The Nolan Newsletter

People, Process, Technology

NOLAN

Robert E. Nolan Company
Management Consultants

Third Quarter 2004 *Volume 31, Number 3*

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Nolan is an operations and technology consulting firm specializing in the insurance, health care, and banking industries. Since 1973, we have helped companies redesign processes and apply technology to improve service, quality, productivity, and costs. Our consultants are senior industry experts, each with over 15 years of specialized experience. We act as trusted advisors to our clients, ultimately expediting and magnifying improvement initiatives and we are committed to delivering measurable and sustainable results. Visit www.renolan.com to download articles, client success stories, and industry studies.

Through the Nolan Newsletter we share with our readers:
- Updates on industry, business, and technology trends
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Got Data?

During a recent trip to the local donut shop, our ten-year-old took a big gulp of milk, and with the inevitable white mustache, asked the famous question, "Got milk?" With the healthy milk hopefully mitigating the sugar-laden portion of the breakfast, it got us thinking.

Is that how we think about Information Technology in our organizations? Are the latest advancements in imaging and workflow systems, telecom or server equipment the "tasty donuts" and—hopefully—the expected service and cost improvements the "healthy milk?"

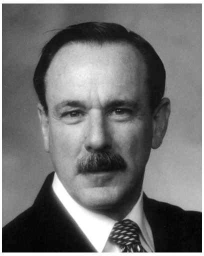
In today's world of cost pressures coming from all corners of the organization, hope is not enough. (See Steve Discher's article, "Technology Supply and Business Demand: How's Your Alignment?" on page 8.) Fortunately, we see organizations increasingly scrutinizing IT costs. However, there still seems to be looseness to how projects are initiated, prioritized and then carried out. From casual meetings in the hallway that result in a multimillion-dollar IT effort to a structured prioritization steering committee that approves multiple high-priority projects without regard to resource allocation—expenditures are being made and the right people in the organization don't know if these are good decisions, if they know about the decisions at all.

It is time to gather and analyze the right data regarding IT expenditures and really know if you are getting the right value from them. Perhaps categorizing IT expenditures across the enterprise into infrastructure, telecommunications, hardware, applications and business management, and then benchmarking your results against others within your industry as well as the best in class outside the industry, would help. Looking at IT costs relative to premium, policies in force, employee counts or other reasonable comparisons will also provide some transparency to the subject.

However you do it, don't just hope for better value from IT. Get data, and really know! ■

Ben DiSylvester
Chairman

"OCTOBER SKY," RUBIK'S CUBE AND CALL CENTERS



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Have you seen the movie "October Sky"? We watch it a lot at our house. It's the story of three Sputnik-era boys from a hard-scrabble West Virginia mining town who, inspired by a teacher, build a rocket and have their lives changed when they go to the International Science Fair. The central character goes on to become a real-life NASA rocket scientist.

Recently I found myself at the International Science Fair in Portland, Oregon. My 17-year-old daughter, Lauren, was one of 1,600 student scientists from 65 countries who were displaying their projects and competing in one of ten scientific or engineering areas. Lauren's botany project involved using a virus to kill nasty bacteria. Science fair on steroids. Geek heaven. Amazing.

One of the most popular projects at the Fair was the work of three teenage engineers. They took a video camera, an old laptop and 20 pounds of Legos and created a Rube Goldberg-like machine that solves a Rubik's Cube.

The Rubik's Cube—that frustrating cubic twisty puzzle with four colors where you have to get each of the four sides all one color—sat in the middle of a cage made of Legos. Little mechanical hands reached into the cage, spun the cube around, wheels whirred, the cube clicked. Spin, whir, click. Spin, whir, click. Over a few minutes the randomly colored cube gradually changes color. And their machine always solves the puzzle. Nobel Prize winners, kids, adults and TV news crews lined up to watch the spinning, whirring and clicking contraption.

As I stood watching this amazing device it made me think of a call center. Our health care practice was doing several call center projects at the time and I must have had call centers on my mind. But somehow call centers and Rubik's Cubes just seemed to have a lot of similarities. Here were high school students that not only had solved the Rubik's puzzle, but they had built a process (a machine) that repeatedly solved it.

