set and skills needed)?
- Have you investigated short-term and ongoing training needs?

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Decision Support Tools

- Have you reviewed current outputs, reports and analyses as well as additional ones you may need?
- Have you reviewed your current and potential output tools and the need for integration with internal data?

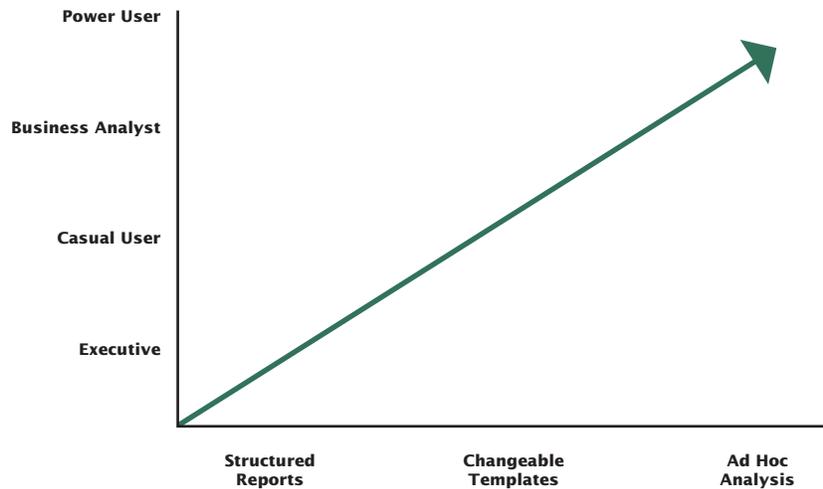
New Tools/New Processes

Managers are often being asked to make decisions faster and to utilize more information as the basis for their decisions. Speed often undermines the ability to make good decisions and the growing volume of data and the complexity of analysis is resulting in decision making becoming more difficult, not less. To help managers in this environment, businesses need to look for process and technology improvements to garner the power of information management. Businesses can no longer rely on the memories of their people to unlock the power of their information. Rather, businesses need to review and assess the tools that can assist in managing company information, including:

- Databases that integrate disparate data sources (i.e., combining shipments, syndicated data, trade spending, general ledger data and manufacturing costs to determine customer profitability).
- Intranets and extranets that enable employees and suppliers to access and share relevant data and information on a real-time basis.

OTHER CONSIDERATIONS

Well-designed market intelligence systems and strategies must be able to handle both "depth of analysis" as well as "ease of use." When considering the development of a market intelligence system, companies need to establish a strategy to provide data, reports and/or information to users based on their needs and skill level.



- Technology tools including data warehouses, Decision Support System (DSS) tools, marketing encyclopedias, knowledge management software, OLAP (On-line Analytic Processing) tools, sales reporting/analysis/drill-down programs, artificial intelligence, etc.

Businesses can no longer rely on old processes to facilitate the development of business insight (central file systems, files stored primarily on individual user's hard drives, cross-functional meetings to share ideas, etc.). Conducting an information inventory or acquiring the right information/data will not necessarily result in successfully managing information. Nor will installing hardware, software and databases automatically result in a successful system. To be successful, the business processes necessary to implement and

maintain an information management strategy and system must also be addressed. Key business processes that must be addressed include:

- How or where will data and information be accessed (HQ, field, broker, international)?
- Who will have access to what data?
- How will revisions to access be made?
- Who will/should be involved in information management/analysis?
- How are/will analyses be conducted?
- How will information/data be turned into actionable market intelligence?
- How will standard reports/templates be developed/revised?
- How will information be acquired and delivered?

- How often will it be updated?
- Who will maintain this information?
- How will cultural issues be addressed to support an information management system/process?
- What will the human resource/personnel requirements be (initial, ongoing)?

Gaining A Competitive Advantage

Most executives would agree that information can lead to a marketplace advantage. Leveraging information can help a company capture new markets, generate new ideas, improve speed to market, enable companies to check on the pulse of the business and create a sustainable competitive advantage.

An effective information management strategy and system can make managers more self-sufficient and productive by unlocking key data and turning it into usable knowledge/insight. A strong information management strategy and system can facilitate the external, customer/consumer-centric focus required to compete in today's marketplace. Information management can improve business decisions by allowing for multi-dimensional evaluations and multiple scenario considerations.

An information management strategy and system can also help organize ideas for clarity, offer a holistic, big-picture view of the business and provide the insight a company needs to inspire confidence in decisions and actions. In effect, an information management strategy and system can improve decision making and empower managers to uncover opportunities in time to act.

Meeting Challenges Through Information Management

The data and knowledge explosion has resulted in a number of challenges that business leaders must face. The wealth of information available (both from internal sources and from the Internet) can overwhelm managers. Sifting through this data requires a focused approach to making good business decisions. Unfortunately, inaccurate data/information can, in all likelihood, lead to the wrong conclusions and poor decisions. And while tools and systems can be utilized to help in the analysis process, excessively complex tools or databases will be misused or under utilized.

What does the future hold? As businesses continue to consolidate, customers and suppliers will become larger and more sophisticated. Data, information and knowledge will continue to explode as new products are introduced and store-level data emerges. The key? Managing information and establishing an effective information management strategy and system will become critically important to today's businesses. If your company does not have, or is not working on an information management strategy and system, now is the time to start. **V**

"Managing Your Greatest Asset" originally appeared in Viewpoint Issue 11, "Optimizing the Trading Partner Relationship."

Knowledge/Information Management - Best Practices

Oil exploration is complex and costly with more failures than successes. A major oil company has addressed this situation by developing a proprietary, dynamic, on-line, shared database of best practices relative to both exploration and drilling. Employees worldwide contribute their findings, knowledge and processes to build on past information, enabling anyone with a current challenge to find out how it might have been successfully addressed in the past. As the company gains knowledge and insight, this information is added to the database.

While oil is not CPG, this global approach could be incorporated into an Information Management strategy to create a Global Account Management knowledge bank that would help today's sales teams better manage the emerging, global key accounts.