

The Importance of Business Optimization to Minimize Silos



The Dragon Company, LLC

PO Box 18554
Boulder, CO 80308

thedragonco.com
720.936.3918

Executive Summary

In adapting to changing market conditions, businesses often change how they manage their data and employees. Adaptation often results in information becoming siloed as well as employees being isolated. Businesses lose reciprocity of information and team collaboration in a siloed environment. A company loses focus on core strengths and strategies when key information is difficult to extract and analyze.

“Companies are dedicating more energy on technology than focusing on their primary business”

Businesses typically attempt to address the issue by purchasing off-the-shelf database software to manage siloed information. Eventually companies find themselves dedicating more energy to developing software solutions than focusing on their primary business. At this point companies need to optimize for efficiency. Optimization requires understanding business requirements and identifying the appropriate solution for managing key information to move the business forward.

Outsourced individuals are stepping in at this key stage to fill the Fractional Chief Information Officer (CIO) role to form short-term and long-term technology strategies to help with business optimization.

Definition of the Challenge

To house and share data, companies often use spreadsheets. These constitute a kind of information silo, management systems incapable of reciprocal operation with other, related management systems. Spreadsheets house information either for an individual or a small group of people. Although it can be shared between users, it is not scalable. To exchange data between users requires a cloud-based solution, a server environment, or email. Often several people receive different versions of a spreadsheet with the same name, each version a different silo.

Compounding the challenge, dealing with siloed information often proves difficult for executives to understand:

“Why does it take all week for my employee to produce a report of production data that is needed daily?”

Employees often track information in multiple spreadsheets. This requires that someone sift through multiple versions of the individual workbooks to identify the latest versions and compare the updated cells between each version to compile the data. This process is inefficient and resource depleting, even for a spreadsheet aficionado.

Attempting to solve the problem by adding more personnel only creates

Annual Cost per Employee		Cost of Managing Data By Hiring Additional Personnel			
		Year 1	Year 1	Year 1	Total (per employee)
Salary at \$25/hour	\$47,400.00				
Estimated State Tax at 1.5%	\$711.00				
Federal Tax at 7%	\$3,318.00				
Base Cost	\$51,429.00				
Health & Dental	\$3,600.00				
Paid Time Off	\$2,000.00				
Paid Holidays	\$1,600.00				
Total Benefits	\$7,200.00				
Total Annual Cost	\$58,629.00				
		Employee 1	Employee 2	Employee 3	
		\$58,629.00	\$60,387.87	\$62,199.51	\$181,216.38
			\$58,629.00	\$60,387.87	\$119,016.87
				\$58,629.00	\$58,629.00
		Total (per year)	\$58,629.00	\$119,016.87	\$181,216.38
					\$358,862.25

Table 1

more disparity and compounds the problem by creating even more decentralized data.

Hiring an employee at \$25/hour will cost approximately \$47,000 a year without overtime hours or benefits, with added costs each year for cost of living increases. This multiplies with each new employee added to manage the disparity (see Table 1).

Meanwhile, there are many people in a company who oppose sharing information with others, usually out of fear or arrogance. Employees may fear being replaced or asking for help. Additionally, they may be unwilling to subject their work to further vetted. Such employees further prevent decision makers from accessing the information they need.

The Solution

The solution is to have an experienced Fractional CIO implementing short-term and long-term strategies for technology and business intelligence to impact all stakeholders within a business. A seasoned Fractional CIO will allow teams to leverage specific technology to collaborate and share information in a meaningful way. Teams can more easily compile information in a leaner, more organized environment, especially when business intelligence is factored in as a key component.

An experienced Fractional CIO will provide a more cost-effective choice for growing a business that may not be ready to hire someone into such a full-time role. An implementor with such a level of experience has the unique ability to hit the ground running to accelerate growth, increase revenue, optimize business processes and facilitate a sustainable outcome.

Benefits to Companies

Data collection and Key Performance Indicator (KPI) analysis are critical for any business. When a company captures data and analyzes KPI's, it becomes more competitive and efficient to better position itself in the marketplace.

The best practice is to have short-term and long-term strategies for technology to address business critical issues having the greatest impact to the overall business. Long-term strategies can be used to implement lower priority issues as the business grows.

How Keith Helps to Minimize Silos

With a broader vision for the entire company, Keith excels at providing a full technology assessment around optimizing a business. The process begins by interviewing key users, including management teams, to assess the issues at hand. Areas of focus are:

- Opportunities for business optimization
- Data requirements
- Business intelligence
- User needs

Keith converts the assessment into a short-term strategy with a long-term vision for the overall business.

With both strategies in hand, only the necessary tools are implemented to reduce unnecessary silos and optimize the business.

Keith Dragon | Fractional CIO



Keith is a Senior Executive with over 22 years of experience as a CEO for a small niche software business. He has had annual success with building a company from the ground-up while achieving revenue growth, profit, alongside of recruiting and staff development with talented individuals. Keith is ready to leverage his extensive background into a fractional CIO role to build teams, technology, process and organizational effectiveness into a business. Keith focuses on building energetic and stellar teams to springboard the growth and optimization of a business through a clear vision of technology.

Keith's role is to identify key issues that need to be partnered with strategic planning to deploy to an overall organization. Keith's approach doesn't happen in a silo, he uses over 25 years of knowledge, skills and experience to ensure an inclusive process with a sustainable outcome.

Contact

keith@thedragonco.com

(720) 936-3918