

AIIM looks to change the way companies value their information

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Infonomics is emerging as a game-changing concept when it comes to recognising & measuring the value of information assets

September 08, 2016 – How organisations measure and value their information assets is becoming a major differentiator for business executives, according to discussions between industry thought leaders at two recent AIIM (<http://aiim.org/>), Executive Leadership Council (ELC) summits.

Executives from organisations such as Gartner, Accenture and Shell, as well as a number of vendors and technology suppliers in North America and Europe were involved in the ELC summits.

“There is a growing gap between the traditional ways we value organisations, in terms of the tangible and intangible assets reported in financial statements and the value the market puts on organisations,” said John Mancini, Chief Evangelist, AIIM. “The eye watering amounts that have been paid for some companies demonstrates our inability to properly measure and value the information assets of an organisation.”

According to Doug Laney, VP and Distinguished Analyst, Gartner, who presented at the European ELC, in 1975, on average the tangible assets of a corporation represented 83% of its value. Today that number is 20%. As a result, more than 50% of merger and acquisition exchanges can't be accounted for.

During the summit members were asked two key questions: if “information” is the currency of the Digital Age, why don't organisations manage their information assets with the same seriousness as their financial assets, their physical assets, and their human assets? Why is “Infonomics” such a difficult concept for organisations to grasp?

“We're systematically undervaluing the investments that companies make in processes to optimise information, protect it, and utilise it to create customer value,” continued John Mancini.

“Information will be simultaneously worthless to one person and valuable to another. What is important is how a company uses information,” said attendee Rich Howarth from IBM.

Randy Krotowski VP & CIO emeritus at Caterpillar said: “Measurement is critical. When you invest based on your belief in the importance of something, you don't achieve anything. Value is contextual. Value can be calculated. You can calculate the value of anything.”

“Although IP is increasingly becoming a larger proportion of a company's balance sheet, until we have an effective measurement methodology for valuing data, information, content and knowledge, don't expect to find ‘information assets’ on the balance sheet anytime soon,” warned Mancini. “Standard models to measure information value are needed, but you can't measure what you don't control and measuring the value of information can only be done in the context of how it is used.”

Helping to define and measure the value of information will be a priority for AIIM as industry discussion

around infonomics continues over the coming months and years. Randy Krotowski stated: "AIIM is uniquely positioned to help IM leaders deliver outcomes important to their businesses ... and prepare them for a more information -intensive future."

The AIIM ELC is the principal think tank for global Enterprise Content Management (ECM), bringing together the industry's top thinkers, vendors, end users and industry analysts twice a year to articulate the impact that new technologies will have on the workplace, and define specific use cases for how the technologies can transform organisations and ways of work.

The ELC Infonomics summits took place in North America and Europe in June 2016. A full list of participants and summary report can be downloaded here (<http://info.aiim.org/infonomics-how-do-you-measure-the-value-of-information>).

About AIIM

AIIM (<http://aiim.org/>) has been an advocate and supporter of information professionals for 70 years. The association's mission is to improve organizational performance by empowering a community of leaders committed to information-driven innovation. Founded in 1943, AIIM builds on a strong heritage of research and member service. Today, AIIM is a global, non-profit organisation that provides independent research, education and certification programs to information professionals. AIIM represents the entire information management community, with programs and content for practitioners, technology suppliers, integrators and consultants.

About AIIM Executive Leadership Council

The AIIM Executive Leadership Council brings together top thinkers, high performance practitioners and leaders in Information Management to discuss, define, and direct the future of the industry.

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