

How to Leverage Information to Improve Business Performance in a Financial Services Company

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Assignment presented in partial fulfillment of the requirements for the degree of Master of Philosophy (Information and Knowledge Management) at Stellenbosch University

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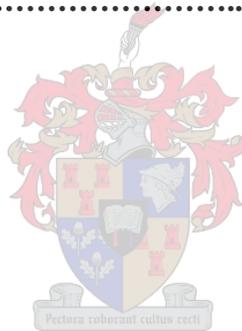
March 2007

DECLARATION

I, the undersigned, hereby declare that the work contained in this assignment is my own original work and that I have not previously in its entirety or in part submitted it at any university for a degree.

Signature: ...NSP Kubheka.....

Date: ...09/02/2007.....



ABSTRACT

Introduction

Information is increasingly attaining an unprecedented importance in companies and becoming the basis of competitive advantage. At Absa this has meant a significant shift in the way information is viewed, to such an extent that Management Information (MI) has been identified as one of the Key Strategic Priorities and Enabler of Absa Group Strategy. Based on the value being placed on management information, the Information Management Division has been tasked to explicitly articulate and define the role information will play in the design and execution of Absa's competitive strategies.

At Absa the notion of integrating information into its strategy and planning process has barely been supported. Given the three components that have been identified as critical to creating value through MI, (access to relevant information; insight - rigorous analysis of information in support of key decisions and application of MI), a gap has been identified in terms of the second component, namely, the provision of business insight: a component critical to the integration of information into business strategies and processes. Hence the focus of this research project falls on building-in a business insight capability as a key component in enabling efficient and effective use of management information and improved business performance.

Research Method

The research project was based on a qualitative case study performed at Absa, where qualitative methods of collecting data were used. Data gathering was carried out in the form of interviews with key information users, whereby complete representation of Absa business units was ensured.

Main findings

The analysis of the findings suggests that the majority of survey participants know of poor decisions having been made within their organisation because of one of the following reasons:

- Inadequate integration and aggregation of information from disparate sources;
- Inefficient access to relevant, accurate and timely information;
- Inconsistent approach to obtaining business insight as well as cost-effective delivery based on sound governance.

As a result, the majority of executives make most of their decisions based on gut-feel rather than on more reliable empirical information.

Recommendations

From the results discussed in the empirical study, we have articulated several suggestions regarding how Absa can improve its business through effective and efficient utilization of information. The company will have to work on improving its management information process and enablers by focusing on information technology practices, information management practices, as well as the behaviours and values of its staff regarding information. In addition to this, to work on elements discussed in the empirical study as of key importance to the development and implementation of the necessary business insight capability.

OPSOMMING

Inleiding

Inligting, inligtingsmodelle en inligtingsanalise is toenemend bruikbaar en gewild aangesien dit 'n aansienlike bydrae lewer tot maatskappye se posisionering, mededingende vermoë en die strewe na mededingende voordeel. Hierdie tendens is ook waarneembaar in Absa, naamlik dat daar in die Groep 'n klemverskuiwing plaasgevind het ten opsigte van die manier waarop inligting – en spesifiek Bestuursinligting (BI) – gebruik word vir beplanning, besluitneming en die uitvoering van die Groep se aktiwiteite. Dit is ook spesifiek aan Absa se Afdeling Inligtingsbestuur opgedra om die rol wat bestuursinligting in die Groep speel, te ondersoek, te definieer en te kwalifiseer in terme van die waarde wat toegevoeg word tot die uitvoer van die Groep se strategie wat markte, mededingers, kliënte asook interne prosesse betref.

Die integrasie van bestuursinligting met beplanningsprosesse, asook die ontwikkeling van die Absa Groep se strategieë, is iets wat tans weinig ondersteuning ontvang. Alhoewel konsensus bestaan oor die waarde wat inligting wel kan toevoeg tot die onderskeie besigheidseenhede – en die Groep as geheel – is tekortkominge geïdentifiseer in terme van die drie kritiese komponente van BI wat nodig is om die maksimum waarde tot die organisasie toe te voeg. Hierdie komponente sluit die volgende in: toegang tot relevante inligting; besigheidsinsig – ondersteun deur die analise van alle beskikbare inligtingsbronne; asook die toepassing van inligting. Hiervan word besigheidsinsig as die belangrikste komponent beskou. Hierdie navorsing fokus dus op die ontwikkeling van 'n vermoë tot besigheidsinsig, sodat bestuursinligting doeltreffender gebruik kan word en meer waarde tot die organisasie toevoeg.

Navorsingsmetode

Die navorsing is gebaseer op 'n kwalitatiewe gevallestudiemetode, met Absa as die onderwerp van die studie. Die metode wat gebruik is vir die insameling van data, is onderhoude met die belangrikste inligtinggebruikers, asook met rolspelers en

besluitnemers in Absa se verskillende besigheidseenhede – sodat die hele organisasie hierdeur verteenwoordig word.

Resultate

Die interpretasie van die resultate dui daarop dat die meerderheid rolspelers en inligtinggebruikers waarmee onderhoude gevoer is, daarvan bewus is dat swak besluitneming in Absa geskied het, en dat daar areas is waar ontwikkeling kan plaasvind. Die redes wat aangevoer word vir die swak besluitneming en oneffektiewe inligtinggebruik, sluit die volgende in:

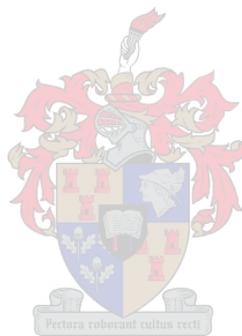
- Swak integrasie tussen die verskillende inligtingsbronne in die Groep;
- Oneffektiewe beskikbaarheid van, en toegang tot, betroubare, relevante en akkurate inligting;
- Wisselende benaderings (nie konsekwent nie) tot die ontwikkeling van besigheidsinligting en die metodes waardeur hierdie insig volgens die huidige prosesse en beheer aan besigheidseenhede verskaf word.

As gevolg van hierdie probleme neem die meeste bestuurders steeds besluite wat op gevoel en/of ondervinding gebaseer is en word relevante inligting wat hierdie besluite ondersteun, nie gebruik nie.

Aanbevelings

Verskeie voorstelle word aan die hand gedoen oor die maniere waarop Absa resultate kan verbeter deur meer effektief gebruik te maak van bestuursinligting (gebaseer op die resultate soos bespreek in die empiriese studie). Dit sluit onder andere in dat die Groep prosesse in plek moet stel wat die beskikbaarheid, akkuraatheid en gebruik van bestuursinligting kan aktiveer deur te fokus op die gebruike en praktyke betrokke by Inligtingstegnologie (IT). Verder is dit ook belangrik om te fokus op relevante en akkurate praktyke en metodes van Inligtingsbestuur. Laastens is dit baie belangrik dat die gedrag en waardes van Absa werknemers teenoor inligting erken word as 'n

belangrike komponent vir die suksesvolle implementering en gebruik van inligting en die prosesse daarby betrokke, soos hierbo uiteengesit. Slegs die integrasie en kombinasie van ál hierdie komponente en aanbevelings sal verseker dat 'n effektiewe bekwaamheid ten opsigte van besigheidsinsig in die organisasie tot stand gebring word en waarde daartoe voeg.



ACKNOWLEDGEMENTS

I am grateful to Absa Information Management Division for allowing me to work on one of their key strategic priorities as identified by Group Absa.

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Absa managers and executives, to all of you who allowed me to invade your spaces and agreed to participate in this study, thank you very much.

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My appreciation is also extended to Dr Martin van der Walt, for his support, understanding, encouragement and supervision throughout this work.

This study would not have been possible without the support and encouragement of my fiancé. I am also very thankful to my children for their patience and understanding.

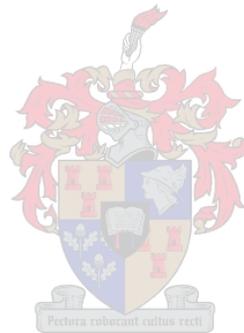
To my father & two brothers, I say “thank you all for the unending support and encouragement you gave me over the years”.

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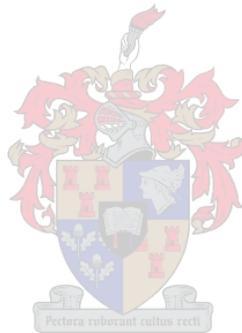
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ABBREVIATIONS

Absa – Amalgamated Banks of South Africa

BI – Business Intelligence

CRM – Customer Resource Management

ERP – Enterprise Resource Planning

Exco – Executive Committee

Group IM – Group Information Management

GSS – Group Support Services

IM – Information Management

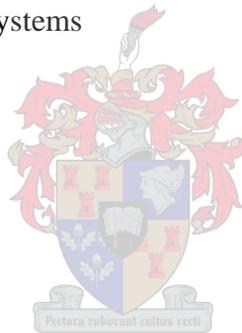
IT – Information Technology

KPA – Key Performance Areas

MI – Management Information

MIS – Management Information Systems

SBU – Strategic Business Unit



CHAPTER 1

1 BACKGROUND AND RATIONALE FOR THE STUDY

1.1 Introduction and Problem Statement

Within the current business environment, knowledge has become the key differentiator among companies. At Absa, knowledge about market changes, customer needs and wants and competitors' movements have been identified as critical to ensuring success. The ability to pro-actively and rigorously analyse internal and external, structured and unstructured information will allow this company to understand the past, monitor the present and predict outcomes as it moves the business ahead.

As management information continues to grow in strategic importance, Absa recognizes the crucial role that data plays in its success. Management also realize that the current focus of the IM Department is MIS, which provides them with the historical reports that give them hindsight but limited insight; hence the drive to build the business insight capacity. For Absa this means that information can be transformed into shared insights facilitating and enabling informed decision-making.

Business Insight Practice aims to move MI to the next level by unlocking the value hidden in the company's information. For the Group this means data will be integrated from across the enterprise and made available to management when they need it and in the format they prefer, leaving them with more time to spend making better and more informed decisions.

The following are the challenges that IM needs to address in moving MI from good to great:

- There is an inconsistent approach to obtaining business insight across the Group, and this results in reactive responses, adversely affecting business decisions and processes.
- Specialist functions supply information to business in an inconsistent and uncoordinated fashion, leading to unnecessary duplication of effort.
- Information that reaches decision makers shows limited levels of clarity with the result that decision-makers spend the majority of time interpreting the information instead of considering different alternatives for action.
- Due to the lack of central governance the usability of information across the Group is limited.
- The existing skills available in the Group are not optimised to support decision-making

In the light of these challenges, the problem investigated in the present research project was to determine how Absa could leverage information in the most effective and efficient way to improve business performance.

1.2 Importance of the study

The Absa Group Information Management Department is currently faced with the situation that one of Absa's 16 strategic initiatives is to improve the utilization of management information across the Group in support of Absa's strategic, tactical and operational priorities. The challenge that is currently facing Group IM is that they are not yet at a stage where they can effectively and efficiently support Absa's goal. One of the areas that have been identified as of key importance to enable the Group to achieve its objectives is the Business Insight Capability (the capacity to transform information into actionable insight) – yet this is currently missing.

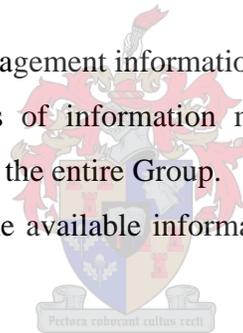
This study is important in that it will assess the maturity and the competency of Group IM as well as the readiness of the different departments within the Group to build the business insight capability. The findings will be used to define the best approach in order to:

- Capitalize on what has already been established across the Group;
- Optimize existing processes to proactively and cost-effectively utilise MI within SBU's and other decision-making bodies; and
- Address gaps and build additional MI capability for the future, which will sustain the business insight capability.

1.3 Research objectives

The aim of this study was to determine the following:

- The level at which management information is utilized in the organisation.
- The users' perceptions of information management practices within their departments and across the entire Group.
- The extent to which the available information is transformed into actionable insights.



1.4 Methodology

The research included a literature survey as well as an empirical component. The literature surveyed in this study covered definitions of terms and concepts relating to information technology, information behaviour and values, information management, management information – its enablers or preconditions – as well as components critical to creating its value, which then lays a good foundation for building of the business insight capability.

The empirical study was qualitative in nature; hence qualitative methods of collecting data were used. Due to the nature of the information that the researcher needed to collect she prepared a questionnaire that was used in an interview type of environment. The purpose was to guide and ensure that the interview remained focused and that we gathered as much information and insight as possible on the information users' experience of and engagement

with information. The effectiveness of this approach was that explanations could be given and answers could be analysed and interpreted easily.

1.5 Overview of chapters

This study comprises of six chapters, as follows: Chapter one consists of the background and rationale of the study, covering the introduction to the project, its importance and the research objectives. Chapter two furnishes a literature review which covers the theoretical framework relevant to the study. In chapter three the writer describes the research methodology that was followed in the empirical part of this study. Chapter four presents the findings of the study.

Chapter five covers the analysis and interpretation of the results that are presented in the previous chapter. Finally, in chapter six the researcher offers recommendations and conclusions with respect to the development of the business insight capability.



CHAPTER 2

2 LITERATURE REVIEW

2.1 Introduction

This study focuses on developing the capability for business insight in an information management department within the financial services sector, taking management information to the next level, thus becoming the best in utilizing information and becoming a higher-performing organisation. Business insight is defined as a dedicated capability put in place to provide integrated, proactive, actionable, fact-based intelligence for the purpose of decision-making at different levels (Absa IM Exco). For such a capability to be reinforced, the organisational culture needs to be the one which leverages information, people and IT effectively, as characterised by a high information orientation.

Information orientation measures the capability of a company to effectively manage and use information. A high level of information orientation enables sound management of MI, through which the process of transforming information into usable business insights, actions, and results is enabled. Information orientation embraces information technology practices, information management, and people's behaviours and values regarding the use of information. All three combined are critical to sustainable improvements in business performance (Marchand, Davenport, Dickson, 2000: 13). Optimizing one dimension at the expense of the others will not lead to greater business performance.

Researchers from the International Institute for Management Development, sponsored by Anderson Consulting, in their effort to understand how senior managers perceive the relationship between business performance and the three information capabilities mentioned above, found that strong IT practices, competent management of information and good information behaviours and values individually do not result in superior business performance. Marchand, Davenport,

Dickson, (2000: 13) highlights that all three must be strong and functioning together, if superior business performance is to be achieved.

2.1.1 Information Behaviours and Values

Information behaviours and values are concerned with the organisation's beliefs, attitudes, behaviours and practices about the value and effective use of information. In the *Sloan Management review*, with regards to information orientation, it is added that information behaviour and value focus on integrity, formality, control, transparency, sharing and proactiveness (Marchand, Kettinger & Rollins, 2000d). Some examples added include ensuring that information is accurate and not manipulated for personal gain, creating a willingness to share information with others and encouraging employees to seek out information and put it to new use.

