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The CEO's Role in Information Management

This is an industry insider (<http://www.eiffeltradingcompany.com/contentpartners/>) post by **Dr. Perry Daneshgari & Dr. Heather Moore** from MCA Inc.

Everything around you was conceptualized, designed, prototyped, manufactured and marketed for you to be able to use it. Each tangible thing we can see, feel and touch is the result of a collaborative work effort of multiple people, cultures and generations – everything except how we manage information.

Often we believe that processes and information management will happen by themselves – but they don't. Each company's products and services are a direct reflection of its management's commitment to time, cost and quality, as well as their customers, employees, communities and owners or shareholders.

In order to deliver the best products and services at the lowest cost in a timely manner, the information leading to the creation of all products and services has to be designed, managed and improved to ensure its quality and timeliness. The superior quality of services and products can only be ensured with high quality information for decision making and course correction. The source for high-quality information is the data leading to it. Where, how, when, who and what data is being collected is of utmost importance for decision making in every company, and each of these aspects have to be specifically thought of and designed so that the data actually turns into information.

The only person who connects all the aspects of the company's operation is the CEO. The data has to be collected and translated based on the need for the information it is supposed to provide. The path from Data to Information to Knowledge to Wisdom has to be designed and monitored by the top executives of the company including the CEO.

Take the following example: At a large national electrical contractor in the Midwest, the need for managing the material purchases and reduction of cost led the CFO of the company to purchase expensive procurement software. The hope was that it would resolve all of the problems with procurement and purchasing. The software was purchased without mapping the existing process, or creating a statement of work, that would outline requirements and prioritize specifications from all the users' perspectives, not from the software or the software implementation team's perspective, which led to lack of usage and discarding the program within a year.

We know for a fact that more than 40% of the laborer's time in electrical contracting is spent on material handling. For the procurement software to pay off, one of the factors which the contractor had to take into account was how the new software would help to reduce the cost of labor. To do this they had to know what laborer does, when, and how it is accomplished.

To know this, the CEO of this company should have requested the third set of information needed to make this call: he should have asked for estimating, accounting and field data coming from the sources. Without these three sets of data, the procurement software became another tool sitting on top of silos and processes which the people who help get the work done every day are suffering with. IT and procedures cannot be created or purchased until the value transferred by the people, under direction and leadership of the CEO, is understood and translated to processes.

It is only the CEO that can connect money, material, and manpower, the three resources available for him or her to generate and create wealth. To do so, the processes have to be designed and made visible for the decision makers. As the Captain of the company's ship, the CEO has to demand and also help design information flow processes enabling himself/herself – and all their executives – to make high quality and timely decisions for course correction at job, department and company levels.

Dr. Perry Daneshgari is the President & CEO of MCA Inc., a management innovation company. Dr. Heather Moore is MCA Inc.'s Vice President of Operations. Visit <http://www.mca.net> (<http://www.mca.net>) for more information or to reach them.

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