

# Why the Mid-Office Matters

**For the modern enterprise, the road to success is paved with a dizzying array of business and information technology initiatives. Yet, in the ongoing quest to cut costs and drive performance gains, the emphasis typically falls on the back office—with its transactional databases and enterprise systems—as well as the highly visible front office—where workers interact with customers and business partners using desktop software and a growing array of Web applications.**

Too often, the mid-office remains little more than an afterthought. Executives who do focus on this space frequently view the mid-office management challenge as a mere matter of managing and ensuring that work is completed on time and on budget. In reality, project management is all about driving value for the business—from the initial customer interaction to customer support...and then repeat sales. An efficient mid-office offers an opportunity to execute more effectively and gain visibility into high value work that drives productivity and profits. “It transforms project management from tactical to strategic,” says Tim Low, Vice President of Marketing at Daptiv.

Although transactional systems, including enterprise resource planning (ERP) and customer relationship management (CRM)

have grabbed market share and mindshare in recent years, it’s possible to use collaborative project software tools to achieve better execution—and to drive better business performance. An effective mid-office solution unlocks the value of intellectual property and hidden knowledge stored in mid-office business processes. It brings a new level of business acumen to the enterprise and ratchets up an organization’s competitive edge.

## **Where the Work Gets Done**

The mid-office doesn’t garner a great deal of attention. It’s not as exciting as a new sales tool or the latest social networking application. In fact, for many organizations, it’s a place that simply exists. Yet, the mid-office serves as a hub for managing data, information and knowledge. ERP and CRM systems excel at handling

structured data and slotting it into structured fields—so that it’s possible to view relationships, patterns and trends. These enterprise systems help executives manage events ranging from pricing to inventory management to customer behavior. They transform mountains of data into useful information—and find practical relationships.

The mid-office, on the other hand, is rife with applications that aid in the creation of information. As employees produce documents, spreadsheets, PowerPoint presentations—and generate e-mail messages, audio and video files, and other unstructured data—it accumulates on computers and servers scattered across the enterprise. Although individuals and departments may know where to find specific files and data, it’s difficult to connect the dots across an enterprise. A person

in one division may wind up recreating a presentation or researching a topic when the information already exists. Naturally, this inefficiency lowers productivity and reduces an organization's ability to respond to changing conditions in a timely manner.

Enter a new way of thinking about work. In the vast workspace where teams and departments—human resources, marketing, finance, R&D, operations and IT—interact and collaborate on a vast array of projects, data may take a highly structured form and fit neatly into preexisting fields, or it may take the form of a document, doodle or audio recording. “There is often no beginning or end, start or finish. There’s a constant flow of new and existing information,” Low explains. Yet, these bits and bytes of data represent nothing less than the strategic fabric of the enterprise—its ideas, its future and its potential. Together, they form the foundation for success—transforming so-called intangibles into highly tangible opportunities and results.

However, a lack of understanding about the nature and value of mid-office activities has created challenges for more than a few businesses. It’s a primary reason why many organizations find it difficult to manage work that doesn’t fit neatly into a “front office” or “back office” category. It also contributes to potentially lucrative opportunities

falling between the cracks—and organizations falling short of their full potential. These mid-office activities, which comprise somewhere between two-thirds and three-quarters of all work at organizations, represent enormous untapped potential.

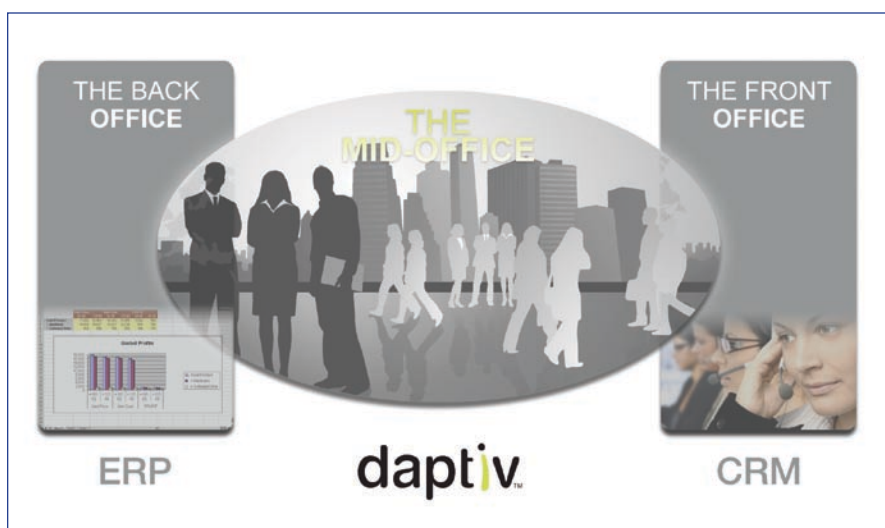
### It’s About Managing Work

It’s no secret that collaborative work has emerged as the foundation for today’s global business environment. Computers and networks have created opportunities that wouldn’t have been imaginable only a quarter century ago. Teams assemble on formal and ad hoc bases to handle everything from mergers to product launches. Within these teams, the right technical expertise and management skills are vital. It’s also essential to understand the nature of collaboration, effectively map the flow of information, institute document

management, handle scheduling and oversee the financial aspects of the project, including budgeting.

The problem that companies confront when deploying today’s systems is that they are typically used in a personal manner. Today, businesses require a solution that provides enterprise-wide visibility. By creating a central repository for free-floating data and creating linkage between documents and files—it’s possible to bridge the worlds of structured and non-structured data.

Over the last decade, collaboration tools have gone mainstream, including peer-to-peer business software, collaborative workspaces and videoconferencing. Although these applications provide significant value and help coordinate communication and work, they do little to solve the underlying problem of extracting and connecting data. Instead, what’s needed



is total visibility into projects and work, including the ability to drill down into spreadsheets, audio files, presentations, e-mail messages and more. Only then is it possible to put information to work and tap into the full power of the mid-office.