Organisations which are successful in the management of information create and instill a culture that values the latter. Such a culture is one that expects all levels of the organization, including executives, to gather and use hard data in daily work. In an information-driven culture the quality of information is maintained, conforms to prescribed standards and is relatively consistent. One finds that workers feel supported and energized because the information supplied meets their individual reporting needs.

2.1.2 Information Management Capability

This capability concerns a company's ability to recognize and sense information of commercial value.

Murphy (2005: 4) defines IM as the management of structured data in databases and business applications, and of enterprise content, including such items as documents, spreadsheets, e-mails, marketing collateral, digital images and rich media. The focus of IM, as stated by Burton et al. (2006: 3), is to

define data management processes, technologies, their organisation and architecture, reconcile data sources, data quality and data validation, and otherwise strive towards the development of a “single version of the truth” from disparate data sources.

IM is consequently the appropriate mechanism for identifying and leveraging critical business information. It is altering from being primarily a support function to a management function, playing a key role in enabling information-based strategy development, the aligning of strategy with its execution and empowering business managers with insight in order to make the right decisions. Success increasingly lies in optimising the use of information, making the capability of the organisation to manage information effectively over its life-cycle even more critical.

According to the *Sloan Management review*, as they discuss Information Orientation, this process includes sensing, collecting, organizing, processing and maintaining information (Marchand, Kettinger & Rollins, 2000d). This group of skills includes identifying and gathering important information about markets, customers, competitors and suppliers; organizing, linking and analyzing information; and ensuring that people use the best information available.

2.1.3 Information Technology Capability

A prerequisite for IM is building a reliable, responsive, and usable information technology infrastructure. IT plays a major role in managing information as a strategic resource in an information-oriented organisation. Information technology creates the foundation of information delivery and assists in managing data in all stages of its life-cycle in order that data moves to the appropriate level, at the right time, and in the appropriate quantity and quality to make the use of this information possible.

In the *Sloan Management review*, the authors (Marchand, Kettinger & Rollins, 2000d) add that this is the realm of software, hardware, telecommunication networks and technical expertise, supporting everything from the tasks of lower-skilled workers to the creation of innovative new products, the analysis of market developments and creation of strategy.

Furthermore, they add that information technology practices should consider the capability of an organisation's information technology to support business operations, business processes, innovation and managerial decision-making.

2.2 Management Information

MI is generally defined as actionable information related to the market place, customers and performance; for application in intelligent decision-making in support of strategic positioning and operational efficiency.

Organisations worldwide are realizing with unease the growing scale and complexity of the IM function. The ongoing needs of greater business efficiencies and the increased obligation of governance, transparency, compliance, coupled with the development of digital information data and content, are placing unprecedented pressures on enterprises to re-examine the role of information in their business operations.

In the same way that oil fuels most of the world's activities, information fuels business operations. Following this analogy, data and content are like crude oil that needs to be refined into consumable information in order to feed business, management and support processes that create business value (Murphy 2006: 2).

Newman (2005a: 2) adds that in many organisations today, the practice of managing information remains undisciplined and unfocused, as evidenced in the following:

- Complex integration (for example, high costs and resource lock-in associated with the development and maintenance of redundant and overlapping point-to-point interfaces)
- Unmanaged “info-glut” (such as accelerating volumes and velocity of information sources)
- Inflexibility of system design, causing delays in response to evolving business needs.

2.2.1 *Managing Information as a Strategic Asset*

All organisations see information as important, but many do not know how to transform it into a strategic asset. Newman (2005a: 2) adds that some organisations have yet to recognize the importance of managing information at an enterprise level, and the need to apply the same emphasis as is given to other strategic assets (such as people, capital, distribution channels and so forth). The same organisational commitment and discipline accorded to these resources must be applied to information resources. This commitment includes a balanced plan of action, funding, a charter with defined roles and responsibilities, infrastructure and set of metrics (Newman and Logan 2006b: 2). In their research into *Spotlight on Enterprise Information Management*, these authors use the following analogy to illustrate this point. The CFO uses a company’s financial assets to create value. Similarly, managing and measuring financial assets is a well-established practice. The challenge facing IT and business is to create a disciplined framework for turning information into a strategic asset, and to measure its impact on an enterprise.

2.2.2 *Components of MI*

Apart from the key enablers (preconditions) for good management information suggested by Marchand, Kettinger & Rollins (2000c), Rogalski and Fisher (2003) suggests that the path to business insight follows a specific process that has been identified as critical to creating value through MI. Namely: **Access** – To relevant information from disparate sources; **Insight** -

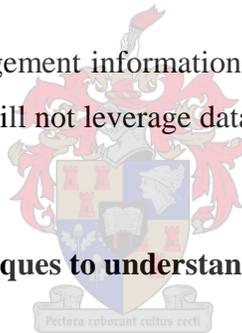
Rigorous analysis of information in support of key decisions; **Application** – Applying MI pro-actively to enhance strategic positioning and operational efficiency. While acknowledging that the three are interwoven in their application, this dissertation aims to focus and place emphasis on the second component.

Integrating data from disparate internal and external data sources

It is not always sufficient to have access to information. One must be able to retrieve data quickly and merge it with other internal and external data from different sources.

The integration of such multiple sources of management information and business insight can minimize the time spent trying to locate the information needed to make better, more informed decisions.

If these multiple sources of management information are not working together there is a risk that the company concerned will not leverage data effectively and efficiently from all the resources at its disposal.



Apply analytical tools and techniques to understand the information within the data.

Data must be made available to diverse users in a format that allows them to ask the right questions and then determine, understand and use the answers. There are many tools available that can enable data usage and the generation of information generation, but one tool rarely supports all of an organization's data analysis needs, since information users carry out different analysis activities. The functional needs of information users need to be defined so that the tools which best fulfill those needs can be chosen within the given environment.

Make decisions and take actions based on this gained insight.

When armed with pertinent facts, people in an organization can confidently take action. Insight can make the difference between competitive advantage and missed opportunities.

It is important to remember, however, that the translation of data into information still requires thought! Information users are only as good as their understanding of the business, the industry in which the business operates and the ability to analyze and act upon data.

Insight will help to prevent an organization from looking at options in a vacuum. Considering the facts from a wide perspective helps one to understand the effect of one's actions and how they are affected.

2.2.3 Challenges that need to be addressed to enhance utilization of management information

Conflicting sources of redundant, inconsistent and untrustworthy information

Redundancy of Information

The current situation is that information is created and entered redundantly into a number of information systems, some on-line, some computer-based and some paper-based. This practice results in a duplication of effort. If there is only one source of information, opportunities for conflict are reduced. Similarly, if information must be updated or changed this can be done once rather than several times in several locations.

Inconsistent Information

The business rules and definitions applied to data are not necessarily the same and most such rules and definitions are not documented formally for reference should the need arise in future. When information is reported on in different ways, inconsistently and variances cannot be reconciled and understood, thus leading to poor decision-making, and the sources of information not being trusted by decision-makers.

Depending on where one is located within Absa, currently there is no uniformity of information sources. Information users do not always know which source of information to use, when or why; most report on the same information but with different results. There is no control over the changes made to these sources. One person updates a source,

forgetting and/or not knowing about the existence of other similar sources which also need to be updated so that any source furnishes one version of the truth.

Information Silos

Information silos maintained by different departments in terms of their areas of speciality, for example Finance, Marketing, Economics, Research and Risk Management, and existing between transactional, operational and analytical applications prevent real-time information sharing.

In this case an information silo is a management system incapable of reciprocal operation with other, related management systems (Information Silos, 2006).

Information silos evolved gradually as information management evolved over the decades. Transactional, operational and analytical environments develop specialized databases to satisfy their own complex departmental needs. In most cases each unit may collect, store, manage and distribute data in different ways. In many cases, the data cannot be readily accessed from outside the department; each specialized data structure forms an information silo. The silo mentality results not only in higher costs, integration complexity and duplication, but also in different versions of the “truth,” which compromise information quality, reliability and accessibility.

Critics of silos contend that managers serve as information gatekeepers, making timely coordination and communication among departments difficult to achieve, and seamless interoperability with external parties impractical. They hold that silos tend to limit productivity in practically all organizations, provide greater opportunity for security lapses and privacy breaches, and frustrate consumers who increasingly expect information to be immediately available and complete (Information Silos, 2006).

The CadCentre survey (Aveva Engineering IT, 2002) reveals that the majority of respondents (95%) believe that their companies suffer from acute symptoms stemming from isolated information silos, having no intelligent links between IT systems and the

information they support. The findings also suggest that this non-integrated environment may be the primary barrier to operating as a truly global business today.

The survey points to a consensus of opinion that the key to future success means better communication and strategic planning by key decision-makers and project-handlers. To achieve this it needs to be formally recognised that breaking down the prolific silos of information is as much a business issue as an IT issue.

Growing data volumes

This refers to the inability to efficiently mine the expanding volume and variety of the information assets.

The amount of information that is being created and stored in computer systems is increasing very rapidly. Everyday transactions, protocols, and documents are being stored in the computer and automated monitoring systems create vast information repositories. With the advent of the Internet, these information resources have become available to individuals and companies regardless of national borders and constraints of time and space. As a consequence, information overload is rapidly becoming the new plague of the information society. It is, therefore, becoming increasingly important to provide effective tools to help users organize, manage, understand, and access large repositories of information.

For an information-oriented organisation whose focus is to mine data and transform it into usable intelligence this becomes a challenge, in that, not only does it need to focus on how best to analyse information and improve its application to business but also to effectively and efficiently manage the whole life cycle of information.

Single version of truth

There is no single version of the truth or consolidated view of key information assets within Absa. Business growth has mainly been inorganic in nature, due to a large number of take-overs, mergers and acquisitions of other businesses. As a consequence, one finds

that there are many disparate systems supporting the same processes across the enterprise. This means that there is no single system or data source that can be interrogated to find details of any company information.

The provision of enterprise-wide, “single version of the truth” master data repositories, can be considered to try and correct the situation. This would better inform management, resulting in increased revenue reduced risk (due to compliance-related issues) and reduced costs (as a result of reduction in duplicated effort).

However, it is important to note that as long as information is derived from disparate sources, it will be nearly impossible to create a single source of truth as far as organisational information assets are concerned, and to distribute the data for use in analytical and operational applications. What the business needs is a data infrastructure that enables organisations to achieve faster data integration and interoperability between applications, thus making it possible for business to have one user interface in which to work towards managing the company data and use one source of truth.

Armed with a single view of a business’s information assets, one can improve the efficiency of programs for purpose of customer acquisition and retention, global supply and expenditure data analysis, product and service quality analysis, inventory management and planning, new product introductions, measuring employee contribution, ensuring compliance with financial and direct marketing requirements, and ensuring data integrity when programs are designed to exchange consumer and product information with key value chain partners.

Flexibility and responsiveness

This aspect focuses on an organisation’s lack of flexibility and responsiveness to the business environment because of rigid data structures, which are tightly coupled with complex process and application logic.

Across market segments, achieving success is most likely for flexible organizations that are highly responsive to very specific needs. The key to creating such organizations is to

develop formal and informal ways of integrating market knowledge into organizational decision-making processes. Those companies who show the ability to process market data and adapt accordingly, are more likely to realise long-term and sustained business benefits.

Since the key to success is organizational flexibility and responsiveness to market changes (Conroy), one way to develop these factors is to create a foundation for business strategy and market analysis founded on fact-based approaches to data collection and analysis. The companies that develop this expertise as an organizational and cultural competency will be well-positioned to achieve long-term business objectives.

2.3 Business insight as a capability for fostering the effective and efficient use of management information

In today's business environment, the need to harness and leverage information is greater than ever. Business is global, dynamic, increasingly competitive, and it demands clear thinking, intelligent responses and the ability not only to react, but also to anticipate change and take appropriate action. To perform at its best, any organisation needs relevant information, and the business's decision-makers need credible, clear, timely, and comprehensive insight into business processes. To be successful in a competitive business environment more than good information is needed. One needs the ability to transform information into business insights that are meaningful, timely and readily accessible, and that can be used to define strategy, improve efficiency and effectiveness and to align strategy with execution (SAP-AG, 2005).

Siebel (2006) highlights that the next great evolution in the way business is won or lost will not come from a sales strategy or a marketing playbook but from a company's ability to transform itself into an insight-driven enterprise that uses business analytics to identify, analyze and react to customer needs and market trends at any time and across any touch-point. This requires the ability to truly

empower all players in an organization, ensuring that they have the information they need to let insights drive their actions and interactions with customers.

This source adds that during the last decade – the era of automation – companies have made great strides with their CRM, ERP and supply chain systems in order to collect information, create efficiencies and savings via streamlined processes and drive more consistent execution. Now businesses are looking to take this to the next level and address how they can become more effective, using the information in these systems to run their business more effectively, not just efficiently. They want to know how they can do a better job of retaining their most profitable customers, attracting new customers, optimizing product mix and pricing, and so on. Becoming effective requires insight, not just automation. Companies caught relying on automation instead of insight will lose ground to competitors that are better able to meet customers' needs.

The generation of a business insight capability requires a holistic approach that balances information capabilities with elements that make up this capability. In the present empirical research the following elements were identified as critical in this regard: analytics entrenched in business processes; insights in action; BI architecture requirements; transformation and change management required to ensure successful implementation of the said capability; the executive's role in improving business performance; competing by using analytics; characteristics of successful insight teams as well as principles for delivering insights. Each of these elements will be discussed below.

2.3.1 Analytics entrenched in business processes

Good business intelligence and performance management are important factors in making complex business decisions and developing plans to carry the business forward, but the effective analysis and application of this intelligence are elements that turn an attempt into a successful endeavour (Burton et al 2006: 4). Business intelligence is moving into a

context of business processes, not just to make users' information experience more effective, but also to allow for business process optimization (Oracle, 2006). It is in this context that analytics need to be embedded in the business processes.

The insight capability should ensure that the analytical process is not handled as a separate function but is embedded in all the business processes in such a way that it provides the key pieces of information that every role player needs in order to best complete or manage his/her jobs. This information can be anything from making decisions, monitoring outcomes and reporting financial performance to understanding governance throughout the organisation.

