



# Managing Records and Information as a Business Asset

22<sup>nd</sup> May 2015  
Public Record Office Victoria  
Melbourne

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Q: How often do Records Managers get to present to the CEO?

A: **Never**

Why? Because senior management doesn't care about records  
They're sick of hearing about compliance  
It's boring

So what? No management understanding  
No support  
No resources

However: They do care about assets.  
And current trends are forcing them to begin caring about information

So: The time is right



*“Our technology has improved to the point where I can now receive crap at the speed of light.”*

CEO, Health, USA

*Q: “If you managed your Financial Assets the same way you manage your Information Assets, what would your organisation look like?”*

*A: “We’d be broke in a week.”*

Executive, Oil and Gas, Australia

*“To be honest, I don’t really know much about this area and therefore don’t really think I can assist you.”*

Chair, Financial Institution, Australia



## Agenda

Introduction and objective

What are Information Assets?

Why are Information Assets important?

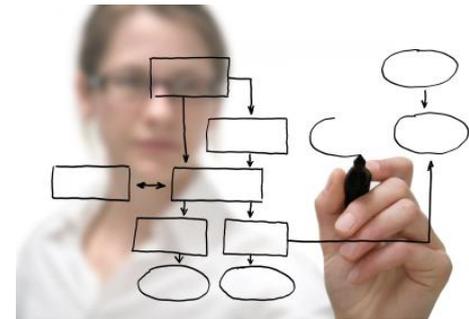
How are Information Assets managed?

Why does it matter?

Current trends and implications

Experience Matters' research

What is required?



## Introduction and objective

### Objective:

- To impart as much pragmatic information and experience as possible
- To challenge conventional thinking about data, information and knowledge
  - Management's real job is to deploy resources. Business performance is a lag indicator
  - Data, information and knowledge constitute a critical resource, not an administrative overhead
  - There is no such thing as a CIO
- To give you the ammunition you need to get resources you want

### What others are saying:

Gartner:

*"...your work is tremendous...your research is ground-breaking"*

*"Fascinating and awesome! When I write/speak about the info yield curve or other Infonomics topics I'd love to cite this. Many congrats on the great work."*

Mike Orzen & Associates, winner of the Shingo Prize for Operational Excellence:

*"...you are doing great work"*



## What are Information Assets?

**Information Assets are those intangible resources deployed to deliver services**

- They are distinct from financial, human and physical assets / resources
- They include
  - all data, documents including records, content and knowledge
  - all media – paper, digital, film, head-space
  - all formats – spreadsheets, email, drawings
- They exclude
  - computer hardware and software – physical assets
  - outputs of the process – brand awareness, relationships, goodwill



## Why are Information Assets important?



Every organisation exists to produce a product(s) and/or service(s) to deliver value to its clients

