

## **Information management becomes a key differentiating factor of future success in business**

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### Introduction

How long are you going to continue to "Google" for information? Yes we know it's easy and for free. But do you think the real valuable information is free of charge? Have you ever heard of very valuable secondary information that is available via commercial online databases? Do you know about this treasure of information? No? You still rely on your company's press clippings, newsletters and other traditional sources of information? In fact, do you know how to manage information? Be aware that information is the lifeblood of every organization. This needs much more attention. People are not trained how to process and manage information within their organizations. Apologies of no time, no ambition or no assistant to manage information are not applicable anymore. We have to become smart. Information is from nobody and thus from everybody. How to deal with this? How to make the better decisions? How to see, seek, use and share information? Information cost money, intelligence makes money. How to move away from information towards intelligence? Reporting information is not enough, however analysis is. People need to be trained how to manage information. What are the Six How's and what are the pre-conditions to become successful in the management of information?

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### Nobody is trained how to manage information

The volume of information is growing fast and almost doubles every two year in average. Around 90% of all new job positions deals with the tracking and processing of information. Information processing is becoming the most important task of every employee within any organization.

Although the volume of information is growing dramatically fast, management doesn't take any responsibility and measures to support employees in the processing of information. Management still thinks that their employees have learned the capabilities at schools and universities how to work with information, which in fact is not the case. Also people are blamed because they don't know or didn't succeed to get the right information out of the mass information flows. However, we should never forget that hardly nobody is ever trained to use information in the best way. From the oceans of information and its complexity, it is difficult to make the right decisions. This makes also the next frontier of moving away from information towards intelligence so difficult.

At its core it is collection, gathering on relevance, interpretation, analysis and making your recommendations to act, both at work and in private life.

"Effective information management must begin by thinking about how people use information and not with how people use machines" by Davenport

### New skills

Information professionals need following skills in order to work successfully with information: basic knowledge of information and information sources, the characteristics of information, how to gather information and how to transform information into knowledge and intelligence. It's not easy learning. People have to pay special attention to it and it means hard working. Sometimes people should have known that there is more behind it. Apologies of no time, no ambition or no assistant to manage the information are not applicable anymore. Well informed colleagues or friends show you the opposite. So it is not an option to do nothing, stay passive and wait for things to come. What is the challenge to overcome this?

### Getting smart

The answer is to do it the smart way. Problems get bigger if you don't know how to deal with the relevant information. Working smart starts with gathering knowledge about the information mechanism. There are different ways to do so. Look for professional support. Adopt to an information diet. Or try to learn from your smart colleagues. Managing information is more than just technical skills. It's about learning how to structure and to categorize on relevance, also if you don't need this information immediately. The benefits of doing so lead to less stress and a better life because you have the feeling to have control of the flows of information. The ability to cope with these information flows and thus confidence will increase if you have control of these flows of information. This makes it

possible to manage information instead of information is managing you! In 90 percent of the organizations employees as well as management is still managed by information. Insights in the information behaviour of the people themselves and your environment is another necessity. Information skills will become the only differentiating capability and sustainability of individuals and organizations. Why? Simply because society requires this. Research shows us that people in the future will use internet more than watching television. This means more information and the growing interactive way of exchanging information via emails, hyves, community links and beyond.

Information is from nobody

In addition of dealing with information this way, it will help people to take better decisions if they are able to get the essential issues out of the interpretation and analysis of information. Is information a kind of product? Commodities are endless, information is not. Information has some characteristics which makes it unique. This makes it awkward to control information as remedy. Free available information cannot be allocated to someone. Information is from nobody and thus from everybody. We have to place information in its right context for interpretation and analysis in order to get the right insights from it. Much published information and statements of top management misses the context. Data and information about banks, markets, companies, sectors of industry and beyond seems to be right today, however can be so wrong tomorrow.

By putting information all together or to simplify the information, in most cases the right context disappears. Second or third hand information is less reliable. The information quality in newspapers or magazines should be right, as it is the result of a journalistic product. Search engines are not per definition reliable. Information will always be there, can be used again, can get a new application and can be changed quickly.

"Informed decision making comes from a long tradition of guessing and then blaming others for inadequate results" by Scott Adams

Do people really understand information?

People like the information which fits best in their mindset give a high value to this information. However, in case you give the same information to someone else you are not sure if this person can deal with the information in the right way. In many cases we assume people do understand the information. However, we must ask them, we must questioning them and we must give them the right feedback.

Information products often are priced based on the expected or perceived user value and are not based on the cost price-plus principle. Information is costly to produce, however cheap to reproduce. In addition we do not need to have all the information, rather than having access to the right and relevant information sources.