Rubik's Cube and call centers. Call centers and Rubik's Cube. Complex, multi-faceted problems. Fix one side and the other three sides get worse. Most people pick up a Rubik's Cube, work it for a few minutes and leave it about the same as they started. Very few ever solve the puzzle. Rarer still is someone who discovers a solution that can be repeated.

Most call center managers are like someone playing with a Rubik's Cube. Hands fly and the cube spins, but the frustrating cube stays a mix of colors. Improve caller satisfaction and speed to answer goes down hill. Fix speed to answer and cost per call goes through the roof. Improve cost per call and abandon rate veers to the left. Work on abandon rate and staff retention rate skyrockets as they walk out the door. Fix staff retention and there goes cost of call again.

Why is a call center a managerial Rubik's Cube? To be really good at running a call center, a management team needs to have a balance or blend of skills in three complex and interacting areas: They need to understand the technology of phone and processing systems; they need to understand the complexities of transaction processing for a specific type of business (health care, insurance or banking); and they need to understand the social complexities of real-time interaction between two people who are working on a service transaction. Oh yes, they need production management skills and the ability to deal with the boring stuff of day-to-day staff supervision. And if they are really good at one skill, it almost guarantees that they will not be good at other aspects of the puzzle.

At about this point in an essay you might expect me to claim, or subtly hint, that not only can Nolan solve your Rubik's Cube but we have a machine that can solve any Rubik's Cube. The fact is we are really good at solving many call center problems. We approach them with a blend of skills, and work with your team to balance and re-blend their skills. We bring some very specific tools that we have created solely for the purpose of solving call center problems. We understand that most call center problems are not technology problems, but technology is part of the solution. We understand too that most call center problems are not people problems, but that working with people is part of the solution. Most call center problems can't be solved by changing metrics and performance metrics, yet understanding and improving how we use metrics is part of the puzzle. Email me and I'll send you some information that might help you make sense of your puzzle. My address is merit_smith@renolan.com.

Oh yes. What about Lauren? At the end of the fair, there were ten student scientists on stage who had won their category. And there stood Lauren.■

Congratulations to Scott & White

Nolan client Scott & White has been named one of the Top 100 Hospitals in the nation, ranking among an elite group of 15 major teaching hospitals. The study conducted by Solucient, a healthcare information firm, recently appeared in *Modern Healthcare*, an award-winning publication for the healthcare industry.

The 11th edition of Solucient's 100 Top Hospitals: National Benchmarks for Success appeared in the May 24, 2004 edition of *Modern Healthcare*. The award recognizes hospitals that have achieved excellence in quality of care, operational efficiencies, financial performance and adaptation to their environment. Scott & White is included in the Major Teaching Hospitals category along with other prestigious organizations such as the Mayo Clinic, St. Mary's, Methodist Hospital in Houston and Yale–New Haven Hospital.

Last year Scott & White was recognized as a Solucient 100 Top Cardiovascular Hospital for the fourth consecutive year and a Solucient 100 Top Orthopedics Hospital for a third consecutive year. This is the first year Scott & White has been listed in the Major Teaching Hospital category.

DO YOU REALLY NEED WORKFORCE MANAGEMENT SOFTWARE?

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There's a lot of buzz about workforce management (WFM) software these days, and WFM solutions are becoming more and more sophisticated. There have been stand-alone WFM software solutions for years, and recently, call management systems (CMS) vendors have begun to develop WFM modules that integrate with the traditional CMS software. So, what's all the fuss over WFM? Is it really needed? Does it need to be that sophisticated?

Just to get our acronyms straight, CMS is the software that tells you what's going on in your contact center. It captures the amount of time spent by each agent in talk time, after call work, available time, logged out, etc., and it aggregates the data by groups of agents or by queues. It reports average speed of answer, abandoned rate, service level and a myriad of other important data that tells you what's happening in your contact center.

WFM software, on the other hand, tells you what's *supposed* to be happening in your contact center. At its most basic level, WFM includes four key components: call and staff forecasting; staff scheduling and planning; real-time call/staff management; and performance reporting. Essentially, WFM gives you a chance to plan for what's going to happen in your contact center so that you are able to execute pre-defined plans in response to predictable, real-time events. Without WFM, all you can do is react to what's happening and, usually, those reactions are too slow to be effective.

So do you really need WFM software? The answer depends on the size of your contact center. The WFM vendors won't tell you this, but the value of WFM software goes from nearly useless to vitally important as your contact center goes from very small to very large.

