Managing Business Information in a New Economy

March 23

2009

Current economic pressures and regulatory trends will force businesses to evolve resulting in a different type of workplace in the future. The new operating environment will create both opportunities and obstacles for today's businesses. Successful business leaders will be the trend setters or early adopters of the new operating culture. How businesses protect, control, and deliver information to stakeholders will determine their success.

Preparing for a Distributed Workforce and Increased Government Oversight

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Introduction

All businesses, no matter their size, have some very basic information management requirements. As information management requirements have evolved, so have the solutions available to the marketplace. So much so in fact, that your average business owner or non-IT executive has very little idea of what he or she can or should accomplish with his or her limited IT budget. The overwhelming variety of options available is simply endless. Many would be purchasers have become accustomed to their home grown solutions and are reluctant to change because they are paralyzed by their options.

Current economic conditions are challenging businesses as well. Unfortunately, tight capital markets and a more demanding sales environment have made managers more defensive and taken their focus off of growth. Smart managers are spending a greater percentage of their time thinking about the changes to come as the global economy begins to recover. Now is the time to prepare for the next "New Economy."

Questions that all business managers should be asking themselves right now include:

1. How do I deliver critical business information to important clients and stakeholders today? How will this need to change going forward?
2. How am I protecting my business information and critical documents? How will this need to change going forward?
3. How am I controlling access to my information? How will this need to change going forward?
4. How do I collaborate with my employees and vendors? How will this need to change going forward?

In the end, the most important question is the follow up question: "How will this need to change going forward?" Most managers understand that in order to be successful they need to be working today on initiatives that will not affect their business for another six months or so. The challenge with the current economy is that it is forcing managers to "look down" instead of "look ahead." This conservative stance will hurt many businesses later on when they are suddenly presented with a new and more dynamic competitive environment.

Planning today in order to account for the new economy is paramount. So what will the new economy look like?

The "Next" New Economy

It seems like there is a "new" economy every ten years or so. Current economic pressures will force businesses to evolve again resulting in a different type of workplace in the future. The new operating environment will create both opportunities and obstacles for today's businesses. Successful business leaders will be the trend setters or early adopters of the new operating culture. So what is the new operating culture and how will it come about?

The new operating culture will be distinguished by a number of key characteristics affecting how businesses work. Certain industries will evolve drastically and those companies that conduct business with them will have to evolve as well in order to survive. This "trickle down" evolution will have a deep impact on all businesses that seem insulated from today's turmoil. Key characteristics of the next new economy will include the following:

Increased Government Oversight

Anyone who has been paying attention will be aware that there are bold changes afoot in the way government relates to industry. Whether you approve of the changes or not does not really matter. The changes will affect all businesses either way. Those who do not recognize this will be left behind.

Increased government oversight will take many forms. In some cases it will require businesses to maintain higher standards of transparency. This is especially true of banks and insurance companies. In order for these institutions to satisfy their new requirements, they will be forced to impose new requirements on their customers. So any business that insures itself or its key employees or that borrows money in any form will be affected by these changes directly.

Government oversight may also take the form of increased regulation. In the past, legislation that impacted corporate America generally provided guidelines for behavior and was aimed principally at protecting consumers or maintaining fair trade practices. This paradigm has begun to shift to the government dictating how businesses must operate. This will certainly be true of financial institutions that have accepted TARP money or other government assistance. Because these institutions include some of the nation's largest, the government will begin to make demands of its customers to maintain control over policy implementation and protect taxpayers. We've already started to see the government (rightly or wrongly) starting to determine executive pay. This will certainly trickle down to other industries directly or indirectly and will impact competitiveness.

Additionally, a trend that can be clearly seen in today's headlines is government involvement in the boardroom. It is highly likely that new laws will be passed that hold corporate boards directly responsible for what could be perceived as taking unnecessary risks. Maintaining a consistent track record of all decisions and how they were arrived at will be paramount to limiting this risk.

Protecting personal data will also most likely remain center stage. Already, many states have enacted rules and regulations that require industries that deal with personal data to perform their duties in specific ways. An example would be the impending changes in the accounting industry that require all documents with personal information to be encrypted or otherwise protected by 2010. This will in many cases, especially with smaller firms, require a change in workflow or an investment in technology in order to comply. Many firms simply don't have the knowledge or skills to implement the right kind of plan for their business to stay in compliance.

Businesses need to be prepared to operate in this more challenging environment. Those businesses that are successful will have solid plans for the following:

- o Protecting client information, personal or otherwise.
- o Maintaining a detailed corporate library of key internal documents and any changes over time
- o Implementing transparent corporate governance protocols

Managing a Distributed Workforce

As the economy begins to recover one thing will be for certain; companies will be operating leaner than they have in a long time. One of the fortunate by products of a down economy is improved productivity and higher revenue per worker. It will take a while before companies willingly go back to the excesses of the past, and that includes hiring. So what does this mean exactly?