When business users make decisions and take actions, they use their business knowledge to tie the usable information to the business processes and activities for which they are responsible in their role in the organization. The ability to relate information to business processes is very important. In addition to that, the usefulness of one's information depends on the form in which it is provided and the kind of information services or business information capabilities that are offered. It is critical to match the information services with the needs, knowledge, and abilities of information consumers (Gonzales 2006). This aspect of the decision-making process has been poorly supported by BI applications in the past; the developers of these applications and software had a data-centric viewpoint of business operations, rather than a process-centric perspective. Siebel (2006) comment that conventional business intelligence tools were not designed to enable the insight-driven enterprise. They add that becoming an insight-driven enterprise requires that analytics and business intelligence capabilities be applied effectively to detailed data so as to create insight and subsequently to use insight to lead people into action. This deficiency, however, is starting to be addressed (White, 2005). The tight coupling of business

insight with the execution of the process provides the missing link to drive process improvements continuously.

Burton et al. (2006: 3) state that the demands on business today are such that organisations need to gather intelligence about their business for purposes beyond simply enabling business managers to make better and informed decisions. Managers need to use information not only for decision making and making sense of changes and developments in their external environment but also to generate new knowledge which can be applied to design new products and services, enhance existing offerings and improve organisational processes (Auster & Choo, 1996).

Insight keeps an organization from looking at options in a vacuum. Looking at the facts from a big picture perspective – customer profile to competitive market – helps you understand the effect of your actions and how they are affected. Integrating, understanding and acting on information from various perspectives stretches insight into 360° insight! (Rogalski and Fisher, 2003)

2.3.2 *Insights in action*

One of Absa's desired goals in fostering business insight is to create a capability that will bring analytics out of the isolated pockets where it is currently performed in order to gradually make it an internal, organisation-wide and ongoing capability. As such this insight capability will help transform the organisation into an analytic competitor with at least two key benefits; significant opportunity for profits as well as the creation of a competitive edge.

Significant profit opportunity

Such a capability will ensure that the corporate data which Absa possesses, through analysis, is transformed into insight which enhances the decision-making process that drives profitability and increases market share. This new capability will enable

identification of the opportunities to reallocate significant levels of spending across the value chain, channels, product and services thus strengthening the bottom line.

Competitive edge

Analytics have become a requirement for effectively competing in today's market economy. The ability to link data to insight and action is a key differentiator for companies across industries in general and in particular for financial institutions like Absa. In today's aggressive environment, financial institutions that fail to derive value from their data will find themselves lagging behind their competitors. Pulling ahead can only occur when a company's key decision-makers fully embrace the concept of competing on analytics and create an organization-wide insight capability that reinforces and enables decisions based on analytics.

2.3.3 BI Architect Requirements for the business insight capability

Gonzales (2006) suggests that turning data into information and information into insight in an organisation requires the BI architect to fulfill the following requirements:

- Align information with the knowledge of the individuals or work groups to whom it is provided. The information-to-knowledge connection is one that most IT people find difficult to achieve. Knowledge is unique to an individual; it is the product of personal experience, recall, instincts, and beliefs. When information consumers are at the executive level, it is important to align one-to-one information links for them. When providing information to larger groups, it is important to profile the knowledge of the target groups relative to the business, the information subjects, and skill level. This profiling is the basis for customized actionable information products and services.
- Combine the knowledge and information used to take action. The term "actionable information" is pervasive throughout BI literature. But what companies really need is not actionable information, but actionable

insight. Action is a process of doing something. All too often, BI architects look only at the event and not the activities and behaviours that lead to the event. Any combination of insight, resolve, decision, and innovation may drive a person to act. Information is actionable and promotes insight when it supports the entire process of taking action. It is the essential bridge from integrated data to positive business outcomes — the promise of BI.

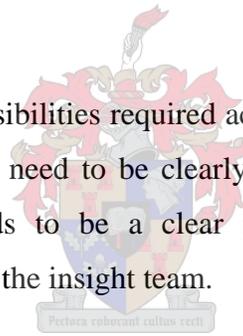
- Enable informed actions that lead to positive outcomes. Favourable business outcomes are generally those that reduce cost, save time, optimize resources, increase revenue, satisfy customers, or otherwise help to fulfill business missions and goals.

2.3.4 Transformation and change management required to ensure successful implementation of the business insight capability.

Merely possessing all of the analytics and insight capabilities and the data is not enough. One must be able to turn the findings into positive and sustainable change. Hence fundamental changes are required to become an insight-driven organisation: These are:

- Senior management sponsorship and commitment so that an insight capability is seen as a key driver of strategic success as well as for management to provide the support needed to alter the organisation's capabilities and culture in order to have analytics embedded into the decision-making process.
- Data generation and management: this requires the development of tools, technology and expertise to generate, capture and maintain corporate data that enable differentiating insights.

- Analytic skills and methods capable of addressing a broad range of business needs, including cross-sell and up-sell opportunities, marketing campaign needs, channel optimization and so forth.
- Management decision support tools to enable a variety of planning activities as well as to bring insights closer to decision-makers, where the most value can be gained.
- Reporting templates and tools to streamline core-reporting needs, making insights available to decision-makers throughout the organisation.
- Data translation and insight generation to provide the ongoing support that the organisation needs to translate analytic outputs into actionable insights.
- Roles and responsibilities required across the organisation to operate the insight capability need to be clearly articulated. Over and above these roles, there needs to be a clear model of the engagement of the organisation with the insight team.
- Infrastructure needs to be re-examined to ensure that the new approach to insight as an ongoing capability is maintained. This will also ensure that the infrastructure has enough capacity to house results as well as to support the sharing and leveraging of insights and learning throughout the organisation.



2.3.5 Executives' role in improving business performance through insights

As part of Accenture's ongoing research into the components of high-performance business, it was found that executives seeking to achieve higher levels of business performance by accelerating the transformation of information into insight need to demonstrate a personal and sustained

commitment to building a fact-based culture and business insight-to-action capabilities (Harris, 2005).

Providing leadership and focus

To make information a component of business value throughout an organization, top executives must personally apply the insight-to-action loop to their own decision-making processes. Executives must set a good example if they want the rest of the organization to take a disciplined approach to decision-making. They must carefully analyze the company's business model and strategy to determine which actions would create the most value. Leaders must identify and understand their "information leverage points," determining which data, information, and knowledge are needed to make key decisions. Without strategic insight, organizations cannot gather the right data, conduct the right analyses, or reach the proper conclusions.

Fostering a fact-based mindset

Accelerating the translation of insight into action requires more than a personal commitment. Beyond setting a good example, executives must also insist that their subordinates rely on facts and data wherever possible to make their decisions. Building an analytical capability into every aspect of a business requires managers to change the organization's culture and the mindset of each individual. Managing, using, and applying information must be an integral aspect of everyone's job. A fact-based culture needs to be established from the top to bottom; hence top-executive commitment is critical. Another essential element of a fact-based culture is the ability to clearly communicate the business implications of new insights and information. The present research uncovered instances in which analysts had discovered important new insights, but were unable to convince management to take action.

Establishing robust information practices

It is not enough for executives to understand what information is needed for decision-making. Organizations also require outstanding information practices: the processes and technical capabilities needed to manage information. Companies must devise a systematic way to routinely collect, organize, synthesize, and share the right data throughout their organizations. Sound information practices help companies improve their insight-to-action capabilities by:

- Speeding access to consistent, accurate and timely data.
- Integrating diverse information sources and types (documents, images, and data).
- Providing more reliable data, reducing guesswork, and eliminating errors.
- Maximizing the re-use of data and information and minimizing redundant information management activities.
- Decreasing the time required for data analysis and increasing the quality of findings.
- Linking information with workflow and decision points.
- Enabling monitoring of execution and achievement of results.
- Improving feedback on decision-making processes.

2.3.6 Competing with Analytics

Davenport (2006a) suggests that business *competing with analytics* exhibit the following 10 characteristics.

- They apply sophisticated information systems and rigorous analysis not only to their core capability but also to a range of functions as varied as marketing and human resources.
- Their senior executive team not only recognizes the importance of analytics capabilities but also makes their development and maintenance a primary focus.

- They treat fact-based decision-making not only as a best practice but also as a part of the culture that is constantly emphasized and communicated by senior executives.
- They hire not only people with analytical skills but also a lot of people with the very best analytical skills—and consider them a key to success.
- They not only employ analytics in almost every function and department but also consider it so strategically important that it is managed at the enterprise level.
- They are, not only experts at number-crunching, but also invent proprietary metrics for use in key business processes.
- They not only make use of copious data and in-house analysis but also share them with customers and suppliers.
- They not only avidly consume data but also seize every opportunity to generate information, creating a “test and learn” culture based on numerous small experiments.
- They are not only committed themselves to competing on analytics but also have been increasing their own capabilities for several years.
- They do not only emphasize the importance of analytics internally but also make quantitative capabilities part of their company’s story, to be shared in the annual report and in discussions with financial analysts.

2.3.7 Characteristics of Successful Insight Teams

Gilad (2006) suggests the following as characteristics of successful insight teams:

- Small
- Focussed
- Thrifty
- Flexible
- Different but complementary skills
- Highly trained
- Refuse to be mediocre

- Able to change the discourse

2.3.8 Principles for delivering Insights

France Telecom (2006) highlighted the following as principles for delivering insights:

- A central insight team, with multiple decentralized contributors and strong high-level sponsorship
- A flexible structure to respond to evolving business needs, but with strong central processes & tools
- Strong focus on sharing that is an insight network, so as to:
 - Leverage the overall knowledge base
 - Facilitate effective co-ordination between central & local CI teams and with other specialist communities (R&D, MR, marketing, finance, and so on)
 - Extend address book of internal FT Group expertise
- Strong focus on customer: one portal
 - Analysis: focus on actionable analysis, targeted & timely delivery, limited regular push deliverables, help-desk support
 - Promotion: develop communication and use of MI, take advantage of all employees' skill and commitment
 - Fit user's needs: stay close to ecosystem and to local MI requirements.

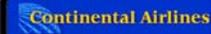
2.4 Case Studies on Management Information Capability

2.4.1 Case studies of firms that have lost value to competitors due to a lack of a strong MI capability

History is littered with examples of companies that missed value-creating opportunities (or lost value to competitors) because of the lack

of a strong MI capability and its use in decision-making, as Table 1 indicates.

Table 1 Lack of Strong MI Capability

Company	Strategic Industry Shift/ Competitive Events	Tactical Response	Missed Strategic Opportunity
	Second tier PC makers (e.g. Dell) improve product quality in the mid 1990's while maintaining lower prices; consumers migrate to cheaper PCs	Compaq responds with price reductions and marketing push to champion virtues of premium products	Compaq fails to immediately introduce cheaper, competitive line of PCs; <i>new CEO eventually cuts 1/3 of workforce and cedes long-term market share to competitors</i>
	Early 1990s sees a US recession and an influx of sophisticated, significantly cheaper Japanese luxury automobiles (e.g. Lexus)	Mercedes executives increase marketing expenditure, targeting a new advertising campaign intended to extol values of engineering	Mercedes fails to introduce a competitive product line; <i>loses significant long-term market share to Japanese luxury automobile manufacturers</i>
	Mid 1970s sees rise of competitors manufacturing low-cost film (e.g. Fuji) and marketing aggressively to amateur photographers	Kodak maintains status quo operation and responds with hesitant introduction of discount pricing on premium products	Kodak fails to introduce low-cost film alternative for nearly a decade; <i>cedes market share to Fuji and other competitors</i>
	Consumers begin migration in the late 1980s to low cost airlines serving regional cities and bypassing traditional, high volume airports (e.g. Southwest)	Continental responded with seasonal, periodic price discounts and ill prepared introduction of disastrous Continental Express, a low cost, no frills product	Continental fail to develop internal competencies required to effectively operate to effectively operate low cost competitive airline; failed initial experiment with <i>Continental Express contributes to corporation's bankruptcy</i>

Source: Marchand, Kettinger & Rollins (2000b) and Corporate Strategy Board

These are companies which did not possess a strong MI capability and as a result could not anticipate what the competition was planning and where the competition was going so that they could react immediately, before losing their market share.

In addition to this it is evident that all four companies failed to identify strategically significant changes. While they noticed the strategies their competitors were devising, they ignored indicators and did not apply strategic filters to help them identify events to trigger or inform their next action in response to competition. This problem often results from insufficient links between monitoring strategy-creation and planning processes that

can take the business forward and allow it to respond more quickly to the changing business environment and competition.

2.4.2 Case studies of firms that have created significant value by building strong MI capabilities

Table 2 demonstrates that companies which create value through their MI practices focus on pro-active behaviour, strong sensing and interpretation capabilities (both internal and external) and IT support for executive decision-making.

Table 2 Strong MI Capability

Company	Strategic Industry Shift/Events	Tactical Response	Benefits Gained
Banco Bilbao Vizcaya (BBV) (Spain)	Series of internal management crises during late 80's early 90's, BBV was under performing and under threat from main competitors	Decided to unleash BBV's hidden value. BBV initiated a 1000 day programme to enhance its information capability and supported it with an insight capability which led to better products and service.	Planned yearly business volume growth (for 1000 day programme) was set at 10%. <i>It achieved yearly growth rates of 25%</i>
Hilti Corporation	During the 1990s Hilti experienced several key changes to strategy the company felt it needed to respond better to industry shifts as well as to more intense competition in its key markets if it wants to remain competitive.	Hilti embarked in the 1990 on an aggressive programme to enhance their information capability. The programme focused on improved access to information, developing better insight and communicating and sharing this to and between all areas within the Group.	<i>Since the late 1990's Hilti consistently out performed its competitors.</i>
BP	In 1994 BP felt that traditional information sharing practice processes were inadequate for effective problem solving. This impacted amongst others on their time to market	It pilot a project within its exploration and production company, BPX, where 60% of the project budget was dedicated to behavioral coaching to support an open approach to information exchange and management.	<i>This was such a success (with savings of (\$30 million in the first year) that the company made it available to all BP companies in 70 countries</i>

Source: Marchand, Ketttinger & Rollins (2000b) and Corporate Strategy Board

From these case studies it can be learnt that the creation and improvement of information capabilities can improve business significantly. All three companies embarked on serious and focused programmes to enhance and turn their information capabilities around and in all three, this was proved to have been worth it. The researcher also noticed that

transforming information into insights improves the quality of decision-making, as a result improving business performance.



CHAPTER 3

3 RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the research approach to the empirical part of the project. Furthermore, the alignment and the nature of the study are described, as well as methods employed for data-gathering.

3.2 Unit of analysis and sampling

The unit of analysis for this study comprised Absa's managing executives, senior managers and managers as well as people from Business Unit Information Management Competency Centres. The number ranged between two to three information users from each business unit, giving 28 respondents in total. The criteria used by the researcher targeted business units that are currently supported by Absa's Group IM and have Business Development Managers looking after their interests and managing IM service delivery. This approach made it easier to identify and secure interviews with the relevant and/or key information users.