If you have small contact centers with less than 20 service reps and eight-hour service windows, WFM software won't do very much for you because the smaller call volumes are very difficult to forecast accurately, and without accurate forecasts, WFM isn't much help. Scheduling staff is also much simpler when the service window is small. WFM starts to add value at around 30 service reps, and once you get up to 50 reps or more, WFM software can begin to make a significant difference. The benefits are magnified as your service window expands to 10 – 12 hours a day or more.

Of course, installing WFM software is only the first step. To get the full benefits, you'll need to execute each of the four key WFM components well.

Call and staff forecasting. You can start with the past four weeks of call volumes, but eventually you'll need to develop at least two years of historical call volumes by day and by 30-minute increment within the day. You'll need to understand the primary call drivers, plus the daily, weekly and monthly volume fluctuations. You will need to convert calls to staff by knowing your call handling times, the amount of non-phone work needed and your service level goals.

Staff scheduling and planning. Once you know the staff needs and how those needs vary by day of week and time of day, you'll need to develop a staff schedule that reasonably matches that varying staff need. Start times, breaks and lunches will need to be staggered, while training and other non-phone events are scheduled during periods of lowest staff need. Part-time or back-up staff will need to be available to handle peak call periods.

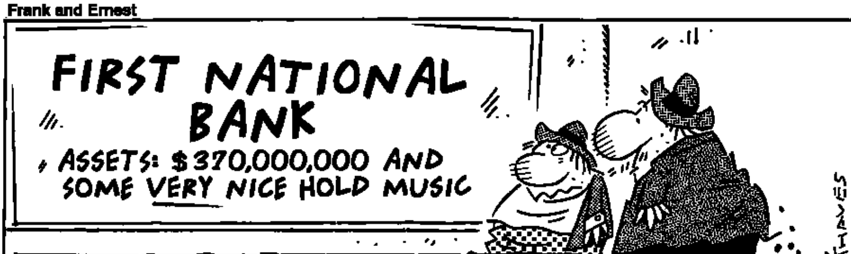
Real-time management. Managing contact centers is a full-time job that involves monitoring both CMS and WFM data to quickly respond to changing conditions by executing pre-determined plans. You will need to create a new position responsible for working with contact center managers and service reps to ensure that service levels are maintained throughout the day. This is done by adjusting staff levels as needed in response to ever-changing call demand.

Performance reporting. Your primary measure of contact center productivity will need to become schedule adherence. All the staff planning and scheduling is of little value if people aren't where they're supposed to be. Individual and team schedule adherence reports become the primary feedback mechanism to develop the schedule adherence discipline that is vital to achieve first-rate contact center performance.

These are the essential components of WFM, and for most of our clients, they are all that's needed to dramatically improve contact center performance. The WFM vendors will gladly tout the many bells and whistles that their solution offers, but the added functionality and complexity are rarely worth the added cost. We've seen too many clients make the WFM investment only to have the software sit idle because no one knows what to do with it. Remember, the software is only a tool, but when that tool is used wisely, the results can be impressive. ■

Frank and Ernest

Frank and Ernest



Technology Supply and Business Demand: How's Your Alignment?

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The topic of technology and business alignment inevitably comes up in almost every client assignment we conduct. Either it's the executive questioning their technology cost, the CIO who attempts to drive costs down while facing increased business pressure for new systems, or the CEO who hears both sides and questions the impact and value technology investments have on the bottom line. Especially now, as the economy continues to strengthen and increased technology spending is considered, we see the debate intensifying.

Addressing the issues often comes back to considering how well Technology Supply and Business Demands are aligned (see chart on page 9). In sizing up the potential problem, there are three questions we ask:

1. How well is your Technology Supply aligned with the IT marketplace?

In other words, is your IT delivery as efficient as it should be? Objective, fact-based comparisons against industry peers and outsourcers are a useful and often revealing exercise for the business and IT. In addition, we ask whether your IT infrastructure and applications are adequate compared to today's technologies and trends. For example, you may have an extremely efficient IT shop, but if the technology is not upgradeable, you may have unsustainably low IT costs and a large technology investment in the future (i.e., pay now or pay later).