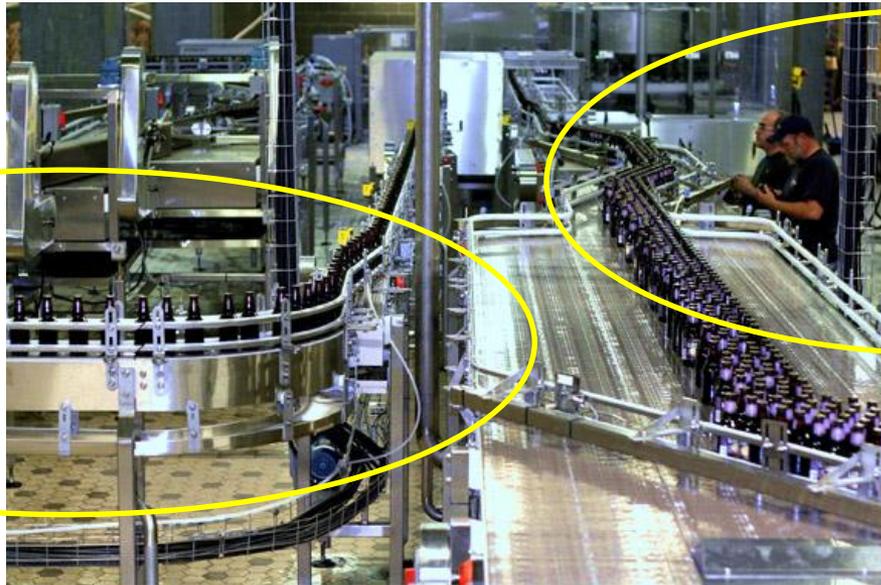


## Why are Information Assets important?



Financial Resources

Physical Resources  
Infrastructure  
ICT



Human Resources



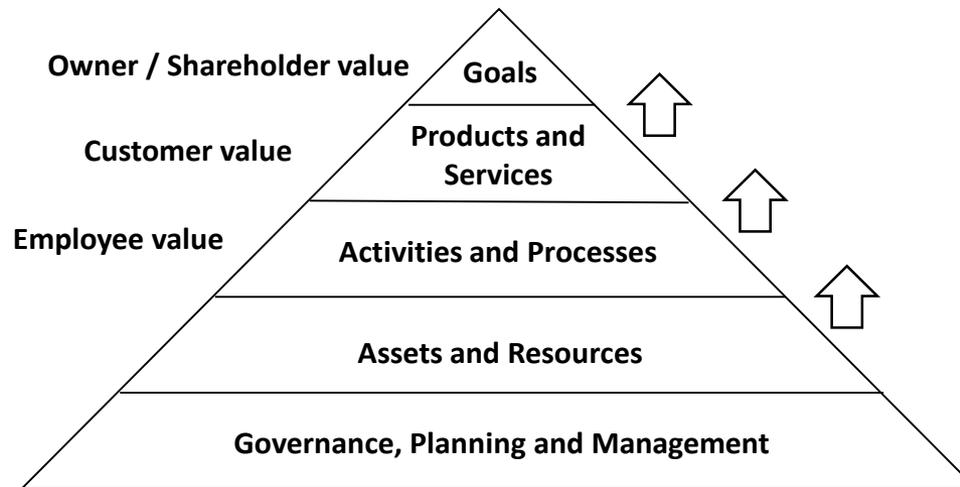
Data, information and knowledge

Which are the Government's principal resources?



## Why are Information Assets important?

Products and services are the result of deploying valuable resources in the activities and processes of production and delivery



Value is created at multiple levels for multiple stakeholders through the judicious deployment of the organisation's resources



## Why are Information Assets important?

All organisations strive to improve and be successful. How?



By delivering the product and services that  
create the most value for the customer  
whilst consuming the least resources

The job of management is to deploy those resources  
as efficiently and as effectively as possible



## Why are Information Assets important?

Data, information and knowledge constitute 1 of only 4 assets / resources deployed  
It is 1 of only 4 levers available to management