3.3 Data collection method

Face-to-face in-depth interviews were conducted with information users who were identified as central to the success of this study. The questionnaires were designed and used in these interviews. The purpose was to guide the interview as well as to ensure coverage of all the questions identified as critical to obtaining enough information to inform the writer's planning and design of the solution: the development of the business insight capability. (A sample of in-depth-interview questions is included as Appendix A on page 92).

3.4 The questionnaire

3.4.1 Section C of the Questionnaire

Four characteristics were identified for the purpose of establishing the maturity level and IM readiness for said capability. They were adopted from research conducted by MetaGroup in August 2004, indicating that there are eight characteristics to pay attention to and measured when defining an information maturity model as part of the Information Maturity Framework. For the purpose of the present study only four were used.

Each information maturity characteristic is described in terms of maturity levels 1-5 depicting information activities/achievements that are typical of the specific level.

Each section contains a sentence describing the particular maturity characteristic.

For each section, the interviewee was asked to select the statement which best describes the information-related characteristics and activities within (1) his/her Department and (2) within the Absa organisation as a whole.

3.4.2 Section D of the Questionnaire

14 Questions were identified to determine the practices of information within business units. The purpose was to establish the following:

- How the organisation perceives information and the contribution it can make when exploited fully and intelligently.
- The ease with which information can be accessed.
- How information is integrated for the purposes of ensuring that the work of specialist providers can be directed to one command source in support of the key business decisions at various levels.
- Capability to transform information into actionable insight

3.5 Results

The interviews and the subsequent analysis of the questionnaire returns produced a great amount of qualitative data. The data collected was analysed within the framework of the research model. This analysis concentrated on the variables which lead to the generation of the business insight capability, focusing on information usage and questions regarding information practices within the Absa organisation and departments, namely: Information Technology; Information Management; People Behaviours and Values.

An attempt was then made to determine the maturity levels of information use in the Strategic Business Units and Group Support Services Divisions surveyed. This analysis will become useful when designing a solution and deciding on the business units to be prioritised when the programme is rolled out.

3.6 Limitations of the chosen methodology

Due to time constraints, the study was limited to one organisation, which is Absa. This is acknowledged as a disadvantage in that the researcher therefore could not learn from how other entities in the industry are operating and engaging information as a strategic resource for the benefit of their business. This limitation means that the solution to be designed will be based on findings and recommendations from only one firm in the banking industry.

There are many users of information who could not be reached due to the nature of the questionnaire, from whom the writer would have appreciated input; for example, users from the operational level. She could have sent the questionnaires to them for completion.

CHAPTER 4

4 FINDINGS

4.1 Section C – Information Maturity

4.1.1 Information Culture – “How do things get done and how is information perceived in the organisation?”

Table 3 Information culture

Statement which best describes how information and related activities are perceived in	Your Department	Your Organisation
Information is as much an enterprise asset as it is a financial, material, and human asset, and is treated in much the same way, including inventorying and auditing information	8	5
Information is considered an intangible enterprise asset and is wielded to maximize business goals and form partnerships	7	8
Information is recognised as a fuel for business performance and innovation and is shared readily among business units	5	8
Information is coveted and hoarded as an internal tool for power and influence	4	4
Information is a by-product of the business and is occasionally an interesting artifact of doing business	4	3

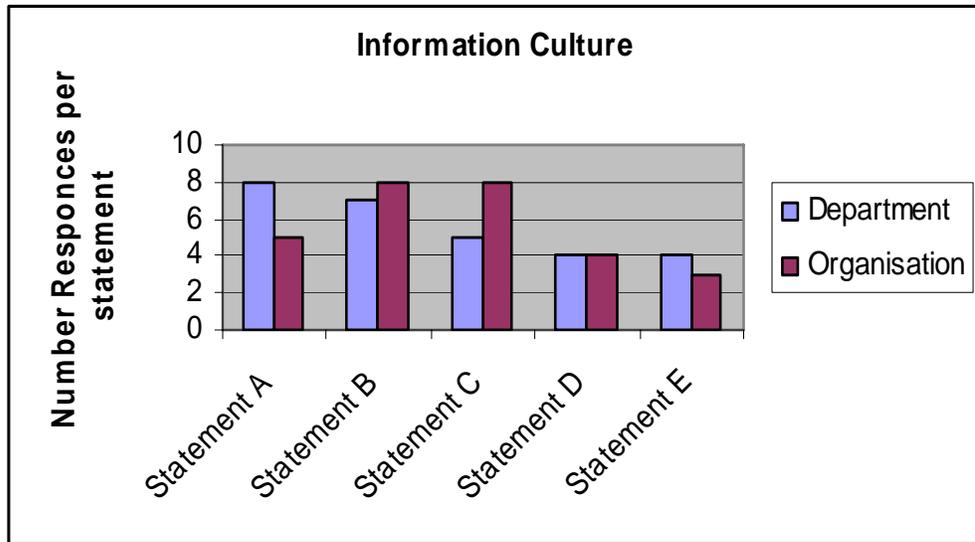


Figure 1 Information Culture

Table 1 and figure 1 presents the information users' perceptions of how information is perceived in their departments as well as in the organisation as a whole. Out of 28 interviews 20 respondents perceive information as an important resource that can be leveraged to improve business performance within their departments. The perception regarding the organisation as a whole is that information is a strategic asset and its role needs to be elevated just like those of other strategic assets such as people, capital, distribution channels and so forth. Even though a change is evident in how information is perceived, there is still a percentage of people who feel that not much is being done to ensure that information is treated as a vital resource that can be leveraged to differentiate Absa from its competitors. It is also clear that others feel certain individuals within their department as well as the organisation are not open to sharing and empowering business users with information for reasons that they use it to gain power and influence.

4.1.2 Information Policy (Governance) – “How information flow and congruity is regulated”

Table 4 Information Policy

Statement which best describes how information and related activities are perceived in	Your Department	Your Organisation
A specific individual is assigned to oversee information management at the corporate level. Monitoring and enforcement of information governance is automated throughout the enterprise, with penalties and rewards established and carried out.	2	3
Information policies and mandates are well documented and ingrained, and involve legal aspects, where appropriate. In addition, several enterprise-wide monitoring systems for these information management “rules” are in place	2	3
Formal information policies are drafted and approved at the IT/IM executive level, but have no “teeth”. Although policies affect the business, business units have little influence on or use for them.	8	5
Informal information guidelines are documented and distributed. Guidelines tend to be more technical in nature (e.g. naming standards) and based on project needs, rather than being business-oriented (e.g. usage) and based on enterprise needs. Legal aspects begin to appear.	5	2
Lack of information guidelines results in a disconnection between the meaning of information and its usage throughout the organisation.	9	6

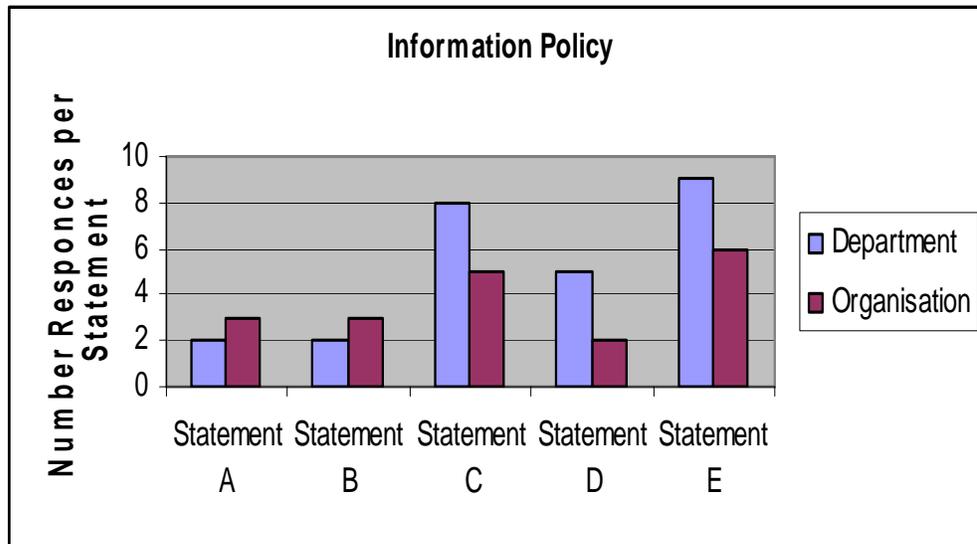


Figure 2 Information Policy

Not all respondents could respond to this question, as may be seen in Table 4 and Figure 2, the general feeling being that there was not sufficient knowledge and activity concerning this subject for them to make a meaningful contribution. The feedback suggests that there is a disconnection between information users' understanding of the information policies currently in place and initiatives and action that aims at regulating the use of information. The perception is that regulation does not apply to their world as users of information; only information functions should be governed. The feedback also suggests that most information users think information should be governed at organisational level. The concern is that they are never exposed to initiatives and activities with respect to information-governance and what these mean to them as users of information.

Those who have been privileged to work with information intensively feel that lack of information-governance impacts on a number of matters; quality of information, in that there is no consistency in the manner in which information is used; and the application of nomenclature standards and business rules used across the organisation differs, which results in disconnection between interpretations and therefore meanings of information.

4.1.3 Information Quality – “How information quality is measured and ensured throughout the information supply chain”

Table 5 Information Quality

Statement which best describes how information quality and related activities are perceived in	Your Department	Your Organisation
Data quality is an ongoing strategic enterprise initiative with demonstrable ROI (Return on Investment). Many fringe data characteristics (e.g., latency, currency, breadth, depth, precision, interrelationships, capture sources, capture devices/technologies) are continuously measured and monitored. Data is enriched from third-party providers, and mission-critical unstructured information (e.g., documents) is subject to quality controls. Data is tagged with quality indicators to associate levels of confidence or known problems with information.	3	3
Data quality is a principal IT/IM function and major responsibility. It is measured and monitored for accuracy, completeness, and integrity at an enterprise level, across systems and capture points. Data quality is concretely linked to business issues and process performance. Most cleansing and standardization functions are performed at the source.	6	5
Major data sources and quality issues are documented but not analyzed or well quantified. Data cleansing typically is performed downstream (e.g., by IT or during IM in the data warehouse), where record-based batch cleansing (e.g., name/address), identification/matching, reduplication, and standardization are performed.	9	6
Decisions and transactions are often questioned due to suspicion about or knowledge of data quality issues. Application developers implement simple edits/controls used to standardize data formats, and some manual or home-grown batch cleansing is performed at a departmental/application	6	6

Statement which best describes how information quality and related activities are perceived in	Your Department	Your Organisation
level. Data sources are reviewed, but not optimized, with limited quality control at point of capture.		
There are no formal initiatives to cleanse data. Identification of key data sources and quality control is not specified. Data quality needs (typically duplicating) are addressed on an ad hoc basis by individuals with pressing needs.	4	8

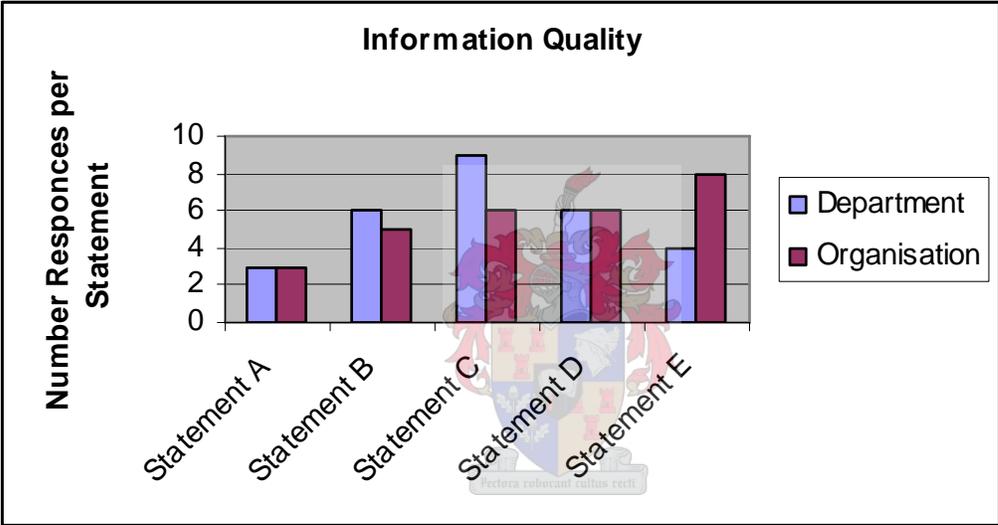


Figure 3 Information Quality

Table 5 and Figure 3 reflect a widespread understanding of how information quality is measured and ensured throughout the organisation. The feeling amongst information users is that ensuring superior quality of information is a principal IT/IM function and a major responsibility. It is largely believed that IT/IM, as owners of the information warehouse and custodians of Absa information, should be responsible for the measuring and monitoring of information for accuracy, completeness, and integrity at an enterprise level, across systems and capture points, and that they should be held accountable if there are issues of concern regarding quality as it impacts on the integrity of management information.

The current perception holds that information which originates from the IM department is of poor quality and varies from the statistics produced in their respective departments. There is currently no understanding of the root cause of quality issues and what is the department’s role in improving the quality of information. Departments do not know the cost of not having proper processes and measures in place to improve the quality of information.