2. How well are Business Demands aligned with the organization and its strategy and behaviors?

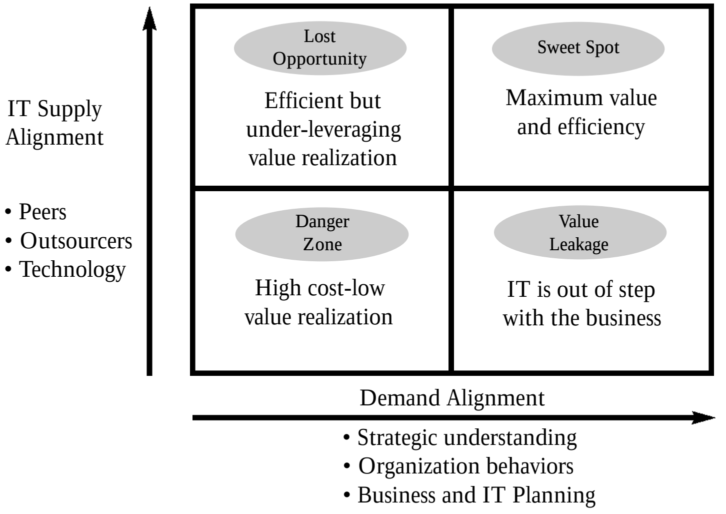
All too often, there is a misconception that the business strategy is clearly understood by all levels of the organization. Couple this with accountability gaps or the wrong behaviors and you may have problems. For example, we often see IT decisions delegated to organization levels which either do not understand or are not accountable for delivering material results. Initiatives end up being launched which everyone presumes are good ideas, but in fact have little to do with achieving the strategy. The result is value leakage, or even worse, wasted effort.

Another common symptom is where organizations look to IT automation as the primary alternative to achieving results. Check the results of your projects. Also, check your project list. If they are all IT projects, you may have a problem with internal business alignment.

3. How well are the Business and IT aligned? Do the business and IT believe they are in step with one another?

While comprehensive studies and plans are important (e.g., IT Strategic Plan), the easiest diagnosis is to survey business executives and IT. We often find highly disparate views resulting in varying degrees of value leakage or lost opportunity. Examples of this can be found in Nolan's 2003 insurance IT study (www.renolan.com/techsurvey), which compared the responses to identical questions asked of business and IT executives.

Almost two-thirds of the IT respondents (62 percent) were satisfied, while only about a third (37 percent) of the business respondents were satisfied. Those are disturbingly low satisfaction levels, especially on the business side. In another example from the study, 30 percent of IT respondents and 57



percent of business respondents believed business process impacts are measured and documented before major IT projects are begun. In other words, major decisions about systems initiatives are made without the preparation of a sound business case and without an understanding of expected benefits.

So what are the benefits?

If you think that improved alignment is a “soft” issue, think again. It can cost you dearly in ongoing spending, or it can realize plenty in additional value. Improved alignment does yield significant and real benefits.

For example, improved alignment of IT supply with the technology marketplace often yields savings of 10 – 40 percent. Benchmarking, outsourcing, contract renegotiation, and process and organization redesign can all contribute to better, more efficient IT delivery.

Conversely, alignment within the business and between IT not only yields considerable savings but also significant value to the business in the form of higher-impact projects. For example, a client recently reduced business applications demand by more than 20 percent without cutting a single high-value business program. Increased accountability, improved prioritization processes, governance changes and fact-based analysis are all important levers to achieving these results.

While the debate will most certainly continue, the facts show that it is important and materially valuable to address and resolve your business and IT alignment issues. Left unaddressed, the results can cost you real money now and into the future.■

LESSONS LEARNED FROM BANK CONSOLIDATIONS

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Merger and acquisition activity has heated up again. The question is, how many banks have benefited economically from the resulting synergies?

The current research from Federal Reserve Banks indicates there are few successes that involve both increased revenues and reductions in cost leading to overall higher performance. Many banks actually plan for an overall loss in customers of about ten percent and a loss of revenue in the first year of the acquisition.

Studies of the banking industry provide evidence that there are many failed consolidations offsetting the gains posted by some banks. These study results bring into question the overall systemic improvement from consolidation.

