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sage

# Breaking Down The Barriers To Business

## Introduction

It's a given that information is the lifeblood of the 21<sup>st</sup> century organisation. Organisations that seek the elusive goal of a single view of the customer need first to instil an information-sharing culture throughout the company, not simply attempt to apply a quick technology fix. But too many companies find themselves locked into a situation where information is held in zealously-guarded silos by departments who are not incentivised to share it. Office politics and jostling for position on the corporate hierarchy as well as a desire to protect your own back mean that the organisational culture acts as an impediment to the freeflow of information that could assist the bottom line. All departments need to be able to put information into and get information out of a single system rather than hoarding their own slice of it in departmental sub-systems.

## Information is power

Information-age business people are brought up with the belief that knowledge is power and apply that maxim to their approach to corporate strategy. For certain types and levels of management within companies, the maintenance of 'knowledge fiefdoms' is a mark of your role in the corporate hierarchy. Information sharing is not encouraged or practiced; instead, a corrosive culture of information hoarding becomes a pervasive mindset. Once engrained, this will rapidly become damaging to the corporate bottom-line as well as to internal morale.

For example, customer service personnel in company call centres are on the front line when it comes to fielding comments, both positive and negative from customers. This information should be regarded as invaluable customer-facing research that needs to be shared with other areas of the company that can respond to it in order to turn customer comments into corporate action points.

- Comments or complaints on products need to be shared with product development people to be fed into the development roadmap to improve the overall offering.
- An unhappy customer may signal an existing account is under threat, which should be flagged up to the sales team; on the other hand, comments from customers might also indicate potential sales opportunities.
- Customer service people are most likely to pick up on which of the current marketing initiatives are resonating with the customer and which are not. If customers are confused by the corporate partyline, then that's information that needs to be shared with marketing so that the company messaging can be adjusted.

But the reality is all too often that this invaluable customer information goes no further than the customer service records which are not accessible by other parts of the business or integrated with other corporate systems. Silos of information are created which remain isolated from other parts of the organisation where they could be converted into revenue generating activities to enhance the company bottom line.

## **Drowning in Data**

In an age where information is perceived as power, the problem is made worse by the confusion between data and knowledge. Standard corporate business software applications from financial and accounting packages through enterprise resource planning and supply chain management to customer relationship management offer enormous efficiency and productivity gains; the downside is that they also generate great floods of data.

Add to that ever rising level of data the additional amount generated on a daily basis by the Internet and the demands of regulatory requirements of legislation such as Sarbanes Oxley and Basel II which dictates high standards of data collection and archiving.

Furthermore a lot of data is inaccurate, incomplete or inappropriate. The Data Warehousing Institute estimates that over 50 per cent of companies suffer financially due to losses or problems associated with data quality at a cost of more than \$600 billion per annum. Poor quality and duplicated data leads to bad decision-making based on low-quality information.

Organisations need to manage and analyze data efficiently if they are to transform that data into knowledge that can in turn be used to make business-critical decisions that impact on the bottom line. Data for data's sake is largely irrelevant. It's information and how that information is shared among the key corporate decision-makers that really matters.

Unfortunately companies have been encouraged by vendors of technologies such as data warehousing to focus on the accumulation of quantities of data rather than the quality of that information. The mistake too many companies make is that they start from the data they have access to instead of asking what information their users actually need and what are the questions they want to be able to ask.

## **Information Hoarding**

Company employees don't share their knowledge with a wider audience for fear that they will have to be accountable for fixing issues or be accountable for the decisions they've made based on data that's often essentially inaccurate. Almost a third of employees admit that they have deliberately withheld company information from their colleagues. Organisations which are already overwhelmed by their data volumes come to see sharing data as a hindrance to getting important work done.

This has a knock-on effect. According to Sage's Office Life survey, eighty-two per cent of respondents say that not having the right information has a negative impact on their ability to do their job. People have most trouble finding previous customer contact information and customer dialogue – cited by 36 per cent of respondents. This was followed by marketing plans and activities on 30 per cent, details of IT systems and projects on 29 per cent and financial records and history on 25 per cent.

The finance department stands accused of being the worse culprit for information hoarding with 41 per cent of respondents in that area of the business confessing to withholding information. This was followed by marketing (29 per cent) and human

resources (28 per cent). The reasons for this seem purely selfish. The survey revealed that 87 per cent agreed that knowledge gained in a business environment can give individuals a competitive advantage over colleagues.

## **The Wider Impact**

The wider corporate implications are significant. All companies are dependent in their relationship with their customers to produce commercial success. This is why there has been such interest in investing in information systems across all business sectors.

