The Business Value of Taxonomy
Business Taxonomy – A Foundation for Agility

Look at the most successful organizations, and what stands out is an ability to react quickly to changing markets. This agility is the result of ensuring that business processes, workflows, and communications among business groups move freely. Business taxonomy is a foundation for efficiency and collaboration improvements. It provides organizational concepts, content categorization, and data relationships that set an organization's pace for improving information organization, access, findability, and reuse. These improvements lead to reduced costs and increasing speed and precision for delivering services or information, developing products, and conducting operations.

Business taxonomy continues to grow in importance to organizations looking for methods to manage the ever-increasing amount of information that they produce, while meeting key business demands:

- Customers demand the ability to find information easily.
- Managers need quick access to accurate and reliable information to respond quickly to market changes.
- Employees want to spend less time validating information accuracy and recreating “lost” documents.
Real-world uses for taxonomy:

- Motorola uses taxonomy to ensure consistent web content delivery across over 50 global sites
- Allstate’s chatbot leverages taxonomy and word relationships to provide real-time customer service
- A big box retailer uses taxonomy to automate product onboarding by mapping supplier data to internal item master standards
- Jackson Laboratories, JP Morgan, and Celgene use taxonomy to search and manage their vast technical content
- A manufacturer of silicon chip production machinery uses taxonomy to ensure that its field support engineers have the latest updates
- Aetna and AstraZeneca use taxonomy to ensure effective reuse and digital rights management of marketing content
The Dual Role of Taxonomy

How should organizations approach taxonomy? The value proposition of business taxonomy is realized when its dual roles are developed:

• To structure and manage critical business concepts and vocabularies

• To deliver content assets to customers and consuming applications

Taxonomy is a system for storing and organizing terms that represent an organization’s critical concepts, such as product groups, content types, roles and personas, and knowledge topics. Business taxonomy consists of term names and labels that are specific to an organization’s information and unique to how that business operates. These terms are associated with business assets like documents, initiatives, and people to define and describe them consistently. Within the taxonomy, these term names are managed using relationships: hierarchical or parent-child relationships (e.g. furnishings and chairs), equivalent or near-synonymous relationships (e.g. furnishings and interior decorations), and associative relationships (e.g. furnishings and design styles). They are organized generally as a tree-like structure with branches reaching out to sub-categories, while the equivalent terms are grouped to provide flexibility in naming things.

A developed taxonomy is a valuable authoritative source for the organization. It will improve content organization, accessibility, reuse, and findability. Taxonomy-driven improvements lead to reduced costs for delivering services, developing products, and conducting operations.

6 Ways to Use Business Taxonomy

1. Resolve differences in terminology
2. Inform navigation and optimize search
3. Populate metadata field values
4. Automated processes and communications
5. Improve the e-commerce user experience
6. Extend Business Intelligence (BI) and analytics reporting
Six Ways to Use Business Taxonomy

1. RESOLVE DIFFERENCES IN TERMINOLOGY

Many organizations have problems with terminology and vocabulary; companies inherit different vocabularies through mergers and partnerships, for example. Different customer groups use different naming conventions. Different business areas use different vocabularies. Taxonomy’s core function is resolving terminology and vocabulary differences. Taxonomy provides a standard vocabulary for use across all business functions, content, and customer groups, leading to improved information consistency, better analytics, and smarter business processes.

2. INFORM NAVIGATION AND OPTIMIZE SEARCH

Managing concept and term relationships enables “findability,” another core function of taxonomy. Search results are more relevant and accurate when search engines ingest taxonomy terms, and when users can select taxonomic terms to fine-tune their queries. The broad-to-narrow organization of terms drives both navigation and search in websites and intranets (e.g. SharePoint), enterprise content management (ECM) systems, digital asset management (DAM) systems, applications and mobile apps, and so on. Taxonomy relates documents and digital assets to these findability architectures, resulting in a consistent user experience across all platforms. For example, after a call center’s website was organized using taxonomy, representatives—users of the website—reduced their time spent helping customers almost 50% because the search function was dramatically improved.

