Best Practices to Build High-Value Enterprise Portals

by Beth Hayes, Director and Cornelius Mendoza, Senior Director, Answerthink

Abstract

To derive more value from their data and IT infrastructures and improve their decision making capability, many companies are turning to enterprise portals. But to generate the highest levels of ROI from investments in enterprise portals, it's imperative that companies take a holistic approach and follow portal best practices, as defined in a recent study conducted by Answerthink and its renowned The Hackett Group, an Answerthink company.

High-value portals

In a time of increasingly tight budgets, senior management is pressuring its top staff, including IT directors, business unit heads and leaders of functional units, to generate increased ROI from existing IT investments such as enterprise systems and data warehouses. That ROI can take many forms, but the most important — and achievable — gains often come from improved business performance, enhanced decision-making capability and overall increases in productivity. To get there, many companies have turned to enterprise portals.

The potential benefits of corporate or enterprise portals are well known. They include:

- Reduced transaction processing and operating costs
- Enhanced employee productivity and job satisfaction
- Better cross-enterprise communication and collaboration
- Enhanced business intelligence from knowledge sharing to support better, faster decision making
- Increased competitive advantage from improved organizational flexibility and ability to innovate

But, as a recent study by Answerthink and The Hackett Group shows, companies aren't yet seeing many of these benefits. The expected returns on their investments in portals have not materialized. The results of the study, which gathered data about portals from large companies in a wide variety of industries and with an average of 60,000 employees, show that a majority of companies have adopted portals, but with only limited degrees of success.

Among the key findings

- 54% of surveyed companies have implemented portals.
- Nearly 70% of companies classify their current environment as "entry" level, with none realizing the opportunities of "full business integration."
- Only 8% of companies indicate that they support collaboration.
- Less than 30% have implemented metrics for tracking business value.
- Less than 50% have governing bodies overseeing and directing their intranet/portal environments.
- 76% have not integrated workflow and/or business process management tools.
- 77% do not support single search capability extending across their intranet/portal environments and 69% lack a defined taxonomy for organizing content.
- 61% of employees of companies with portals access it daily or multiple times daily, with 39% accessing it weekly or less.
- 62% of companies have integrated both internal and external content into intranet/portal environments.
- 54% use subject matter experts to control the quality of content.
- 60% of companies do not provide users with the ability to contribute content directly.

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Taken as a whole, these results show how far many companies still have to go in realizing superior business value from their corporate intranet and portal environments. They also indicate the need for companies to use best practices and clear business planning to reduce the risk of portal implementations and maximize business impact. Companies must look at all of the key dimensions critical to the long-term success of corporate portals. Based on this study and its own successful track record of client engagements, Answerthink has identified those key dimensions around five key areas — business impact and value, governance and operations, information management, usability and technology.

The Key Dimensions of Portal Success

Before addressing each of those dimensions individually and the relevant best practices for each area, it's important to realize that together they represent a holistic approach. It's simply not enough to implement technology and expect business benefits to accrue automatically. According to The Hackett Group, companies that fail to drive change in a coordinated manner risk lossing up to 78% of business case benefits. People, process, technology and information are the four drivers which companies can adjust to increase business value and generate performance improvements. Addressed individually, as many companies have done, these dimensions may not deliver full business value, leaving many executives to ponder the inherent value and return on corporate portal investments.
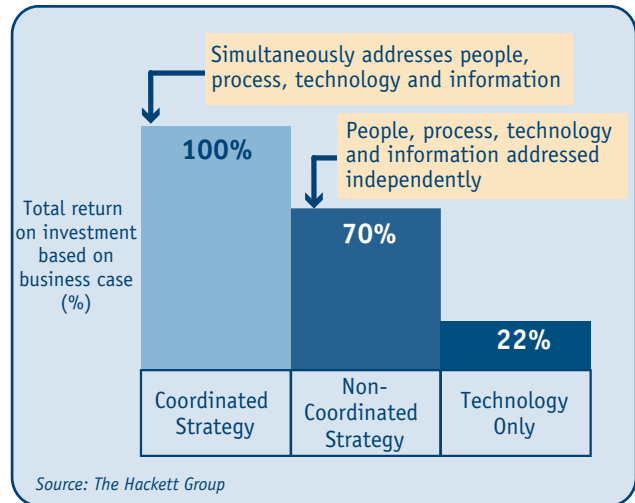
Source: The Hackett Group

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Business Impact and Value

Companies need to start with a clear business case that aligns their portal strategy and vision to core business objectives. Short-term gains and "quick wins" should be identified, along with longer-term benefits. Too many companies don't assess their business needs first, instead choosing to build systems based on a checklist of features and functions. The definition of clear, measurable business objectives is vital to selecting the right portal and best-of-breed technologies to support a company's unique business processes and for ongoing management.

