How to Efficiently Create a Corporate Taxonomy

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By Mark Leher, COO, WAND, Inc.

2170 S. Parker Rd.
Suite 295
Denver, Colorado 80231
U.S.A
www.wandinc.com

Phone: +1(303)623-1200
Fax: +1(303)893-1574
EMail: info@wandinc.com

Executive Summary

A taxonomy is a set of terms representing important concepts for a given topic. A taxonomy acts as a common language for an organization to use when applying metadata to its enterprise content. The essential purpose of a taxonomy is to organize information. Any company that is serious about improving its information management should be investing in metadata and taxonomy.

Appropriate tagging of enterprise content with taxonomy based metadata can help companies achieve benefits such as speeding up processes, increasing sales, and avoiding business risks, like fines or lawsuits. Having a corporate taxonomy is a critical ingredient to information management.

Creating a taxonomy from scratch is a major challenge for most organizations. When starting from a blank slate, there is plenty of debate, struggle, and angst about what words mean and where those words belong in a taxonomy hierarchy. Generally the outcome is that an organization has spent months and months trying a taxonomy that nobody is happy with.

Instead of taking months and months to create a taxonomy from scratch, relevant foundation taxonomies can be identified and customized by stakeholders in a matter of hours. The WAND Taxonomy Library Portal gives clients access to thousands of professionally built taxonomy concepts for use as building blocks for a custom taxonomy model to improve information management applications.

Taxonomy Defined

A taxonomy is a set of terms representing important concepts for a given topic. A taxonomy acts as a common language for an organization to use when applying metadata to its enterprise content.

Taxonomy terms are organized into a hierarchical structure so that users can find concepts by drilling down through general concepts down to specific concepts. For example, a taxonomy of Colors may have a branch of:

Colors>Black>Midnight Black.

In a taxonomy, a preferred term is chosen for each concept which is how that concept will be officially represented in the hierarchy display. Synonyms, or non-preferred terms, can be associated to the concept as well so that users can search for a variety of ways to represent the same concept. For example, H.R. may be a synonym for Human Resources.

At the basic level, a taxonomy is a vocabulary of all the potential metadata values that may be used as tags for enterprise content.

Why Your Business Needs Taxonomy

To understand why taxonomy is important, it's necessary to first understand why metadata is important. Metadata are pieces of data that we attach (or tag) to content and is how we describe the content. Metadata is critical to organization. There are two types of metadata: Administrative Metadata and Descriptive Metadata.

Administrative metadata includes things like file type, file size, modified date, and author. Administrative metadata can easily be found if you view the properties on any file on your desktop. When organizing a movie library, an example of an administrative metadata value might be film length.   Administrative metadata is incredibly easy to get – your computer creates it for you! Unfortunately, administrative metadata has limited use for strategically managing your enterprise content. Administrative metadata is not entirely useless, but salespeople don't need to find presentations that are 75 kb in size. There is no records retention requirement for Microsoft Word documents.

Descriptive metadata brings tremendous value for strategically managing enterprise content. Descriptive metadata are keyword tags that tell us what the content is or what the content is about.   Returning to the movie library, an example of descriptive metadata would be the genre of the film – action or romantic comedy – or could be the director or starring actor's name or even the movie rating. These metadata values are incredibly valuable if I am in the mood for a family friendly comedy (achieving a benefit) or if I want to make sure my kids don't see a movie that will keep them up all night (avoiding a risk).

Appropriate tagging of enterprise content can help companies achieve benefits, such as speeding up processes or increasing sales, and avoid business risks, such as fines or lawsuits.

Information management is not an end in and of itself. Better information management can significantly impact key performance indicators in an organization. A salesperson who can more easily find existing presentations and proposals can spend more time generating revenue.   Compliance officers can find and manage the content needed to avoid costly fines.

The essential purpose of a taxonomy is to organize information. Any company that is serious about improving its information management should be investing in metadata and taxonomy.

Challenges to Creating a Taxonomy

Creating a taxonomy from scratch is a major challenge for most organizations. Language and words can be surprisingly controversial topics! When starting from a blank slate, there is plenty of debate, struggle, and angst about what words mean and where those words belong in a taxonomy hierarchy.

Most people don't know what a taxonomy is and there is not a common general understanding of what one should look like. Different people head in many different directions and reconciling all those visions is a major part of the challenge. Generally the outcome is that an organization has spent months and months trying to build consensus and create a taxonomy. If a taxonomy has been created, usually it's something that nobody is happy with.

People seem to forget that the end goal is not to build a taxonomy! The goal is to effectively manage information with metadata so that people in the organization can generate more revenue, avoid compliance traps, and identify ways to save money. Unfortunately, in the months that it takes to build a taxonomy, none of these goals are being achieved.

A Better Way

Companies can bypass many of the challenges that plague enterprise taxonomy projects by starting with and customizing an existing taxonomy. A pre-built foundation taxonomy gives companies a common sense starting point that instantly puts all stakeholders on the same page as to what taxonomy should look like.

Instead of taking months and months to create a taxonomy from scratch, relevant foundation taxonomies can be identified and customized by stakeholders in a matter of hours.

Terms in foundation taxonomies can be trimmed, renamed, moved, or extended as necessary to meet the business needs of any individual organization. It's simply significantly easier and faster to edit something to suit your needs rather than trying to reinvent the wheel. By customizing an off the shelf taxonomy, a department can have a taxonomy that fits its specific needs in 6-8 hours.

The Bottom Line

Taxonomy and metadata make serious business sense. Companies that aren't managing information risk significant compliance fines and penalties; further, these laggards will be at a competitive disadvantage in the marketplace to competitors who are leveraging effective information management to drive sales.

Having a corporate taxonomy is a critical ingredient to effective information management. Don't let struggles with creating taxonomy prevent you from driving value from your enterprise information.

How WAND Helps Our Clients Jump-start an Enterprise Taxonomy

The WAND Taxonomy Library Portal gives clients access to thousands of professionally built taxonomy concepts for use as building blocks for a custom taxonomy model to improve information management applications.

The WAND Taxonomy Library Portal contains thousands of taxonomy terms covering nearly every industry vertical and business functional area with new content added on a regular basis. Complete taxonomies or individual branches of taxonomies that are relevant to the customer can be downloaded into a wide variety of data formats to allow for easy import into the target application where the taxonomy will be used.

A complete list of taxonomy topics is available at

http://www.wandinc.com/taxonomies.aspx

Contact WAND today and learn how to access the WAND Taxonomy Library Portal.