4.1.4 Analytic Environment – “How information is leveraged to improve business performance”

Table 6 Analytic Environment

Statement which best describes how information and related activities are perceived in	Your Department	Your Organisation
<p>Information is considered throughout decision-making and research and development activities. Nearly all aspects of the business are recorded (even at a sub-transactional level) and automatically leveraged using predictive and case-based methods. Unstructured data is as accessible and analyzable as structured information. Strategic decision-makers have complete enterprise and environmental visibility along with predictive and interactive scenario planning functionality. Tactical decision-making is linked to and validated against strategic rules/decisions, and also based on complete (though compartmentalized) visibility. Increasingly, the analytic and operational infrastructures are melded together (reducing the need for standalone analytic applications and BI tools).</p>	2	1
<p>Analytic output is increasingly directed toward business processes rather than merely to people. For strategic analysis, executives have multi-level access to information that is linked or integrated with robust external information. Tactical decision making is based on a consistent/common set of information, and operational decision making is highly automated and integrated. Analytic applications include recommendation capabilities based</p>	2	2

Statement which best describes how information and related activities are perceived in	Your Department	Your Organisation
<p>on encoded business rules. The analytic environment includes multiple flavours of data integration, multiple classes of analytic data store, integrated data quality processing, a specialized database/hardware, and frequently analytic environment monitoring/tuning utilities. Mainstream analytic applications and BI technologies are standardized at enterprise level, with pockets of specialized tools.</p>		
<p>Specific budgets for "data warehousing" or the like now exist. Strategic decisions are supported as a data mart with canned reports. Executives have access to limited summary information from throughout the enterprise and often some market/competitive information, though their ability to perform an ad hoc query is not yet implemented. Tactical decisions are made from hand-coded departmental data marts or multiple data warehouses, with much shared data that integrates major sources of operational information. Operational decisions are made from either low latency departmental data marts or a separate analytic store that is populated at least daily. Robust analytic tools are in use within major departments, but there is no enterprise standard.</p>	7	5
<p>There is a growing mass of individuals having a palpable need for more information. The individuals complain about spending more time gathering information than analyzing it or not getting what they want, due to source unavailability or quality issues. Strategic decisions are made after exhausting efforts to compile information. Tactical decisions are made from limited and non-integrated operational data, often in the form of periodically executed reports. And operational decisions are based on current system feedback and/or some compiled historical data. Report writing programs are in use, but the analytic infrastructure remains highly decentralized, wherein departments have their own data extracts, their own analytic tools (still primarily</p>	9	9

Statement which best describes how information and related activities are perceived in	Your Department	Your Organisation
spreadsheets), and extreme difficulty obtaining data from other parts of the enterprise.		
Strategic decisions are made ad hoc or from requisite financial data. Executives lack any representation of the big picture or an integrated set of data from each corner of the enterprise. Tactical decisions are made by line managers through experience and observation, more than from any available data. Operational decisions are made by core personnel in a manner consistent with standard operating procedure.	8	9

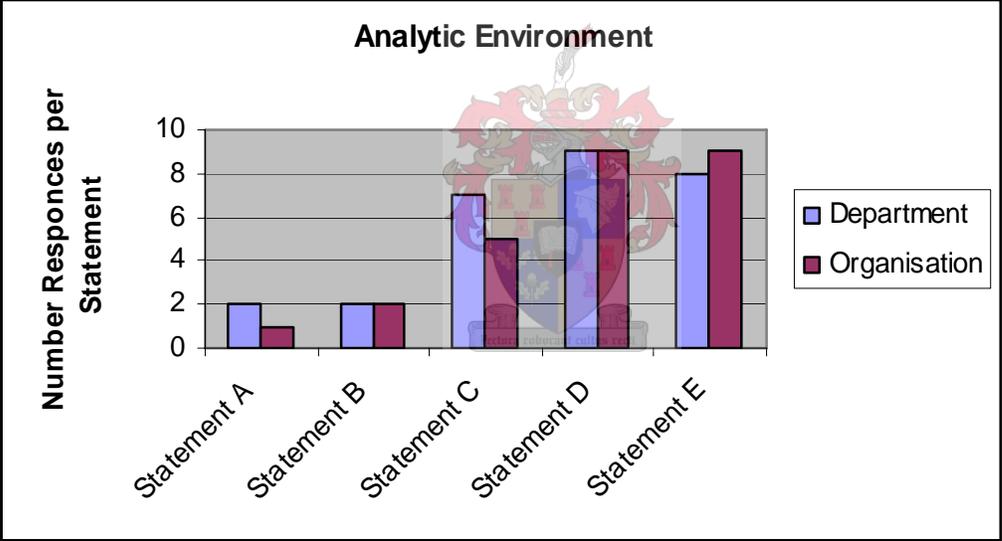


Figure 4 Analytic Environment

Table 6 and Figure 4 reflect the level of engagement with information for purposes of enhancing the decision-making process. Analytical output is still very much directed towards individual needs and those of departments instead of aiming to support business processes at an organisational level. There is a growing need for information, but IT and IM are perceived as not to being geared up to match the increasing demand. Access to information systems that are not integrated and the quality of information have been identified as some of the major challenges to which poor decisions are attributed.

Currently there is no consistent or common set of information on which analysis can be based. Most advanced analytics and advanced statistical modeling are performed using structured data from the warehouse. The capability for analyzing unstructured information does not exist, making it difficult or nearly impossible to supply strategic decision-makers with an integrated set of data from each corner of the enterprise. This means that decision-makers are not able to perceive the complete enterprise and environmental situation, nor to possess predictive and interactive scenario-planning functionality.

Tactical decisions are made from limited and non-integrated operational data, often in the form of periodically executed reports. The operational decisions are based on current system feedback and/or some compiled historical data. Report writing programs are in use, but the analytic infrastructure remains highly decentralized, wherein departments have their own data extracts, their own analytic tools (still primarily spreadsheets), and experience extreme difficulty in obtaining data from other parts of the enterprise.

4.1.5 Decision-Making – Departmental View

Table 7 Decision-Making – Departmental View

How do you think you are doing? (Kindly use %; it should add up to 100 for each question).	Which level of decision making do you spend the most time on?	Which level of decision making has the great impact on your business success?
Routine, day-to-day, tactical decisions	35 %	20 %
Small spend decisions	15 %	10 %
Critical spend decisions	25 %	15 %
Cross-functional decisions	10 %	25 %
Broad, strategic decisions affecting overall business	20 %	30 %

Percentages used are an average calculated from the individual responses.

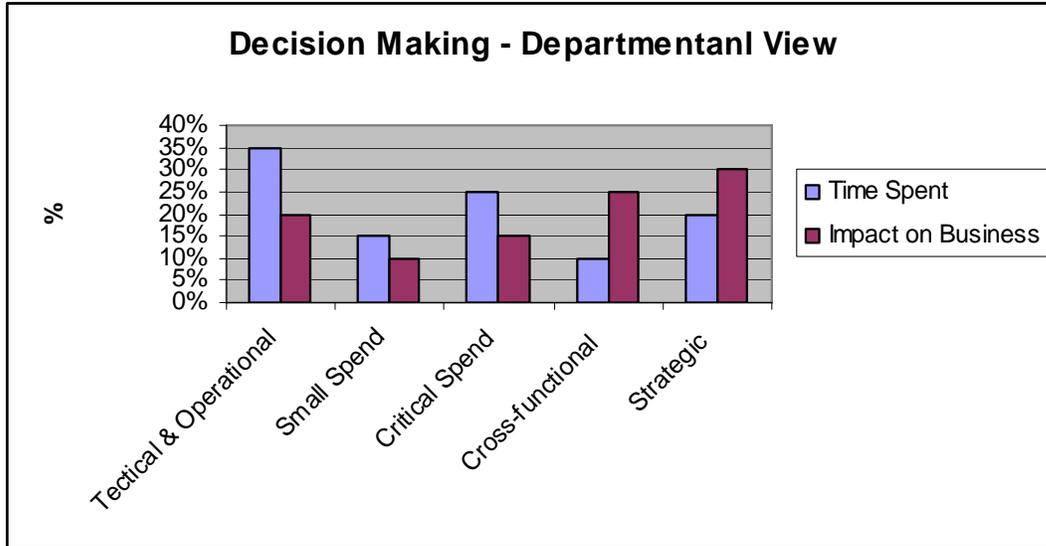


Figure 5 Decision-Making – Departmental View

4.1.6 Decision-Making – Organisational View

Table 8 Decision-Making – Organisational View

In your opinion, how is the rest of the organisation doing? (Kindly use %; it should add up to 100 for each question).	Which level of decision making do you spend the most time on?	Which level of decision making has the great impact on your business success?
Routine, day-to-day, tactical decisions	40 %	20 %
Small spend decisions	10 %	10 %
Critical spend decisions	15 %	10 %
Cross-functional decisions	10 %	25%
Broad, strategic decisions affecting overall business	25 %	35 %

Percentages used are an average calculated from the individual responses.

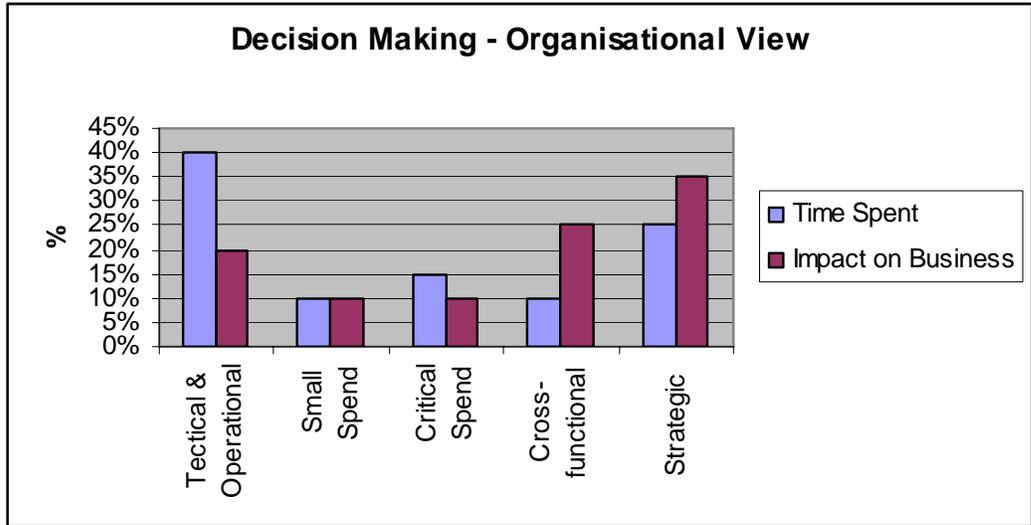


Figure 6 Decision-Making – Organisational View

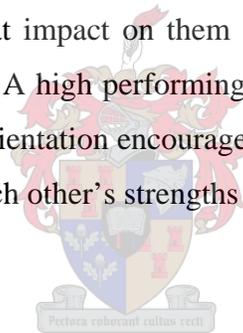
In Tables 7 & 8 and Figures 5 & 6 it may be noticed that there is alignment between individual time spent making decisions (given the level of impact on the success of the business) and respondents’ perceptions of how the rest of the organisation is doing. Little time is attributed to the time spent on broad, strategic decisions, given that the respondents were executives and senior business managers. Most decision-makers feel that they are always caught operating at the wrong level, leading to them spending most of their time making, or influencing, decisions on the tactical and operational levels. Reasons cited were that they do not trust the managers to do a proper job since they are not wearing an executive hat and do not know the impact of the decisions they are making on the bigger organisation, and that the information they are currently working with is not informative enough and there is really no insight into it; as a result it can only be used to a certain extent.

Respondents feel that they completely ignore cross-functional decisions which are also key to improving business processes, as well as value chain effectiveness and efficiency, leading to improved business operations. Most of the decisions at this level are occasionally an interesting result of doing business.

4.2 Overall findings

We notice a degree of misalignment with regard to how people perceive their departments and how the rest of the organisation is doing. In terms of information maturity and the culture within the organization, this is not necessarily a good thing as it suggests that departments operate on their own and are empowered to do what works for their environment, regardless of the impact on other business units. For example, different departments may have systems that are specific to their requirements that may not necessarily be the same as those of the next department. This adds to the challenges of the sound management of information.

It could also mean that initiatives and activities at group level are not cascaded down to the departments, which is also a concern in that, at times, information users are not aware of actions that impact on them and do not even know if these are aligned to the Group or not. A high performing organisation that is supportive and exhibit a high information orientation encourages an environment that is open to the sharing and leveraging of each other's strengths and capabilities to the benefit of the entire organisation.



There is also very little understanding of each other's world. The IM department does not understand, nor does it know enough about the departments it is serving. This is a matter of concern because IM's critical success factor is to understand the business environment intimately. Business departments on the other hand does not engage the IM department well enough and at the right time and level to ensure that their requirements are attended to in a timeously and trepid manner to take appropriate corrective action.

4.3 Section D – Information Practices

4.3.1 *In your opinion, which strategic business initiatives are driving your Department/Organisation towards more effective utilization of management information?*

It is the general consensus that business performance management methods, including initiatives like CPM (Corporate Performance Management), are more important contributors/drivers towards effective utilisation of management information. Group strategic priorities and regulatory risk and compliance are both of equal importance, followed by Barclays' synergies as least important

4.3.2 *How difficult is it to get the relevant company information you need to make an accurate decision?*

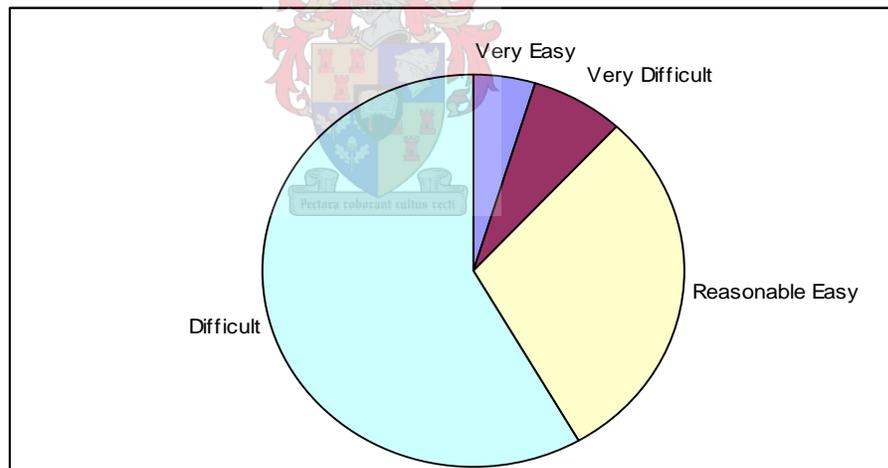


Figure 7 Relevant information for decision-making

Figure 7 suggests that more than half of the information users surveyed find it difficult or very difficult to gain access to the information they need to make informed decisions. Three factors are cited as being the reasons for this difficulty: the inability to identify the most accurate and relevant source, the time it takes to get access and technological limitations.

4.3.3 What key issues do you face in accessing internal information?

The following have been cited as key issues in accessing internal information:

- Inaccuracy of information
- It takes a long time to find the relevant information
- Technology limitations
- No obvious way to access information
- Sometimes need special permission to access certain sources of information

4.3.4 How challenging is it to locate relevant external/competitor information needed to make decisions?

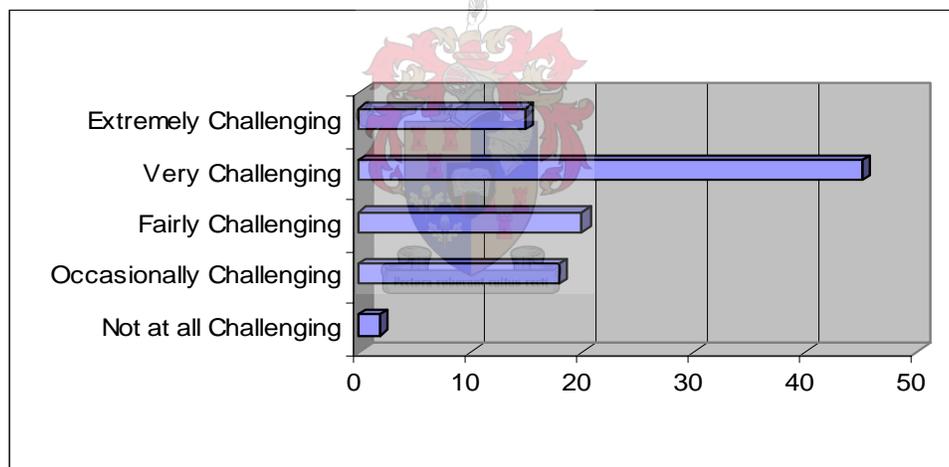


Figure 8 External/Competitor Information

Figure 8 shows that more than 90% of respondents find it extremely to fairly challenging to locate external and/or competitor information in order to support decision making.

