The excess of information is complicating life for companies
Carlota Oliver
Expansión

The avalanche of information in companies has forced them to contract the services of content syndicators to filter the data.

Information and communication technology has placed a large quantity of instantaneous information within the reach of companies. Such is the quantity of data that it has generated an information overload. It is difficult to distinguish relevant information from irrelevant as many of the documents are unaccredited and unclassified. For companies, this excess means not only a huge and wasteful expenditure of time, but also a loss of money. According to IDC, North American companies listed in the Fortune 500 registered losses of thirteen thousand million euros in 1999 because of this information overload. Sixty percent of their executives complained that so much information had a negative effect on the productivity of the company. The traditional corporate information management systems have proved to be insufficient and the use of the available documents, like subscriptions to specialist magazines and newsletters, also has some deficiencies.

Magazines, for example, usually circulate among employees in a hierarchical way and so many workers receive them with a time lag. On the other hand, it cannot be guaranteed that each employee will have access to the information that is of most interest to him or her. The process of accessing information online has evolved in the search for greater efficiency. At first, generic search engines were used but they generated a huge amount of irrelevant information. After that came the newsletter boom, which assured the reliability and suitability of the content. A qualitative leap was produced when companies thought of making specific content available through their intranet to different types of users (customers, suppliers and employees in different departments). Then content syndicators appear, who select information from different sources, manage the publication copyright and classify and package the content, adapting it to a digital format. Some also provide a platform of access to and management of information easily integrated into the intranet. The syndicators designed their growth strategy with a mind to two types of customers: the webs (portals and company or product webs) and the company intranets, that included corporate intranets and company marketplaces (B2B). With the dot.com crisis the balance of the clientele passed from the first to the second.

The recession has also contributed to concentration in the sector. In the United States, ¡Syndicate was taken over by YellowBrix. In Europe nFactory closed and in Spain StartContents and Sinergias disappeared, while ContentArena and NetContenidos continued operating. The big opportunity for the content syndicators lies in conquering the small and medium sized company, a sector in which, unlike in big international
companies, the presence of intranets and integrated digital information services is very rare. However, this outlook could change if small and medium sized companies are convinced that the development of corporate portals allows them to benefit from consistent digital information management, to have access to relevant information and to create a base for the development of collaborative policies in the heart of the company.

Companies
According to a report by the consultancy firm Booz Allen Hamilton, content providers enjoy a penetration rate of 95 percent in big companies, while in medium sized companies the figure is situated between fifteen and twenty percent. In the case of small companies, the figure drops to five percent. Curiously, while a penetration of one hundred percent in the market of the big companies could move from 3257 to 5430 million euros, the small and medium sized company market could generate 16,290 million euros a year.

In order to break into the field of the small and medium sized company, the consultancy firm recommends the syndication companies to have a segmented supply, a structure of reduced costs and a measured investment in marketing.

The Question

"What are the benefits of circulating selected external information in the company?"

Towards necessary efficiency
Josep Valor, IESE Teacher
Incorporating external information onto the company intranet has advantages of cost and speed of diffusion over the traditional circulation of press clippings and photocopies of reports. But these advantages are at the same time its principal drawbacks. The low cost induces the introduction of whatever content onto the intranet and, if the categorisation is not adequate, could generate the same type of inefficiencies that companies are already complaining about in relation to the Internet. The adequate management of the resource implies that companies deciding to use the intranet as a channel of information distribution have a person in charge of content, whose mission is to ensure the quality and suitability of that content for the reader. For many companies, it is not obvious that the subcontracting of this service is the most advantageous, as there is a trend towards publishing in excess due to the low marginal cost.

A significant reduction in costs
María Barceló Llauger, PwC Senior Manager
One of the key issues of content management strategy in a company is the decision to create or buy content for the intranet or the corporate portal. The acquisition of content from third parties to complement the internal supply is an option that brings clear benefits. Firstly, one might point out the saving in costs contrasted with the cost of their own creation (calculated in editorial and expert hours) and the profitability of the payment for the real use of the content. Additionally, it permits the company's content management to be centred on the vertical integration of information and the automation
of content collection processes in different portals and available channels. On the other hand, while the responsibility for content is shifted onto third parties, one can work on its efficient exploitation and on its focus on business through different channels and corporate portals.