Process improvement should not be overlooked. Portals that incorporate new business process management (BPM) and enterprise workflow technologies can help companies enhance cross-enterprise collaboration and productivity, and reduce transaction processing costs. But processes must be streamlined for maximum efficiency before they are moved to the portal; simply automating or Web-enabling "bad" processes will not deliver performance improvement.

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A secure, stable portal environment can also provide the foundation for integrating with suppliers and business partners, and even help improve customer interactions. But, again, it's important that companies assess their business needs before selecting technology and building an enterprise portal. Technology should be viewed mainly as an enabler.

Governance and Operations

High-level sponsorship and stakeholder management are critical in the early stages of a portal implementation. And, because portals grow and evolve over time, it's critical that mechanisms for management and governance are in place well before "launch." Governance bodies and policies should cover implementation and investment planning, information management, application mainte- nance, user experience, security and other key cross- enterprise issues. They should also be tied to metrics that can be measured and monitored on a continuous basis.

Human and organizational factors should not be over- looked as companies develop their portal governance and operating policies and structures. For instance, end-user training and change management programs can help ensure high rates of adoption and utilization, which are critical to portal success.

Technology

It's difficult to overstate the importance of the underlying technical architecture for portal success — especially for large, complex organizations. That infrastructure must aggregate tools, applications and information from many sources, while providing consistent levels of security, stability, scalability and flexibility. Because the technology infrastructure will evolve over time, it should be consid- ered strategically, as part of long-term planning efforts. Most large organizations use a wide range of different technologies, but top performers model and implement their portal environments based on key business processes. In other words, the business architecture drives the underlying technology architecture, allowing organizations to prioritize information, integration and application needs based on business value. This is a smart approach for companies either implementing new portal packages or extending existing intranet environments.

Systems integration is also key. The challenges of unifying information and tools from disparate systems and integrat- ing collaboration and workflow tools spanning multiple operational systems have become overwhelming in recent years. But some next generation technologies are ready today and are being used effectively by top companies. For instance, XML, Java, Web Services and XSLT technologies are providing support for process and information integra- tion for a wide variety of devices. In addition, new BPM and business activity monitoring (BAM) technologies help support business and cross-enterprise integration and leverage existing IT investments more fully.

These technology advances are also allowing critical business applications and processes to be Web-enabled, though mainly this has occurred at the department or functional level. The next horizon for portals is the integration of cross-functional and even cross-organizational processes. Additionally, more powerful content manage- ment tools are now available that will promote further gains in the integration of structured and unstructured information, business intelligence and decision making. Unfortunately, many of these capabilities are not available right off the shelf, but require customization and integration of multiple packages. Again, companies with a clear plan for their underlying architectures will be best positioned to take advantage of these technologies.

There are many critical questions to ask as companies seek to select the right technology for their portal needs:

- **Out-of-box functionality:** Does the technology come with a set of pre-built integration components for repositories, horizontal applications and vertical applications?

- **Vendor partnerships:** Which is better, a software vendor or a systems integration firm? How financially stable are the vendors you're considering?

- **Ease of development:** Is it possible to quickly and easily develop new functionality?

- **Administration:** Does the technology have an easy-to-use interface through which new services or content can be created, integrated and deployed? To what extent are end-users self-sufficient or will IT be responsible for all changes of content, page layout, etc.?

- **Portal architecture and standards:** How well are the load balancing, security, integration, and task management and prioritization features of application servers leveraged? Does the technology platform support centralized and decentralized configurations based on business needs? Are industry standards integration and supported?

- **Information management capability:** Is it easy for users and administrators to refresh and update content? Can content and data, internal and external information be easily integrated? Is a single, integrated search available?

- **User experience:** Can the user interface be personalized? Is it multilingual?

- **Security:** Does the technology support single sign-on?

- **Application integration:** Is it possible to consolidate many applications into a single interface? Can best-of-breed business applications be easily integrated with the existing technology portfolio?

The good news: For companies that have adopted a clear business plan for their portals and a well-integrated enterprise architecture, objectives can be matched up to the various features and functionalities of the many portal technologies on the market today.

Information Management

Quality and accessibility of information are other critical considerations for portals. Portals must typically pull data from many different systems so end-users, especially managers and directors, can see in real-time the most accurate, up-to-date information about current performance. This is the key to improving decision making. And it's not just a matter of making more data available, but rather the most important information; individual users should be allowed to view it in ways that make the most sense for them. Furthermore, the information should be well organized within a comprehensive taxonomy and easily searchable, which can reduce the amount of time it takes users to find what they're looking for.

Similarly, if users perceive their portal content as valuable, they are more likely use portals more frequently. Therefore, the success of many portals hinges on the effectiveness of information management processes and tools. Identifying subject matter experts to serve as "editors" is a proven technique for ensuring the quality and value of content.

