

Business Information Review

<http://bir.sagepub.com>

Moving up the value chain: Business Information Resources Survey 2007

Allan Foster

Business Information Review 2007; 24; 13

DOI: 10.1177/0266382107075903

The online version of this article can be found at:

<http://bir.sagepub.com/cgi/content/abstract/24/1/13>

Published by:

 SAGE Publications

<http://www.sagepublications.com>

Additional services and information for *Business Information Review* can be found at:

Email Alerts: <http://bir.sagepub.com/cgi/alerts>

Subscriptions: <http://bir.sagepub.com/subscriptions>

Reprints: <http://www.sagepub.com/journalsReprints.nav>

Permissions: <http://www.sagepub.com/journalsPermissions.nav>

Moving up the value chain

Business Information Resources Survey 2007

Allan Foster

Information industry consultant

‘When asked to identify three priorities, one respondent said: “embed, embed, embed”.’

Abstract

Survey of the use of business information in UK libraries and information services, based on in-depth interviews with leading business information managers. Key findings are:

- Expansion of business in India and the Far East is having implications for information infrastructure domestically and in this region.
- Business information services staffing is very stable, excepting the offshoring dimension.
- Staff development is increasingly being conducted internally.
- 20 per cent of those sampled offshore some aspects of their information and research services; another 25 per cent are investigating this option.
- Knowledge sharing is increasingly recognized as necessary in companies, and most information services are playing their part.
- There is a distinct trend for information services to move up the value chain through more evaluation and analysis functions.
- The majority (70%) of business information services are involved in supporting compliance work.
- Factiva tops the expenditure league.
- European private company information is still underprovided.
- Business information services are committed to training users.

Allan Foster has had a 36-year professional career which has taken him across public library, polytechnic, university and special library sectors. He took early retirement from his post as Director of Information Services (and University Librarian) at Keele University at the end of October 2005, where he had been responsible for libraries, IT and media services since 1994. He was previously Librarian and Information Services Manager at Manchester Business School (1988–94), and has had spells at Lancashire Polytechnic (as Chief Librarian), Sheffield City Polytechnic and the British Institute of Management. He is now an information industry consultant. In this capacity, he has worked with a number of companies and public sector organizations in the UK, mainland Europe, Asia and South America. He is also external examiner at two UK universities. He has a degree in social sciences and is a Fellow of the Chartered Institute of Library & Information Professionals. He can be contacted at allan.foster@gmail.com.

- Social technology tools are not being used much but have great potential.
- Improving customer services is still the highest strategic priority.

Keywords: budget, business information, compliance, end user, industry, information resources, information service, information vendor, knowledge management, legislation, library, offshoring, outsourcing, performance measurement, priorities, professional development, sector, social networking, staffing, survey, training, value add

Introduction

The Annual Business Information Resources Survey is the only regular investigation into business information use in the UK. Now in its 17th year, the Survey considers the use of sources of business information and issues of importance to business libraries and information services.

In previous years the Survey has been open to anyone willing to complete a postal or web questionnaire. This methodology was proving less and less appropriate in identifying the crucial issues facing business information services and what they were doing to address these, in both the short and long term. Despite various efforts to generate a large number of responses, including last year working with the assistance and endorsement of CILIP, the pattern of responses was insufficient to be statistically sound, and was increasingly unbalanced and unacceptably arbitrary. 'I enjoy reading the results of the Survey' said one senior respondent, 'but I haven't got the time to complete a long questionnaire'.

It was decided that for the 2006/7 Survey a totally different approach would be adopted based on in-depth interviews with leading business information managers. A sample of 30 senior respondents was chosen from the corporate and special library sector, almost all in the UK, and each was approached by e-mail with a guarantee of complete confidentiality. Pleasingly, 20 agreed to take part without the need to follow up and hassle busy senior professionals. This is an evolution of the selective approach used in the last two years to complement the responses that came in from the broader questionnaire completed by the professional business information community.

The interviews were all undertaken by the author in November 2006 and conducted mainly by telephone.

A schedule of questions was used and mailed to every respondent in advance of the interview so that they could give due consideration to their answers. The real value of this particular Survey is the seniority and authoritativeness of the respondents. Surveys in previous years have collectively come nowhere near the quality of this year's participants. As a consequence, the responses are rich in insight on business information supply and use.

So, quite deliberately, there are no respondents this year from the academic, public and government library/information sector. The emphasis on special libraries and information centres gives a very clear focus to the 2007 Survey and allows a measure of in-depth comparison and benchmarking which has proved difficult in the past. It's the purchasing power of these corporate libraries, dominating the business information product marketplace, that makes them so important in the overall professional landscape. Future Surveys will embrace academic, public and other business libraries and information services.

Not only has the Survey's methodology changed but the issues being addressed have altered substantially too. The detailed questions about sources of business news, company, market research and other categories have been omitted in this Survey. This has been done in the full knowledge that it breaks the continuity gained over many years but responses were becoming very repetitive, year on year, and threw little new light on the much-changing territory of business information products. But future Surveys may well return to consider the use of these sources in the coming years.

The concentration in this Survey is on strategic issues – the place of the information service in the organization, the role of knowledge management in the business, whether or not to provide training in the use of desk top data sources, the possible use of outsourcing or offshoring and the use of performance measures in assessing the value the information service adds to the business. These and other issues are addressed in the following pages.

Industry sector breakdown

Question 1: Which industry sector is your company in?

The dominant group of respondents is from the investment banking sector, closely followed by legal services,

insurance, other financial services, and finally consulting and professional services. Although the sample is heavily biased towards city-based businesses, these provide the biggest and most ambitious business information services in the UK.

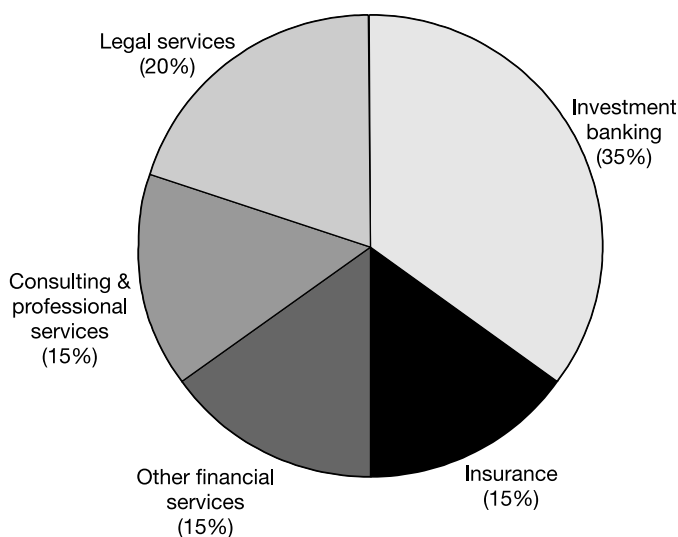


Figure 1 – Respondents by sector (n=20)

Organizational position of the library and information service

Question 2: Where is your library/information department positioned in your company?

