

# ThinkTank

GETTING CLARITY INTO YOUR BUSINESS IT

in association with



ISSUE 1 **MANAGING YOUR INTELLIGENCE AND DATA** <http://www.ibm.com/businesscenter/uk/thinktank>

## TURNING YOUR SERVERS GREEN

IBM, HEWLETT-PACKARD, SUN MICROSYSTEMS AND AMD HAVE UNITED to launch the Green Grid ([www.thegreengrid.org](http://www.thegreengrid.org)), a non-profit global consortium which aims to cut energy consumption at computer data centres by encouraging and improving power-saving measures.

The alliance says that energy efficiency in data centres is the single biggest issue facing technology providers and their customers today.

As a result, it has released three White Papers that directly focus on cutting energy use. These include: The Green Grid Opportunity, Guidelines for Energy Efficient Data Centers, and The Green Grid Metrics: Describing Data Center Power Efficiency.

For details of IBM and the Green Grid, read *Green IT: the next burning issue for business* at [ibm.com/businesscenter/uk/thinktank](http://ibm.com/businesscenter/uk/thinktank)

## LENOVO TOPS ECO FRIENDLY LEAGUE

**CHINESE PC MAKER LENOVO is the greenest electronics manufacturer, Apple is the least eco friendly, according to a recycling and toxic content ranking by Greenpeace.**

Lenovo displaces Nokia from the top spot it has enjoyed since the rankings began. It scores top marks on its e-waste policies and practice; the company offers takeback and recycling in all the countries where its products are sold. Lenovo also reports the amount of e-waste it recycles as a percentage of its sales.

The full report is at [www.greenpeace.org/electronics](http://www.greenpeace.org/electronics). It ranks PC manufacturers on their policies and practices on eliminating harmful chemicals.

## IT UPGRADE NEEDED FOR FASTER BANKING

IT MANAGERS MUST START preparing their payroll systems now if they are to take advantage of the Faster Payments Service due to be rolled out by the UK banking industry in November.

The new system enables companies to use the internet to make a payment that will reach the recipient's account within hours. The service will be available all day, every day, meaning businesses will have the convenience of paying bills the same day.

However, although the latest version is likely to be based on the same IP communications infrastructure and smartcard security as the current three-day Bacs model, firms will need to deploy new software to connect to the upgraded system.

IT managers should also be aware of the single European payments system (Sepa), which is currently slated for introduction in 2008.

## WELCOME

Welcome to the first issue of Think Tank, the newsletter that takes a fresh and pragmatic approach to real business debates. In this issue we look at the information explosion and offer solutions to help your business become more efficient.

The amount of data we create and consume seems to expand daily; we get more emails and attached files are getting bigger. For businesses, this data mountain affects storage but also efficiency. An Accenture study of 1,000 middle managers in 2006 found that managers spent up to two hours a day searching for information, more than half of which was not useful.

As your IBM Client Manager, I can help you scale the data mountain with Information Lifecycle Management policies, and work more intelligently using our innovative Business Intelligence technologies. To talk about this or any other IT problems, feel free to call or email me personally.

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## Data alchemy

Many companies view the explosion of information in their company as a problem which weighs down day-to-day business. In fact, it is potentially their most valuable asset. But in order to turn lead into gold, first you need to get organised

**M**ost companies are drowning in data and it's starting to become a real headache. Every employee and every application seems to create more and more data every day. Worse still, it's not a problem that is going to go away.

Analysts project that in just three years' time, the world's information base will double in size every 11 hours. A decade or two ago, professional computer users and managers worked in kilobytes and megabytes. Now schoolchildren have access to laptops with tens of gigabytes of storage and network managers have to think in terms of the terabyte (1,000 gigabytes) and the petabyte (1,000 terabytes).

### BIGGER MAY NOT BE BETTER

Yet most companies seem to do nothing with the extra data other than back it up on to bigger and bigger hard disks. In addition, most companies don't seem able to cope with or use the data they have in conventional structured applications like accounting systems, sales databases and CRM databases.

Businesses face two key problems: how to manage the data, known as information lifecycle management; and how to use the information in the data intelligently, known as business intelligence.

Huge amounts of information are often buried away in storage silos, causing extra tasks (and headaches) for the IT department when it should be working for the business. Yet if the data could be drawn together and analysed coherently, then businesses would get a clear view of what's going on at any given time, which would enable trends to be highlighted and effective long-term planning.

In addition, collating data would also save a lot of unproductive time. Last year, an Accenture study of 1,000 middle managers discovered that managers spent up to two hours a day searching for data, and that more than half of the information they found was not useful. Fifty-nine percent of respondents also said that they missed out on information that could be valuable to their jobs almost every day because, even though it existed somewhere in the company, they were not able to locate it due to the **poor** distribution of information. **Not only is this a waste of time and resources, it means data storage overheads are too large because there is no attempt to identify which data is important and which isn't.**

### HAVE A CLEAR OUT

The first step any business needs to take, therefore, is to identify which data is relevant and which isn't. Ask anyone in a business to select the data that is essential and they'll probably say it all is. However, most of the data in the **average business is repeated** many times within the company.

If you send an email to someone in your organisation, one copy is held in your sent folder and another is in their inbox. If you CC it to others, there are even more copies. In addition, if the email has an attachment then storage space gets used up even faster. Do you really need to keep all these copies? And for each project you work on, you're also likely

"Today 70 percent of our people's time is spent searching for information and only 30 percent making intelligent decisions. We want to flip that."