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Content should be well-organized and easily accessible for users. The need for subject matter experts must be balanced with the need for users to contribute content directly which can greatly increase the amount of diversity of intellectual capital available on an enterprise portal. To make such a strategy work effectively, processes and roles and responsibilities for submission and updating must be defined clearly. Similarly, rules for personalization should be spelled out to users and administrators.

Information should include structured and unstructured content, like presentations, spreadsheets, audio, video and other documents. And there may be value in incorporating content from outside sources, such as industry news feeds or syndicators, as well as information from key suppliers and business partners. This typically increases the challenges for integration and causes companies to turn to robust content management systems. These systems can be very useful but are no substitute for efficient information management policies and processes.

Usability

Studies have shown repeatedly that the most effective portals are those that provide a quality user experience. Typically, users are looking for effective searching, clear navigation, a clean, non-cluttered look and feel, speed and easy availability and access. These factors can help speed adoption by users across the organization. Many companies allow business owners, like departments, to define what users want, or develop based only on prede-termined budgets or schedules, instead of approaching design from the user perspective. Too often the results include overlapping tools, unclear navigation, conflicting data and inconsistent look and feel, which can reduce user acceptance and usage and, therefore, the business value of enterprise portals.

Portals can also support major advances in collaboration and communication inside and outside the enterprise. Cross-functional teams can use applications such as discussion forums, project-based teaming and real-time chat to work together more productively and share information more effectively. And they can be used to reduce travel and meeting expenses. Customization is also key for today's workers, who typically play many different roles and interact with many different teams and processes during the course of a single day. Well-designed, well-implemented portals can serve as personal integration points, providing ubiquitous access to all the tools, information and applications workers need to perform their many roles effectively.

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Summary

As technology evolves, portals will continue to serve as a highly valuable tool for organizations seeking improved productivity and performance. At Answerthink, we believe that enterprise portals serve as the best user experience model for today's knowledge workers, who perform many different roles and tasks. Portals represent a uniquely powerful technology in that they can truly change the way companies do business and the way their people work. Portals place users in the center of all business resources, and drive business value from the integration of technology and information architectures — allowing companies to achieve superior return on their technology investments.

As with other functional areas, best practices provide a road map to enterprise portal success. In fact, our recent study has confirmed a lesson from our long experience — that integrating technical and business best practices ensures greater ROI from portal implementations.

Technology alone cannot do the trick, however. Only by linking technology directly to key business objectives and taking a holistic approach that addresses key people, process and information factors will companies achieve the breakthrough performance gains they're looking for.

About the Study

Conducted in April 2002, Answerthink surveyed a representative group of top clients to measure the effectiveness of their portal environments. Respondents came from a wide variety of industries, including manufacturing, consumer products, technology, financial services, information and media, life sciences, telecommunications, utilities, and chemical. The average employee size of the responding companies was nearly 60,000, with more than fifty percent of the companies having global operations.

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Ms. Hayes has nearly 20 years of experience in business and technology strategic planning, process reengineering, organization design and restructuring and application development. She has worked with clients in financial services, information services, training and development, telecommunications/utilities, consumer package goods and manufacturing, professional services and real estate.

Ms. Hayes served for two years on Microsoft Corporation's inaugural Knowledge Management Partner Advisory Council (KM PAC). She often speaks on intranets, data warehousing and knowledge management at business, technical and academic venues.

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Mr. Mendoza has 13 years experience in the areas of knowledge management, data Warehousing, decision support systems, data mining, enterprise application integration, and commercial software development. He has experience in the financial services, e-commerce, transportation, healthcare and insurance, and telecommunications industries.

Before joining Answerthink, Mr. Mendoza was a co-founder of K Solutions, Inc., a knowledge management services company, and provided the thought leadership and direction in building the enterprise program and project management portal application which won the CIO 100 award from *CIO* magazine.

About Answerthink

Answerthink, Inc. (www.answerthink.com) is a leading business and technology consulting firm that enables companies to achieve world-class business performance. Answerthink delivers solutions that leverage the comprehensive database of The Hackett Group, the world's leading repository of enterprise best practice strategies and metrics. Answerthink's capabilities include benchmarking, business transformation, business applications, enabling technologies and offshore application maintenance and support. Founded in 1997, Answerthink has more than 900 associates and offices in 14 cities throughout the United States and in Europe.

About The Hackett Group

The Hackett Group, an Answerthink company, provides clients with fact-based, objective insights into the optimal design of business processes. Hackett's empirically derived guidance is backed by its continuously updated database of benchmark metrics and best practices in use at nearly 2,000 client organizations, including 100 percent of the Dow Jones Industrials, 90 percent of the Fortune 100 and 84 percent of the Dow Jones Global Titans Index. In addition to comprehensive and rapid-cycle benchmark studies of finance, IT and related corporate functions, Hackett offers subscription-based collaborative learning programs in shared services and other key administrative processes.

Do you know how your company measures up to world-class business performance? How should you prioritize the implementation of best practices to give you the fastest and greatest return on investment?

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