

6. INFORMATION MANAGEMENT

How are innovation and knowledge management related? Innovation is the most evolved stage in the development of knowledge management. The first stage is data, the second is information, the third is knowledge, and the fourth is innovation.

6.1 What is information management? Information management (IM) is the harnessing of the information resources and information capabilities of the organization in order to add and create value both for itself and for its clients or customers. Information management is the management of organizational processes and systems that acquire, create, organize, distribute, and use information. We adopt a process view of information management. In this view, IM is a continuous cycle of five closely related activities:

- identification of information needs;
- acquisition and creation of information;
- organization and storage of information;
- information dissemination;
- information use.

The idea underlying IM is that just as an organization purposefully and systematically manages its human resources or financial assets, it should do likewise for its information resources and processes. All the classic functions of managing an organizational activity apply to IM as well: defining goals, providing leadership, developing policies, allocating resources, training staff, evaluation and feedback.

6.2 What are the benefits of information management? Generally speaking, there are four kinds of benefits from managing information strategically:

- reduce costs;
- reduce uncertainty or risks;
- add value to existing products or services;
- create new value through new information-based products or services.

6.3 What is the difference between data, information and knowledge? Consider a document containing a table of numbers indicating product sales for the quarter. As they stand, these numbers are Data. An employee reads these numbers,

recognizes the name and nature of the product, and notices that the numbers are below last year's figures, indicating a downward trend. The data has become Information. The employee considers possible explanations for the product decline (perhaps using additional information and personal judgment), and comes to the conclusion that the product is no longer attractive to its customers. This new belief, derived from reasoning and reflection, is Knowledge. Thus, information is data given context, and endowed with meaning and significance. Knowledge is information that is transformed through reasoning and reflection into beliefs, concepts, and mental models.

6.4 What is an information strategy? An information strategy describes the overall direction and general framework in which the organization's information resources and processes should be managed so that the organization would achieve its most important goals. An Information Strategy typically consists of the following: IM goals and objectives that are well aligned with the organization's mission and vision IM principles that articulate desirable outcomes and form the foundation for developing information policies One or more areas of strategic focus: this could be some critical information content; common information to be shared; some information-intensive process; or new information-based products or services.

6.5 PROJECT MANAGEMENT

What is the purpose of project management? To provide management with valid, auditable status on which to base management decisions.

Why should the project be planned? The main reason for planning a project is for cost expediency. Proper project planning will insure that the amount of work to be accomplished, the time allotted to satisfactory complete the work scope, and the resources required to complete the work scope are equally balanced. Every project undergoes some amount of change while in progress. Proper planning allows for the assessment of the impact of change prior to implementing the change.

What is the most important safe guard provided by project planning? Proper planning includes the documentation of the work scope in language that is understandable by the individuals who must accomplish the work scope. This single step when properly accomplished will save many false starts as well as preventing the waste of resources working on efforts which are not required to obtain the desired goals of the project.

Why should a company have a project management system? The customer may wish to know how the company manages a project. The customer wants some assurance that the company can deliver the project on time and within budget. Senior management wants a valid insight on how the project is progressing. History is required of past performance so that new proposals can be created based on fact. The company desires to be a superior performer when compared to the competition.

Does each project have to create its own management system? The style of the individual project manager will normally vary for each project. It is the responsibility of senior management to put in place a policy and procedure, supported by a selection of project management tools and formats, which will assure that the status reporting is readable, auditable, and valid.

What are the tools needed for a project management system? A work definition policy and format, a scheduling procedure, a resource budgeting methodology and format, a real time data collection/reporting system, a material control and accountability subsystem, a change control subsystem, and a monthly formal status review format to be used by senior management.

What should the project manager look for in a scheduling system? The three basic elements that the project scheduling systems should provide are; a common basis for communication at all operational levels of the project, a basis for regular status reporting, the use of the management by exception technique.

What is a Work Breakdown Structure (WBS)? The work breakdown structure defines the total project. A work breakdown structure is a product oriented, family tree composed of hardware elements, software elements, and service elements. The work breakdown structure relates project elements or work scope definitions to each other and to the end product. The work breakdown structure is not an organization chart of company personnel.