*Dr Martin Hofmann,  
Executive Director Group Supply Strategy, Volkswagen*

VOX  
pop

to store many different versions of the same file. Do you really need to keep all of them?

Once you decide what you're going to keep, the next issue to decide is where are you going to keep the data. Consider both the hardware and file format. Does the project you completed last year need to be kept on an expensive hard drive for instant access or can it be moved to something cheaper like tape or CD? In addition, do you need to save it as a Word file or could you save it as a compressed PDF, which can be indexed but takes up less storage space?

### A QUESTION OF TIME

A final point to consider is how long you are going to keep data for. At present, there is no general business legislation that specifies how long businesses should store data. If you are in the financial services sector, you need to keep data for six years and many organisations recommend that their information is retained far longer – 15 or even up to 50 years. But for most businesses, there are no set rules about data storage and even the experts become rather hazy when it comes to timescales.

However long you decide to retain your data, you should at the very least be able to get your hands on it in a reasonable timeframe – and if you can't, be prepared to accept that it may be costly.

Email is now estimated to be the platform for as much as 75 percent of company intellectual property, and email documents figure in around 75 percent of US corporate litigation cases. Some companies are learning the hard way about the need to take email storage seriously – five US banks were recently fined US\$1.25 million each when they failed to retrieve emails upon demand.

Nor is this purely a US phenomenon. Norwich Union was forced to make an out-of-court settlement of £450,000 after it was found that staff had been sending defamatory emails about a competitor. By the time the writ had been issued, the emails had been deleted. And Ciba-Geigy, a pharmaceuticals company, was forced to search through 30 million

### ECONOMIC BENEFITS OF EFFICIENCY

the  
business  
view

Data is growing at between 50-100 percent per year, swamping companies so that much of the important information is lost. A report by Accenture in 2006 (see main story) found that managers spent up to two hours a day searching for data – more than half of which was not even useful.

The solution is to produce data policies and get a handle on what is useful data and what isn't. In addition, as our main story makes clear, software tools such as Business Intelligence can turn the headache of disparate data into a data goldmine that can help make your company much more efficient.

emails for a court case, despite arguing that the task would be too onerous and time-consuming.

### THE ART OF USEFUL DATA

The final stage of a data rethink is to do something useful with your data. The Chinese military classic *The Art of War* highlights the importance of collecting and analysing information. Sun Tzu claimed that to succeed in war, a general should have full knowledge of his own strengths and weaknesses and those of his enemy. A lack of either one might result in defeat.

However, the data on which most companies make their business decisions is either incomplete, old or simply not joined up logically. Sometimes it's in individual data silos throughout the company, able to be accessed only by the owning department, which may jealously guard its domain. More worryingly, it may be in a format nobody else can use.

Consider a poor management meeting. It starts with the handout of spreadsheets that are printed so small only a Lilliputian can read them or are laid out so as to be unintelligible to anyone without a statistics degree or able to think in three-dimensions. Their data is also abstracted to a point where all →

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## “BI systems access the information that is locked in various data silos and work with it in real time”

the useful detail is hidden. And to top it off, most of the data is out of date.

To get the most out of your data it needs to be

accessed in real-time and be available across the whole company to all relevant parties. Managers need to be able to view and analyse their data on a daily or even hourly basis using sophisticated real-time reporting tools. One solution is Business Intelligence (BI). Essentially, BI systems access the information that is locked in various data silos scattered around your organisation and work with it in real time. This enables you to gain more knowledge of the factors that affect your business – metrics on sales, production and internal operations, for example – which, in turn, helps create a more comprehensive picture of your strengths and weaknesses.

For example, BI systems can provide a 24/7 dashboard overview of your company, with charts that reflect the information you need rather than the information someone else thinks you need. You can also create new reports on the fly, produce ‘what-if’ charts and drill-down to the key figures in a few clicks if something looks awry.

In the competitive customer-service sector, companies need to have accurate, up-to-date

information on customer preferences, so that they can adapt quickly to changing demands. BI enables you to gather information on current trends in the marketplace and come up with innovative products or services in anticipation of your customers’ changing demands.

BI applications can also help to keep your managers better informed about the actions of business competitors. Conversely, they can allow you to share selected information with your strategic business partners. For example, some businesses use BI systems to share their supply chain data such as inventory levels or performance metrics with suppliers.

### THE SHIFT TO BUSINESS INTELLIGENCE

Moving to BI and an Information Lifecycle Management strategy is a fairly straightforward path, but it is one that is different for every company because each holds different data or has different needs. Off-the-peg hardware and software lets you make the switch internally, but it may be quicker and easier to seek advice from the experts to guarantee your goals are met.

Either way, BI systems offer greater knowledge of your company. And as Sun Tzu pointed out, with more information you can make the better business decisions that give a competitive edge.

## IBM AND BUSINESS INTELLIGENCE



The more you know, the better business decisions you can make. Today’s BI systems can help provide the business-critical information you need, and IBM invests a major part of its annual US\$5 billion R&D budget in the advancement of innovation in BI solutions and services.

The result is a BI practice that’s as integrated as the solutions it implements, tailoring the right team and skill sets to meet your individual needs, however unique.

Not only has our research been awarded more analytics patents than all our competitors combined, but, more importantly, we’ve seen

the results directly through excellent feedback from the companies we’ve helped.

If you’d like to know more about IBM’s Global Business Services or Business Intelligence Services, please get in touch. We look forward to helping you get the most from your BI investments.