Effective Information Management and Governance:
Building the Business Case for Taxonomy

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Executive Summary

Companies are often reluctant to make investments in information management initiatives. Such projects often get delayed or have funds diverted to projects that appear to more directly link to the bottom line. In reality, information management is a critical infrastructure component that supports every department in the organization and has a large indirect impact on productivity, operational efficiency, information asset utilization, and profit.

The cost of generating, storing, and using information (employee salaries, computer workstations, storage and backup, IT infrastructure, software) in any organization is substantial. If this information cannot be found by employees, then this money is wasted. Further, employees spend a significant amount of time looking for the right information. Investments in tools to improve the management and use of enterprise content are important and should not be overlooked.

Taxonomy is a crucial ingredient to best-in-class information management. The most successful organizations at making information usable for employees have invested in taxonomy and metadata. Building an enterprise taxonomy is a best-practice to maximize the ROI on the major investment already made in an organization's information. Normalizing taxonomy, classifying/tagging content, and accounting for common synonyms are all keys to making content more findable and more usable. As the volume of information continues to grow, the importance of taxonomy to an organization's information management infrastructure continues to grow as well.

Why Information Management and Governance Are Neglected

Companies are often reluctant to make investments in information management and governance. The underlying reasons for this is, although finding the right information is viewed as critical, enterprise search is not directly serving the core processes within an organization[i]. "It is an additional service on top of HR, Finance etc" and as a result it can be difficult to draw a direct line between improvements in search and the bottom line.

HR	Finance	IT	Legal	Product	Sales	Marketing

Information Management

As a result, companies are not paying enough attention to search and information management and its importance to efficiency and productivity in each one of its functional areas.

Productivity is leaking out the window. Employees in all departments need content to be organized and findable, but no single department is responsible for it. Companies are under-investing and efficiency is being lost.

The Need for Strong Information Management

Despite a perception that improvements in content organization and search don't impact the bottom line, the cost of generating, storing, and using information in any organization is actually quite significant. Relevant costs includes employee salaries, computer workstations, storage and backup, IT infrastructure, and software. If information cannot be found by employees, this money has been a wasted investment.

According to an independent survey, 78% of respondents believe that finding the right information is critical or imperative to the organizations business goals and success, yet 64% believe that it is moderately hard or very hard to find information.[ii] Employees spend a significant amount of time looking for the right information. This represents a major disconnect between the value of information to an organization and the ability of employees to actually make use of that valuable information. The problem will only grow; IDC estimates that the amount of digital content will double every two years until 2020[iii].

> Taxonomy is a key success factor for effective search and findability
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> Findwise Enterprise Search and Findability Survey 2016

In light of this, Information management should be viewed as an important part of the IT infrastructure of an organization with commensurate business attention and budget. Robust information management leads to better operational efficiencies and greater utilization of information assets. Investments in infrastructure are difficult to link directly to the bottom line, but without a strong infrastructure, the organization will crumble under the weight of its information; employees will continue to drown in data.

Why Taxonomy is Critical to Effective Information Management

There are several necessary ingredients for a quality information management user experience and effective information governance for an organization.   Taxonomy is not the only thing you need; however, companies that have taxonomy are 250% more likely to have users that are satisfied or very satisfied with search than users at companies that do not have taxonomy[iv]. Taxonomy is an investment in information management that has a big impact; it is a critical part of an organization's information management infrastructure.

"Without a Taxonomy, the classification of information becomes arbitrary and inconsistent across different applications and user groups."

Inconsistency in how content is tagged and lack of adequate tags are two of the top three obstacles to finding the right information in an organization. By building and enterprise taxonomy, companies can immediately and directly begin addressing these two issues and improve the ability for employees to find the right information. On the other hand, "without a Taxonomy, the classification of information becomes arbitrary and inconsistent across different applications and user groups."[v]

Taxonomy is important for navigation, search refinement, content enrichment, content re-use, content interoperability, document retention, and social sharing of content. Taxonomy can also be used for more advanced applications like text analytics and big data analysis.

An enterprise taxonomy serves as a common language for an organization to use when

Taxonomy Defined

An enterprise taxonomy is a hierarchically organized set of concepts that are important to an organization.   Synonyms are incorporated into the taxonomy as appropriate to ensure that all concepts are normalized.

Concepts from the taxonomy are tagged to enterprise information as metadata.   This metadata and the relationships between the concepts in the taxonomy organizes enterprise information and makes it more useful.

applying metadata to content. This common language includes synonyms to ensure that users are directed to the preferred form of a term.   By selecting terms from a taxonomy, as opposed to tagging with free text keywords, metadata and tagging will

be consistent. Investing in building your corporate taxonomy will drive major improvement in the overall effectiveness of enterprise search.

Imagine a new employee beginning at your company. Without taxonomy and metadata, that employee will have to gain knowledge about the layout and navigation of the existing document storage infrastructure. To find a repair document about Widget XYZ, the new employee might have to click through a nested folder structure to find where that document may be. Is it in the repair folder or is it in the Widget folder?   Navigating through folders is challenging, to say the least. Instead, with a taxonomy based approach, the location where the document is stored is irrelevant. The new employee simply needs to know the key metadata values and information can quickly be filtered and sorted. This is a much shorter learning curve and the new employee can begin finding the information needed to do his job much more quickly.

The Bottom Line

The more effectively information is organized, the more findable and useful it will be. 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.

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 to learn how to get access to the WAND Taxonomy Library Portal.

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[i] Findwise. 2013 Enterprise Search and Findability Survey. http://www2.findwise.com/findabilitysurvey2013
[ii] Findwise 2013
[iii] Gantz, John and David Reinsel. IDC IVIEW. December 2012. "The Digital universe in 2020: Big data, Bigger Digital shadows, and Biggest Growth in the Far East".
[iv] Findwise. 2014 Enterprise Search and Findability survey. Http://www2.findwise.com/findabilitysurvey2014
[v] Findwise. 2014