For the first time the Survey asked about the organizational positioning of the library/information service. To whom does the information manager report and at what level of seniority is this line manager? This produced some interesting results substantially dependent, predictably, on the size of the company. One differentiating factor is whether the information services serving the UK and, say, the rest of Europe, are part of a global information and research division, sometimes reporting in to a senior manager based in the USA.

Three organizational models became apparent:

- The biggest information services are generally in the large investment banks and these services are most

often grouped with a ragbag collection of central business services. One typical respondent in this category is part of a Corporate Information Services division along with presentation services, reprographics, document distribution and disposal, records management and archiving. This division in turn is part of Corporate Services along with catering, security, facilities management and procurement. If this appears organizationally a long way from board-level recognition of information and knowledge services as an essential part of decision-making in the bank then our respondent, the head of the business information service, didn't highlight this as a stumbling block to the appropriate recognition of the function or, crucially, obtaining the resources to achieve the strategic objectives.

- An alternative model applies in the professional services companies such as the law firms in the Survey. Whilst these are clearly substantially smaller firms than most of the investment banks interviewed it was nevertheless striking that the heads of the information services usually report in to one of the firm's partners and therefore have easy access to board-level decision-making.
- The third model is represented in some of the insurance and financial services companies in which corporate information services form part of a knowledge and research division headed up by a senior manager reporting in to a board-level director. Such divisions included functions such as research & development, business analysis, e-business and risk assessment.

Business information resources budgets

Question 3: What is your library/information department's annual budget for business information resources?

Below £5,000	[]	£5,000–£49,999	[]
£50,000–£99,000	[]	£100,000–£149,999	[]
£150,000–£249,999	[]	£250,000–£499,999	[]
£500,000–£999,999	[]	£1 million plus	[]

How has this changed from the previous year: Increased? Decreased? Stayed the same?

Six of the respondents, 30 per cent of the sample, are currently spending £1 million or more per year on business information resources. These are global companies by anyone's assessment. One respondent commented that their company expended more than £15 million worldwide. The rest are distributed across the lower bands. The median average across the 19 respondents who answered this question was between £400,000 and £500,000 per year.

The budget position for 45 per cent of respondents compared with the previous year was stable, with small increases for 30 per cent and small decreases for the remaining 20 per cent, and one non-respondent. This was an interesting finding when placed alongside the generally buoyant business conditions in most of the companies – see below. It became clear in the detailed interviews that information managers generally had to fight hard to justify budget increases, even in circumstances in which they were facing a growing demand for information and research services and in which their companies' profits were increasing.

One respondent from an investment bank spelt out the consequences of the budgetary screws being tightened.

We've had to rationalize our cost base, though mainly on staffing and overheads. Although we've maintained the great majority of our information products it has meant that we've had to be tougher in negotiations with information vendors in order to extract better value.

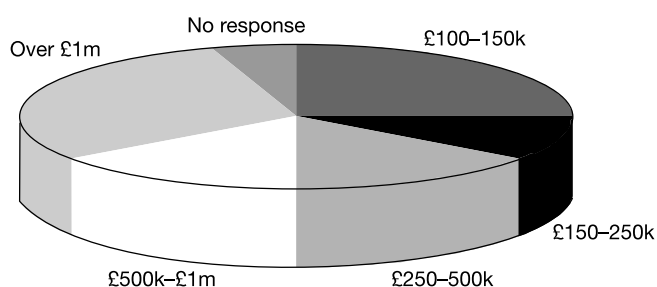


Figure 2 – Business information budgets (n = 20)

Business conditions

Question 4: How would you describe the current state of the business conditions in which your company is operating?

No information service can be sensibly understood outside its organizational and business context. To obtain

one perspective on the pressures facing these services, the Survey included a specific question for the first time about the prevailing business conditions in which their businesses were operating.

The investment banks, on the whole, reported buoyant conditions and very healthy profitability. Virtually all our respondents referred to a very competitive business climate in which they operated. There was a general emphasis on cost management and pressure to improve profit margins in all sectors.

But even one or two of the companies that had gone through tough times five years ago now seem to be profitable once more. One Information Manager said rather ruefully that whilst their company was doing very well and the number of successful deals was leading in turn to a substantial growth in the demands on their services, this had no impact whatever on their resource position. Conversely, there was a strong association between the handful of companies who were experiencing the most competitive business pressures and the 15 per cent of respondents who reported a decrease in business information resource budgets in the last two years.

Another trend identified by a number of our respondents is the expansion of business in the emerging markets of Asia/Pacific and some parts of the Middle East. This had significant implications on the information/knowledge infrastructure which had to be increased, both domestically and in these regions.

Another driver of business success is clearly the flourishing number of current mergers and acquisitions. This was impacting positively on, particularly, the investment banking and legal services companies.

Finally, there was a commonly expressed prediction from respondents that there would be a downturn in the business cycle in the next couple of years which would adversely affect their companies.

Information services staffing

Question 5: How many staff are there in your library/information service? In the past two years, has this increased, decreased or stayed the same?

Question 6: If numbers of staff have changed, what effect has this had on your service delivery?

The Survey has probed staffing issues as a regular feature. Given the comparative homogeneity of the sample population this year, it was appropriate to ask about specific staffing numbers. Half the respondents employed 10 or less staff in their information departments. At the top end, 15 per cent (3 respondents) employed more than 50 staff. By any standards, this is a substantial commitment to the information function as a strategic imperative.

When asked about the numbers of employed information staff in the past couple of years, there was remarkable stability. 80 per cent of respondents reported broadly the same headcount, 15 per cent an increase and only 5 per cent (i.e. one) a decrease.

Any consideration of staffing issues in business information services inevitably must consider the effect, if any, of outsourcing and offshoring – see below.

A supplementary question was asked about the implications of the staffing position on service delivery. This produced some interesting answers. About 70 per cent of the respondents referred to growth in the demand on their services – in volume and quality terms. This requires changed working methods in order to maintain standards and efficiency.

A variety of specific points were made:

- Need to be closer to the client and ‘embedded’.
- Need to have confidence in researchers’ judgement and discretion.

- Need to maintain service standards such as a guaranteed 2-hour response time.
- Main products hadn’t changed: (i) desk research (ii) analysis (iii) primary market research.
- Marketing efforts had been reined back to allow the service to cope with existing demand.
- Need to work harder and re-align priorities accordingly.
- Need for increased web design capability.
- Need to uncover tacit knowledge and build into database system.
- Extend information channels such as developing client know-how system.
- Need to re-package information and know-how in innovative ways.
- As much more information is available via users’ desktop PCs, they can do more research themselves.
- Use of a self-sufficiency service delivery model.
- More efforts to generate in-house tacit knowledge databases.
- Much greater flexibility required, reacting speedily to changing market conditions, and scaling operations up or down accordingly.

