VIT
Vellore Institute of Technology
(Deemed to be University under section 3 of UGC Act, 1956)

DIGITAL ASSIGNMENT 2

Case study 1

Canadian International Development Agency (CIDA)

CIDA focuses on the dissemination of information, results and lessons learned. CIDA was spending about $100 million on repeating and reinventing knowledge the organization already had. Knowledge is created through bringing through partners and shareholders in the organization around issues and practices to produce new ideas, perspectives and insights.

In the application of knowledge, CIDA needs to make all information and services available to citizens electronically through a project called Government online this means making information such as immigration services, goods and trade and development assistance available outside of Canada as well.

CIDA uses an extranet, which is controlled to promote free-flowing discussion and information sharing. CIDA uses its extranet to promote knowledge sharing through its partners forum, field representatives forum and strategic information management forum. Finally, regional forums allow different CIDA branches to share among themselves. The first step is to disseminate information that can be used as formal or explicit knowledge. The second step is to encourage members of each extranet to develop new knowledge through online discussions. The third step entails the implementation of this new knowledge in the design, development and management of specific projects. The goal is to harvest the results of this implementation effort and to disseminate those results as formal/ explicit knowledge through the Agency' intranet. To date, CIDA has documented about 4000 best practices and lessons learned.

CIDA had about 30 CoPs involving about 1200 people. A KM forum was organized involving about 150 people from various departments and partners. These networks are the primary knowledge-sharing vehicles within CIDA. CIDA management now provides support to the CoPs and has developed expert directories to promote interaction from both within and outside the organization.

CIDA is currently involved in using profiling and metadata to map and identify appropriate forms of access to knowledge and expertise within the agency. An example is the online project management, which develops tools to support KM within the organization. CIDA is also extending knowledge skills to its partners and is encouraging interaction between them through its strategic information management forum initiative**.**

- **End of the case-**

Case study 2

Chevron

For Chevron the guiding concept of KM has not been a buzzword but a culture, dubbed, The Chevron Way". This concept, which provides an integrated framework for the company's objectives and principles, actively encouraged the internal transfer of information to make every employee's life easier. For Chevron, as for other oil companies, the sharing of knowledge is a necessity. According to Chevron's chairman and chief executive Kenneth Derr, the long-term forecast for the energy business is still "one of growth and opportunity". By using best practice sharing, Chevron can cut costs, reduce production cycle times and still grow in targeted areas.

That extends to ensuring that the projects the company is undertaking are the most important ones and offering the best rate of return. Knowledge is applied to all business, and sharing knowledge is no longer merely a performance issue, it is a reputation issue as well. It directly affects every major company's ability to win new business and to keep top employees. One of the drivers for Chevron's focus on sharing best practices throughout the organization was a series of benchmarking studies that showed Chevron's management that the company was spending more than its competitors on large projects.

The oil industry is very capital- intensive and any way of cutting investment costs will improve the company's bottom line. On the basis of the survey results, a tool was created and deployed throughout the company called the Chevron Project Development and Execution process. Better known throughout Chevron as "Chip-Dip", this process is estimated to have resulted in a 15% improvement in capital efficiency since 1991. Chip-Dip is, in effect, a best practice sharing work process system involving networks of Chevron staff to help improve capital project selection and execution. At the same time, achieving best practice sharing can also have a marked effect on safety and environmental performance. In a world where disasters are headline news- as Exxon found to its cost with the Alaskan oil disaster in 1989-Chevron believes its employee safety performance has improved by 50% through facilitating the transfer of knowledge throughout the company.

Overall, although there are hundreds of individual areas within the company that contributed to best practice sharing, key labels under which they could be categorized include exploration, production, refining operations, energy management, marketing and transportation.

Chevron's goal has been one of steady, "continuous improvement", based more on cultural than on technology "buy-in". The key factor for Chevron was not that everyone within the company had IT tools, but that the tools were "standardized, compatible and connected". Chevron's technology configuration involves a base of Windows NT running on Hewlett-Packard machines with Microsoft Office and other Microsoft tools. But for the swapping of knowledge, the company uses Lotus Notes, with Fulcrum as its main search vehicle. Web usage within the company is also growing rapidly, doubling every 100 days. Training to encourage the growth of the knowledge-sharing culture across the company, especially for new employees is important.

