

Newsletter



June 2009



Cash is King

How many times have you heard the saying “Cash is King”?

In the current economic climate treating cash as king is more important than ever.

It is amazing how many businesses, especially small to medium size enterprises concentrate on profit and not cash, the Profit and Loss Statement and not the Balance Sheet.

By challenging your working capital processes you could free up cash by easily converting receivables and stock.

There is no doubt profit is important. Cash however, ensures you can pay your creditors and cover your

payroll obligations.

It is possible to be profitable and bankrupt!

So how does an organisation get the balance right? The obvious answer is by having management discipline. Managing revenue, liabilities, costs and cash.

Implementing a rolling cash flow forecast is probably a good place to start. This will at least provide visibility of the entities cash position, inflows and outflows.

As we were putting the newsletter together we thought how ironic it is to think that one of the largest U.S organisations

General Motors ran short of cash!

Most accounting software applications provide a basic form of cash flow statement. If your system doesn't have that functionality you can develop an effective cash management process using Excel.

Have you challenged your working capital processes? Can they be improved? Are you using the right metrics for your business? Is your focus on both cash and profit?

If you need assistance to improve your working capital process please call us.

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This Issue

Welcome to the June 2009 issue of the Realising-Potential newsletter. Most business today are having to do more with less. So we have put together what we think are some interesting articles for you to ponder. If you need assistance with any of the areas we have touched on please call us to see how we can help.

We hope you enjoy the content and find it useful.

Jackie O'Dowd

Product Lifecycle Management

If you are in the business of undertaking large commercial projects years can lapse between the start and completion of the project. Long development lead times, certification and production of leading edge or complex parts or products are some of the issues that organisations in this sector have to contend with.

Defining, tracking, reporting and communicating information often involves multiple people, across multiple functions, organisations and even geographical boundaries.

As we mentioned in a previous newsletter, information management on these sorts of projects is critical.

Often information relating to product, suppliers, design, testing and contract requirements are kept in

multiple information silos across several systems and can also be across different organisations.

How can you better manage this information?

We believe this is where PLM applications can make a difference.

An effective PLM application will help you manage data, projects, programmes, reporting and contracts. They can also pull data from disparate systems.

However, PLM is not a silver bullet. There are a number of things that should be considered before undertaking a PLM implementation project. We believe there are a number of supporting elements that need to be in place. These are:

- **A defined information architecture** so you know where the data and information resides and rules for creation and access are defined.
- **Defined metadata and semantics**, especially if data is shared across organisations or silo based business activities.
- **Mapped operational processes** to ensure that all elements of the contract are visible and manageable. This is critical for parts or products that need certification.
- **Clearly defined project deliverables** and testing guidelines.

The Commercial Use of Social Networking

LEVERAGING THE USE OF TWITTER.....



On the 10th June Stephan Jenner of Future Logic hosted a breakfast session on leveraging the use of Twitter for organisational success. This was an interesting session not only because of the content but the types of organisations that were looking at the opportunity to extend their communication channels.

Wikipedia defines Twitter as “a free social networking and micro blogging service that enables its users to send and read each others' updates, known as tweets. Tweets are text based posts of up to 140 characters, displayed on the author's profile page and delivered to other users - known as followers - who have subscribed to them”.

One of the benefits of using Twitter is the immediacy.

As businesses strive to keep up with their customer and supplier demand for information it may be worth considering as an additional communication channel for your business.

Twitter can provide a mechanism to promote your web site or blog. If you have new products and services detailed on your site you can quickly communicate the change.

If suppliers or customers have questions about a product or service you can answer them quickly by sending a message to their preferred communication device.

If you are considering using a social networking application such as Twitter we suggest you plan the use and implementation.

There a number of other similar applications that may be more suitable for your organisation.

If you use or are planning to use social networking applications within your business you should have a social networking policy in place. This will assist in addressing the context of use within the organisation.

Social networking applications are transitioning from an emerging form of communication to mainstream.

As organisations needed to adjust to the use of email they now need to adjust to the use of social networking and other emerging technologies.

Interesting times ahead!

Building the Information Systems Talent Team

Most organisation charts depict a hierarchical structure and provide a view of functional activities and relationships. In many businesses one of those functional activities is Information Systems.

In many instances the organisational structure has evolved over time, with little or no consideration given to ensure it is an appropriate structure for the business to realise its full potential

Based on our experience we thought we would look at what we have found makes an effective I.S. Talent Team.