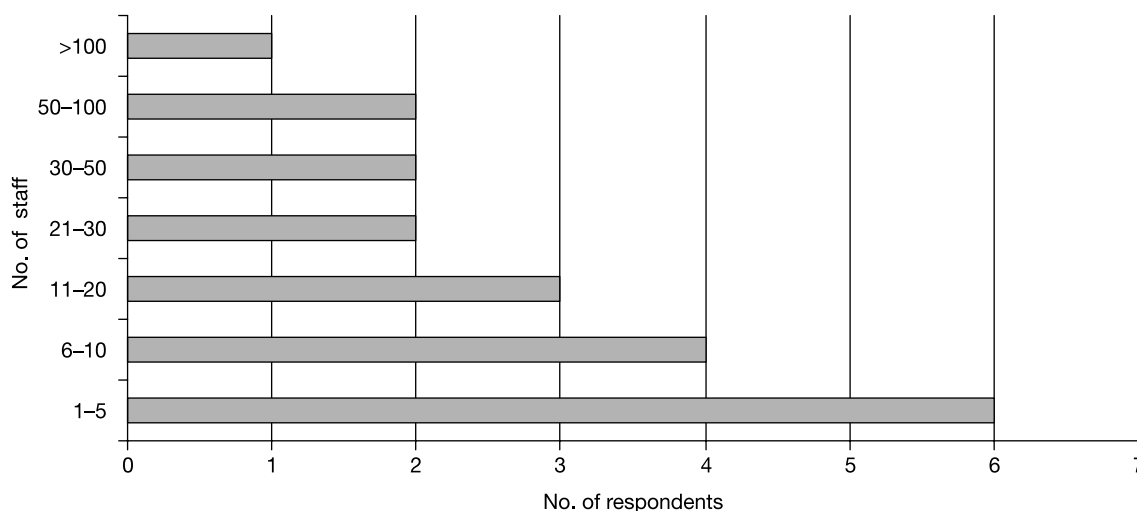


Figure 3 – information services staffing (n=20)

Staff development

Question 7: What vehicles do you use in the development of your staff?

The Survey has asked a number of questions in recent years about how business information managers develop their own skills and knowledge and that of their staff. The most significant, almost unanimous, response from this year's respondents emphasized the importance of internal training and development programmes.

The established pattern is that so-called 'soft skills' such as influencing, coaching, business awareness and leadership are run in-house, usually in conjunction with the Human Resources Department. The same is true of project management skills. As one respondent put it: 'We construct personal development plans for all members of staff. We prefer for them to develop their skills and knowledge "on the job", supported by effective mentoring.' In an increasingly busy and competitive business world, the difficulty of sending staff away to external training events, let alone the direct costs of doing so, seem increasingly prohibitive.

Another area of skills and knowledge development tackled mainly internally is IT and similar technical training. In this area and with all internally delivered staff development, some 60 per cent of the respondents mentioned the use of e-learning techniques, in one form or another. For instance, in one large bank the global e-learning system is clearly very developed indeed. WebEx and intranet delivery methods are also commonly deployed. At least one of the respondents mentioned that these internal programmes were accredited in some way.

The SLA's *Click University* was quoted by a couple of respondents as providing the flexible, on the job, self-directed learning approach to information skills development that they were looking for [1].

One respondent drew particular attention to the need for the department's analysts to attend industry sector-based training. More than 50 per cent of respondents referred to vendor-based training playing a role, not only in developing the skills of its users but also for their own library/information staff. Most of the vendors are very happy to provide on-site training in this way.

Although external training, conferences and professional meetings were quoted by almost all respondents

as playing a part in their staff development programmes, there appeared a distinct trend away from these being the major vehicle that they were in the past. The downturn in business in recent years of the companies and professional bodies who run such training gives plaintive evidence of this change in attitude. The role of technology, including the emergence of social technologies such as blogs and wikis, discussion groups and plain old e-mail and web resources means that virtual professional communities give plenty of opportunities for networking and knowledge exchange.

Outsourcing and offshoring

Question 8: Has your organization outsourced any of its information services, on or offshore?

Outsourcing and offshoring feature prominently in discussions in certain information environments yet are still relatively unknown in other parts of the profession. The haemorrhaging of information/knowledge jobs in the UK hasn't been seriously recognized by UK professional bodies and, whilst it has been relatively invisible in the past, it justifies much more discussion now. The business information service arena is without doubt the leader in this field and there are a number of high profile companies, particularly in the banking and financial services sector, which have committed themselves to a widescale transfer of information and research tasks to staff in other countries. The 2005 and 2006 Surveys have discussed this phenomenon, but this year we have been able to investigate it in more depth given the focus on corporate information services.

It's important to rehearse once again the definitions of these terms. Wikipedia's explanation is as good as any:

'Outsourcing' (or contracting out) is often defined as the delegation of non-core operations or jobs from internal production within a business to an external entity (such as a subcontractor) that specializes in that operation. Outsourcing is a business decision that is often made to lower costs or focus on core competences. A related term, "offshoring", means transferring work to another country, typically overseas. Offshoring is similar to outsourcing when companies hire overseas subcontractors, but differs when companies transfer work to the same company in another country.

The global companies publicly known to have used outsourcing and offshoring for their information and

research services include players such as Citibank, Deutsche Bank, Lehman Brothers, JP Morgan, Goldman Sachs, Morgan Stanley, Bear Stearns and Bank of America. There appears to be mixed practice between a contracting model, where an agency in a developing country is employed, or an employee model where local employees are taken on the payroll of the client company [2].

Stephen Phillips, Vice-President and Head of Global Business Information Services at Morgan Stanley UK, has usefully discussed the case for the offshoring of 'non-strategic functions that do not require close proximity to the client community' [3]. In this issue of *BIR*, Melanie Goody and Hazel Hall [4] examine the advantages and disadvantages of outsourcing and offshoring using a body of interesting evidence from interviews with eleven people who have had direct experience of this 'trauma', as Sheila Pantry and Peter Griffiths colourfully describe it [5]. If there was any doubt about the hostility of public attitudes to offshoring then a recent Deloitte/YouGov report made this quite clear [6].

The respondents to this Survey underline many of the points made by Goody and Hall. The majority of the Survey's respondents (70%) outsource some of their processing and research services, quite often to third party contractors in the UK. This is most frequently a capacity issue when peaks of demand are experienced or particular specialist skills are required. Information brokers or market research providers are frequently used in these circumstances, as are document processing companies. One respondent referred to a 'core-peripheral' concentric model in which the in-house information/research department is the core and the third party agencies hired as required.

Large scale offshoring is a quite different and more fundamental issue. 20 per cent of our respondents, usually but not exclusively investment banks, are committed to offshoring in a serious way. Some of the information managers report that organizational practices and cost drivers are the most persuasive factors. Some companies offshore activities such as IT services and see information and research as a natural extension. At least one of our respondents was less enthusiastic about the practice than the senior managers who made the decision. In another two cases, however, the information manager appears to have taken the initiative and is in the offshoring vanguard within the business.