> *"Studies of the banking industry provide evidence that there are many failed consolidations offsetting the gains posted by some banks. These study results bring into question the overall systemic improvement from consolidation."*

What are the lessons learned from the successful banks? The first cost targets tend to be in the administrative, support and technical areas: accounting, human resources, marketing, executive, information technology, audit and security. There is a significant gap in the cost burden between banks for these "administrative" functions. We see a range of between 16 percent and 44 percent from our recent Nolan Annual Efficiency Ratio Benchmarking Study of over 70 top banks. This cost target tends to be the easiest to identify and eliminate.

Operational overlap is another target area for reducing cost. The operational improvement from greater performance in loan operations, deposit operations and the customer contact center can garner a sizable reduction in labor, management, systems and facility costs. The key is to make the conversion seamless for new bank customers.

The area that gets a great deal of attention is the retail branch overlap. Many times the branches are located in the same geographical location, which leads to an opportunity to sell or consolidate branch locations. The objective is to hold onto the greatest amount of customers possible during the process.

The banks that have the greatest success in realizing the improvements focus as much on enhancing revenues as the cost improvement. It is more difficult to identify opportunities without good tools. The additional revenue can occur from simply managing fee waivers more closely in the new branches or identifying the customer product opportunities through segmentation of the new customers.

Arguably, the banks that generate the greatest bottom line performance improvement do not merely convert the new bank, but analyze the key processes and systems to assure they are taking advantage of the best practices and not just the acquiring banks' practices. This is not easy to accomplish since it requires more time and knowledge, but the results can be substantial in both lessons learned regarding new talent and garnering the greatest leverage from the acquisition.■

EQUAL OPPOSITES IN COMMERCIAL LENDING

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The art of commercial lending is the ability to maintain a delicate balance between credit management and relationship building. Commercial lenders utilize many metrics to gauge performance. Activity measures view the volume of loans, both new and existing, produced and managed by each commercial lender. Efficiency measures indicate the level of profitability achieved. Credit quality measures, such as delinquency and risk-rating, aid in predicting the potential losses that will be incurred and assist in establishing reserves for loan losses.

While these metrics are effective in determining short-term, even day-to-day, performance and provide a basis for risk management, improving these measures collectively requires the introduction of another element—time. Specifically, how are the people involved in delivering commercial loans spending their time?

Credit management involves all the activities performed by the commercial lending and credit staff to make profitable loans. The perspective tends to be one of quality over quantity. Preparing the loan for underwriting, analyzing the business to identify risks, making a decision to extend credit, offering terms of the loan commitment to the customer, negotiating terms, re-approving the loan if needed, documenting and, hopefully, closing and funding the loan require significant time. Maintaining the credit, once booked, requires dedicated resources including the time of loan officers assigned. It's a wonder how any time could be left for developing new business!

Relationship building or developing new business from new and existing customers involves an emphasis on quantity—an opposite perspective from credit management. Sourcing business through centers of influence in the bank's community, making contact and understanding customer needs require a constant and continuous effort by the loan officers—the same loan officers involved in all the credit management activities.

So how much time should be devoted to each discipline? How can you manage that time effectively? Intuitively, most lenders understand that relationship-building time should be maximized, but not at the cost of credit quality.

Our experience in working with commercial lenders tells us the following:

> *"Relationship building or developing new business from new and existing customers involves an emphasis on quantity—an opposite perspective from credit management."*

1. Many commercial lenders do not measure how much time their loan officers and administrative staff spend on credit management and relationship-building activities.
2. Those who do not know how time is allocated among activities tend to be spending the most time on credit management activities.
3. Those with greater focus on credit management activities tend to experience portfolio growth in niche segments, such as commercial real estate, where the value of the collateral is easily determined.
4. Growth in niche segments tends to result in portfolio concentration in those same segments, eventually adding unwelcome risk.
5. Mitigating the risk of concentration requires expanding business into non-niche segments.
6. Expansion into new segments requires significant relationship building.
7. Freeing up time to build new and different relationships requires that certain activities be taken out of the hands of the lending staff so that they can increase their calling efforts.

If you are experiencing these issues, I suggest you measure the time spent on each of the following activities by your lending staff:

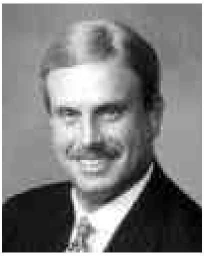
- Prospecting
- Preparation
- Decision

- Documentation
- Portfolio Management
- Customer Service
- Administration

Then, set reasonable goals to make corrections in time allocations if needed. Consider centralizing certain functions such as credit analysis, loan documentation, processing and underwriting of smaller loans. For those loans that are more transactional rather than relationships that will tend to build over time, consider segmenting and managing these loans centrally. All of these actions will tend to free up time to focus on relationship building, resulting in more productive lenders.