Most notably, this means that companies will rely more and more on a distributed workforce. The past decade and the maturation of the internet economy have created a whole new kind of infrastructure that enables workers to complete even complex tasks remotely. More importantly, a corporate culture that has generally embraced outsourcing (offshore or onshore) when combined with inexpensive technologies will result in a greater use of contractors and home workers as companies begin to grow again. In this way intelligent businesses can manage their growth while keeping costs to a minimum, thereby improving margins. If even one business in an industry maintains this kind of lean stance going forward, the rest of the industry must follow suit or be left behind for they will not be able to compete effectively on price.

Businesses of the new economy must find ways to embrace a distributed workforce in order to compete. This will require innovative use of existing technologies. Basic rules for businesses include the following:

- o Implement a virtual network to maintain transparency and maintain a tiered management structure even with remote workers.
- o Maintain tight control over corporate information and ensure key information is easily accessible.
- o Control access to sensitive information.
- o Manage shared calendars and task assignments to effectively coordinate team activities and avoid inefficiencies that can appear with remote workers.
- o Back up critical business information in a manner that is not dependent on human intervention. It is especially important to protect data that may be stored on remote infrastructure, such as laptops.

The Death of Email as a Workflow Application

Everyone loves email. At some level it has removed some of the personality of a workforce. That can't be denied. But in the end it has been an extremely useful communication tool that has done much to

improve worker productivity. Unfortunately, the nature of email has also caused it to be abused by even the most thoughtful workforces.

Because email is essentially a chronologically organized set of messages, many workers use email as a workflow tool. One worker can simply assign a task via email with the knowledge that the responsibility for that task has been successfully transferred. The problem is that there can be no work tracking with an email system serving as the backbone of a work distribution platform. There is no command and control and there is no way to know exactly when a unit of work was completed, creating inefficiencies.

Collaboration tools of today do a much better job of managing work that needs to be spread across distributed teams. A good collaboration tool can be more of a workforce automation solution and will utilize email as a notification device only, which is how it was intended. The management and tracking of units of work can be accomplished using the features of the more collaborative tools. With the onset of a more distributed workforce and increased government oversight, this type of command and control will be required to effectively mitigate business risk.

A solution to replace email as a workflow engine should include a variety of attributes. These include:

- o Blending task management and assignment with email notifications.
- o The creation of virtual teams to manage work functions or specific projects.
- o The inclusion of calendaring features that can be integrated with desktop applications to coordinate project activities with other daily scheduling needs.
- o Broadcast notifications that can be linked directly to specific initiatives so they do not get lost in an email queue.

Larger Firms Looking for Mid Market Solutions to Save Money

One effective sales strategy of the past has been to focus sales efforts exclusively on top tier businesses, such as those included in the Fortune 1000. This has always made sense because they had large budgets and a single sale could support a large workforce leaving plenty of room for healthy margins. Selling to smaller companies on the other hand can result in a higher cost of sales, more expensive training and support functions and thinner margins. This is all about to change.

Larger companies will no longer be in a position to purchase expensive "enterprise" applications simply because their budgets will not allow it. These companies will begin to look at less expensive solutions aimed at the mid-market and even smaller businesses to satisfy their requirements at the department or even the team level. This will provide their workers with most of the advantages of the enterprise wide systems without the need to create specialists in their company (thereby marrying their workforce to a specific vendor) and keeping costs way down. The advent of "cloud computing" has also changed the rules of implementation and lowered the barriers to entry for many smaller competitors providing additional options to all businesses.

This will mean that smaller vendors will move up the food chain in many markets. These more nimble providers will be able to quickly adapt their products to the specific requirements of a large client. The approach of enterprise solution providers has been to build out features for all companies and then enforce certain operating protocols on their clients. This has artificially inflated costs as huge implementation budgets have been required to bring in applications that are intended to increase productivity and save money.

The Four Cornerstones of Business Information Strategy

Going forward, all businesses will need to ensure that they adequately account for each of the "four cornerstones" of business information management in their planning and strategy. By building a strategy that satisfies these broad business requirements, a company will be effectively managing business information while also mitigating risk and controlling internal costs. These cornerstones include: protecting business information; delivering data and documents in a secure manner; collaborating with a distributed workforce

and client base; and controlling access to critical business information.
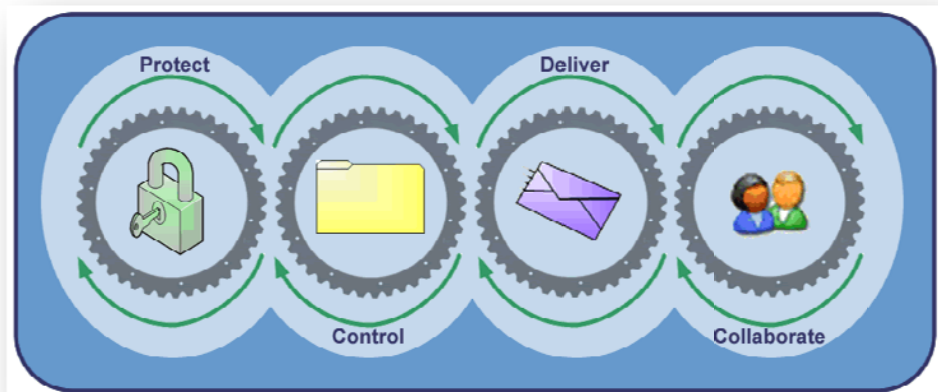
Protect Business Information