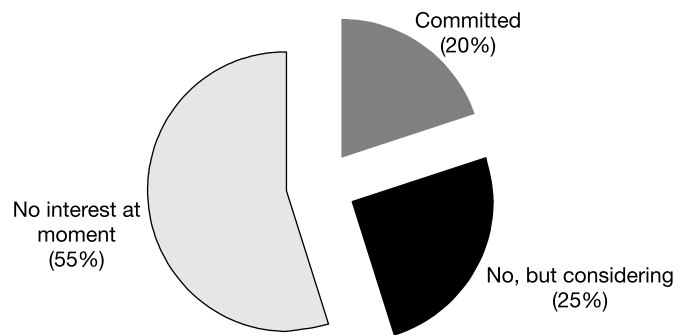


Figure 4 – Offshoring of information/research services (n=20)

The cost savings driver is clearly the most potent one. In increasingly competitive business conditions a reduction in staff costs, as one of our respondents quoted, of up to 80 per cent is very persuasive indeed. Many people have argued that an exhaustive approach to the analysis of costs, after taking training and management time into consideration, would show significantly less of a margin. The Survey interviews with those who are running offshore operations and those who are looking at it carefully suggest that more generalizable net savings are more likely to be in the region of 50 per cent – still very attractive to accountants and finance directors.

There seems to be a body of evidence that the most successful offshore arrangements are achieved when the staff based in India, or a similar low labour cost environment, are employed by the parent company. This way, the control of the remote staff is closer, the ethos and culture of the company can be promulgated more easily and the employees themselves have greater affinity to the business. Some companies do use offshore staff employed by a third party contractor. This reduces the management and training overheads somewhat but doesn't provide the same benefits as having directly employed staff.

Confidentiality is almost always an important consideration and this is arguably more difficult to manage with a remote work force. Indeed, some Survey respondents specifically ruled out outsourcing and offshoring because of this concern. Third party outsourcing/offshoring brings the very real worry that one supplier might be working for two or more competitors and in these circumstances it is very, very difficult to ensure that there is no transference of intelligence from one client to another.

Initially, companies offshored the most repetitive of back-office information and research tasks. This is becoming less clear cut as these arrangements mature. One respondent described four levels of work undertaken by the information department differentiated by the degree of value added:

- (i) basic document retrieval and fulfilment
- (ii) documentary research and basic use of systems
- (iii) bespoke industry research
- (iv) consultancy.

At first, the company only offshored (i). Then it extended this to (ii) and is considering moving to (iii) eventually. This is an interesting progression and whilst it wouldn't suit many organizations does show very clearly how in a global labour market work, even 'knowledge work', will follow low cost supply.

Another respondent reports that two-thirds of their research/information capacity was now offshored, with the remaining third still in the UK. Some of the offshored staff undertook client contact as well as back office research tasks.

Whilst the banking and financial services community have embraced offshoring with a degree of enthusiasm, the law firms in the Survey seem much more doubtful. Here there is a quite different prevailing corporate culture and the information services seem very integrated into the day-to-day professional life of these legal practices. It would be reasonable to hypothesize that lawyers use information and knowledge in different ways to bankers and it's not just their concern for confidentiality and professional ethics which shape these attitudes. Maybe it's partly to do with the ethnocentricity of legal systems which affects the appropriateness of offshoring in this context.

Apart from cultural and professional issues, the major objection to offshoring is that of quality. There is no doubt, even to those committed to this model of working, that quality has to be managed very carefully indeed. At one level, it is possible to use a highly educated professional workforce which may be better qualified than West European staff. For instance, one of our respondents said that the people doing the research work and report writing were bright Indian MBAs, even interns who were studying for an MBA

whilst working part-time. 'They like the name of our company on their CVs,' the head of the information service said, 'And we've introduced a shift working pattern to provide more resilience and 24/7 cover.'

The same respondent acknowledged that the productivity rate of an offshored researcher was probably a third less than a domestic equivalent. But there was a general feeling that this will improve with better training and management. Another respondent pointed out the necessity for regular feedback and review as part of the quality control procedures.

There were some discordant views expressed on quality. One respondent said:

Whilst the team based in India is perfectly adequate, the quality of work isn't as high as it was when it was based in the UK. The senior managers who are enthusiastic about these new arrangements don't ask the clients what they feel. And the clients then modify downwards their expectations of the service. The relatively high attrition of staff is a contributory factor.

Even with a highly educated offshore workforce there are inevitable cultural differences which can act as barriers to understanding and communication. Stephen Phillips [2] refers to some tasks requiring 'close proximity to the client community' and most information/knowledge managers would agree that it is hard to embed higher value service functions as part of that community given the cultural and geographical separation that offshoring implies.

But perhaps one of the most interesting findings from our respondents is that a quarter of them are either investigating offshoring or believe that it may well have a part to play in their future strategy. 'Jump before we're pushed' seems to be their motto.

Knowledge management

Question 9: How have knowledge management approaches, if at all, impacted on your organization?

This Survey has charted the uneven impact of the Knowledge Management movement on the business information community in the last five years or so. Last year 74 per cent of respondents claimed that KM was recognized in the organization. Whilst there is no doubt about recognition, however woolly the concept

has become, the effect of KM on organizations is quite another matter.

This Survey's respondents suggest that 'KM' in capital letters may be much less fashionable now, and far fewer initiatives and job titles use this brand. However, 'km' in small letters is an enduring issue which has always been part of organizational life and will always be so. There is little dispute that, for instance, effective knowledge sharing is a key element in many successful businesses.

Some of our respondents report a very positive approach to some of these issues:

KM is well recognized as part of our organizational culture. We have 21 operational strategies for the business. Knowledge sharing is second! Capturing know-how and managing its flow is very important. Our KM initiatives have directly led to improved performance and quality.

Traditionally, law firms have been document based. This is changing in our company. For instance, some of the lawyers have weekly 'prayer meetings' at which they share knowledge. This is time economic and instrumental for those taking part. We don't have an 'eat what you kill' culture. The training structure in a firm such as this goes back to the master-apprentice craft structure of the Middle Ages and that is the way that knowledge is passed on.

But in another law firm it appears to be rather different:

KM has been hard to get off the ground. We've used our intranet as a major vehicle for explicit knowledge dissemination and exchange. Of course, there is knowledge sharing but this is mainly informal.

In some companies KM appears to have bypassed the information/research department:

On the investment banking side there are some Knowledge Managers. They're research professionals and are pretty much self-sufficient. They don't have a lot to do with my Information/Research department.

Some respondents have staked out their knowledge role a long time ago. And the importance of the internal Customer Relationship Management (CRM) systems is clearly paramount.

We embraced KM long before it became fashionable. We realized that we had to build a database system which integrated internal and external data on clients and competitors. In this we incorporate financial data from vendors such as D&B and ICC, risk analysis

reports, credit reports etc. And this is linked to our client management system. Tacit knowledge is captured in the CRM system – objectives, reports of meetings, various assessments. However, some profit centre managers aren't contributing in the same way. We have to get them on board but it's difficult.

Others are passionately concerned about their developing role and determined that they should stay at the heart of the knowledge processes.

There is a well-understood corporate emphasis on sharing knowledge in this rather small investment bank. The database of client information is very important for the business and part of it is tacit knowledge. There's a clear requirement to use it and the Information Department contributes to it.

KM, yes. KM systems no. It's vital that we share knowledge and, for instance, learn from past projects. As information professionals we must think strategically and tactically about knowledge in the company and about our role in helping its management and use.

