IMARK

**Module
Investing in Information for Development**

Organization and Management

Lesson 2: New Structures and Alliances

Learner Notes

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This lesson is part of the IMARK Module on "Investing in Information for Development". The Module contains six units. The unit on "Organization and Management" comprises three lessons:

Lesson 1: Information Management in your Organization

Lesson 2: New Structures and Alliances

Lesson 3: New Approaches to Motivating Staff

This course is available in self-paced e-learning format on CD-ROM and the Internet (www.imarkgroup.org).

Learning objectives

At the end of this lesson, you will be able to:

- recognize the features of an information management unit;

- identify some criteria for establishing alliances with other organizations.

Introduction

In the new information environment, the way we acquire, use and exchange information has dramatically changed.
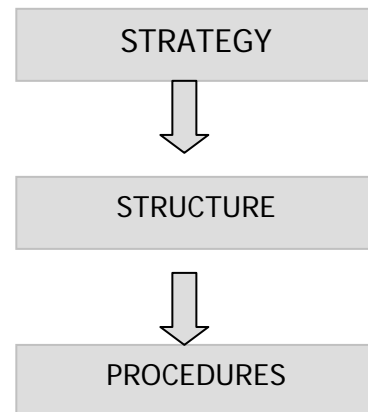
Old organizational **structures** are very likely to be inappropriate for dealing with new information-oriented **activities**.

Therefore, it might be necessary to plan organizational changes in order to make our information management "structures" and "activities" **more closely aligned**.
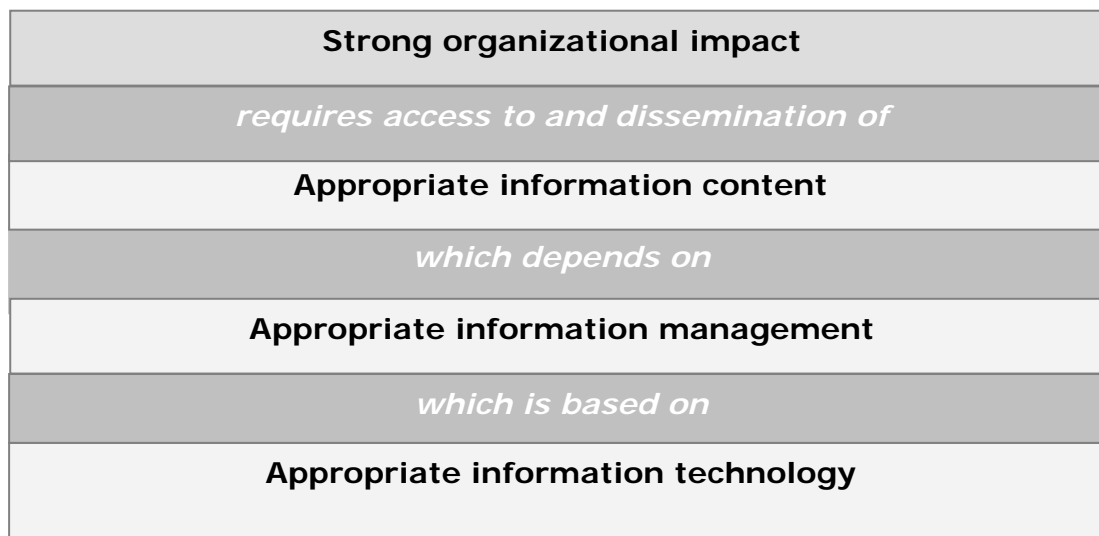
Structure and strategy

Here are **three basic questions** useful when examining the current situation in your organization:

1. Does your organization have an information **strategy** that will help you choose between investment options?
2. If so, what is the connection between this strategy and the **structure** of your organization?
3. And again if so, are the strategy and structure supportive of **procedures** and routines that are appropriate to an "information organization"? (e.g., flexible reporting relationships, participatory decision-making)?