4.3.5 *Do you ever carry out your own analysis into your company database using a business intelligence (BI) tool or other reporting software?*

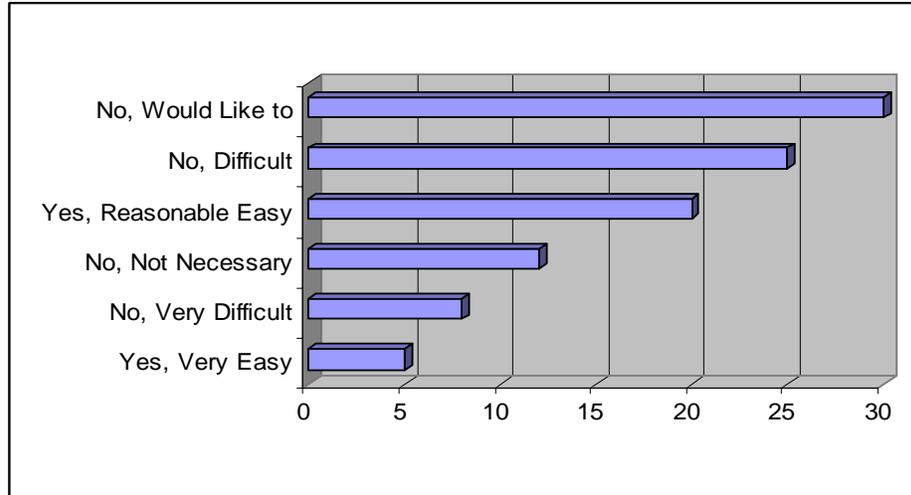


Figure 9 View of BI & other reporting tools

In Figure 9, it is evident that more than 70% of respondents find it difficult to carry out such an analysis, have no capability for querying and reporting, or do not believe such capabilities to be necessary. The feeling amongst the information users is that the database is not structured for the information they need. The querying is cumbersome. Timeliness is poor. Having others to do the data retrieval suffers from communication and result in interpretation errors.

4.3.6 Are you aware of any situations where business managers have made bad decisions because they did not have sufficient information?

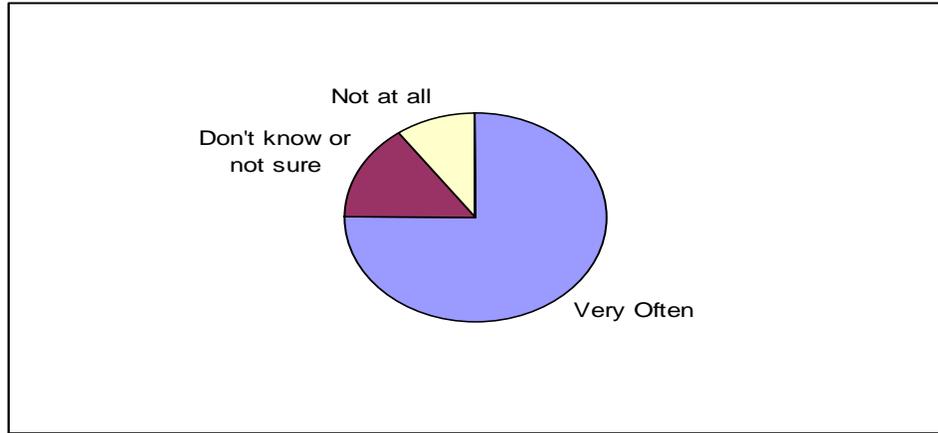


Figure 10 Bad Decisions due to Insufficient Information

Figure 10 indicates that 75% of information users and decision-makers confirm that bad data has led to poor decisions being made, leading to poor performance since a lot of time is spent fixing mistakes or recovering from the results of bad judgment.

4.3.7 How often do you have to make important business decisions based on gut feel and experience as opposed to hard facts?

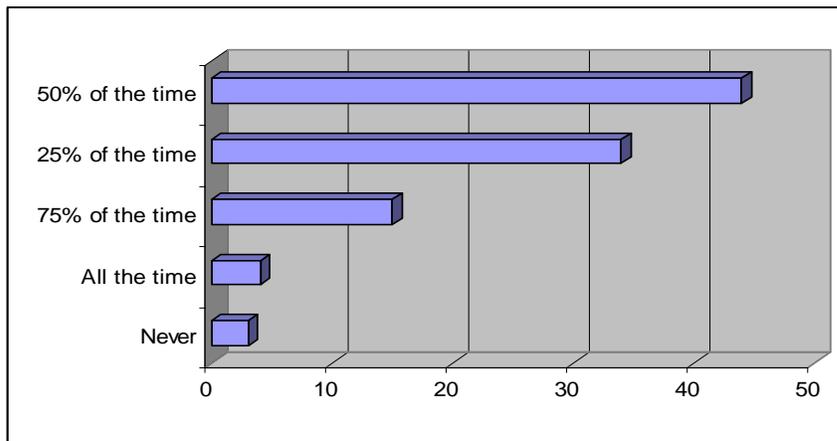


Figure 11 Business Decisions based on Gut Feel

In Figure 11, one notices that a majority of decision-makers make their choices based on gut feel and experience, rather than sound and verifiable information. While many are not comfortable with the approach, 40% are very confident in their gut-feel decisions, but they would also welcome better and timelier information.

Currently a large number of respondents attribute blame to insufficient time in locating data for forcing them into gut-feel decisions.

4.3.8 *Select the statement(s) which best complete(s) the statement below:
 "... information is used to solve business problems and support
 '....?.....' analysis and decision making".*

Table 9 Decision-Making Levels

Description	Mark Applicable Options "X"
Operational (Monitor, what just happened?)	14
Strategic and Tactical (Report on the past: What has happened)	14 + 3
Strategic and Tactical (Analyse why this happened based, on the past)	14 + 7
Tactical/Strategic (Predict the future by analysing the past regarding: What will happen?)	14 + 4

Out of 28 respondents, 14 information users utilise information as a combination integrated at all levels of decision-making. The remaining 14 is spread across Strategic and Tactical reporting, with three indicating that they mostly report on the past concerning what has happened; seven indicating that they use information to analyse why this happened, based on the past; and the last group of four indicating that their focus falls more on predicting the future by analysing what will happen.

4.3.9 How is information used to support levels of decision making? E.g. Improve financial management, evolve customer strategies etc...

It is evident that different departments have different uses for information. Information maturity and priorities come out factors determining how information is utilized to support different levels of decision making. Different uses and levels are detailed below:

- Information is critical in most decision makings, client retention, and cost-saving in terms of the budget
- To ensure compliance with industry standards and legal requirements, and integration with Absa Group Policies and Procedures
- To identify problem areas, and opportunities, quantify the financial impact of the problem or opportunity, which can either affect strategies, or projects, depending on the nature of the problem or opportunity or problem.
- To improve management's decision-making and strategic planning
- Trends predict future behaviour - behaviour can be changed to strategy
- Better financial management, understanding of environment, business performance management, understanding of the business

4.3.10 In your opinion, does your Department/Organisation apply information effectively in terms of fact-based decision making?

Absa is not yet at this stage that information is applied effectively in terms of fact base decision-making. Information access, automation and integration of systems, relevance and accuracy of information, skill and supporting programmes were amongst the issues that were raised as factors contributing to not moving fast enough in this area.

4.3.11 Which areas/aspects could the Department/Organisation focus on to improve information consumption and application to become an effective “Learning organisation”?

Recurring themes:

- Creating a culture that values information
- Utilisation and alignment with standards and best practice at international level
- Need for adequately trained/skilled “information users”
- Automated MIS capability
- Common definitions across the organisation
- Centralised storage of relevant information

4.3.12 What are your views on the information being defined as a corporate asset?

Recurring themes:

- Information provides a basis/foundation for competitive advantage
- Information should be deemed as a corporate asset
- Information should be accessible to those who need it at all levels
- A culture of sharing information should be encouraged
- Information could enhance intellectual capital
- Realisation of importance of knowledge management amongst employees, and the importance of retaining knowledgeable employees



4.3.13 In your opinion, what are the critical enablers and challenges supporting this view?

Enablers:

- Skills development and retention of knowledge of employees
- Information should be deemed as a valuable asset – used for competitive advantage
- Data integrity, availability & information transparency

Challenges:

- Culture of organisation and employees not embracing information as an asset
- Inability to translate information value into tangible Rand value which will appreciate
- Retention of key employees

In your opinion, is Information quality (including accuracy and integrity) the responsibility of all Absa staff? Do you think this is adequately addressed in Absa?

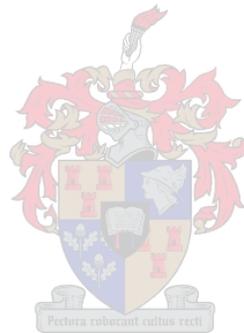


Recurring Themes:

- The majority of respondents feel that information quality is the responsibility of all information providers, with the IM department as the leader
- Information is not adequately addressed and enforced within Absa
- The feeling is that decision-makers should not have to question the quality of information in order to make decisions at the end of the information supply

4.3.14 In your opinion, how could we improve this survey and make it easy for individuals to complete on their own and not in an interview setup?

- Use less technical terms with more explanations and descriptions of specific terms.
- Less jargon to make questions simpler and more understandable; there is usually not much time to look up the glossary of terms each time you come across an unusual term.
- Workshop prior to sending out the questionnaires to ensure that everyone understands and interprets the questions correctly.

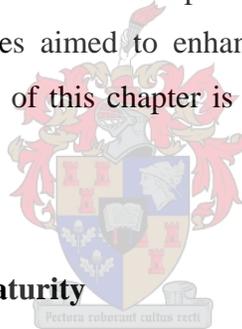


CHAPTER 5

5 INTERPRETATION OF RESULTS

5.1 Introduction

Chapter 4 presented the writer with a very interesting and at times disturbing picture regarding information maturity and information practices at Absa. In some instances it was found that the perception and experience of information users at different levels of operation within Absa varied significantly. Most interestingly was to observe the fact that individuals view their departments differently to how Absa as an organisation functions with respect to information practices as well as their experience on initiatives aimed to enhance utilization of information as a valuable asset. The purpose of this chapter is to analyze and interpret the results presented in chapter 4.



5.2 Section C – Information Maturity

5.2.1 *Information culture*

Table 3 and figure 1 (on pages 43 and 44) indicate differences in how individuals perceive the information culture at Absa. One can clearly gather from the responses that even though a large number of respondents support the notion that information is a strategic asset that should be valued and shared readily among information users, a good number still feel that Absa contains individuals who do not support this view. This is an indication that much work still needs to be done in moving everyone to the same level in terms of understanding the significance of information for Absa. A high performing organisation creates and instills a culture that values information, to Absa this means

that more focus is required to address the gap that exists in terms of utilization of management information.

5.2.2 Information Policy

Table 4 and Figure 2 (on pages 45 and 46) reveal a very worrying picture regarding information policies, procedures, initiatives, and actions that aim to regulate the use and application of management information. Feedback suggests that most information users have no knowledge of how Absa handles these activities and feel that very little is being shared and opened to the general users of information. The fact that most users could not comment on information governance, means that they do not know about the initiatives and actions being taken to ensure that this activity is properly managed. Most importantly, the picture which emerges is that the staff who are responsible for ensuring that governance and regulatory policies are in place and that information users adhere to these are not doing a visible job. From this we can also infer that the information-user community at different levels, which is supposedly key to the drafting of relevant and accurate processes, is not involved in and not part of the Absa information governance and policy generation process.

Other respondents indicated that information governance and policy handling should be happening at an organisational level and do not think it should concern them in any way; they are just users of information and not IM or IT staff department workers whose role is to source, manage and disseminate information to users.

5.2.3 Information Quality

Table 5 and figure 3 (on pages 47 and 48) indicate an evenly-spread perspective with respect to how information quality is measured and

ensured throughout the organisation. This indicates that users hold different views on the quality of information that exists within Absa. Most feedback again suggests that information quality is an IT/IM issue rather than an organisational issue. In addition to that, one needs to take note of the fact that the feedback indicates that information users do not trust the accuracy, completeness, and integrity of information supplied by information providers nor of information sourced from application systems. Users trust information produced within their departments, even if it is manually captured and analysed, rather than to information produced from IT/IM departments.

When dealing with the issue of information quality it needs to be understood that many factors contribute to this challenge and addressing the issue will take just as much effort. In terms of the discussion above these include: issues of disparate sources; information silos; information overload and not knowing how to manage it; look at business rules and definitions applied to different systems by different information analysts; varying levels of competencies and skills applied; consistency; timing; users not realizing that they need to be clear in terms of their requirements and then to understand how and where those requirements can be best serviced, given that different information producers generate information for different reasons; and lastly for the purpose of this dissertation, although the list of challenges is endless, the understanding that IT and IM are not owners of information: information belongs to the business units and they need to take ownership of and manage the quality of information their departments produce. For example, at Absa the division responsible for transactional information at branches should ensure that its staff capture the correct information when customers open accounts because IT and IM will source the information as it is into the systems. Cleansing, identification/matching and standardization performed on data can achieve this objective only up to a certain point,

meaning that everything captured incorrectly which could not be picked up by the cleansing process will remain inaccurate and will be picked up by information users and reported as on as such.

5.2.4 *Analytic Environment*

Table 6 and figure 4 (on pages 49 and 51) show that analytic capability exists in-house; the concern is that it is not at a level that matches the demand. There is a growing need for information, and users are concerned about the fact that the information they receive is not analysed. An important point is also noted, that currently information supplied to information users is based on structured and internal information and little, if any, analytics and application of information are carried out on external and unstructured information. This is a seriously disturbing observation in that, much value is being missed because of the lack of a competency to work with external and unstructured data as well as of a capability to source and store such information in Absa's current systems.

Inconsistent and different sets of data are again issues to be addressed, in that it is difficult to derive insight from unreliable, incomplete and inconsistent information. Analytics are not embedded in the business and decision-making processes. Auster and Choo (1996) suggests that managers need to use information, not only for decision-making and making sense of changes and developments in their external environment, but also to generate new knowledge which can be applied to design new products and services, enhance existing offerings and improve organisational processes.

IM needs to create an environment that will promote fresh insights into business issues. They must find a way of encouraging managers and executives to invite external specialists to their forums for discussions.