The reality however is somewhat different. Too many organisations have fractured processes and systems, which results in external and internal breakdowns. Information is not shared among corporate systems even if there is a need for other parts of the organisation to initiate actions to respond to either a commercial opportunity or a threat.

So imagine the situation when an existing customer has taken receipt of a defective product. The customer calls the support line which takes him to the contact centre where the customer service agent opens up his file. The customer's problem is logged.

This information should now be passed through to the technical services department who can then take action to address the situation. But the information is not shared and when the customer calls the technical support team directly a couple of days later they have no record of his problem.

The customer phones back to the contact centre to complain and is escalated to a supervisor – who then is unable to find updated information in the customer's records. So the customer has to go through the same questions that he has already answered once before – a practice which studies confirm is guaranteed to irritate him and engender a sense of alienation.

The customer's particular problem is eventually addressed by the technical services team and the fault logged. But the information about the fault is not shared with Product Development. Meanwhile another customer phones the contact centre with the same problem relating to the same product. Clearly there is a possibility that there is a defect with the product line itself rather than individual products, but because the information about the first complaint has not been shared among technical services and product development, the chances of the trend being picked up on early is reduced.

If this is going to turn into a product line defect, then other parts of the company should be in the information loop as well. If the product defect is something that other customers need to be alerted about, then:

- The marketing department needs to be told so that a campaign to manage a public alert or product recall can be organised
- The public relations team need to have access to information on the situation as it develops so as to field media enquiries and limit brand damage

- The sales team needs to be kept up to speed so as to be able to field questions from other existing customers as well as to limit potential resistance and calm concerns among customer prospects.
- The customer service department needs to have a shared set of responses to further customer calls on this or any other related concerns. These responses need to be based on a common understanding of the most up-to-date assessment of the situation and the company's response to it.
- To repair the fault in the product, the company may need to allocate engineers additional hours in overtime. Or if the fault proves to be the result of negligence, the human resources department will need to have access to all information on the case if disciplinary procedures are necessary.
- The finance department needs to be kept in the loop as well as revenue projections may need to be adjusted as a result of the impact of the product fault. In addition, payroll may need to be adjusted to provide for additional overtime.
- Ultimately the chief executive is going to want to be able to track the situation as it evolves. If the buck stops at his or her desk, then he or she needs all the information from every area of the business at his or her fingertips. This means being able to access a single view of the situation that draws on the information provided by the individual business units.

## Breaking Down The Data Dam

One reason that this situation continues to occur is that companies look to technology as a silver bullet to solve the problem rather than recognizing that the real issue that needs to be tackled is the underlying process.

There is a need for a combination of a 'carrot and stick' approach to internal corporate processes. Front-line customer service representatives need to understand that their jobs will be easier and less stressful if they are dealing with satisfied customers rather than frustrated ones who are liable to become angry. Happy customers are less likely to be vulnerable to churn and to offer the prospect of return business – which in turn will benefit the bottom line. Sales personnel need to understand that sharing information with their colleagues in product development will result in products that meet customer needs more closely and thus increase the likelihood of future sales.

To achieve a knowledge-sharing culture:

- Use role models within the company and identify people whose behaviours are an example to others.
- Make sure that this is led from the top – senior management needs to set out good practices in theory, but also be seen to put them into action.

- Reward those whose behaviour and actions contribute towards the creation of a solid knowledge-sharing culture.
- Involve representatives of those in customer-facing roles in the audit of internal processes and in the formulation of alternatives where there are identifiable issues.
- If an information-sharing culture cannot be instilled voluntarily, then enforce it – penalise information hoarding just as you reward information sharing.

Finally, while information sharing is fundamentally a cultural issue, re-examine the underlying technology that is needed to enable it. If your organisation has separate systems for customer relationship management, supply chain management, enterprise resource planning, accounting and so on, then there is a higher likelihood of there being barriers in the way of information flow. While such standalone systems can be integrated, this is a complex, time-consuming and potentially expensive process.

A single system approach inevitably removes the barriers to the free flow of information by coming functionally pre-integrated so that the different areas of the business can all access the same single view of essential information.

### **Products and further information**

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- Enterprise Resource Planning
- Payroll
- Customer Relationship Management
- Business Intelligence

We also have a number of specialist applications designed specifically for the following sectors:

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- Manufacturing
- Construction

We have a variety of channels through which our customers can buy our products, including:

- Retailers
- Sage website
- Business Partners
- Accountants
- Direct from Sage

Currently 700,000 customers in the UK have registered Sage products and there are over 110 third-party products, designed by Sage's developer community.

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