

Input versus Output: The Effect of the Information Professional on Business Strategy

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1. Introduction

How can information professionals play a real part in the work towards restructuring democracy in “newly emerging” countries? One answer may lie in utilising the skills of information professionals in the creation and implementation of strategies in all kinds of business organisations. By helping to form good quality strategies this will perhaps be a factor in improving the success of business enterprises which will help to boost the economy and so in some small way help towards the building and indeed the strengthening of democracies in many East European countries.

What is the relationship between strategy and information? Strategic management is concerned with the business of the whole organisation. Internally, organisations must consider factors such as product costs, manufacturing capability, skills of the workforce and so on. Externally strategic management is also concerned with the organisation's position in relation to the overall environment. All strategies however start with information - information in order to clarify the external environment; information concerning the internal environment; information in order to build models for strategic analysis and finally information in order to forecast possible changes.

The business information professional of today needs not only to have an understanding and knowledge of sources, but also needs to understand the different types of business organisations and their needs and demands.

This paper will examine major changes in the world which have contributed to the new global use of information; it will examine why business strategy is important; give definitions of business strategy and report on the results of a small scale preliminary research project which is investigating perceptions from newly qualified graduates concerning their role in the creation and implementation of strategy.

In this way it is hoped to show that the input which information professionals can have in the building of strong businesses can help towards the output and productivity of the economy and this turn may have some small effect on assisting with the restructuring towards democracy.

2. Major global changes

International trade is vital to a free democracy and trade is freer now than it has ever been. This, in part, has been due to major changes which have taken place in last 15 or so years. These include the success of the European Union to remove trade barriers; the collapse of the Soviet bloc; the rise of multi-national companies and the developments in communications and technology.

The European Union

The European Union (EU) was established over a number of years beginning in 1951 with the Treaty of Paris which set up the European Coal and Steel Community. A few years later the Treaties of Rome were signed in 1957 which established both the European Economic Community and the European Atomic Energy Community. In later years the Single European Act was passed and the Treaty on European Union was finally signed in 1992 which created the European Union as we know it today. The Amsterdam Treaty will complete the Treaty of Rome and is due to be signed in Autumn 1997 and to come into force in January 1999.

The 15 countries of the European Union have affected international trade in that the creation of the Union has expanded the market for goods, made trading easier by the removal of trade barriers and the ongoing streamlining of business regulations and control.

The collapse of the Soviet bloc

The Cold War ended in 1989 with the collapse of the communist bloc and the significant “removal” of the Berlin Wall. Many countries within Central and Eastern Europe have undergone great political and economic changes in the move from a state controlled economy towards a form of westernised market economy.

All of these changes have affected international trade in that they have considerably expanded the market for a range of goods - and therefore the market for export. This in turn, has led to the setting up of many new small and medium sized businesses - all of whom require information. There is also a need for information about changes and trends in areas such as sociology; technology; economics; environmental and political issues - to name but a few. In addition the need for accurate market information has led to the rise in the number of publications which cover Central and Eastern Europe.

The developments in communications and information technology (IT)

Over the last 15 to 20 years the world has witnessed astounding changes in the way which people communicate with each other. Examples of these changes include the on going development and use of the Internet to locate and display information; communication by fax, by e-mail and many other techniques. All these developments in IT have meant that communication is not only fast - but it is also efficient and relatively cheap. This has resulted in the development of the world into a kind of “global village” - in that as communication and IT have developed - the world has literally become a global market place. This, of course, is not to say that trade has not always been on a global scale - but simply that the speed and ease of communications has made finding information and therefore trading opportunities much easier and more convenient for many businesses.

The growth of multi-national companies

The developments in communication and information technology and the improvements in the transport structure have combined to encourage the growth of multi-national companies. These companies have grown at a phenomenal rate during the last ten years and there is a view that the rise of giant multi-nationals is one of the factors leading us towards a complete “globalisation” of the economy, which would, in turn, affect international trade on a vast scale. Due to the importance of this issue a research centre on the Study of Globalisation and Regionalisation has been set up in the UK at the University of Warwick.

