

# ORGANIZATIONAL MARKETING ®

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### ABSTRACT

The role of management and the function of information will merge in the mid-1980's. Management structures creating environments in which people can work will cause evolutionary, if not revolutionary changes in corporate life. Developing these new concepts is one aspect of Organizational Marketing (OM)\*.

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### MANAGEMENT FOR THE 1980's

New forms of management will be required in tomorrow's automated offices. Technology, coupled with a changing society, will cause management to rethink corporate structures. Organizational tools of the 1970's will give way to more creative and demanding systems of management. Electronic information systems will give management more information about department or corporate activities than has been available than ever before. Competition between departments, based on 'selling your product or services', will be measured against the corporate rate of return. Understanding these strategies will be the key for managing corporations in the 1980's.

There are growing indications that many organizational structures tend to isolate upper management from the employees. In this information age, much of the corporate product is contained within 'the heads of workers,' not in warehouses.

Effective use of new information systems can bring the manager and employee closer. Information systems control can cause more wide spread change throughout the organization than any other factor.

Many of the innovative managers in the telecommunications industry know the corporate tele/information network is the nervous system of the corporation. These managers, for the most part, have provided only the pipeline for communications to occur. Technology is allowing Management Information Systems (MIS) to both manage and massage the information.

Much of the efforts of organizational developers will be devoted to communications structures, gaming, and strategies. One of these, called Organizational Marketing (OM), uses marketing information systems as a management tool. The key is sales techniques coupled with technology, where department goals are accomplished using marketing concepts rather than service bureau policies. Advertising is one of the principal promotional vehicles. In one corporation they are changing the names of the telecommunications analysts to salesmen to more closely reflect OM concepts.

Developing management concepts which not only utilizes, but is based on, information as a political power source requires developers to reevaluate the meaning of organizational communications. Organizations are faced with enormous communications problems in terms of people, technology, and corporate profits.

Marshall McLuhan is having a renewed impact on corporate organizational structures. His global village concept has become a reality in the global corporate community. Management Information System (MIS) designers are pushing the concept of distributed data processing to extend their realm of management control.

"The status of the system is the status of the business," said Stephen Dickson, Corporate Auditor with the National Center for Atmospheric Research (NCAR) in Boulder, "We are creating a system where any one of our locations can use the computer conferencing as a management information tool not just a reporting device. In fact, we are approaching the point where if it's not in the system the transaction didn't occur.

The advent of the stored-program telephone switching systems provided the opportunity for corporate telecommunications managers to begin thinking like data processing managers. The telephone system of today possess new tools for managing the corporation. Least cost routing, call detail recording, network queuing, and network control are features which allow management control of telephone calls as a gatekeeper. With the introduction of data communications traffic in a voice network, new communications network control systems must be addressed and installed.

Some corporations are examining the need for intelligence in many corporate activities.

#### GROWING NEED FOR SHARED-LOGIC SYSTEMS

- o INTELLIGENT COMMUNICATING COPIERS
- o INTELLIGENT COMMUNICATING CBX TELEPHONE SYSTEMS
- o INTELLIGENT COMMUNICATING NETWORKS
- o INTELLIGENT COMMUNICATING TYPEWRITERS
- o INTELLIGENT COMMUNICATING MAIL SYSTEMS
- o INTELLIGENT COMMUNICATING DDP SYSTEM
- o INTELLIGENT COMMUNICATING FILE CABINET
- o INTELLIGENT COMMUNICATING TELECONFERENCING

#### GROWING NEED FOR STORAGE SYSTEMS

- o VOICE MAILBOX
- o DATA MAILBOX
- o FILE MANAGEMENT
- o DATA BASE MANAGEMENT
- o WORD MANAGEMENT
- o COMPUTER CONFERENCING AND TELECONFERENCING
- o VIEWDATA/TELETEXT

Correspondingly, the data processing manager is now faced with distributed data processing (DDP) which requires extensive data use of telecommunications networks.

Most of the traffic will be data and video in the future. The network must be able to adapt to changing network demands.