Protecting business information can take many forms. One of the most critical forms of protection that is often overlooked by small and medium sized businesses is "business continuity." Business continuity can be as simple as making sure workers always have access to key documents and data files. Sound practices will include keeping copies in a secure offsite location. Often overlooked as well is the need to take humans out of the mix. People often have the best intentions when it comes to backing up data files but have the worse habits. The result is the potential loss of months or years of information because an individual did not take the time to manually save files to an external drive or move them to a central file server regularly.

Protecting information can also take the form of a "corporate library." Our public libraries are the keepers of information in our society. The sheer number of companies that don't have a solid,

chronologically managed corporate record of their activities is astounding. This type of corporate library will serve as a collective corporate memory since employees come and go. The libraries' existence can ensure an easy transition to new management teams from the executive to the departmental level. Corporate libraries must have robust search and retrieval mechanisms and should be easily accessible from remote locations.

Delivering Data and Documents Securely

The need to deliver corporate information in a secure manner has always been important, but it is becoming a legal necessity in many industries. This is especially true in those industries where the management of personal data is involved. The ability to create secure sites on-the-fly so that workers can deliver information securely when they need to is paramount. More importantly, the ability to seamlessly create a virtual work environment that includes different types of people (employees, supervisors, clients, vendors, etc.) will increase command and control through improved transparency while keeping infrastructure costs under control.

Collaborate with a Distributed Workforce

The social networking phenomenon has turned the way businesses market themselves to the public upside down. As social networks such as Facebook have become more popular, businesses see these open networks as channel opportunities to build their brands and sell their products. This networking practice can be easily applied to business applications outside of the marketing departments as well.

Unlike typical "open" social networks, a "closed" business network will apply the same technology to a more limited group of users in a more targeted way. In other words, businesses can create a social network in order to interact for a purpose other than networking. This takes collaboration to the next level. There are many collaboration tools today that will support document sharing or task management. But very few that allow a user group to create a closed network designed specifically to move a business initiative forward. Project management software comes closest in that they all have robust task management, the ability to link documents to project initiatives, calendaring, etc. However, all the features are really designed for IT project managers, resource managers or for building reports for stakeholders. These are not truly collaborative systems in the way that a closed social network could be for business.

Key features of a closed social network would include: calendaring functions that integrate with desktop applications; the ability to invite and disinvite members quickly as necessary to share information and roles change; the ability to integrate with outside content or link to other business applications; the ability to control access to key information and distribute information quickly to a widely distributed group simultaneously, etc.

Controlling Access to Critical Information

Controlling access to information is all important and can either take the form of broadcasting information to a desired audience or preventing a subset of an audience from gaining access to

information. Ensuring that gatekeepers have adequate command and control of documents and data will become even more important than it is today.

For those businesses that do not have a business intelligence program in place already, implementing technology that offers command and control features will offer an opportunity to decide who gets to have access to what competitive information and can go a long way towards simplifying the dissemination of critical information to clients and workers alike.

Conclusion

The current economic crisis and the resulting government reaction will change the way businesses work. The average workforce will be more distributed and the need for transparency in corporate governance will become a regulatory requirement. All of these variables will combine to apply pressure on business leaders and CIOs to take proactive steps to change the way business information is managed at all levels of their organizations. Cost effective document sharing and online collaboration tools are needed.

The evolution of cloud computing reduces the barrier to entry for small players in the marketplace and eliminates cost constraints as an excuse for poor information management practices. Solutions that would have cost thousands or tens of thousands of dollars a few years ago can now be had for a small monthly subscription. Providers of enterprise solutions will face increased competition from smaller players as even large companies seek out less expensive solutions at the department or team level. Implementation costs have all but disappeared and application usability has matured to the point where almost anyone can set up a virtual network independently.

Executives and IT managers need to focus on preparing their organizations for the new economy. Companies that are not adequately prepared to operate with a predominately virtual workforce will be priced out of their market and will have to overcompensate through increased advertising in order to maintain clients.

About Praura

Praura is the web's premier document sharing and team collaboration solution for small and medium sized businesses. With Praura, companies maintain tighter control over business information while increasing transparency into all levels of staff activities and streamlining the delivery of documents and data to clients in a secure environment. For more information about Praura visit www.praura.com.