Information is the lifeblood of every business activity and process

Unlike the other assets, information is irreplaceable



## Why are Information Assets important?



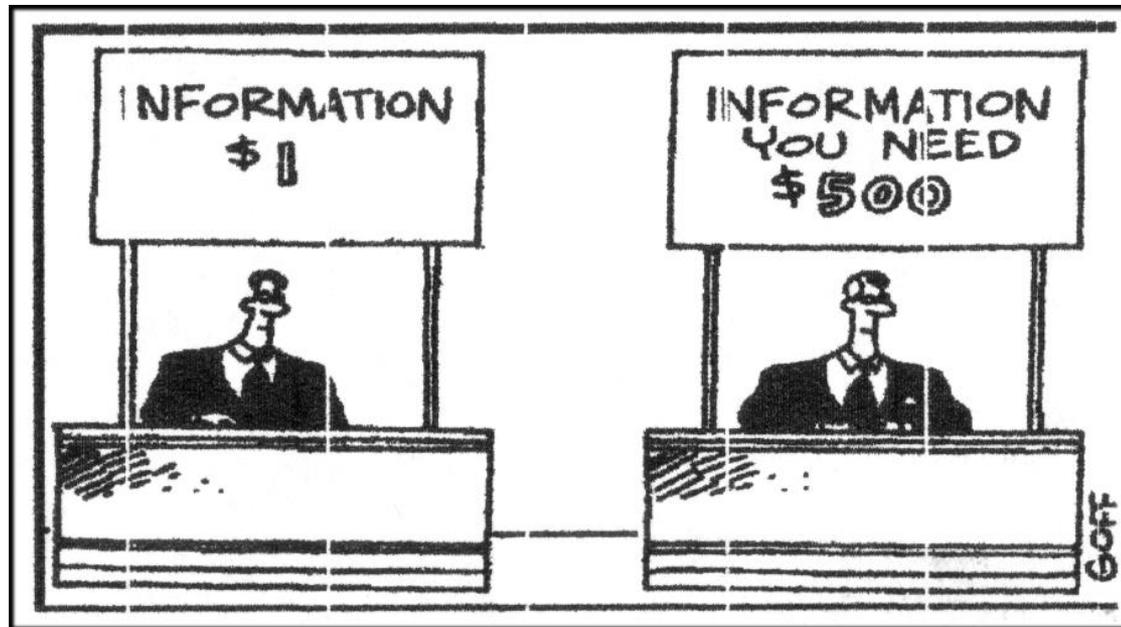
Effective deployment of assets, particularly Information Assets, should:

- internally / for staff
  - drive faster processes
  - facilitate better decisions
  - improve staff satisfaction
- externally / to clients
  - improve services
  - provide new services
  - reduce price
  - enable faster delivery
- for the organisation
  - improve service delivery
  - reduce costs
  - increase productivity
  - provide competitive advantage
  - mitigate risk
  - improve compliance



## How are Information Assets managed?

In the past, we could find information



**Why can't we do it today?**



## How are Information Assets managed?

Asset / Resource	Accountability	Framework	Tools	Authority
<b>Financial</b>	CFO	Chart of Accounts	Balance Sheet Income Statement	Delegation
<b>Human</b>	Director HR	Organisation Chart	Roles & Responsibilities KPIs	Line Management
<b>Physical</b>	Property Manager Site Manager IT Manager	Asset Register	Maintenance and Improvement Programme	Delegation
<b>Information</b>	True CIO?	BCS	Metadata model Security model Retention Schedule	<b>Everyone!</b>

Information Assets are managed badly. **Why have we abdicated?**



## Why does it matter?

### Compliance

- *Mining company:* Compromised because the ATO could find a document that the mining company couldn't
- *Mining company:* Shovelanna tenement renewal late, requiring Ministerial intervention and court decision.

### Business Continuity

- *Oil and Gas company:* Plant repairs reverse engineered because as built drawings could not be found

### Security and Access

- *Defence company:* IT viewed as the organisation's single greatest business inhibitor

### Discovery

- *Mining company:* Acquisition included 80,000 boxes of documentation including a pair of working boots and half a cup of coffee



## Why does it matter?

### Discovery (continued)

- *Oil and Gas company:* Could not find insurance documentation covering a \$100,000,000 accident
- *Energy company:* \$400,000,000 development call

### Safety

- *Energy company:* Whereabouts of 11,000 volt cable unknown

### Cost

- *State Government:* Inability to defend an \$18 million action
- *Oil and Gas company:* Seismic drawings worth \$6,000,000 each accidentally destroyed
- *Oil and Gas company:* Inability to provide drawings, documents, wiring diagrams, plant dossiers etc. incurs a surcharge of between 10% and 25% in offshore construction contracts



## Why does it matter?

### Lost revenue

- *Insurance company:* Approximately 1,000,000 boxes in storage. Contents of 20,000 boxes unknown and \$1,500,000 revenue untapped because lost claims have not been processed
- *Consulting engineering firm:* Saving 5 minutes per person per day would achieve a \$2.5 million per year productivity and revenue improvement.
- *Legal firm:* 70% of 150 fee earners could bill an extra 30 minutes per day; 20% could bill more than an hour per day

### Lost productivity

- *Mining company:* Business and mining professionals and managers spend 15 hours per month in avoidable filing, distributing and searching for lost documents costing \$24,296,250 per year.