These specialists would be more likely to challenge the prevailing views of the senior staff as they have similar experience and assumptions and most have been tested already.

IM should find that there is a need to find a way of leveraging the value of all potential information contributors across the organisation. For example, IM is not the only supplier of information: Group Finance, Marketing, Enterprise Risk Management and Product Houses possess capabilities and information specific to their divisions that, when shared and added to IM information, can produce credible insights.

5.2.5 Decision-Making Environment

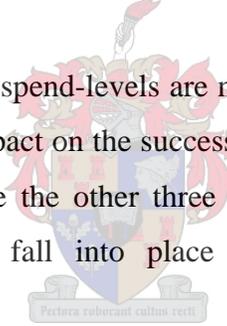
Tables 7 and 8 and figures 5 and 6 (on pages 52, 53 and 54) indicate that there is a similarity between how Absa departments and Absa as an organisation are doing in terms of the time spent on different levels of decision-making, compared to what they should ideally be doing. This trend also highlights that Absa does not possess a decision-making process and culture that enables effective decision-making throughout the different levels of business operations. More of a focus is placed on decisions that affect business-as-usual and on operations, than on critical business decisions in monitoring and measuring how well Absa is doing against its strategy and key business drivers, in order to set the tone moving forward.

Also evident is a disturbing picture stemming both from Absa departments as well as the organization: that very little time is spent at the cross-functional decision-making level. This is a level that requires much attention and coordination because it touches on the entire value chain, and management information plays a key role in ensuring that decision-makers at this level arrive at informed and timely judgments. The quality of decisions made at this level will determine the

effectiveness of the actions decided upon, since they impact on the entire business operation and ultimately the success of the whole organisation.

It was also established that certain decision-makers spend more time influencing decisions at the wrong level and less at the level at which they should be. As suggested information and insights are amongst the factors that need to be looked at. These managers are indirectly pressured to work at the wrong level as far as the supply of management information is concerned. Where they do gather information at the correct level, it is still found that information does not support them in terms of how they should go about carrying out appropriate action in a manner that will yield positive results, not in the interim, but in the long term, as well as ensuring that the bigger picture drives the final action.

Small and critical spend-levels are not aligned, but this is not much of a concern as the impact on the success of the business is highlighted. It is believed that once the other three decision-making levels come right, they too should fall into place automatically with very minimal intervention.



In such a competitive environment as the Financial sector, Absa cannot afford areas that are overlooked in terms of the decisions that need to be taken; the right focus is critical to ensure success and making sure that the business is not only sustained but outperforms competitors.

5.3 Section D – Information Practices

5.3.1 In your opinion, which strategic business initiatives are driving your Department/Organisation towards more effective utilization of management information?

Question 5.3.1 indicates that business performance management act as the key driver in this regard. This is encouraging since it is in line with what the Group wants, which is to drive performance through effective and efficient use of management information, and there are measures, initiatives and programmes in place to support this drive.

Strategic priorities and regulatory risk & compliance are not far off; they are important and should be treated as such. However, in other parts of the bank these are receiving high priority. MI should not drive performance management only, it should also support and enable strategy and ensure that the activities which could expose the Bank to risk are identified early so that measures can be taken to address and combat those risks. The Bank is operating under very strict conditions, its operations are tightly governed, and MI plays a very key role in ensuring that the Bank is always above-board when it comes to such issues.

Barclays' synergies are not seen as a major driver in this respect: they exist to ensure continuity and alignment as well as to open channels for learning and sharing, utilising what has worked in other parts of the operation to improve working methods.

5.3.2 *How difficult is it to get the relevant company information you need to make accurate decision?*

Figure 7 (page 56) indicates that the average information user finds it difficult simply to access the information needed to make informed decisions, leading to many making decisions based on gut-feel. Time is spent questioning whether data is accurate, manually downloading and merging files, phoning and emailing colleagues.

5.3.3 *What key issues do you face in accessing internal information?*

Information users have to receive and scrutinize information before they can confirm that they are indeed working with relevant and accurate information. Technology has been cited as a major limitation: at times users do not know how to interrogate the systems to get what they want. The result is that they end up looking up to someone else for assistance. But, if they turn to an information specialist for assistance, they sometimes find that they cannot obtain what they need because systems are not integrated to enable such querying.

The issue of sensitivity has also been noted: the results indicate that information users are concerned with the access controls. They see them as an obstacle, preventing them from doing their work and operating effectively and efficiently.

5.3.4 *How challenging is it to locate relevant external/competitor information needed to make decisions?*

Figure 8 (page 57) indicates clearly that it is challenging for most information users to locate relevant external/competitor information. They do not know what information is available out there; many do not know how to go about sourcing the information that they have identified as key and relevant to enhancing their supply of management information. Another issue has emerged where information specialists do not possess the competency to source the external relevant information. It is also an issue that any information that is sourced needs to be stored somewhere, and at times it is found that IM does not have the capability to carry out either task efficiently.

The departments that have the skill and capacity to source certain information are not yet at a stage where they are comfortable sharing

this with others and at times do not know that the information they possess can actually benefit someone else within the organisation.

5.3.5 Do you ever carry out your own analysis into your company database using business intelligence (BI) tool or other reporting software?

Figure 9 (page 58) indicates the difficulty that the information user-community faces when trying to analyse information using the BI tools or other reporting software. This is to be expected in that not all information users are expert users; most of them only work with information to understand the situation and be equipped with relevant information when making decisions, and working with information does not require any specialised training. It is ideally the work of the information specialists to do analysis especially if it requires access to the data warehouse and querying.

5.3.6 Are you aware of any situations where business managers have made bad decisions because they did not have sufficient information?

Figure 10 (page 59) clearly shows that such staff have made bad decisions because the available information was insufficient, inaccurate and/or incomplete. This concern takes one back to the issue of information quality.

5.3.7 How often do you have to make important business decisions based on gut feel and experience as opposed to hard facts?

Figure 11 (page 59) indicates that owing to the issues currently being faced with regard to information access, integrity and quality, most managers and executives do rely on gut-feel and experience rather than sound and verifiable information to make decisions. Most of them are comfortable and confident that it is the next best solution to their information issues.

*5.3.8 Select the statement(s) which best complete the statement below:
"...information is used to solve business problems and support '....?.....'
analysis and decision making*

The majority of information users use information in a combination of all decision-making levels, operational, tactical or strategic, focusing on different views at different times and for different purposes.

*5.3.9 How is information used to support levels of decision- making? E.g.
Improve financial management, evolve customer strategies etc...*

The statements presented indicate that information is used to support decision-making at different levels, for various reasons and in different quantities, ranging from strategy planning to enabling that strategy; measuring performance; leads and campaign management; risk and compliance, identifying problem areas and opportunities; quantifying the financial impact of the problem or opportunity, in order to optimise business processes and to manage business operations.

5.3.10 In your opinion, does your Department/Organisation apply information effectively in terms of fact-based decision making?

The results indicate that most managers at Absa apply information effectively in terms of fact base decision-making. However, they still rely to a large extent on gut-feel and experience. The result is that at times the business is compromised since some of those decisions have proven to have been poor decisions. Information access, automation and integration of systems, the relevance and accuracy of information, skill and supporting programmes were amongst the issues that were raised.

5.3.11 Which areas/aspects could the Department/Organisation focus on to improve information consumption and application to become an effective “Learning organisation”?

Most information users are of the opinion that to become a high-performing organisation requires the characteristics of the learning organisation. Absa contains pockets of users with most characteristics; some are strong and others still need a lot of effort to get them where they need to be if Absa is to realise its vision.

5.3.12 What are your views on the information being defined as a corporate asset?

As the results indicate most information users concur that information is a corporate asset and should be treated as such. They also feel that it forms the basis for competitiveness and those organisations that do justice to it will outperform their rivals. Furthermore, they add that the organisational culture should be one which values information and encourages sharing if the business units are to reap the benefits of treating information as a strategic resource.

5.3.13 In your opinion, what are the critical enablers and challenges supporting this view?

The results indicate that there is a common understanding of the critical activities for ensuring that information is treated as a corporate asset and that it is key to ensuring the success of the business and to gaining a competitive edge. The concern is how Absa moves to next stage and utilise information effectively and efficiently.

CHAPTER 6

6 RECOMMENDATIONS AND CONCLUSION

6.1 Introduction

Part of the objective of this study was to investigate and make recommendations on the areas of information maturity and information practices that could be enhanced in order to enable the development of a business insight capability. From the findings of this study, it is clear that there are several areas that need improvement.

6.2 Section C – Information Maturity

6.2.1 *Information Culture*

For Absa, this means that individuals at all levels need to be presented with strong, properly targeted change management programmes, aimed at fostering a culture that values information..

6.2.2 *Information Policy*

There is a need to embark on a drive to educate information users about information governance, policies and procedures, why they exist and how they are managed. Employees need to be trained as to how to effect these policies and the consequences of non-compliance. Absa needs to take a step forward, and communicate widely how the information governance model operates, why it is designed as such, and how it impacts on other functions within the organization. The benefits of having such governance in place needs to be explained, and also which policies and procedures exist and where to find more information on these aspects.

In addition, developers need to find a way of collaborating with the information users in generating these policies and involving them in devising actions that will ensure governance and proper management of policies and procedure. This should ensure that users accept and adhere to these policies, thus leading to a healthy, information driven organisation.

6.2.3 Information Quality

Absa should educate information users and business units regarding the fact that information belongs to the business as a whole and that they are accountable for what happens to information in their divisions. IT and IM are information enablers, and their role is to ensure that information is stored properly and made available to those who need it, at the right level, at the right time and in the correct quantities. IT and IM, as custodians and information experts, need to play a more visible advisory role and facilitate the process where necessary.

In addition to this, IT and IM need to try and influence Absa as an organisation to perceive that all frontline processes need to be reviewed to ensure that quality issues are addressed at source where information is actually captured. The people who work at the frontline together with senior managers and executives need to be sensitized and informed of the importance of capturing correct information because “garbage in is garbage out”. They need to be trained to understand that poor quality information leads to a poor decision-making process, more than one version of the truth and inadequate overall management.

IT and IM could go as far as introducing a system that will enable the tracking and monitoring of staff members who continue to capture incorrect information into the production systems. To support this, their KPA’s could be designed in such a way that a large proportion is

assigned to quality of information and those who perform well are rewarded.

6.2.4 Analytic Environment

Absa needs to look beyond the structured data and discover the value that lies within unstructured data and external sources, by reinforcing the capacity and the competency to source the unstructured data and external databases.

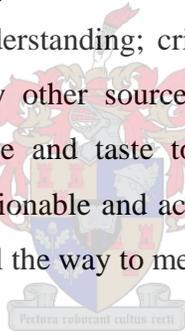
The analytic process needs to be entrenched into business processes to ensure sustained and continued improvement. Investment in terms of skilled resources is required, and change management is also a key to ensuring that analytics play an important role, and that information users understand this and know when and how to support information producers and insight-creators with business knowledge. It is emphasized in the study that insight alone can only take one up to a certain level: it is the knowledge of the workers regarding business, processes and roles that, when matched with the relevant insights, leads to superior actions and decision-making.

6.2.5 Decision Making Environment

Seeing that one of Absa's strategic focus areas is enhancing the utilization of management information in decision-making as well as process optimization, there is an urgent need to design a solution that will not only examine the supply of actionable insights but also ensure that these insights are tailored to the right audience, enabling them to make and focus on the right level of decision-making and combine this with the amount of time they should ideally be using to do so.

Actions should also be taken aimed at addressing the issue of the information requirements of the information user community. Its members should ideally know what business questions they need answered and what level of detail is appropriate, to enable the information specialist to work with the correct specification and to align the reporting with the right level.

In addition to the above, there should be a drive to educate information specialists about the business, the environment they are operating in, the challenges they are facing, who their customers are, what their base looks like, who the competitors are, and what they look like. This knowledge will become helpful when these specialists work on their reports, in that they will be able to apply more appropriate business knowledge and understanding; critically evaluate the information they work with; identify other sources that, when considered, can add a different perspective and taste to information; and at the end offer insights that are actionable and actions that are clearly defined and that can be monitored all the way to measured effectiveness.



Furthermore, the business should use change-management initiatives to educate management and decision-makers of different levels of decision-making regarding how this impact on their roles in ensuring that decisions are made at the right level.

The culture should also be looked at carefully, to encourage activities to create a culture that values information, including the belief and attitude that information can make a big difference in staff members' lives when applied correctly at the right time and level.

6.3 Section D – Information Practices

6.3.1 In your opinion, which strategic business initiatives are driving your Department/Organisation towards more effective utilization of management information?

There need not be a standard way of considering the role which management information should play. Different departments have different focuses and their success is measured differently even though they are all working towards the same vision. Management information should be driven by departments, although the emphasis must fall on the overall strategy and how each department contributes to this.

6.3.2 How difficult is it to get the relevant company information you need to make accurate decision?

Information users should be engaged as individuals as well as groups with specific needs or interests, and as departments in terms of what information they require to manage their business. Information suppliers and specialists should also be structured to support specific areas and business requirements. An information portal should be created with specific business requirements in mind. This ensures that there is one central place to find data, which will contain information in a format specific to that department, such as the business, rules and definitions applicable to it. Should the information required not be readily available there, the user should know which information specialist to contact. In this way it should be easier and quicker for users to locate information.

6.3.3 What key issues do you face in accessing internal information?

Information users need to be educated regarding the fact that not all information can be made available to anyone and anyhow. Control

measures must exist; certain company information is so sensitive that it will expose the bank to high risks if it is to fall into the wrong hands. For example, as a bank, Absa cannot take a chance with customer information. If customer information were to leak somehow, the next bank could target Absa's customers directly with product offerings to entice them to switch banks.

Issues of information quality that have been highlighted previously include matters that the bank needs to look at seriously: information users need to trust that the information they are working with is accurate and reliable. Technology is a major issue, especially for Absa, because it resulted from a merger of four banks with different systems; within those banks, departments used different systems for varying purposes and integrating those systems has proved difficult. The focus should be maintained in striving to move to a stage where the infrastructure and the architecture enable seamless integration, nurturing the projects that are already functioning to reduce the number of these systems, killing the silo mentality and ending up with a meaningful and easily integrated environment that enables multi-sourcing for the purposes of reporting. For this type of business challenge, the key to success is to continue business as usual whilst working on the long-term solution.

6.3.4 *How challenging is it to locate relevant external/competitor information needed to make decisions?*

The IM department, because tasked to drive the strategic objective regarding MI and being custodians and enablers of information in the bank, needs to determine ways to coordinate and drive the sharing of information and related activities amongst all the information suppliers. There needs to be open sharing regarding which department offers which information and has access to what external sources, and how that

information is structured and for what purposes. This will assist information users.