Among the key elements in effective collaboration:

**Context.** Because project management typically encompasses a broad array of activities, it's important to ensure that all these tasks collectively drive a business process that's tied into a strategic objective.

**Flexibility.** It's unlikely that the daily tangle of tasks fits perfectly into even the most tightly defined

data and into the universe of qualitative decision-making.

### Work Intelligence™

When executives have insights into how teams are performing and how projects are progressing, they're able to tie results in to key performance indicators (KPIs) and benchmarks. They're also better able to maximize profits and shareholder value. Suddenly, an enterprise is able to mesh seemingly abstract processes such as market research and production capabilities to determine whether it should enter a line of business and what its product portfolio should look like.

In the past, execution-based tools

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process. Typically, employees jump between various applications, and the work contained in all the files represent interim milestones on the path to project completion.

**Intelligence.** When an organization successfully links collaboration to a higher business objective, it's able to manage projects and entire portfolios with greater visibility. Structured and unstructured data begin to merge into a single resource. The resulting level of business intelligence can transport an organization beyond the world of transactional

tracked projects in a mostly linear fashion and were focused heavily on the actions performed by each individual—and the e-mail, documents and spreadsheets he or she produced. While all this content is vital and helps an organization manage a project, it doesn't provide any level of organizational visibility. "There wasn't the required linkage," Low says. That's a recipe for disaster.

Achieving superior results requires a link between unstructured information and structured information. Daptiv calls this Work Intelligence™.

### Cases in point

Austin Hardware, a business-to-business hardware manufacturing and distribution company, offers everything from locks to rubber products and fasteners, has 18,000 products, 15,000 customers, and 110 employees, with nine locations across the country. New product development is vital for the firm's success. In the past, the sales staff—which knows customer needs best—was cut out of product development. Before adopting Daptiv, the firm used a database that wasn't compatible with the Web, making it difficult to share information.

With a Web-based on-demand system for managing projects, geographically dispersed teams can connect, share information, and provide input and expertise. Mark Jeffries, Chief Engineer at Austin Hardware, says: "Before using Daptiv, we could spend 50 hours or more on a project before we even engaged in basic research or had a commitment from a customer. The time we invest increases the likelihood of market success. Instead of a belly flop off the diving board, we now stick our toe in the water and wade in with confidence."

Austin Hardware uses the Daptiv Dynamic Applications feature to tailor applications to each stage of the product development process—from initial sales lead to the final delivery of the hardware and customer sign-off. The company refers to this as a man-hour investment "pyramid" strategy. The early

## About Daptiv

Managing work is one of the biggest challenges executives face. Daptiv (formerly eProject), founded in Seattle in 1997, has emerged as a leader in the arena of on-demand collaborative business software. It offers next-generation web workspaces that harness the power of team-based collaboration, thus boosting productivity and success. Daptiv's Daptiv PPM offers a high performance platform that manages demand, staffing, user-roles, resource management, estimating, project alignment, reporting, document management, what-if planning and numerous other tasks. Business leaders and project managers gain a big picture view and are able to keep a constant pulse on business activity. They're able to gain insights and control over people and processes to drive impact not just scope, schedule and budget.

stages consume a smaller number of staff hours and determine whether the project is worth the next level of labor investment. What's more, the tiered strategy allows the company to work on a greater number of projects simultaneously, and have greater insight into the potential profitability of a project from the start. Application mashups developed by non-IT teams have helped the organization build applications that fit the process rather than trying to constantly adapt and retool.

Chase Paymentech Solutions, LLC. of Dallas, Texas is a leading global payments processor, handling transactions in 140 currencies. "Our previous workflow was driven by emails and verbal communications. There was too much room for lost or misplaced data, and communication gaps," says Tom Bannon, Group Executive of the Chase Paymentech Enterprise Project Office.

With Daptiv, "...our whole company can track requests, stages, time

issues and risks, and collaboration across teams," says Bannon. "Managers no longer have to dig through information because now it's within a single environment." The result: the company has witnessed a 30 to 40 percent productivity spike. "We can now capture where we've been and where we're going. We can see the total efforts associated with company-wide initiatives, and we're able to hold each division and individual accountable."

Blue Cross and Blue Shield of Kansas City is a health insurance provider serving nearly 900,000 members in 32 counties across greater Kansas City. The firm's IT department often handles upwards of 75 active projects covering assessment, compliance and infrastructure. The company, says Barb Shepard, Director of the Project Management Office, had to become more efficient or sink under the weight of manual processes.

Blue Cross and Blue Shield of Kansas City turned to Daptiv to replace Microsoft Project. Today,

with Daptiv PPM in place, the firm has new visibility into projects. "Being able to see resource allocation has impacted the company in a significant way," Shepard says. "From a PMO perspective, we can see allocations to understand how estimates pan out for planning and forecasting." In fact, using custom dynamic applications for requests and sign offs, the company can make changes within minutes and measure risk, feedback, external events, deliverables and project changes almost instantaneously. "This enables us to manage resources and plan for upcoming initiatives seamlessly," Shepard explains.

### Conclusion

The mid-office represents a treasure trove of unmined and underused data. With the right systems and business processes in place it's possible to cull and adapt this data for an organization's specific needs. An enterprise can assemble the individual pieces of information—as if building an object from Lego blocks—to create a sum that's greater than all of the individual parts. The mid-office isn't just a place for employees to process everyday work, it's a place to put enterprise data to work every day. Organizations that embrace the mid-office are likely to find themselves more competitive and more strategic. On the front lines of business, they're able to achieve significant top line and bottom line gains. ■