## Why does it matter?

### Costs saved

- *Oil and gas company:* Reducing hard copy storage by 52% saved space worth \$1,827,000 per year now used for break-out, meeting and collaboration spaces and more effective work spaces and storage.
- *Local council:* Reduced document storage costs by 73% and reduced business risk by rationalising storage providers.
- *Exploration and production company:* Believes improved access to documents will enable better defence of insurance claims, reducing annual premiums by \$150,000 per year.



## Why does it matter?

### Credibility enjoyed

- *Government department:* The world's largest multi-campus clinical information system was installed in eight major hospitals. Communication strategies and plans were developed and implemented. Post implementation, 3 CEOs, independently and unsolicited, declared the project a success because each stakeholder group understood what was in it for them:
  - Chief executives understood their risk profile and the bottom line,
  - Doctors understood their daily lives at the bedside,
  - Nurses' union understood their members' working conditions,
  - The Minister knew how it was going to affect him politically.

Due to the perceived value of the initiative to public health, the project's budget increased from \$94 million to \$110 million.



## Why does it matter?

### Productivity gained

- *Winery*: 34 person winery, part of a global operation applied continuous improvement principles to its information management. They implemented;
  - a cursory but workable enterprise architecture,
  - a folder structure that, matching the architecture, was intuitive to staff,
  - naming conventions for documents, and
  - email guidelines.

#### Results:

- “This is fantastic. We can find stuff.” Winery operations staff.
  - Network monitoring to reward good behaviour.
  - \$91,000 of productive activity in 3 months by 34 staff = \$10,800 / p / year.
- *Government owned corporation*: Information was difficult to find, and information requests including FOIs and Ministerials would take many hours, sometimes days to fulfil. The firm implemented a properly planned EDRMS. Requests for information now take only hours and the CFO can respond in minutes.



## Why does it matter?

Experience Matters' research suggests that, on average, the potential benefits from improving information management practices are up to **\$20,000 per employee per year**. Reconciliation with global research indicates that this figure is slightly conservative. Anecdotal evidence suggests that it is highly conservative.

### Working Level Benefits

- Reduced time looking for documents
- Less time spent in unproductive activities
- Reduced error rates
- Less rework
- Reduced accidental destruction
- Improved version control
- Improved office space utilisation
- Less time required to induct new employees

### Enterprise Level Benefits

- Increased productivity and improved service delivery
- Reduced cost of operation
- Increased confidence in decision making
- Risk mitigation / reduction
- Increased ability to initiate or defend litigation
- Improved compliance
- More agile operation



## Current trends and implications



Information management is seen as the job of IT



## Current trends and implications



Information management is seen as the job of IT

Should it be?



## Current trends and implications



Information management is seen as the job of IT

IT is seen as expensive

IT is seen as slow

There are countless IT failures



Current trends and implications



IT is becoming a utility



Will the IT Department survive?

If information is so important, who will be responsible?



## Current trends and implications



Information management is seen as the job of IT

Critical information is contextual

Information Management requires judgement

Software alone cannot do the job



## Experience Matters' research – The driver

We have substantial anecdotal evidence that executives just don't care. They;

- don't know about Information Assets,
- aren't asked about Information Assets;
- don't know how to manage Information Assets,
- can't cost or value or measure the benefits from managing Information Assets,
- have other priorities.

The problem isn't perceived to be big enough. We need:

- Empirical evidence of how managing Information Assets affects business performance
- Academic, media and business recognition



## Experience Matters' research - Overview

### 6 stages

- Literature review, The problem, The cause, Validation, The benefits, Methodology

### Principles

- Academic integrity, uniqueness and relevance

### 3 continents

- Australia, South Africa, United States

### 8 organisations

- EM, University of South Australia, Universities of Lethbridge, Western Cape, South Carolina and Texas Woman's, Mike Orzen & Associates and Gartner

### Participants

- Mostly C-Level and above
- Bell Helicopter, Boeing, EDS, HP, Lowes, NAB, Sanlam, Wells Fargo etc.