Each type of traffic will be assigned priorities, allowing network managers to utilize store-forwarding concepts.

The much heralded voice storage system will bring about other changes in the office environment. Some companies plan to use disk storage for the assignment and distribution of telephone letters. Other concepts under development suggest the telephone system can perform all the functions of a small business computer, including environmental controls, security, and office systems.

Data processing and telecommunications have been merged organizationally in many corporations. It remains to be seen whether office systems will be functionally addressed in the same manner.

The introduction of electronic technology to the office has caused the most significant revolution since the typewriter. Word processing is not the first technology to impact the office, but probably is the catalyst that will allow the introduction of even newer technologies. Electronic mail, a powerful information tool, is still in its infancy. Dictation through voice recognition systems, a useful tool to certain segments of the corporate world, will grow into the automated office with word processing. Micrographics and reprographics will be integrated by document distribution communications systems. Voice recognition and optical character readers will be introduced into the office faster than expected.

Even though most corporations are cautiously optimistic about the outcome of this evolutionary process, there are the other true 'pioneers' of the automated office. What remains is for thousands of other organizations to mirror the leaders. "When corporate managers fail to make these decisions which, in some cases, can have significant bottom-line impacts on the corporation, they can be called career limiting decisions," Dale G. Mullen of Johns Manville, "Managers are now in positions of either making the decision and facing the outcome, or not making it and limiting their career." Technology is forcing new consequences in the career path. Some organizations are already moving toward computer gaming and simulations to help resolve corporate problems.

## GROWING BUSINESS DEMANDS

### GROWING MOVEMENT IN BUSINESS TOWARD

- o TRANSACTION PROCESSING
- o ELECTRONIC FUNDS TRANSFER
- o TELECONFERENCING
- o NETWORKING
- o DISTRIBUTED VOICE/DATA/IMAGE PROCESSING

### GROWING PRESSURES ON OFFICE WORKERS

- o IMPROVE PRODUCTIVITY
- o IMPROVE RESPONSE TIME
- o REDUCE INFORMATION FLOAT
- o IMPROVE FINANCIAL FLOAT

### TASK PROCESSING IS NOT DATA PROCESSING

The concept of office processing is merging with data processing functions though office processing is not data processing. Large numerical calculations, payroll, accounting, and other such transactions are processed manually in many corporations, large or small. For many businesses, these functions can be performed on a time-sharing or small business computer system. However, typing letters, arranging meetings, coordinating activities, and answering the telephone are office functions critical to improving productivity cannot typically be farmed-out to time-sharing or to automated systems.

Office processing, like telecommunications, may use a stored-program microprocessor-controlled, computer-based system. It can be exactly the same technologically as any computer, but functionally have a different operating concept.

We can alter the concept of technology to perform many other functions. It is the merging of these technologies which can solve organizational management problems which most corporations consider least in cost savings measures.

### CHANGING ROLES IN OFFICE PROCESSING - "NO MORE WOMEN"

We have come to accept the encroachment of technology into the corporate structure and, in some cases, have expected a word processor to replace people. We have failed to understand the changes brought on by technology and its impact on the sociological makeup of modern society. Impacts of inflation, legislation, and education have pushed women into the job market.

In addition, corporate management goals are moving women and minorities into higher positions. With all of this uplifting going on, what will be left behind?

### CHANGING MANAGEMENT STRUCTURES

- o NO MORE BOSS/SECRETARY RELATIONSHIP
- o ADMINISTRATIVE WORKERS / WORD PROCESSING WORKERS
- o PRODUCTIVITY ANALYSIS INCREASING
- o ANALYTICAL INFORMATION ON OFFICE WORKER
- o INSTANT COMMUNICATIONS/FAST FOOD APPROACH
- o DISTRIBUTED PERSONNEL ADMINISTRATION