6.6 DELEGATION MANAGEMENT

Why use delegation? Although delegating is one of the most difficult aspects of any management job, there are many important benefits derived by the organization as well as the manager when tasks and responsibilities are properly delegated. Through delegation, you can ease the job of managing and thereby increase your own effectiveness and that of the work group.

What are the benefits of delegation to the manager? Everybody wins with effective delegation, but delegation is especially important if you want to survive and grow in an organization. Here is how delegation can help the manager:

- ***Allows the manager to achieve more.*** Probably one of the most significant benefits is that you can achieve greater productivity. Through the proper selection, assignment, and coordination of tasks, you can mobilize resources to achieve more than would have been individually possible.
- ***Allows time for managerial activities.*** Delegation gives you an opportunity to handle aspects of the job that no one else can do. These activities might include project planning, monitoring team members, and handling personnel problems as they arise. Using delegation, you can focus on doing a few tasks well rather than too many tasks poorly. Increases managerial promotion potential.
- ***Personal advancement.*** If you don't have people in the department who are trained to handle responsibilities, you will be shackled to one area and won't be considered for promotion. John Henry Patterson, founder of National Cash Register Company, used to walk into his departments and order the managers to take two-week vacations. His motive: to determine whether a team member had been adequately trained to take over the supervisor's job on short notice. The key to such training, Patterson believed was delegating—providing the team member with the experience, knowledge, and responsibility needed for a smooth transition. Managers who don't delegate don't have trained team members to take their places. Managers who aren't able to delegate at their current level won't be able to delegate at the next. Their ineffectiveness thus multiplies with each level in the organization.

What are the benefits of delegation for team members? Your team members are more highly motivated with effective delegation.

- ***Develops team members' skills.*** Failure to effectively delegate deprives team members of opportunities to improve their skills and assume greater responsibility. Team members realize that they are not learning and gaining the experience they could. As a result, they may leave the firm for more challenging and supportive environments. Unfortunately, the most talented team members are the most likely to leave and those you least want to lose. A routine task for you is often a growth opportunity for a team member. Delegating a wide variety of assignments not only serves to train team members, it allows for backup personnel in times of emergency or termination of other employees. When others are well-versed in handling the

responsibilities of different areas, you attain maximum flexibility and ensure that the project will not be at a standstill in your absence.

- ***Increases team member involvement.*** Proper delegation encourages team members to understand and influence the work the department does. It allows team members a chance to incorporate their values in the workplace and, in many cases, to work on activities that especially interest them. Increasing team members' involvement in the workplace increases their enthusiasm and initiative. Increases promotion potential. As with managers, a team member who receives extensive delegation will be ready and able to advance to new positions. In this regard, delegation serves both to train and to test an employee. **Benefits to the Organization** If both managers and team members benefit from delegation, it follows that the organization as a whole benefits.
- ***Maximizes efficient output.*** When you delegate tasks according to the skills and abilities of each member of the work group, the department as a whole is likely to produce a higher level of work. Work will also be completed more efficiently. Delegation helps you make the best use of available human resources and achieve the highest possible rate of productivity. In addition, it allows new ideas, viewpoints, and suggestions to flourish. Produces faster, more effective decisions.

How does delegation help decision making? Effective delegation makes for faster, more effective decision making. An organization is most responsive to change in the environment when decisions are made by those individuals closest to the problems; that is, responsibility and decision making are pushed further down in an organization. Individuals closest to the problem have the most information on which to base an intelligent decision. Decision making can be achieved more expediently through delegation, thus allowing the organization to be more responsive and hence more competitive. When team members participate in decision making there is an increase in employee motivation, morale, and job performance. The greater the employee participation, the greater the employee commitment to the job and the organization! Increases flexibility of operations.

Effective delegation trains many people to do the same assignments. This overlap allows for greater flexibility of work assignments. When someone is absent or a crisis requires people to assist with tasks not regularly a part of their jobs, they will already be familiar with the assignment. Delegation prepares more individuals for promotion or rotation of responsibilities. And it allows you to appoint someone to supervise the work group when you're absent.