The focus should alter to one which takes external information sources seriously since they continue to become more relevant and could be the only way to differentiate Absa as a player in the industry. This means examining at capacity, functionality, competency and storage issues.

6.3.5 *Do you ever carry out your own analysis into your company database using a business intelligence (BI) tool or other reporting software?*

IM should encourage departments to have expert users within their departments. These individuals will be empowered with tools and equipped to work with data warehouse information as well as to use and manage the BI and reporting tools currently utilized within the bank. Support and training should be arranged in IM. The purpose would be to ensure that all the small and straightforward requirements can be serviced within those departments to ensure that they do not wait unnecessarily for IM to deliver on their requirements. IM will be freed to attend to the advanced information and analytic requirements, to undertake statistical modeling as well as to launch initiatives that aims to move the bank to an integrated information framework, specialized systems that can interface with each other, one portal for all information reporting and other processes.

6.3.6 *Are you aware of any situations where business managers have made bad decisions because they did not have sufficient information?*

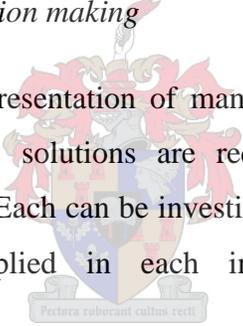
There is an obvious need to work on information quality issues, access to information and understanding and servicing information users' requirements. This will ensure that the users receive information they can work with and relevant to their situation and at the right time.

6.3.7 How often do you have to make important business decisions based on gut feel and experience as opposed to hard facts?

Although making such decisions has worked for many years, it is important to note and educate information users concerning the benefits of fact-based decision-making coupled with experience and gut-feel. Cultural change is required and is therefore important to look at, especially in this case. Managers who have been successful without factual information may tend to go back to their old ways of working even when the current challenges have been met.

*6.3.8 Select the statement(s) which best complete the statement below:
"...information is used to solve business problems and support '....?.....'
analysis and decision making*

This is a fair representation of management information usage in the business. Various solutions are required to support all aspects of decision-making. Each can be investigated to determine how to improve the insight supplied in each instance, coupled with business understanding.

A faint watermark of a university crest is visible in the background of this section. The crest features a shield with various symbols, topped with a crown and a figure holding a staff. Below the shield is a banner with the Latin motto "Pectora robustant cultus recti".

6.3.9 How is information used to support levels of decision-making? E.g. Improve financial management, evolve customer strategies etc...

IM needs to try and understand what drives each department, what its critical success factors are, and how to facilitate its strategy and gear the said department towards supporting these different and yet equally important business needs.

6.3.10 In your opinion, does your Department/Organisation apply information effectively in terms of fact-based decision making?

The findings indicate that most managers at Absa apply information effectively in this sense though they are still greatly reliant on gut-feel and experience, which at times comprises the business. Information access, automation and integration of systems, relevance and accuracy of information, skills and supporting programmes were amongst the issues that were raised.

6.3.11 Which areas/aspects could the Department/Organisation focus on to improve information consumption and application to become an effective “Learning organisation”?

A culture that values information and encourages sharing and learning is the one that IM needs to create and instil amongst information users. Information is of value if it is used and shared readily amongst the group. Other factors that encourage, support and enable business such as common business definitions, a central repository, integrated systems as well as insight and capability should be in a healthy state for Absa to become an effective learning organisation.

6.3.12 What are your views on the Information being defined as a corporate asset?

IM needs to elevate the status of information, aligning it with that of the other key business resources and make this known throughout the bank. Measures should be put in place to ensure that the quality of information is high, that information is reliable and accessible and that systems can talk to one another, so as to ensure that reporting will be based on a bigger picture than on specific parts only.

6.3.13 In your opinion, what are the critical enablers and challenges supporting this view?

The culture should be altered to one which supports the view that information is a corporate asset that should be nurtured and treated like other key assets in the business. Retention of staff is another factor that strongly emerges as needing attention. The knowledge about information that supports business resides within these individuals. Therefore it is strongly suggested that the Absa embark on serious attempts to try and retain the good staff.

6.4 Conclusion

For its business insight capability to be created and sustained in order to enhance the utilization of management information as a key differentiator from the competition, Absa needs to ensure that IT practices, IM practices as well as information behaviours and values are optimized in a balanced fashion, and not one at the expense of the other. In addition to this, the major challenges cited in the study with regard to a strong information orientation and its critical role for sustained improvements in business performance need to be addressed. .

This study revealed that Business units, group support services and product houses display a certain level of the prevalence of insight activities, some being advanced and exhibiting more serious commitment to it than others. However, it was clear from the findings that much improvement and engagement is required, especially in terms of role clarification, practices and culture. The approach currently adopted in these business units has also been highlighted as being inconsistent and uncoordinated, leading to duplication and resulting in reactive responses, adversely affecting business decisions and processes.

Information quality issues emerged clearly as hindering the process of ensuring an environment characterised by information that is accurate, reliable, trusted and

consistent. The research makes it clear that processes, capabilities and competencies can exist, but if the information procedures and the practices which they aim to enable are not at acceptable levels, Absa will not reach a stage where management information is utilized efficiently and effectively and will not see improved and sustained business performance.

Absa therefore needs to engage in major change management activities that will be aimed at addressing the challenges highlighted in the study in sizable chunks. This will ensure that each initiative receives as much energy and effort as are necessary to make it a success.

Visible commitment from Group Exco to Absa staff in terms of management information being one of the key strategic priorities; their intention to build an environment that will enable and support this drive, are extremely important to the overall success of the organisation.

The study has revealed an acute awareness of the need to view and treat information as a precious organisational resource in general, and particularly so in the Financial sector. Such awareness needs to be driven into its logical conclusion, namely the design and implementation of sourcing, storage, retrieval and dissemination strategies of this precious resource. Such strategies will lead the organisation to develop and maintain Business Insight as an organisational competence that will create and sustain a competitive advantage.

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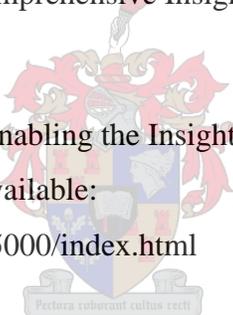
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APPENDIX A

Section C – Usage Questions

QUESTIONNAIRE

Section 1: Information Culture – “How do things get done and how is information perceived in the organisation?”

Select the statement which best describes how information and related activities are perceived in

Your
Department

Your
Organisation

Information is as much an enterprise asset as it is a financial, material, and human asset, and is treated in much the same way, including inventorying and auditing information

Information is considered an intangible enterprise asset and is wielded to maximize business goals and form partnerships

Information is recognised as a fuel for business performance and innovation and is shared readily among business units

Information is coveted and hoarded as an internal tool for power and influence

Information is a by-product of the business and is occasionally an interesting artifact of doing business

Section 2: Information Policy (Governance) – “How information flow and congruity is regulated”

Select the statement which best describes how information and its usage is governed and regulated in

Your
Department

Your
Organisation

A specific individual is assigned to oversee information management at the corporate level. Monitoring and enforcement of information governance is automated throughout the enterprise, with penalties and rewards established and carried out.

Information policies and mandates are well documented and ingrained, and involve legal, where appropriate. In addition, several enterprise wide monitoring systems for these information management “rules” are in place

Formal information policies are drafted and approved at the IT/IM executive level, but have no “teeth”. Although policies affect the business, business units have little influence on or use for them.

Informal information guidelines are documented and distributed. Guidelines tend to be more technical in nature (e.g. naming standards) and based on project needs, rather than being business-oriented (e.g... Usage) and based on enterprise needs. Legal aspects begin to appear.

Lack of information guidelines results in a disconnection between the meaning of information and its usage throughout the organisation

Section 3: Information Quality – “How information quality is measured and ensured throughout the information supply chain”

Select the statement which best describes characteristics and activities related to how the quality of information is measured throughout the Data warehouse and Analytics environment within

**Your
Department**

**Your
Organisation**

Data quality is an ongoing strategic enterprise initiative with demonstrable ROI (Return on Investment). Many fringe data characteristics (e.g., latency, currency, breadth, depth, precision, interrelationships, capture sources, capture devices/technologies) are continuously measured and monitored. Data is enriched from third-party providers, and mission-critical unstructured information (e.g., documents) is subject to quality controls. Data is tagged with quality indicators to associate levels of confidence or known problems with information.

Data quality is a principal IT/IM function and major responsibility. It is measured and monitored for accuracy, completeness, and integrity at an enterprise level, across systems and capture points. Data quality is concretely linked to business issues and process performance. Most cleansing and standardization functions are performed at the source.

Major data sources and quality issues are documented but not analyzed or well quantified. Data cleansing typically is performed downstream (e.g., by IT or in IM in the data warehouse), where record-based batch cleansing (e.g., name/address), identification/matching, reduplication, and standardization performed.

Decisions and transactions are often questioned due to suspicion or knowledge of data quality issues. Application developers implement simple edits/controls used to standardize data formats, and some manual or home-grown batch cleansing is performed at a departmental/application level. Data sources are reviewed, but not optimized, with limited quality control at point of capture.

There are no formal initiatives to cleanse data. Identification of key data sources and quality control is not specified. Data quality needs (typically reduplicating) are addressed on an ad hoc basis by individuals with pressing needs.

Section 4: Analytic Environment – “How information is leveraged to improve business performance”

Select the statement which best describes characteristics, activities and tools related to how information is gathered, analysed and used to make decisions within

**Your
Department**

**Your
Organisation**

Information is considered throughout decision-making and research and development activities. Nearly all aspects of the business are recorded (even at a sub-transactional level) and automatically leveraged using predictive and case-based methods. Unstructured data is as accessible and analyzable as structured information. Strategic decision-makers have complete enterprise and environmental visibility along with predictive and interactive scenario planning functionality. Tactical decision-making is linked to and validated against strategic rules/decisions, and also based on complete (though compartmentalized) visibility. Increasingly, the analytic and operational infrastructures are melded together (reducing the need for stand-alone analytic applications and BI tools).

Analytic output is increasingly directed toward business processes rather than merely to people. For strategic analysis, executives have multi-level access to information that is linked or integrated with robust external information. Tactical decision-making is based on a consistent/common set of information, and operational decision-making is highly automated and integrated. Analytic applications include recommendation capabilities based on encoded business rules. The analytic environment includes multiple flavours of data integration, multiple classes of analytic data store, integrated data quality processing, a specialized database/hardware, and frequently analytic environment monitoring/tuning utilities. Mainstream analytic applications and BI technologies are standardized at enterprise level, with pockets of specialized tools.

Specific budgets for "data warehousing" or the like now exist. Strategic decisions are supported as a data mart with canned reports. Executives have access to limited summary information from throughout the enterprise and often some market/competitive information, though their ability to perform an ad hoc query is not yet implemented. Tactical decisions are made from hand-coded departmental data marts or multiple data warehouses, with much shared data that integrates major sources of operational information. Operational decisions are made from either low latency departmental data marts or a separate analytic store that is populated at least daily. Robust analytic tools are in use within major departments, but there is no enterprise standard.

There is a growing mass of individuals having a palpable need for more information. The individuals complain about spending more time gathering information than analyzing it or not getting what they want, due to source unavailability or quality issues. Strategic decisions are made after exhausting efforts to compile information. Tactical decisions are made from limited and non-integrated operational data, often in the form of periodically executed reports. And operational decisions are based on current system feedback and/or some compiled historical data. Report writing programs are in use, but the analytic infrastructure remains highly decentralized, wherein departments have their own data extracts, their own analytic tools (still primarily spreadsheets), and extreme difficulty obtaining data from other parts of the enterprise.

Strategic decisions are made ad hoc or from requisite financial data. Executives lack any representation of the big picture or an integrated set of data from each corner of the enterprise. Tactical decisions are made by line managers through experience and observation, more than from any available data. Operational decisions are made by core personnel in a manner consistent with standard operating procedure



Section 5: How do you think you are doing? (Kindly use %; it should add up to 100 for each question).

Which level of decision making do you spend the most time on?	Which level of decision making has the greatest impact on your business success?
---------------------------------------------------------------	----------------------------------------------------------------------------------

- Routine, day-to-day, tactical decisions
- Small spend decisions
- Critical spend decisions
- Cross-functional decisions
- Broad, strategic decisions affecting overall business

Section 6: In your opinion, How is the rest of the organisation doing. (Kindly use %; it should add up to 100 for each question).

Which level of decision-making do you spend the most time on?	Which level of decision-making has the greatest impact on your business success?
---------------------------------------------------------------	----------------------------------------------------------------------------------

- Routine, day-to-day, tactical decisions
- Small spend decisions
- Critical spend decisions
- Cross-functional decisions
- Broad, strategic decisions affecting overall business

Section D – Information Practices

Section D: Information Practices

1. In your opinion, which strategic business initiatives are driving your Department/Organisation towards more effective utilization of management information? Rate in order of importance	Not Important, least Important, Important and Most Important)
Regulatory, Risk and Compliance initiatives	
Business Performance Management (incl. CPM)	
CVP (Customer Value Proposition) Development	
Group Strategic Priorities (e.g. Retail Programme, Black Market programme, Management Information, ...other (please specify):	
Barclays Synergies and Integration Programme	
	Very Easy, Reasonably Easy, Difficult, Not Difficult
How difficult is it to get the relevant company information you need to make accurate decision?	
How challenging is it to locate relevant external/competitor information needed to make decisions?	
Do you ever carry out your own analysis into your company database using a business intelligence (BI) tool or other reporting software?	
Are you aware of any situations where business decisions ... because they did not have sufficient information?	
How often do you have to make important business decisions based on gut feel and experience as opposed to hard facts?	
What key issues do you face in accessing internal information?	

2.1. Select the statement(s) which best complete the statement below: "...information is used to solve business problems and support '....?.....' analysis and decision-making. (Mark applicable options with an "X" to complete above statement)	Mark Applicable Options "X"
Operational (Monitor what just happened?)	
Strategic and Tactical (Report on the Past: on what has happened)	
Strategic and Tactical (Analyse why this happened based on the past)	
Tactical/Strategic (Predict the future by analysing the past: on what will happen?)	
2.2. How is information used to support levels of decision-making? E.g. Improve financial management, evolve customer strategies etc...	
5.2. Which areas/aspects could the Department/Organisation focus on to improve information consumption and application to become an effective "Learning organisation"?	
	
5.3. What are your views on the information being defined as a corporate asset?	
	
5.3.1. In your opinion, what are the critical enablers and challenges supporting this view?	
6. In your opinion, is information quality (incl. accuracy and integrity) the responsibility of all Absa staff? Do you think this is adequately addressed in Absa?	
7. In your opinion, how could we improve this survey (suggestions)?	