### WORKER REVOLUTION

#### UNITED STATES

Percentage of the Working Force				
	1973	1979	1990	GROWTH
PROFESSIONAL				
TECHNICAL	13.2	16.0	20.54	+25%
ADMINISTRATIVE				
AND MANAGERIAL	9.6	11.0	14.95	+35%
CLERICAL	16.7	19.0	26.0	+36%
SALES	6.2	7.0	9.1	+30%
SERVICE	13.0	14.0	19.5	+19%
AGRICULTURE	3.4	3.0	2.5	-17%
PRODUCTION				
TRANSPORTATION				
LABOR	34.6	30.0	7.4	-246%

#### LESSER DEVELOPED COUNTRIES

	1966	1979	1992	GROWTH
PROFESSIONAL				
TECHNICAL	2.7	4.6	11.0	+239%
ADMINISTRATIVE				
AND MANAGERIAL	0.1	0.2	4.0	+2000%
CLERICAL	2.7	2.6	16.0	+615%
SALES	6.7	7.8	9.0	+15%
SERVICE	6.7	11.6	12.0	+3%
AGRICULTURE	41.3	39.6	11.0	-360%
PRODUCTION				
TRANSPORTATION				
LABOR	26.8	33.3	37.0	+11%

Source: U. S. Department of Labor - Bureau of Labor Statistics - May 1979 and others

The evolution of workers leads toward the development of a new distribution of management time as outlined below:

#### 1979 MANAGERS DISTRIBUTION OF TIME

FACE TO FACE	35-45%
FACE TO RECORD	25-30%
IN TRANSIT	5-10%
TELEPHONE	5-15%

#### 1985 MANAGERS DISTRIBUTION OF TIME

FACE TO FACE	65-85%
Meetings	
Presentations	
Computer/Audio Conferencing	
Video Conferencing	
IN TRANSIT	5-10%
COMMUNICATIONS	10-15%
Dictation	
Telephone	
Voice Mailbox	
Administrative	

#### 1979 EXPANDING NEED FOR FOLLOWING SECRETARIAL WORK STATION ELEMENTS

DICTATION, TYPING, AND PROOFREADING	19%
ADMINISTRATION SUPPORT	
TELEPHONE, MAIL	35%
AWAY FROM DESK	29%
WAITING FOR WORK	12%
ABSENT	5%

#### 1985 EVOLVING ADMINISTRATIVE ANALYST (SECRETARIAL) WORK STATION ELEMENTS

DICTATION, TYPING, AND PROOFREADING	10%
ADMINISTRATIVE ANALYSIS	50%
Meeting Coordination	
Travel Arrangements	
Budget Tracking	
Purchase Order Tracking	
Researching	
ADMINISTRATION COORDINATION AND SUPPORT FOR MEETINGS,	
TELEPHONE, MAIL	35%
ABSENT	5%

Fewer women will be secretaries. Men will share equally in this position. Men and women will both be forced into non-traditional roles. The impact can be devastating when the corporation forces new office automation systems onto archaic sex-based office roles. From a purely management perspective, the traditional secretary can be eliminated from the organization by technology.

Some functions can be generally automated and the remaining ones left to administrative managers who may also manage the budget and other activities. The real question are the changes in office psychology which are typically unmeasurable but may have severe impacts on the overall office performance.

The implementation of centralized processing areas for office work has been the trend over the last few years. These centers or as some have called them, 'task processing centers,' have been the focal point for major management reorganizations. These centers were not installed because of technological advantages, but for management control. Communications options allow these devices great freedom to move documents about throughout the corporate network.

The designers of word processing centers have hoped that providing word processing centers would result in job specialization and increase office productivity. From all of the studies which have been completed, statistics about the office environment are optimistic but not universally clear in resolving many of these issues.

The office can be thought of as an information tool, processing information from one node to another: personnel communicating to accounts payable about filling a vacancy or purchasing replying to a request for parts. These are information transfer functions, or task processing. These activities, and many others, do not require paper, oral communications, or real time contact. Information can be used as a tool to measure transfer or tasks. These aspects of activity can be directly measured, and job performance rated.