The point about CRM systems being so crucial and often an example of tacit knowledge capture and reuse has been made time and again by our respondents this year. This is so even when KM 'written big' has had a limited impact.

Not really. Better information management is the key. I guess it's covert KM rather than having a major initiative using that brand. There's a limited capture of tacit knowledge. It's mainly done through the CRM system. Meetings with clients are documented. Knowledge sharing should be part of the appraisal system but isn't.

Not that much. There's no KM staff as such. The internal client database is very important.

It's a bit like the tide. In a year ago, out now. I'd say that KM hasn't had a profound effect on the company although it has highlighted the need to capture some tacit knowledge. And this is now recognized at a senior level in the company.

As far as I can see across the corporate information scene, KM isn't being used much as a label at the moment. Job titles are changing once more.

And there are some respondents who fundamentally question the practicality of knowledge sharing in certain environments:

We have to realize that bankers' know-how is their intellectual capital. They're not going to dump this into a database. We have a CRM system but this has been disappointingly a bit of a damp squib. But there are KM developments in our HQ in Europe.

Question 10: Does your organization have any specific KM software (such as Autonomy) to capture and disseminate explicit and implicit organizational knowledge? If so, what products?

Once again, as in previous years, very few of our respondents report that they have commercial KM software in active use in their companies. 50 per cent of this year's Survey respondents say that they have an internally developed solution for knowledge sharing or, more usually, for client data. Specific products that were mentioned were Sharepoint, Autonomy and SalesLogix.

Adding value through evaluation and analysis

Question 11: Do your information staff add value to information supplied to your customers by writing 'evaluative' reports on, for instance, companies, markets or industries?

Right through this year's Survey we identified a very strong mission from the information managers to add serious value to their businesses. This came through in various places during the interviews but perhaps most strongly when answering this question.

Seventy-five per cent of the respondents manage services which provide evaluation and analysis as well as data supply. To some it is axiomatic that this is at the heart of their *raison d'être*. 'It's our job to add insight, not just the data' said a respondent in the insurance industry. 'Interpretation and evaluation is the way we add value. We stress relevance rather than volume of information and try to provide integrated knowledge of, say, an industry sector' said a respondent from a strategic consulting company. A number of the respondents administer quite big research teams whose job it is to do evaluation and analysis on a significant scale.

A respondent from a small investment bank illustrated the answer with an example.

For instance, we compile lists of companies who are potential targets for acquisition by our clients and highlight the best matches against the criteria which are laid down. Of course, we work closely with the financial analysts in such tasks.

One of the fifteen respondents who answered 'yes' qualified this by saying that this is very much the

direction they're going in. At the moment the information team are too stretched with the level of enquiries they receive to do much analysis. But the wish to move up the value chain was clear.

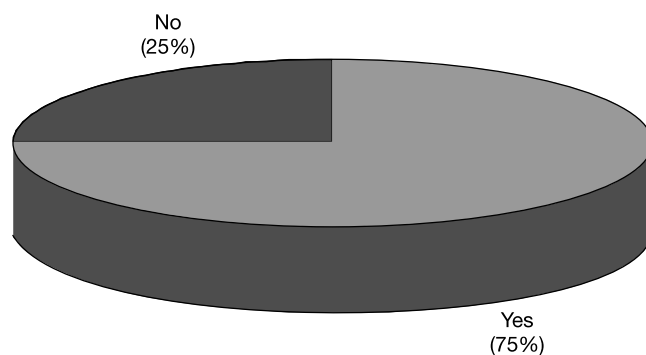


Figure 5 – Information services which evaluate and analyse (n=20)

Of those respondents who manage services that don't do this kind of evaluation and analysis, a couple were quite clear about their role. The information manager from a medium-sized investment bank said: 'We provide high quality raw data. We run a "vanilla flavoured" information service. We don't cross that line. Junior bankers need to do the evaluation – that's their responsibility.'

Another two respondents made much the same point:

We add value through selection of the right sources and data.

Being selective in legal research is adding the value.

The effect of compliance legislation

Question 12: Does your library / information service assist your company in meeting the requirements of new compliance legislation? If so, do you use any specific information products to do so?

The requirements of recent compliance legislation have impacted on businesses and individuals worldwide.

Corporate accounting scandals such as Enron, Andersen and WorldCom have led to new compliance legislation that requires companies to provide more in-depth financial data. At the same time, new and more stringent

anti-money laundering regulations have also been introduced in an attempt to combat international terrorism, drug trafficking and organized crime. Financial institutions, legal, tax and accountancy firms are now faced with new levels of risk management, and greater demands for compliance than ever before. Meeting these new requirements has created extra demands on information professionals and vendors alike [7].

A clear majority (64%) of our respondents are involved with the provision of information or research services to support compliance work of one kind or another. Some are heavily committed in this task.

We get involved in various compliance and corporate governance investigations. Amongst other information products we use the specialist Complanet service. SOX [Sarbanes-Oxley] legislation affects us when we're working with US clients.

One of the ethical principles underpinning compliance legislation is the so called 'Know Your Client'. This is defined in the *Global Investor Glossary* as:

The ethical principle relating to broker dealers and financial advisers that all reasonable steps have been taken to gather sufficient relevant financial and personal information regarding the customer and that subsequent investment recommendations will take full account of that information.

A number of our respondents referred to this in the interviews. 'The compliance requirements have given the Information Department a very positive boost with enquiries of this kind up 90 per cent in consequence. These cover anti-money laundering, "know your client" and checking on individuals.'

Most of the companies had their own Compliance Departments who are the main focus for this work.

We do some of this research although the Compliance Department handles most of it. The Market Data Unit is somewhat closer to Compliance than Information Services but we do see information vendors together so that we can co-ordinate our requirements and get the best deals on information products that are used in compliance work.

And another developed this:

We have a separate Compliance Department & Risk Team. There is some overlap with Information Services. We use products such as BvD's Orbis and D&B but sometimes the numbers in these reports are out of date or wrong.

Although compliance legislation, and the information needs which spring from it, are relatively new, the role

of Business Information Services in supporting due diligence investigations more generally has been going on for generations.

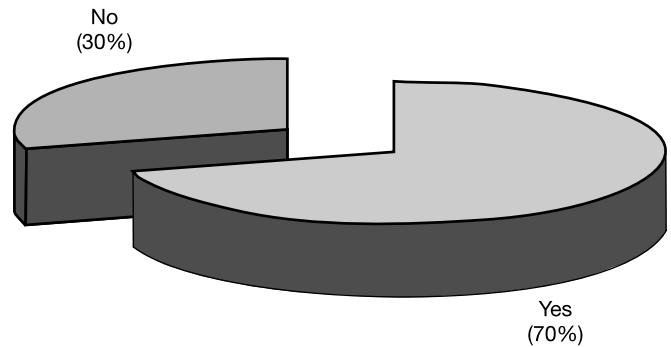


Figure 6 – Information services involved in compliance work (n=20)

Amongst the 30 per cent of our respondents who are not involved in compliance support, the common reason was that their Compliance Departments handle all this work.