## Experience Matters' research - Participants

Title	Industry	Country
<b>Data Management Lead</b>	Banking	Australia
<b>CFO</b>	GOC Banking	Australia
<b>CFO</b>	Utilities (Rail)	Australia
<b>CKO</b>	Utilities (Pipelines)	Australia
<b>Managing Partner</b>	Services (Legal)	Australia
<b>CFO</b>	Services (Automotive)	Australia
<b>CEO</b>	Services (HR)	Australia
<b>CEO</b>	Manufacturing (Process)	Australia
<b>CKO</b>	Government (State)	Australia
<b>CFO</b>	Credit Union	Australia
<b>Director</b>	Credit Union	Australia
<b>CFO</b>	Credit Union	Australia
<b>CFO</b>	Resources (Oil and Gas)	Australia
<b>CIO</b>	Insurance	South Africa
<b>CIO</b>	Insurance	South Africa
<b>CEO</b>	ICT	South Africa
<b>CIO</b>	Government (Local)	South Africa

Title	Industry	Country
<b>CIO</b>	Government (State)	USA
<b>Division Manager</b>	Government (Local)	USA
<b>CIO</b>	Government (State)	USA
<b>CIO</b>	Tourism	USA
<b>CIO</b>	Education	USA
<b>CEO</b>	ICT	USA
<b>Director</b>	Defence / Aerospace	USA
<b>Director</b>	Telecommunications	USA
<b>Fellow</b>	ICT	USA
<b>Director</b>	ICT	USA
<b>CEO</b>	ICT	USA
<b>Director</b>	Government (County Health)	USA
<b>CIO</b>	Transport and Logistics	USA
<b>CIO</b>	Defence / Aerospace	USA
<b>Senior Manager</b>	Retail	USA
<b>Senior Vice President</b>	Banking	USA
<b>CIO</b>	Manufacturing (Batch)	USA



## Experience Matters' research – Findings overview

### LEADERSHIP & MANAGEMENT

- Lack of executive support
- Mistakes not tolerated
- Manager workarounds
- IM practices neither rewarded nor punished
- No IM Vision
- IT seen as a panacea and IM is ignored
- Information not managed as an enterprise asset
- Resistance to change

### LACK OF AWARENESS

- Problem is not recognised
- No formal education
- No on-the-job training
- Organisation immaturity

### GOVERNANCE

- Lack of accountability
- Lack of responsibility
- Level of key person
- No Board understanding
- CIO has a technical focus
- Lack of measurement

### ENABLING SYSTEMS & PRACTICES

- Language imprecise
- Accounting practices
- Technology shortcomings
- Poor IT reputation

### JUSTIFICATION

- Lack of a catalyst including crises, business changes and compliance
- Compliance and risk are burdensome
- Other priorities prevail
- Cost, value and benefit of Information Assets unknown
- The value of information is contextual
- Benefits are intangible, intertwined and difficult to crystallise
- Process view
- Inefficiency is rewarded
- IM is not interesting



## Experience Matters' research – Findings

### Lack of executive awareness

- There is little, if any, formal education in Information Management
- Executives have neither the time for, nor the interest, in on-the-job training
- The result is very few executives comprehend Information Management. The Chair of a financial institution declined to be interviewed because she “doesn’t understand it”

*“I'm not sure, in my own mind even, that there is a problem to solve. A problem to solve implies that there's downside based on the way that you're working now, and the problem in justifying this whole thing is that it's probably more about trying to create an intangible upside from the way you are now. So downside prevention business cases are probably quite easy to justify -how we're losing so much money because this is not working, so let's fix it.”*

*“It [Information Management] is not yet a recognised discipline. People confuse it with information technology, which is not information management.”*