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│      STRATEGY       │
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│      STRUCTURE      │
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│     PROCEDURES      │
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An effective information strategy, supported by an appropriate structure and procedures, will produce significant benefits for your audiences. Here is an illustrative chart:

Strong organizational impact
requires access to and dissemination of
Appropriate information content
which depends on
Appropriate information management
which is based on
Appropriate information technology

An information strategy will specify how each of the links in italics will actually happen.
And it will also make clear that investments should be made in each of the component steps and should not overemphasize just one.
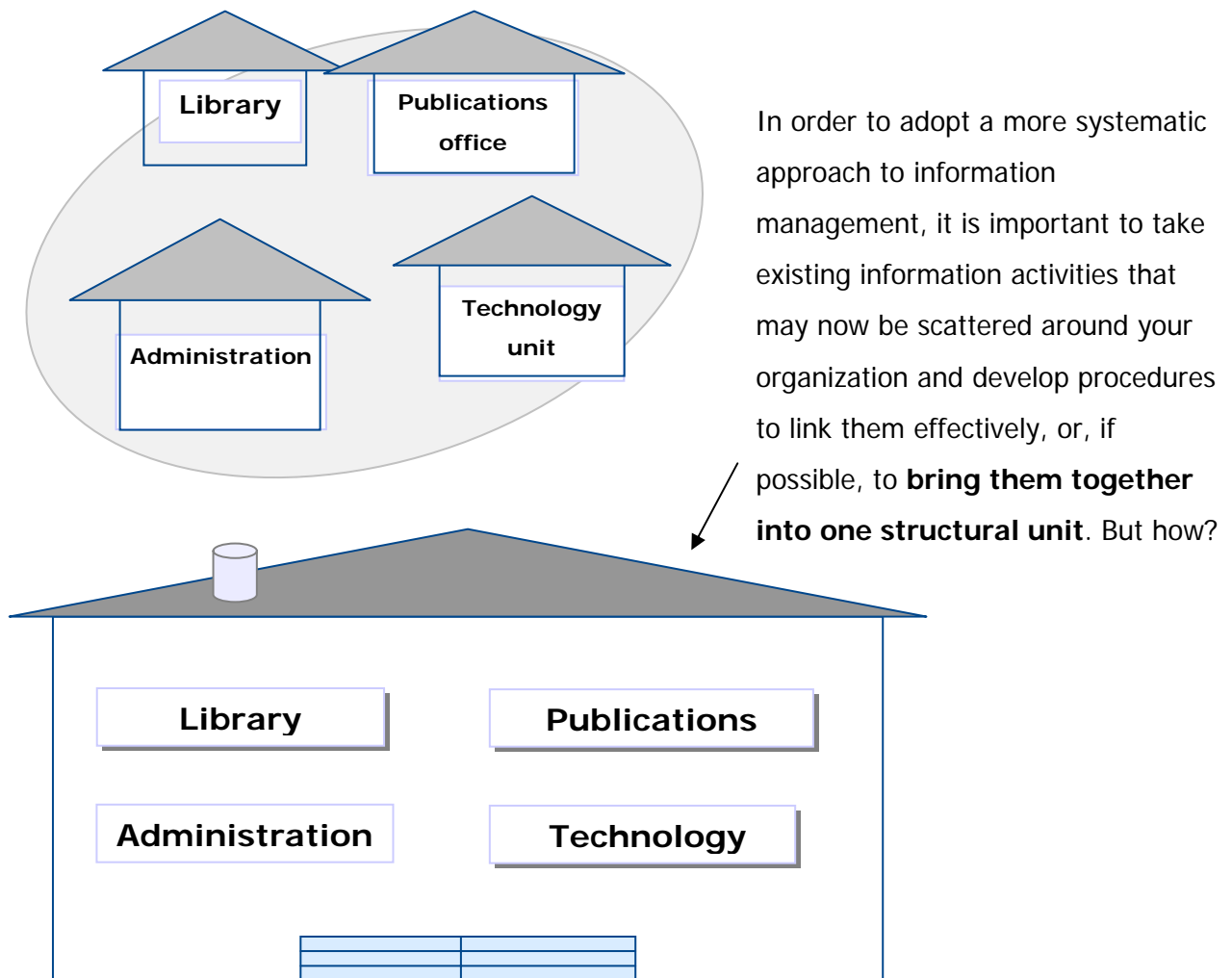
The question is: **Does your organization have the appropriate structures to implement its information strategy?**

The business historian Alfred D. Chandler wrote that "structure follows strategy", meaning that when an organization changes its strategy, it usually needs to change its structure also.