Top information vendors

Question 13: Who are your top three information vendors in terms of expenditure?

In previous Surveys there was a range of questions about particular types of business information – the most-used company information, market data, news and so on. This year's Survey is concentrating more on strategic issues facing business information services. However, we decided to ask just one question about the information vendors – with whom, overall, did our respondents spend most of their budgets? (Figure 7)

The results of this are fairly predictable given the twenty companies we sampled. A list led by Factiva, Thomson, Lexis-Nexis, Bloomberg, Reuters and BvD as the leading suppliers won't surprise many people. Some of the more specialist vendors are there because, for instance, we included four law firms and three insurance companies in the sample – hence the appearance of the Practical Law Company (PLC) and A.M. Best.

It's very important to stress that this data in no way suggests a reliable market breakdown. Our sample is not systematic or necessarily representative so limited conclusions can be drawn from this graph.

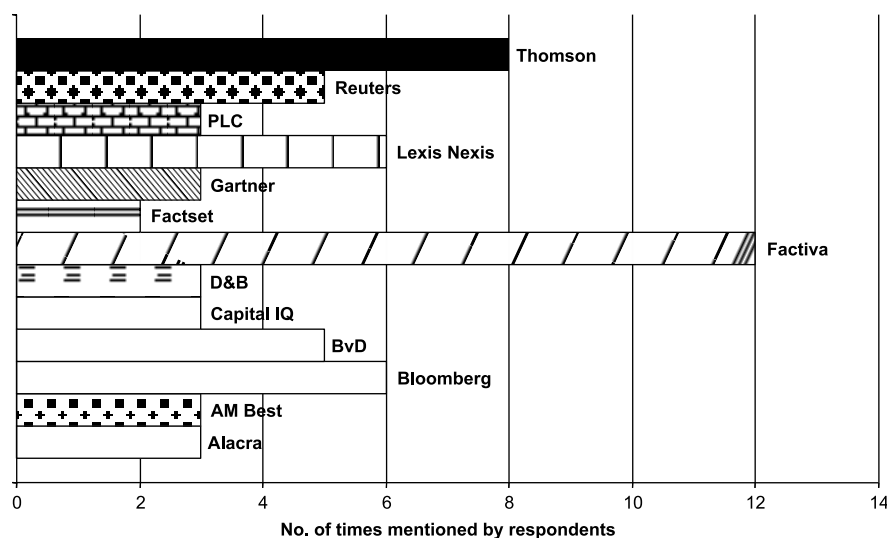


Figure 7 – Main information vendors, by expenditure

A number of vendors were only mentioned once and weren't included in Figure 7. These were: Datamonitor; Deal Logic; Banker; Butterworths; Sweet & Maxwell; Westlaw.

Gaps in business information provision

Question 14: Can you identify any particular gaps in the availability of business information?

Over many years the Survey has asked about areas of business information which are underprovided. On the whole, these are not so vital that they are uppermost in the minds of respondents. Most interviewees had to think for a while before being able to identify notable gaps even though they had seen the list of questions in advance. Predictably, the same issues arise year after year. Some of these gaps exist because there is no data available to fill them, others because of sensitivity or ownership issues.

The most commonly identified area, detailed financial information on mainland European private companies, recurs again with this group of senior information managers. One respondent identified German and Swiss private companies as particularly elusive. The position in Germany should improve in 2007 when a new system of electronic filing of accounts, with a requirement for more detailed disclosure, comes

into effect. As another respondent said plaintively 'we need an online Companies House for Europe!' A linked area that came up once more is that of a quality source of data on directors of European companies.

A similar requirement for 'standardized, consolidated and reliable financial data on companies in emerging markets' was also raised this year.

Other company information shortages were mentioned:

- Plant-by-plant data for companies
- Brokers' data
- More reliable and up-to-date company family tree information
- M&A valuation data, to assist the benchmarking of our deals.

Other miscellaneous areas of shortage in the minds of our respondents included:

- Data on emerging markets
- Membership lists of societies and organizations (e.g. Anglers' Association) for client prospecting
- More meaningful analysis of industries and sectors at sufficiently granular level.

Finally, there was a heartfelt moan about the quality of market research aggregators' products which were described as 'very poor'. The respondent added that they had to go to market reports specialists for reliable data.

Training users

Question 15: How important is the training of your users in information discovery and use?

One of the most noticeable trends coming out of the Survey over the past decade had been the emergence of user training by corporate information departments. Five or more years ago it was exceptional for business information service managers outside the academic library sector to identify systematic training as an important function. The roll-out of desktop data services available across companies has changed this profoundly. Three years ago 30 per cent of corporate libraries and information services identified user training as part of their portfolio of services. In this Survey, 90 per cent of respondents undertook some training; a few identified training as a vital ingredient of their service mix.

It has to be recognized that some of the respondents are only modest providers, usually in conjunction with information vendors who run specific sessions on their own products. Vendors are usually willing to run such sessions for major clients without additional charges. Another respondent, on the other hand, tackles it in a different way. 'We do the training rather than vendors so to contextualize it for our company's needs.'

In some companies a delicate balance is struck between a user self-help approach, supported by suitable training, and the traditional on-demand service in which information or researchers undertake the information discovery task and pass on the results to the users. As one information manager said: 'We have a personal service *credo* here so we don't push the self-help line too strongly.' And another added: 'We provide some training in general technology use but not much on data sources as we tend to do it for them [the users].'

One respondent identified user attitudes as an important factor. 'There's sometimes an arrogance on the part of users. They either don't believe they need to use e-sources or, if they do, they sometimes believe that they know it already.' Another information manager pointed out the need to tackle training almost stealthily. 'Training has to be discreet, obliquely worked in to day-to-day interaction with users.'

A variety of technologies are used to deliver the training. Respondents mentioned WebEx, internal e-learning systems and phone/PC mediated sessions.

One of the two information managers in our sample who doesn't provide training recognizes this as a short-coming and is intending to address this.

The use of social technology tools

Question 16: Do you use any 'social technology' tools such as wikis and blogs for information sharing, internally and/or externally?

The 2006 Survey (published in *BIR* 23(2), June 2006) was the first to address the issue of social technologies as an environment for the dissemination and exchange of information which might be relevant to business information managers. In specific terms, last year's Survey asked about the use of business/industry or library/information blogs. And a pretty frosty answer came back. Only 23 per cent of respondents claimed that they accessed blogs for their work purposes, most of these people in the corporate library & information world rather than academic or public sector respondents.

The huge interest in the use of these new technologies alongside more conventional information media is manifested in so many ways. Just one indication is the amount of time devoted to social technology themes in the Online 2006 Conference held in London in late November 2006. Without doubt, these dominated the conference. Clearly then, information professionals are trying to come to terms with how these approaches can be moved from the domain of the internet geek and enthusiastic blogger to the corporate mainstream.

The emerging terminology in this field is a problem in itself. The whole phenomenon is sometimes referred to by the label *Web 2.0*. An interesting diagrammatic way of illustrating the development of these technologies over time has been provided by Jürgen Schiller García in his *Web 2.0 buzzwords* graphic (Figure 8).