First and foremost is having the right people in the right seats. This means the people assigned to roles have the relevant competency levels, cultural fit and most importantly attitude.

In the complex world of I.S. it takes a specialised team to keep the multiple technical layers working.

So what makes a successful I.S. Talent team?

The Strategist

Every team must have a leader whether appointed or situational. The leader provides the vision and execution plan whilst at the same time making sure that the right people are in the right seats. Key objectives of this role are:

- Relationship building within the organisation, with Customers and Suppliers.
- Strategy Alignment.
- Innovation.
- Big picture vision.
- Being aware of technology developments and how they can impact the business.

Infrastructure Specialist

The infrastructure specialist looks after the boxes and cables and does it in such a way that it maximises service availability to the organisation.

This role is highly technical, yet at the same time understands the impact of downtime on the business. The rate of change in this arena means that Technical certification is an ongoing process.

Applications Specialist

This role is primarily responsible for the maintenance, support and integrity of all enterprise applications. These can be accounting or enterprise resource systems or specialist drawing packages.

This role is responsible for all application integration and performance having undergone extensive training in all aspects of the application set.

This role typically handles first line support for any application error and can articulate data structures and error messages to application vendors if required.

Communications Specialist

The communications specialist is responsible for all Wide Area, Local Area and Voice communications.

This role is particularly critical if your organisation has remote sites that require access to central enterprise systems and applications. In these cases the planning and management of bandwidth and associated data transmission costs is

important.

Change Manager

Few internal I.S. Functions have a person in this role. Change management is often seen as unnecessary.

In successful I.S. Teams this role is critical to service delivery and customer satisfaction.

The change manager must be aware of organisational capability and know how people within the business respond and react. Armed with this knowledge the I.S. Function can tailor delivery and support services.

Security Specialist

With increasing rates of application integration, mobile workforces and web based services systems and network security is paramount.

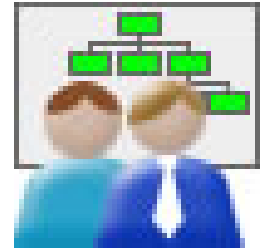
The security specialist role is to ensure that systems users have the right access at the right time and that unauthorised access or intrusion is prohibited.

The Talent Team

Teams are often formed but are not always effective.

Key points:

- The team needs compelling direction and leadership.
- Roles and tasks need to be clearly defined.
- The right people have to be in the right seats.
- Team members must have the right attitude.



"A GOOD TEAM WILL SATISFY ITS INTERNAL OR EXTERNAL CLIENTS, BECOME STRONGER AS A UNIT AS TIME PASSES, AND FOSTER THE LEARNING AND GROWTH OF ITS INDIVIDUAL MEMBERS".

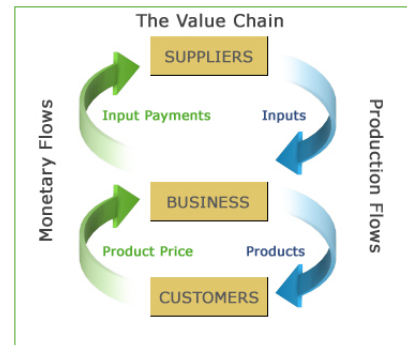
HARVARD BUSINESS REVIEW
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Value Generation

A commonly expressed frustration by most executive teams is how to determine the value information technology and services adds to the business. Obviously the technology infrastructure has an asset value but it is the combination of the technology infrastructure, people skills and operational processes that adds true value to the business.

How can you measure the value of your Information Technology? Here are some points to consider.

- Return on assets.
- Business transformation.
- Cost to revenue ratio.
- Enabled operational improvements such as supply chain and e-commerce.
- Effective risk management.
- Improved governance.
- Contract and project management.



There is no doubt each business has its own set of challenges in determining and realising value from information technology. If this is an area you have issues with chat to us about how we can help.

*Realising the potential of **Systems, Process, People and Information***



This newsletter is produced by Consultants at Realising-Potential Pty Ltd for general information. It is not intended to provide specific advice on individual circumstances.



Realising-Potential is a West Australian based organisation, providing business consulting and project management services in the areas of Information & Knowledge Management, Enterprise Application Implementation, Process Improvement and Strategy Alignment.

We measure our success by our clients meeting their desired outcomes.

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