People are addicted to information. People get a kick if they get new information. It's so human. Technology facilitates this in an increasing way. Than there is the strange habit of people to get as less as information as possible. They only like what they really need. Information that is of influence on their lives because it gives them better insights or helps their mindset. On the other side people tire other people with everything they know. This means that most people cut off information, because they want to determine themselves what information is useful and necessary for them. How to overcome this? We challenge you to put in the dimensions of information: seeing, seeking, using and sharing.

New challenges in information: seeing-seeking-using-sharing

- Seeing information. Know what you are looking for and train your eyes. Asking the critical questions will force people to pay attention to areas they are typically unaware of. Take into consideration to develop an outsider's perspective, meaning a person or group to tell you things you don't see from your vantage point. Having more information at hand is critical.
- Seeking information. Challenge the absence of disconfirming evidence. Receiving recommendations without contradictory information is a red alert. Welcome the mavericks in your organizations who argue another point of view. Under-search in most contexts, however over-search in crucial contexts. Think for instance about an implication, error or impactful risk, then over-searching is a wise strategy.

- Using information. Unpack the situation meaning don't over-emphasize on one focal event and discounting other relevant information. Keep thinking about the full context of your situation. Assume that the information you need is in your organization. Around 60 percent of the information needs are within our organizations.
- Sharing information. Everyone has unique information, but we must ask for it explicitly. If not asked, people will never know that the information might be of value to others or to management. Challenge is to create structures to make information sharing happen. For instance, a small team can be made responsible for assembling information from numerous external sources.

Finally, information flows will continue to grow and we have to find new ways to select and storage information and to make it accessible. To produce information is costly, to reproduce information is cheap. Organizations still fail to support people in the management of information. The fast majority of both employees and management in organizations are managed by information in stead of they are able to manage information. How long will this going to last? How long can management afford this? If this doesn't change, management will always be surprised by the future dynamics of change in the organization's external business environment. We all know many examples, so we can't continue to react like fools.

"Information costs money  
Intelligence makes money"

Now we will move away from information towards intelligence. Skills we need to manage information are: basic knowledge of information and information sources, the characteristic of information, how to gather information and how to transform information into knowledge and wisdom. This is where information stops and intelligence starts. In case of intelligence in business we speak about business intelligence, marketing intelligence, market intelligence and competitive intelligence. Let's briefly explain the differences. Business intelligence is seen as the software based solutions to structure and to make the internal data and information flows within the organization accessible. Marketing intelligence is data & information collection from mainly internal and in some cases from external information sources. The information comes from secondary sources, which just show the current state of the market, tries to understand the recent past and presence and produces nothing more than trend identification. Such intelligence stays within the marketing department and is of low value to the organization.

Market intelligence deals with the market, customers and competition. Competitive intelligence is what organizations need most in the 21st century: the future based focus on the changes and dynamics in the broad external business environment enabling management to see the business insights and especially the business foresights. The outcome always is "actionable intelligence".

#### Reporting versus analysing

Business intelligence, marketing intelligence and to some extent market intelligence are mainly based on secondary source information, which provides some value through its ability to quickly and inexpensively identify and access publicly available information. The main activities of these intelligence approach is organizing and processing the information and "to report". The intelligence value is lacking.

However, the true value of intelligence lies in the focus on the complete business environment where output is generated, based on "in depth analysis", delivering intelligence that cannot be ignored.

#### Training is a must

Thus, most organizations limit their intelligence efforts to the information level delivering intelligence reports which are in fact information summaries. These organizations will never reach the intelligence level. To overcome this, people in organizations desperately need training by giving them the insights how to do it:

- How to see, seek, use and share information?
- How to manage information?
- How to transform information into intelligence?
- How to know which analysis tools are most applicable?
- How to deliver the "actionable intelligence"?
- How to deliver the intelligence which cannot be ignored?

If you know the answers on the Six How's, you are able to create the intelligence needs of senior management instead of just responding to their information requests. It enables you to deliver the real business insights as well as foresights which drives decision making. Finally you will create much credibility as you deliver intelligence that cannot be ignored. This means you have met all the pre-conditions for a long lasting successful competitive intelligence capability in your organization. These pre-conditions are:

1. Moving away from an information function towards an intelligence capability;
2. Avoiding to fall into the trap of delivering more information;
3. The intelligence capability delivers insights, opinions and foresights on all key elements in the current and future competitive landscape;
4. Building credibility means the CI Team reports on a par similar to other functions that report directly to the Board;
5. The CI Team is fully independent and is not related to other functions such as marketing, market research, information services, strategic planning and beyond;
6. Creating your own internal intelligence network, as the outcome of CI always is communicated personally;
7. Never deliver any summaries of information, however always deliver "actionable intelligence" that cannot be ignored.

We do not deal with certainties in business. The world of intelligence is the world of probabilities. Getting the information is not usually the most difficult task. What makes it difficult is putting upon the right interpretation and analysis to it. Analysis in intelligence is everything.

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Sources:

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