3. Implications for business strategy

What then are the implications of these major changes and shifts in world order? One answer may be that governments must have long term visions and plans which enable business organisations to build sound business strategies which will take account not only of the changes which have already taken place - but of the possibility of other changes in the future. How can the information professional assist with this process? The information professional can only assist with this process if they are encouraged to do so by the organisation in question. The business organisation needs to realise the potential of information as a resource and make full use of the expertise of information professionals in assisting with the formation and implementation of business strategy at all levels in the organisation. i.e. - utilising the input of information specialists to help build quality output from the business.

4. Definitions of Business Strategy

Business strategy can be defined in many different ways. The word strategy and the term strategic management has been defined many times over the years. For example in 1987 Bowman and Asch (1) defined strategic management as:

“the process of making and implementing strategic decisions. It is the match an organisation makes between its own resources and the threats, risks or opportunities created by the external environment in which it operates.”

Other writers such as Johnson and Scholes (2) define three main elements of the strategic management process as:

- strategic analysis - understanding the organisation's position,
- strategic choice - the choice of courses of action,
- strategic implementation - putting into effect the proposed plan of action.

Both definitions have at least one factor in common - they refer either explicitly or implicitly to decision making. Decisions, however, cannot be made without information and therefore the role of information is vital to the successful strategies of organisations.

5. Business Strategy Research Project

In mid 1997 a small-scale research project was initiated which aimed to examine in detail the perceptions of new graduates on first entering the job market concerning views about the relationship between business information professionals and business strategy. Although Phase 1 is now almost complete the data is yet in "raw" form but the results so far (50%-60% response rate) are beginning to paint an interesting picture. Phase 2 will take place in approximately 12 months time when it is hoped that most of the graduates will have more work experience having held some kind of professional post in a business or company library some kind. The survey will then be repeated and responses compared with Phase 1 to correlate any shifts in opinion and perception.

Summary of preliminary findings

Prior to graduation the students who participated in this research undertook the Business Strategy module of the BA/BSc(Hons) course in Information and Library Management. This module was spread over 15 weeks. The framework for each of these lectures was to examine various strategic theories. Each week at the end of the lecture a discussion took place concerning two important aspects of strategy. Firstly - the discussion covered what happens in the every day life of business and secondly what the students perceived to be the role of the information professional in creating, implementing and sustaining this strategy. Both these questions related to whatever aspect of business strategy had been covered that week. Four weeks after these students had graduated a postal questionnaire was sent out reminding them of work we had covered in the Business Strategy module and explaining that the aim of the survey was to research their opinion as past students of business strategy in order to establish an initial framework for further work in this area.

a) Graduate employment history

Students were asked about their history of employment concerning type of job and level in the organisation.

Most graduates had worked either in libraries usually as library assistants, in shops, or as clerical assistants in large organisations

b) Organisational objectives

Graduates were asked about:

- i) the relationship between the making of strategy and information in terms of the form of the relationship.
- ii) whether in terms of their own experience the organisations objectives had actually related to the strategy of the organisation
- iii) how they thought members of the organisation were made aware of these objectives.

Relationship between strategy & information
and Most responses considered that strategy cannot be formulated without information made the point that the *consistent* use of information was an important factor throughout the life of the strategy. Other graduates made reference to the fact that “*they thought that strategies cannot be successfully developed without the extensive use of both internal and external information.*” On the whole responses were very positive and considered that the creation of strategy is fundamentally dependant upon the collection and analysis of information.

Relationship between organisational objectives
Surprisingly responses to this section were quite negative and somewhat cynical. Responses stated that from experience organisational objectives and strategy did not appear to be related.