An equal balance between opposites—credit management and relationship building—can result in a high quality, diversified portfolio. Achieving the balance requires thoughtful effort. The art is in maintaining the balance. ■

DO YOU BELONG TO THE CLUB?



C. Kim Wilkes
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Walking through the jungles of Africa, a legendary hunter came upon a huge dead rhinoceros with a tiny Pygmy standing beside it. The hunter exclaimed, "Wow! I've never seen a rhino this big." He looked at the Pygmy and asked, "Who killed this?" The Pygmy answered, "Me and my club." Astounded, the hunter asked, "Just how big is your club?" The Pygmy replied, "Oh, we have about 90 members."

Old joke, but it gets to the heart of what hampers many companies today. Instead of working in unison, with their roles defined, many company departments and employees spend too much of their time swinging their clubs at each other instead of working together to slay the rhino.

I too often hear the word "they" instead of "us" when an employee speaks of another department or function. Usually it's couched in statements such as, "They throw it over the wall to us," "they're not helping us," "we're low on their priority list" or "they have a different plan." When these words are prevalent in an organization, you're probably going to find unnecessary rework, complicated procedures, "walls" between departments, internal bickering, rigid silos and lack of communication.

Often a company will establish a mission and vision statement and then allow the areas of Operations, Finance, Sales/Marketing and Technology to run off into their corners to build and initiate their plans—and count on senior management to referee differences. This is a clear sign that the company has not aligned its strategies to where all departments understand their roles and how they contribute to enterprise success.

Quoting Jim Collins, author of the book Built to Last: "Building an enduring great company requires one percent vision and 99 percent alignment. The essence of a visionary company comes in the translation of its vision into the very fabric of the organization and into everything that the company does. It creates a total environment that envelops people, bombarding them with a set of signals so consistent and mutually reinforcing that it's impossible to misunderstand the company's vision." When all employees fully comprehend their company's strategy, they realize it takes the entire club, working in unison, to successfully complete the mission.

If you find employees frequently repeating the phrases mentioned above in the second paragraph, then your company is probably the victim of strategic misalignment. Strategic alignment can be highly profitable; misalignment can be catastrophic. So ask yourself this question: Do we spend more time beating each other with our clubs instead of beating up the rhino? If so, the rhino will ultimately win the battle.■

Upcoming Nolan Speech

September 19 – 22, 2004: NAMIC Annual Convention

This year the 109th NAMIC Annual Convention will be held in Washington, D.C. at the Washington Hilton. Nolan Chairman Ben DiSylvester will lead a session about the delicate balance between the cost and benefit of technology.

WINNING IN BASEBALL AND BUSINESS

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As summer unfolds, so does the great American pastime: baseball! In my weekly travels from city to city, there is always one constant (other than flight delays), and that is baseball.

Be it Little League, Babe Ruth league, minor league or the majors, the game has the same format, the same rules, and the same peaks and valleys we all face every day. I've always used the major league baseball season to remind business people about the fact that winning in business requires patience, hard work and the ability to make it through the tough times. It is a long grind!

"I've always used the major league baseball season to remind business people about the fact that winning in business requires patience, hard work and the ability to make it through the tough times. It is a long grind!"

I had a business associate who would always come to me with "the day's crisis" and how we needed to make a change and move in a different direction. I used to say, "Jay, it's a long season—that's why they play 162 games. Let's be patient, evaluate the situation and not jump to conclusions."

The 162 games I mentioned is a reference to the length of the major league season, before play-offs. It is the great equalizer! Some teams get out to a fast start, others are strong finishers and still others just don't have the talent to last an entire season. You need strong leadership, a hardworking management team, front-line supervisors to deal with day-to-day problems and enough talented employees in reserve to be up to new challenges. Whether it is growth, new competition or just doing more with less, companies need to be able to sustain the good momentum and react to the bad trends.