The problem is that in many organizations, decisions about information management are made by many unconnected people in many unrelated places.
Therefore, it becomes difficult to coordinate and synchronize decision making, and to adapt structure to strategy.

The following diagrams show several information units commonly found in organizations. Should these be completely separate (as they are in the top diagram)? Or should they be managed as one multifunctional unit (as in the second diagram)?

In order to adopt a more systematic approach to information management, it is important to take existing information activities that may now be scattered around your organization and develop procedures to link them effectively, or, if possible, to **bring them together into one structural unit**. But how?

An information management unit

One possible option is the establishment of an **information management unit**. Its role should be to lead the organization in the development of information **strategies, policies, plans and standards** in at least the following subject areas:

- **People** (including training in information management and information technology, recruitment, incentives);
- **Alliances and contracts;**
- **Technology:** Hardware and software (including acquisition, maintenance and support);
- **Information policies and standards** (including operational procedures)
- **Coordination of activities** on information products and services (acquisition, production and dissemination);

- **Financial resources** (including budgeting, accounting and revenues).

A prerequisite for establishing such a unit is to **build consensus** within the organization on the need for improved information management. The following three questions will help you decide whether such a consensus already exists:

1. Do most of your **staff** understand the importance of information for the fulfillment of your organizational mandate?
2. Do **managers** recognize that old structures and procedures may not be appropriate in a new information-oriented environment?
3. Is your **organization** ready to adopt corporate information management policies, standards and procedures?

Where should an information management unit **fit** into the **current organizational structure**? There are many alternatives to developing or defining an information management unit, and each organization will need to define the most appropriate solution for its particular needs. Some options are:

1. A **policy unit** in the Office/Cabinet of the Chief Executive or Minister.

This unit would consist of perhaps one executive and one or more support staff who would work closely with all the units managing information-related activities. Its focus would be on leadership rather than direction, and its goal would be consensus building. The executive would ideally have a position on the topmost decision-making bodies of the organization. It would concentrate on overall policy and coordination of information-related activities. Operational and budgetary control of specific information functions would be addressed by the specialized units or staff (e.g. publications, library, computer services, software support/development).

2. One **division or department** containing all the information-related staff/units.

This division/department would contain all the various functions (e.g. publications, library, computer services, software support/development). The manager would ideally have a senior position and be a member of the topmost decision-making bodies of the organization. The unit would be responsible for policy, operational and budgetary matters for information-related activities.

3. A **committee** of the heads of information-related units.

A committee is not strictly a "unit", but is a potential alternative. The committee would bring together the divisions/departments working on information-related activities (e.g. publications, library, computer services, software support/development) from across the organizational structure. Ideally, it should be chaired by a very senior manager. It would concentrate on overall policy and coordination of information-related activities, leaving operational and detailed budgetary control to the specialized units or staff.

The Chief Information Officer

The Head of an information management unit would act as a Chief Information Officer (CIO).

The first CIOs in the private sector usually had backgrounds in Information Technologies (IT), but many did not do well because they were poor managers. This experience led some organizations to create two positions: a **CIO** and a **CTO (Chief Technology Officer)**, with the former mainly responsible for planning and management and the latter responsible for hardware and software.

Is there an ideal profile for a Chief Information Officer? Is it easier to bring an "information" person to management – or a management person to "information"?

There is no approach that is always correct, since no one person in any organization can be expected to be knowledgeable in all its information activities and technologies. However, preference should ideally be given to **management skills** rather than technical ones.

In most organizations, a CIO is likely to have more experience in content-related issues, while a CTO may be a specialist in telecommunications and networking.

Here are key phrases from descriptions of the jobs of some Chief Information Officers:

- *The role of the CIO is still evolving...but it's very much about strategic leadership, planning and co-ordination, and performance management.*
- *The 'information' part of the CIO's job is increasingly important. The effective and strategic use of common enterprise-wide information requires someone with a cross-functional perspective...Today's CIO has moved out of the basement and into the boardroom...*
- *The CIO must be a full-spectrum contributor to the development and management of business strategies and directions rather than a niche player in the limited bank of IT. He or she must participate in, and sometimes lead, discussions on general issues facing the organization. Successful CIOs will suggest potential IT-driven opportunities and will*

think as profit-center managers even if the organization treats IT as a cost center. To function as a member of executive management, the CIO must learn about the issues that affect the entire organization.