How employees were informed of objectives
On the whole graduates thought that employees were poorly informed of objectives. The most common method mentioned was either during a traditional induction period on joining the organisation or simply through distribution of documentation Other comments mentioned that the method employed depended on the culture of the organisation and the strong need for an information policy

c) Levels of strategy

The graduates were asked questions about the three different levels of strategy concerning how information is used at :

- operational level - (the day to day issues concerning the running of the organisation)
- business level - (strategies in particular departments -a “divisional” view)
- corporate level - (high level or corporate strategy of the whole organisation)

Graduates responded positively to these sections in that they considered information could be used for different purposes at different levels. Responses stressed the importance of co-ordination; the view that all levels should be linked and that the higher the level the more serious the information would be taken. There was also a view expressed that the information manager, the marketing department and the sales department should “*all work together in order to produce fully informed strategies*”.

d) Role of information professionals

Finally graduates were questioned about whether information professionals should have a role in the creation of strategy; if so what form this role should take. All responses to this were positive with comments such as “*the information professional should have the skills to identify, access and interpret the information on which strategies are based*”; that “*the information provider should take an proactive role as much as possible*” - and that “*the information professional should be directly involved in the creation of strategy*”.

Of course as these are newly qualified information professionals comments such as these are perhaps to be expected - but it is heartening to know that these is a new

breed of information person who is aware of the direct link between business strategy and information.

6. Discussion

Although in its early stages two conclusions can perhaps be tentatively drawn from this preliminary research. One is the enthusiasm and eagerness of the graduates to get involved in strategy making at all levels and the other is the fact that these graduates do seem to realise the importance of information and how much information really is “power”. These responses are of course from new graduates who have not yet had much real experience in professional posts in business organisations. It will be very interesting to assess if the enthusiasm remains at the same level in 12 months time concerning the both the role of the information professional and the perception of the role of the library as being paramount to the success of the organisation’s strategies.

All the strategic planning processes are in essence concerned with decision making. Managers make decisions at different levels - decisions are made about the customers, about competitors and internal company business. Although the decisions are made at different levels all three areas overlap with each other - and all have one essential requirement; that of quality information

What information then do managers actually require? It is important that information adheres to the standard characteristics of good information. For example there should be the right amount of information; it should be tailor made to specific needs; the information should be presented in an appropriate format and provided at an appropriate time.

The professional information associations are also becoming increasingly aware of the changes in the perception of information and its relationship and importance to the business world. This is borne out by research commissioned by the UK Library Association in Autumn 1996 which concerned chief executives who took part in a survey on company and information policies.(3) The results were as follows:

78% of chief executives stated that they found information themselves

40% of companies stated that they had no information policy at all

38% of companies stated that information issues reached board level

11% of chief executives approached a manager for information

7% of chief executives stated that they approached the secretary for information.

Many conclusions can be drawn from this research. However, one important one seems to be that there is an urgent need to re-educate managers, strategists and all those who form the highest levels in companies. How can this be achieved? One suggestion may be a two way plan First, training at both undergraduate course and postgraduate courses for information officers must emphasise the importance of information and business. For example, Department’s of Information in many Universities offer undergraduate and postgraduate courses which train professionals to the highest standard - and make them aware of their

potential. It is important to emphasise to the students at this early stage that they are the new professionals - the students who can change the future - who have the opportunity to bring new ideas and enthusiasm not just to the profession but also to the business world. The second way in which managers can be re-educated is by assisting those already in the information profession, by providing support and courses, not just for the information officers - but also for the managers and strategists.

In addition to these two training options the UK Library Association has also launched a new initiative called "Investors in Information". The scheme aims to encourage business organisations to carefully consider the role of information and the role of the information officer - it is hoped that by raising the profile of the importance of information and business the profession will be successful in assisting with the re-education of managers.

7. Conclusion

To conclude then, this paper has outlined some of the issues surrounding business strategy and information. The article has discussed the major global changes which have taken place in the last 10-15 years; provided some definitions of business strategy; discussed the role of the business information professionals in creating strategy and presented the first results of research concerning the relationship between business strategy and the information professional. There was also some discussion on the role of the professional associations and the way in which managers can be re-educated.

It is only by slowly changing the perception of libraries by allowing the information professionals more flexibility in their jobs will the organisation make full use of its resources. In this way the information can be used to help the economy and perhaps in the longer term assist towards the strive to true democracy in all our countries. It is only when there is realisation that the role of information is essential to strategy will things change.

References

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