## Experience Matters' research – Findings

### **Lack of business governance**

- Lack of accountability. We have never met a true Chief Information Officer
- Lack of responsibility. Discussions about IM roles are rarely had
- Measurement at corporate and individual levels is lacking

*“There was nobody that would take ownership.”*

*“We haven't appointed somebody in a chief information or chief knowledge officer position, because of cost [...]. It's a pretty rudimentary view - a very tactical view given the apparent value I've placed on information. It's something we should do. How do I make an excuse for not doing that - it doesn't seem sensible does it?”*

*“From my perspective as a director you just don't see that, unless something goes wrong ... it's not on the radar. It's not considered to be a big enough risk. Is there a better way of doing it, whatever? But it's just not on the agenda.”*



## Experience Matters' research – Findings

### Leadership and Management

- Information Assets are unknown
- Vision of IM future is nebulous
- Rising IM pain is insidious (boiling frog)
- IM is seen as the domain of IT
- IT is seen as a cost centre, not a business enabler
- Poor IT credibility in complexity, lethargy, business engagement, project failure, data quality, decision support, siloed systems, workarounds and technical focus
- Culture doesn't value information or enable initiatives

*“We're still not comfortable about the support from the top. There are a lot of good words spoken. A challenge we have at the moment is trying to make sure that at the top they're actually putting the money where their mouth is. It's not because they don't want to or that they don't believe it, there are so many competing priorities.”*



## Experience Matters' research – Findings

### Leadership and Management

*"It's, in my mind, it's definitely culture, it is. If there is a culture of learning and mistakes are good, because that's how we learn things, this kind of information is seen as beautiful fertilizer. But if there's this culture of prosecution and that if I'm wrong it's going to be off with my head."*

*"We've got buckets of information everywhere. We've got Access databases all over the place."*

*"The skill that gets you to the top of the public sector, in the absence of good information, has been the skill to manage perception. So how can I spin it and create an illusion or perception that things are good."*

*"I really did not understand why there would be so much resistance. I didn't expect it. I didn't expect the level of fear. It was extraordinary."*



## Experience Matters' research – Findings

### Justification

- Cost of managing data, information and knowledge is unknown
- Value is unknown or contextual, crystallised sale of business only
- Benefits are unknown, intangible, intertwined and difficult to crystallise
- Business performance is adequate or there is no burning platform
- Business risk inadequate, management burden, compliance not required
- Personal interest is insufficient, the topic is boring

*“So information management, we can do without that really. That's not a priority. How's that going to save someone's life? “*

*“At the moment, spending \$500,000 on getting our information and records right is not what they see as value-adding to the business. They just see it as a cost. Okay, it might make people's day better, but hey, they're not moaning about it. It's not stopping our business from running. Our business is still running. Therefore, why should we do it?”*

*“Everybody in business understands they don't manage their information assets well, but they don't know what the benefit is by actually managing them a lot better.”*



## Experience Matters' research – Findings

### Tools and Systems

- Language is imprecise
- Software is seen as a panacea
- Tools not understood – business activity maps, classification schemes, information maps

*“So not only outside of the organisation but even within the organisation trying to get everybody to talk the same language in terms of data governance and data management technique, which is why it took 18 months to get our policy together in the first place.”*

*“If the accounting systems don't create an ability to value Information Assets, then businesses won't.”*

*“When anyone was looking to learn from work that we had done on a project in another studio, information was quite difficult to find... There needs to be a disciplined approach to dealing with information, such as naming documents properly so people will be able to find them.”*



## What is required?

1. Executive understanding of all aspects of managing information as a business asset, effective business governance and associated organisation culture
2. Critical information supporting the activities and needs of the business
3. Focus on the entire information management process, not simplistically installing software or, worse, going to The Cloud because it's cheap
4. Relentless drive for business benefit



## Call to Action

Next steps:

Determine how well information is being managed in the organisation and what it means for the business. Do:

1. Information Management Health Check
2. Business Impact Assessment

The results are most often **surprisingly good**



## Questions

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