Chevron's best practice culture extends to the evaluation of employees for salary purposes. An individual's evaluation is based on individual growth and team performance. Those who practice the sharing of knowledge are more likely to the ones rising up the organizational ladder. Staff who are not ingrained with the culture probably will either not know who to share information with or not share their information because they do not feel it is of value to anyone. It is establishing that culture- and most important, doing for business needs that is the difference between those who practice knowledge management and those who just talk about it. Best practice sharing has helped Chevron cut annual operation costs by $2.3 billion in two years, cut capital cost of projects by 15% since 1991, and improve employee safety performance by 50%.

-**End of the case-**

Case study 3

Return on Investment from Knowledge Management System

The Xerox Corporation is a $17 billion corporation headquartered in Stamford, Connecticut. The company employs 79,000 workers to offer document solutions, services, and systems (including color and black-and-white printers, digital presses, multifunction devices, and digital copiers) designed for offices and production-printing environments. The firm also sells associated supplies, software, and support for all its products.

Recently in the last three months, there was a high rate of problems in the printer machines. So a team was deployed to understand the situation. The company is examined in light of problems that had arisen from an inability to share experience across the organization. The Xerox Corporation had troubles fostering best practice among its group of printer maintenance employees. The problem centered on an inability to circulate employee expertise using existing organizational infrastructure. The community of Xerox employees who repair the company's machines found that machines were not as predictable as documentation suggested. The organization needed a way to help its technicians share their local knowledge around the world. The Chief Executive Officer after discussion with the board of Directors decided to build a knowledge management system that will help the maintenance technicians share their experience and expertise.

Xerox wanted to create a database to hold top repair ideas in order to share those ideas with other technicians in all areas. This plan also called for only the most favored ideas to be kept in the database as it often occurred that what one person thought useful others found the same the idea absurd or redundant. In order to create a useful database for all of its repair technicians, Xerox created a database of the technicians' top reserve ideas. This database also doubled as a resource for repair technicians who had developed the habit of calling engineers in Rochester, New York, to answer customer problems. Before the creation of the database, the firm realized that many databases were created by managers who filled the databases with information they thought would be useful for their employees. However, most of those databases were rarely used by the employees. When Xerox created its Eureka database, it also formed a process for entering and updating the ideas within the database. The process is based on a peer-review system.

Within this practice, the representatives, not the organization, supply and evaluate tips. In this way a local expert would work with the representative to refine the tip. Representatives and engineers evaluate the tips, calling in experts where appropriate. After the Eureka database was implemented and ideas were being added, Xerox offered to pay for tips being inserted. However, the pilot group of representatives who designed the system thought that would be a mistake, leading people to focus on quantity rather than quality in making submissions. Instead, the representatives chose to have their names attached to tips and those who submitted good tips would earn positive recognition in their work community and build social capital as well as career advancement through the quality of their input. This way, the representatives got much-welcome recognition for their creativity, and local best practices would be deployed company-wide.

As of July 2000, after continually encouraging employees to use the system, the Eureka database held nearly 30,000 ideas and was being utilized by 15,000 Xerox technicians who answered a quarter-million repair calls per year. The shared knowledge in Eureka has saved Xerox about $11 million in 2000. Customers of Xerox also have saved money in terms of the reduction in downtime. Eureka later extended the role of the Eureka database to collect, share, and reuse solutions to software and network problems as well as those involving hardware. Additionally, Xerox Web-enabled, or made available over the Web, the Eureka database system. This allowed technicians to gain access to the system from anywhere in the world though the Internet. The system added features including a search function, called “Search Light,” and a wizard that aids in searching for tips including those waiting to be validated. Eureka even added a feature that shows the most current updates to technicians when they logged into the system.

The technicians trust the Eureka system and constantly use the system because it helps them get any problem fixed quickly. In the old process, many technicians would have to call a specialist to find solutions to problems they could not solve themselves. This new process has increased productivity and efficiency. One of the database’s core values is illustrated by a case in Brazil where an engineer was about to replace a problematic $40,000 machine for a customer. However, when the engineer looked in the database he found a tip from a Montreal technician that led him to replace a defective 50-cent fuse instead.

Another example includes a control counsel in a Kinko's printer that kept blowing out. After looking at the tips contained in the database, it was realized that the real problem was the voltage switch. The switch was a manufacturing error that was allowing too much electricity to go through the printer's mainframe and causing the control counsel to fry out.

The Eureka database has even been praised as a prime example of vernacular knowledge sharing, which is the harvesting, organizing, and passing around of ideas that come from lower-level employees of an organization. This collective knowledge is extremely valuable to the employees as well as the corporation.

-End of the case-

References

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