Good performance for a quarter or even six months won't ensure meeting your sales goals. A bad first quarter can be salvaged with adjustments, but in the end it requires consistency, focus, teamwork and the stamina to go the distance. Different parts of your organization will step up and deliver above and beyond at different points during each year. Sometimes sales generates revenues in excess of plan or the IT folks deliver on a system implementation ahead of schedule. (Yes, this is possible.)

It is like a good baseball team whose hitting carries the team through July, but then pitching turns around to carry the team in the fall. During the play-offs it might be a bench player substituting for an injured starter or a minor leaguer being brought up to fill a vacancy in September. Many parts, all contributing to make the team successful, are what it takes to be a winner. Successful organizations get contributions from every part of the organization, and they pick each other up to ensure the organization's success.

Take a look at your individual contribution, or your department's contribution, and see if you are meeting the call of the organization. It is never too late. It is a long season and the 162-game schedule has a way of leveling the playing field—and the great organizations seem to come out on top by the end of the season.■

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Managing data is a significant challenge faced by financial services companies. Yet if you ask a manager or senior executive in a typical financial services company, you seldom hear data cited as a pressing management challenge. This is because companies and employees tend to take data for granted; they underestimate both its value and complexity, and they repeatedly expend tremendous resources to manually transform raw data into semi-usable management information.

One common characteristic of nimble companies is that they quickly gather, analyze and manage data as a matter of routine. Companies such as FedEx, UPS, Progressive, Best Buy and the airlines fall into this category. They are able to process data in near real time and adjust business processes and operating parameters accordingly. One might argue that the typical services and transactions handled by financial services companies do not warrant such immediacy. I contend that from a claimant's or an investor's perspective, immediacy is everything. It is most certainly a competitive differentiator in the marketplace.

Though larger companies have generally implemented data management practices and data warehouses over the past decade, many midsize insurance companies and banks have not. These organizations typically don't manage data; they just process it, reprocess it and store it in silos around the company. They tend to combine applications with data rather than managing applications, data and processes as related, but distinct, business assets. Sound familiar? So how does a company begin to build a competency for managing data? Here are some suggestions:

- Inventory your applications systems and databases. You will likely be surprised at the number of systems and overlapping data that exists in your organization. A little analysis will show you how much effort and resources are required to maintain and synchronize all that disparate data.

- Familiarize yourself with the discipline of information architecture. This is a specialized discipline, but conceptually it is intuitive. Basically, information architecture involves building and maintaining a data blueprint for your company. As you add or revise systems, services, products and business processes, you can refer to the blueprint to avoid reinventing the wheel and avoid creating duplicate instances of data that make for quality problems and management headaches down the road.
- Explore concepts and topics such as metadata (which is something akin to a glossary of the data in your company), data modeling and data administration.
- Another interesting exercise would be to read about the Zachman Framework (www.zifa.com). Although initially it may seem somewhat abstract, the Zachman Framework demonstrates how data, organization, strategy and process can be conceptually aligned.
- Participate in a data warehouse webinar or conference to learn how some of the esoteric concepts I've mentioned here are put to practical use. Vendors and warehouse developers will welcome the opportunity to educate you.
- Assemble an exploratory team within your company to determine whether you have a business need and rational business case for consolidating your data management activities into an enterprise data administration function.

In the coming few years, the issues and benefits surrounding data management will increasingly be recognized by companies of all sizes. Those companies who, when the time is right for them, are proactive with regard to data will be rewarded with operations that are more nimble, less costly and more competitive than their peers. Take the time now to understand the trends and begin to form your data management strategy.

I welcome your suggestions and feedback regarding this or any of my articles. Please drop me an email at rod_travers@renolan.com.■

BPM AT IASA CONFERENCE

Nolan was proud to once again participate in the annual IASA Conference which was held in Las Vegas, Nevada in early June. This year Rod Travers, senior vice president of technology, presented an introduction to business process management (BPM) practices and technologies.

Co-presenting with Rod was Michelle Navarro, information services analyst and project manager, with Shelter Insurance based in Columbia, Missouri. Nolan is working with Shelter on the implementation of a BPM system and related process redesigns, and Michelle presented a real-world case study of the project and lessons learned thus far. If you would like to receive the slides from this presentation, please email Rod at rod_travers@renolan.com.■

Nolan Senior Vice President of Technology Rod Travers discusses BPM at the recent IASA conference. (Photo provided by Universal Convention Photography.)