Doing everything yourself?

Structures like an information management unit are important. But even if a manager has the best possible organization and staff in place, (s)he may find it impossible for them to do all the IM/IT jobs that an organization should be doing.

Let's consider again the basic information management functions:

- acquisition of content (from both external and internal sources);
- production of new content;
- organization, storage and retrieval;
- dissemination of relevant content to users.

Can your organization carry out all these activities efficiently and effectively by itself?
Or can you find partners outside your organization with whom you can share some of the work?
Let's consider a real-world example.

Six research institutes are located within 250 kilometres of each other. IT specialists in each one have written data analysis software. But they have not communicated or collaborated with each other during this software development process. Dr. Toledo is a senior manager in one of the six institutes. Here is what he says:

"We have too many information-related priorities here. We do not have enough staff. We cannot work separately like this... I want to use the limited resources of this organization in the best possible way ..."

Therefore, Dr. Toledo decides to contact the other five institutes to discuss the formation of a "software development" **alliance**. He organizes a meeting with managers from the other five institutes. By the end of the meeting, they have reached an agreement on the purposes of their alliance. Here is what they say:

*"...our first goal will be to **improve the exchange** of information between our organizations".*

*"...also, we should **avoid duplication** of effort, as happened with the data analysis software"...*

*"...and we will **share costs**.*

"If we had pooled our resources earlier, we could have come up with a better product..."

As soon as the six managers had reached agreement on the general goals of the alliance, they then had to **bargain over the specific functions** that it would perform. After hard negotiations, they agreed on four subjects: **management, money, people and intellectual property rights.**

Here is what Dr. Toledo suggests:

"We will set up a small steering committee to identify potential areas for IM/IT cooperation. This committee will consist of one representative from each of our six institutes...
Each one of us will make staff available for selected joint projects... We will each make a small annual contribution to a joint "information development" fund, and we will consider favourably requests from the steering committee for funds for additional joint activities...
And if we develop an information product or service that we can sell, we will commit ourselves to share intellection property rights, patents and copyrights..."

Bargains and compromises

The formation of such an alliance sounds good in theory. Bargaining is always possible. But the proof of seriousness in negotiations comes with the actual, hard compromises that each member of a proposed partnership is willing to make. Here are some of the types of issues that very often require concessions from each of the partners.

- **Values**

  Members of partnerships may have different views on whether or how much to charge customers for their products/services. Some public-sector organizations may argue that all their products/services should be free ("public goods").

- **Money**

  Partnerships cost money. Are members willing to put in funds to get a partnership started and to keep it moving? If so, how much should each member pay, and how much should each member get back if there are any savings (or profits)?

- **Management**

  Partnerships also have hidden costs, particularly those related to the introduction of new rules and procedures. Is each partner willing to modify its existing management practices to become an effective participant?

- **Independence**

  If partnerships are to be effective, they must have some power, which in turn means that members must surrender some of their own freedom to maneuver. Is it possible to find the necessary balance to minimize discontent?

Outsourcing

Outsourcing is a much-used word these days and is a variation on the "partnership" concept. Outsourcing is a formal agreement to transfer to an external provider an activity previously performed in-house.

Also in the case of outsourcing, negotiations over the resulting alliance will involve bargains and compromises.

Partnership and outsourcing are strategic choices being made by more and more senior managers and chief information officers in order to improve their information management.

Summary

Old organizational structures may be inappropriate for dealing with new information-oriented activities. What options does a manager have for making information "structures" and "activities" more closely aligned?

One possible approach is the establishment of an information management unit. Its role will be to lead the organization in the development of its information strategies, policies, plans and standards.

The head of a new information management unit would act as a Chief Information Officer. For this position, an organization will probably need someone with sound management as well as technical skills.

If it is impossible for an organization to do all the IM/IT jobs that it needs to do, one option is to share information work with other organizations instead of trying to do everything alone.

Partnership and outsourcing are strategic choices being made by more and more senior managers and chief information officers. A commitment to partnerships will usually involve what might be called an "ABC" strategy: Alliances; Bargains; and Compromises.