This article isn't the place to delve into the technologies in detail, but it is interesting to reflect on the respondents' views about their potential use in their companies. Only 10 per cent of our respondents (two information managers) this time suggested that social

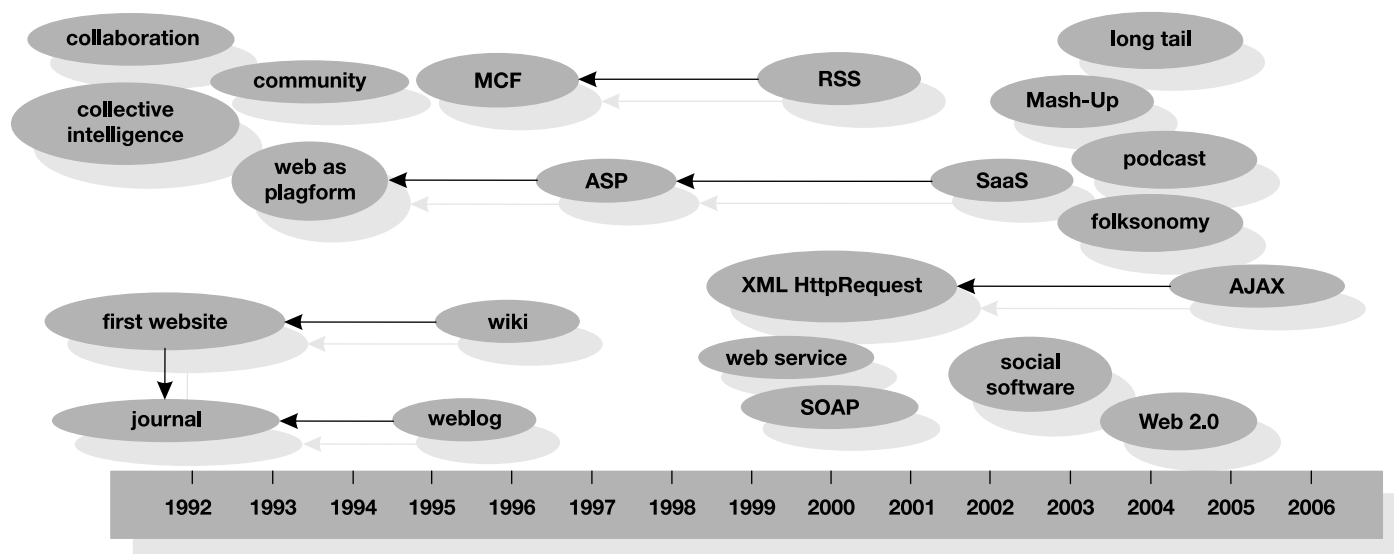


Figure 8 – Web 2.0 Buzz Words, by Jürgen Schiller García

technologies were being used anything like systematically. Even here the applications are somewhat isolated and small scale. Using external blogs as part of an aggregated information product such as Factiva is one thing, running a series of wikis internally as serious collaborative tools is something else.

More importantly 80 per cent of respondents, whilst not being aware of any significant take-up at the moment, envisaged that, in one form or another, these tools would become important in the future. Some typical comments are included below:

No use really on a formal basis. We're not encouraged to do so.

Not yet of interest. Law firms are conservative about such media. There are clearly quality control issues. I can see potential though.

We have a Sharepoint application. There aren't any wikis in evidence yet although I think these will be developed. Whilst the Information Services staff are keen to embrace these new technologies and see how they can be incorporated into our services then some of the senior lawyers are rather conservative. As the younger lawyers come through then the adoption rate will change. There are already quite good blogs by some lawyers externally which are followed by professionals in this company.

Not yet although I'm sure that these will be used in the near future. I've got to look at this closely and advise the company. I've been impressed by the use of these technologies in the BBC, Home Office and IBM.

Blogging and podcasting is important and this will grow. Some of the information vendors such as Factiva are already capturing some of the better external blogs.

There's real potential here but little structured use yet. This Information/Research division may well be the guinea pig in the company. I suppose we have a healthy cynicism to some of these ideas and have still to be totally convinced about the business value. I can see the potential of internal wikis as an important team collaboration tool.

No. Some use of external blogs but nothing organized. Time availability in which to set up an initiative is a problem.

IT have a wiki but won't allow the technology to be widely used as they're concerned about the security issues.

We use video streaming and podcasts for training and other purposes. There's also a monthly 'audio catch-up' with certain clients. There's lot of potential in using these media in creative ways as part of the information/knowledge offering.

Measuring performance

Question 17: How do you attempt to measure the effectiveness and performance of your business information service?

Question 18: Do you attempt to measure inputs, outputs and outcomes derived from your services?

There's much discussion in the professional literature and at conferences about the importance of performance measurement. It's understandable to want to develop appropriate metrics by which information managers, and their senior managers in turn, can judge whether the services they run are fulfilling strategic and operational objectives. So we have included regular questions in the annual Surveys for the last three years.

This group of respondents has been in line with those in previous years. Much effort goes into establishing measures in **inputs** and **outputs** – and these are carefully monitored. 100 per cent of respondents confirmed that they collected such data, either exclusively for their own use and/or shared with senior management of the business. But it is much more difficult, some would say near impossible, to understand fully the **impacts** of the information and research services provided.

We collect feedback through forms sent to clients following jobs. As this is quite a small company it's easier to be close to your clients and to get feedback and sometimes see the results of what we've done. We do know of certain points in a particular deal at which the information or research we've provided has made a material contribution.

We collect the simple metrics such as reports written, requests received and actioned, and costs of time. We also have a footer on our e-mailed results for clients and this generates some feedback, generally good. We do take account of feedback received this and other ways. For instance, we've recently extended our service hours in order to cover work from continental users.

But the difficulties of assessing outputs are well known and have been rehearsed again by the information managers in this Survey:

We monitor the number of requests, time taken, etc. Personally, I'm doubtful about trying to determine 'outcomes' from our work. How do we judge our performance if the information is excellent but the deal falls through for one of a hundred other reasons? What if the data we provide is no more than adequate, or maybe faulty, yet the deal goes ahead successfully? There are just too many variables.

We don't have any formal feedback mechanisms but a survey of information resource use is imminent. In fact, I'm sceptical of methodologies which attempt to measure the impact of these kinds of services.

We gather usage data and have used tools like Microsoft Access to manage this – not terribly effectively. So we've adopted a more sophisticated workflow tool which

provided easier data capture and reporting. The most telling of all metrics is whether we meet client deadlines. We also do case studies of particular jobs from time to time but it's very difficult to measure the value we add through good information or research. Anecdotal feedback is very useful though.

But other respondents are trying various approaches:

We're trying to develop better metrics. We do use online surveys of users, 'Survey Monkey' and so on. We also have lunchtime meetings with lawyers to discuss services and to gather feedback.

We haven't carried out an exhaustive assessment for some time, to be frank. If we judge effectiveness by customer retention then we're doing well. We do get informal feedback and maintain records of numbers of enquiries answered and so on. And we are diligent at closely monitoring levels of usage.