3. POPULATE METADATA FIELD VALUES

Tagging documents or digital assets incorrectly is a common problem that impacts findability and retrieval. Tagging accuracy is improved when restricted terms (i.e. controlled vocabularies) are stored in taxonomy. When taxonomy provides terms to the different consuming systems, organizations can maintain term consistency across the enterprise. For example, an organization’s taxonomy could be the originating source for all “Industry” terms used within SharePoint and the ECM and DAM systems. If the business decides to change an element in the taxonomy—renaming Healthcare to Life Science, for example—the change need be made only to the taxonomy and not to each of the three content systems.
...after a call center’s website was organized using taxonomy, representatives—users of the website—reduced their time spent helping customers almost 50% because the search function was dramatically improved.

4. AUTOMATED PROCESSES AND COMMUNICATIONS

Chatbots and voice interfaces require controlled vocabularies, faceted logic, and conceptual relationships, which are precisely the ingredients of mature taxonomy. Taxonomy allows for the automation of targeted content delivery, analytics reports, and problem recognition, knowledge logistics, and intelligent operational support.

5. IMPROVE THE E-COMMERCE USER EXPERIENCE

Websites and mobile apps use taxonomy to present information in useful ways and to further the user experience. For example, a toy store’s taxonomy can be used to display all game box products on its website. Or it can display all game box accessories, or only those game boxes within a price range. Taxonomy empowers users to explore products and product content by providing clear choices for browsing and accurate results for search.

6. EXTEND BUSINESS INTELLIGENCE (BI)

Many organizations have inconsistencies in the terms they use in their structured data. In the absence of an enterprise dictionary, there is no way to normalize the terms to establish equivalency. Consequently, traditional BI can’t provide the “complete story” that would enable executives to make fully informed decisions. Taxonomy can extend BI by mapping database values to common concepts, so that BI analysis includes a fuller set of content. For example, a greeting card manufacturer could use its taxonomy to define glossy and coated as synonyms in order to ensure that sales reports aggregate results for cards with both attributes.
Business Taxonomy Best Practices

1. Define a clear path to getting value from your taxonomy. Don’t risk creating shelfware with abstract or technology-centric approaches. Start by identifying organizational needs.

2. Make sure the project team includes perspectives from all stakeholders: content contributors and owners, consumers and end users, subject matter experts and influencers, and system owners, as well as the taxonomy stewards themselves.

3. Have an approach for connecting taxonomy to your assets. First, make sure that your information systems are connected where possible to the same central taxonomy. Then, create a plan for tagging that can be used across the enterprise to improve the user experience for customers and employees alike.

4. Develop a governance process to maintain, update, and sustain the taxonomy. Taxonomy needs to keep pace with business growth and change, so assign stewardship responsibilities with change in mind.

...create a plan for tagging that can be used across the enterprise to improve the user experience for customers and employees alike.
Conclusion

Organizations increasingly need to access, reuse, and locate content across different information systems, business applications, and mobile devices. Their hope is that technology is the key solution. However, information issues are not just an IT problem. Every organizational area and person is part of the issue. Business groups use different terminology, impacting the ability to share data between business processes. Everyone is a creator of information, resulting in too many sets of inconsistent organizing principles. In many cases, an enterprise approach to organizing information doesn't exist.

Technology-centric solutions aren't solving the problem. The root of the issue—the content—is only addressed peripherally. Taxonomy addresses content accessibility, reuse, and findability issues head-on. It has two primary roles: One role is to give business concepts structure and organization. The other role is to be an authoritative source that provides content assets to content management systems, and content-driven applications and websites. With this foundation in place, organizations can be prepared for changing markets, and will be able to respond in an agile way, reducing time to market for their products and services.
About Earley Information Science

Earley Information Science is a professional services firm dedicated to helping organizations just like yours become an AI-powered, customer-driven enterprise. We have the tools, team, and processes to design and execute a scalable, governance-driven digital roadmap, led by your customer’s immediate and long-term needs. Together, we can implement a digital transformation that provides a personalized, accurate, and fulfilling customer journey, driving measurable ROI to your bottom line.

PO Box 292, Carlisle, MA 01741
P: 781-812-5551
www.earley.com