Memos, reports, and mail are the office tools by which any bureaucracy works. Some of these tools are being developed, such as the action items, coordinating calendars, memoranda, and similar office task documents, on totally automated systems. Another tool used to measure office activities is budgets.

Zero-based budgeting and profit centers are all terms used to measure departmental productivity in dollars. Each of a department's activities are measured against dollar performance. There are many office functions against which dollar performance may be difficult, impossible, or undesirable to measure. Information management can be the management system developed for many of these environments.

Computer conferencing and Viewdata systems will also create new management systems.

With the development of information systems allowing for the management of credibility, "information float" can be a measure of productivity. "Executives are very much aware of the float when they talk about finances," said Dr. George Champine of Sperry Univac. "Float, of course, is the unused cash that is waiting while information is transferred back and forth. I would like to make the point that information float in large organizations is much more damaging than financial." "Since we have been using new technology, I have noticed a significant increase in our pace of activity," he said.

When the office designers can truly address issues such as the increased speed of the office, and at the same time the psychological need of the office, we will see a massive migration towards the automated 'information' office as well as the 'home' office.

A new concept merging with OM will be distributed personnel processing, the activity of working with personnel located a great distances from the physical office. This concept will create enormous demand for use of cable television systems as the delivery of business information services. This can only occur when new approaches in management concepts, like organizational marketing and others, can be implemented.

Automated systems will allow measurement of information efficiency of the task or transaction. Armed with this information system, managers will be able to cross departmental barriers to monitor activities and sell their services more effectively. As departments compete for limited corporate funds, managers must be able to develop strategic plans to win over other departments.

The following are steps leading to an Organizational Marketing approach to managing information systems:

- o UNDERSTAND THE COMPANY AND PLAYERS IN THE MARKET
- o EVALUATE IMPACTS THAT TELE/INFORMATION SYSTEMS HAVE ON THE COMPANY
- o ESTABLISH TELE/INFORMATION HISTORICAL BASEPOINT
- o INSTITUTE ZERO-BASED OR PROFIT CENTER FINANCIAL PLANNING
- o PERFORM INVENTORY AND ESTABLISH VALUE OF SERVICE

- o INSTITUTE MANAGEMENT INFORMATION PROGRAM
- o DEVELOP SHORT TERM PLANS
- o DEVELOP LONG RANGE STRATEGIC PLANS
- o DEVELOPMENT ORGANIZATIONAL MARKET CONCEPTS
- o MONITOR IMPACTS WITH CONTINUING STUDIES
- o BECOME INVOLVED IN TOP MANAGEMENT
- o UNDERSTAND HUMAN RESOURCE MOTIVATION
- o MARKET TELE/INFORMATION THROUGHOUT THE COMPANY

The global corporate information community is fast becoming a reality. New management operating systems need to be developed in this arena. With Organizational Marketing systems, we can now begin to address these issues and design in systems which are efficient and humanistic.

#### AUTHOR

Thomas B. Cross, Director of Communications for the Boulder Communications Company, is a noted planner and designer of automated office systems, digital broadcasting, cable communications, and telecommunications network planning and design. He has conducted product planning research in complex telecommunications issues including Viewdata/Teletext market planning and development, common carrier technologies, cable television, and broadcast public policy.

He received a B.S. in Marketing/Finance and M.S. in Telecommunications engineering from the University of Colorado. He is now an Instructor in telecommunications and office information systems management at CU. He is a member of the Institute of Electrical and Electronic Engineers, Society of Cable Television Engineers, the International Word Processing Association, and the Tele-Communications Association of California.

He was a Program Manager in Telecommunications Market Planning for the Storage Technology Communications Corporation. Prior to this, he was the Director of Telecommunications for the City and County of Boulder where he directed cable television development and telecommunications systems management. He is a founder and faculty member of the Communications Institute of Boulder, an advisor in broadcast and cable television technology to Telecommunications Resource Management, and is a member of the Board of Directors of the Boulder Communications Company, Dove Information Systems Corporation, and Front Range Computing Corporation.

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