It's a difficult area. We do quarterly and annual reports which contain detailed statistics on work undertaken, hours expended etc. But the best measure is whether the client wins the business and we've helped in that process. Anecdotal feedback we receive is very positive.

One finding is particularly interesting. In all 20 interviews, not one of the information managers suggested that there was any pressure from their senior management to establish metrics of value and performance in order to justify their existence.

We debrief on every project. This is important in order to understand information used, patterns of use and *de facto* demand. There's no particular pressure from my managers to maintain these metrics.

Strategic priorities

Question 18: What are your top three strategic priorities in the development of your business information services in the next two years?

Understanding the short/medium-term strategic drivers of business information managers is always one of the most valuable parts of the Survey. Once more this is very illuminating. Many of the preoccupations of respondents already identified in the earlier parts of the Survey come through again here.

Of greatest interest is:

- (i) improving customer relations and services
- (ii) establishing the use of social technologies

- (iii) improving knowledge management approaches
- (iv) outsourcing and offshoring
- (v) organizational and management issues within the service.

Concerns about improving the sourcing of information products, finding ways to add more value through the provision of information and research, and continuing to develop new products come close behind.

When asked to identify three priorities, one respondent said: ‘embed, embed, embed’. This showed the strength of feeling about ensuring that the information service was completely integral to the business.

Some other specific comments elaborate the general categories in Figure 9.

- Continually promote the service aggressively, and make sure role of information service is appreciated and valued.
- Move our researchers up the value chain.

- Take offshoring operation up the value chain.
- Make a decision about whether to offshore some of our services.
- Adopt appropriate social technologies.
- Improve the resilience of our offshore operation; extend to 24/7 service cover.
- Improve accountability to clients.
- Review sourcing processes and practices: at publishers’ level, exercise more power over vendors.
- Make our offshoring operation more efficient and effective.
- Provide high end users with improved research tools.
- Develop more research/information service products.
- Roll out more desktop products to users to relieve information services staff.

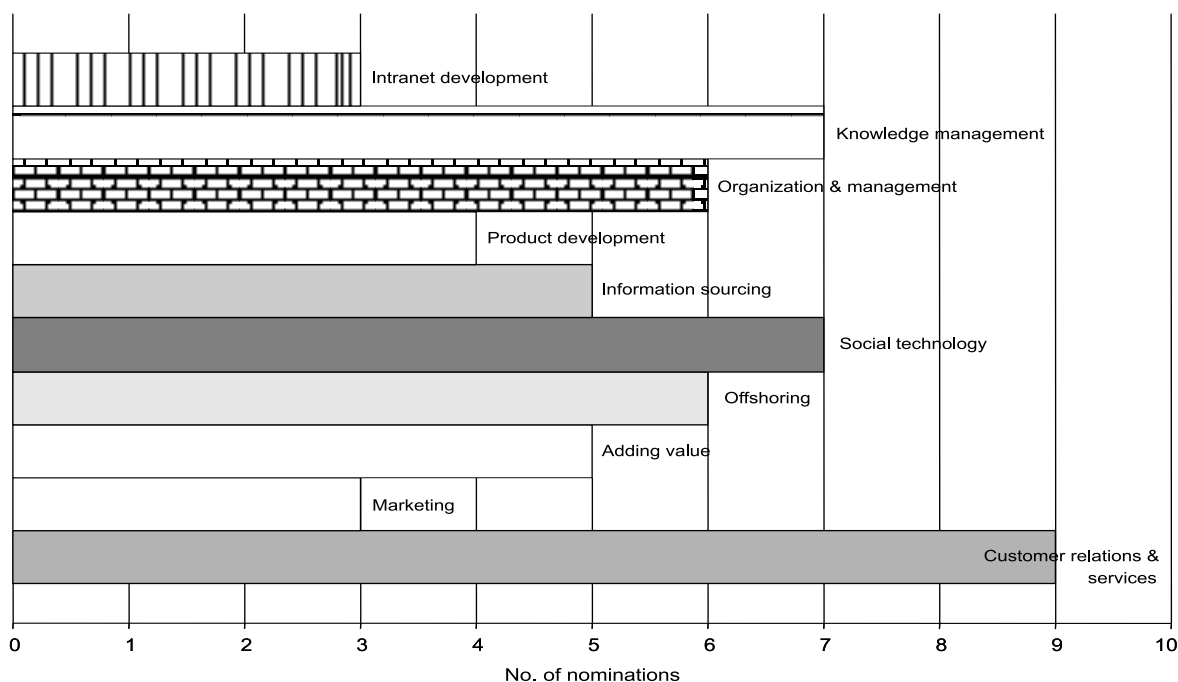


Figure 9 – Strategic priorities - 2 years ahead

- Consolidate Far East offices as part of global information services function.
- Maintain role of Information Service; don't dilute it with overambition; keep core competencies.
- Find ways of improving service quality.
- Provide more value added services.
- Examine potential of social media.
- Streamline information/research services business processes.
- Find ways of cracking the client intelligence problem.
- Develop a coherent chart know-how offering.
- In terms of social networking, map contacts, identify information flow/contact points.
- Beef up intranet: develop guidance to users on best resources.
- Current awareness needs: build up database, feed through intranet plus RSS feeds, incorporate more tacit knowledge.
- Adopt social technologies (wikis and blogs) as part of information service architecture.
- Work on ways to encourage culture of knowledge sharing within the organization.
- Improve communications through directory of expertise in the firm.
- Develop a quality initiative: establish central database of precedents, enable access through web; improve quality, appearance and structure of intranet.
- Provide more global information including data on China and India.
- Develop ways to disseminate news to users' mobile devices.

References

- [1] SLA's Click University. See <http://sla.learn.com/learncenter.asp?id=178409>.
- [2] Susan S. DiMattia (2004) 'Offshoring Hits Home: Some Companies are Moving Research Overseas – a Threat and an Opportunity'. *Library Journal*, 1 April, p42. See <http://www.libraryjournal.com, article/CA405418.html>
- [3] Stephen Phillips (2005) 'Realigning a Business Information Service for Future Success: Opportunities for Well-informed Information Professionals.' *Business Information Review* 22(3): 182–8.
- [4] Melanie Goody and Hazel Hall (2007) 'Better Out Than In? Issues and Implications of Outsourced Research and Information Services for Business Information Professionals.' *Business Information Review* 24(1): 36–42.
- [5] Sheila Pantry and Peter Griffiths (2004) *Managing Outsourcing in Library and Information Services*. London: Facet Publishing.
- [6] Deloitte/YouGov (2006) *Survey of Attitudes to Global Economic Competition*. Deloitte/YouGov, 28 November 2006. See <http://tinyurl.com/yy3kn8>.
- [7] Pam Foster (2006) 'Compliance: Using Business Information to Meet Anti-money Laundering Regulations.' *VIP* 33, August 2006.
- [8] Jürgen Schiller García. Web 2.0 Buzz Time Bar, at <http://www.scill.de/content/2006/09/21/web-20-buzz-zeitstrahl/>. [Reproduced under the GNU Free Documentation Licence.]