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COINMEN CONSULTANTS LLP: adopting a TECHNOLOGY-BASED LEARNING CULTURE

Pranati Aggarwal and Jyotsna Bhatnagar wrote this case solely to provide material for class discussion. The authors do not intend to illustrate either effective or ineffective handling of a managerial situation. The authors may have disguised certain names and other identifying information to protect confidentiality.

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In February 2016, Nitin Goel, one of three co-founders at Coinmen Consultants LLP (Coinmen), had just finished reading a recent article called “Avoiding Analytical Myopia,”[[1]](#footnote-1) and he was wondering how to implement such technology and metrics at his firm for his own employees. A minute later, the firm’s new senior manager, Sahil Singh, entered Goel’s office to inform him that the corporate team would be unable to provide on-time delivery of a project to an important client, largely because Singh had been unable to obtain some crucial information from his predecessor, a former senior manager at Coinmen, who had resigned from the organization. Goel reluctantly agreed to ask for more time from the client.

Coinmen’s founders had been considering implementing a knowledge management system (KMS) for some time, but Goel now realized it had become a necessity. He rushed into the offices of the other two co-founders to inform them of the latest development and to begin the process of choosing a KMS that would best serve Coinmen’s needs. As they began to review a selection of brochures from KMS vendors, each of the co-founders recognized that adopting a KMS was the next predictable step for the company—one that they would have to undertake if they expected to efficiently manage Coinmen’s expanding operations.

In spite of their realization that a change was necessary, the partners held some reservations about adopting a technological process for knowledge-sharing in their company. Would the implementation of a KMS have a negative impact on the learning culture of Coinmen by providing the employees with ready-made solutions? Would it compromise employees’s personal development? How could Coinmen ensure that the new technology would be used in combination with—not instead of—employee expertise? And finally, after a KMS was introduced, should Coinmen also consider implementing a human resources information system (HRIS) and talent analytics? Goel and his colleagues definitely had some big decisions to make.

company background

In 2010, three friends from India’s Delhi University met for coffee to discuss the idea of pooling their skills and launching an entrepreneurial venture together. Each one worked for a different multinational firm and, given their respective areas of expertise, the trio decided to start an independent firm of business advisors and chartered accountants in New Delhi. Thus, Coinmen Consultants LLP was founded.

Coinmen encompassed several teams of professionals with an extensive range of backgrounds and expertise in different domains. The unique specializations and backgrounds of the founders[[2]](#footnote-2) helped the firm to position itself in the market. This young firm was driven by common goals, steady commitment to quality, and deep values.[[3]](#footnote-3) Coinmen referred to its clients as “partners in growth” and worked closely with them to create significant and enduring value for their businesses.

Since its inception, the firm had been dedicated to making a positive difference to its people and clients and to improving its industry and its communities. The company offered a wide range of services, including audits, accounting, tax and regulatory support, business and transaction advising, corporate finance assistance, and guidance in corporate law. By 2016, Coinmen employed 50 professionals. From the beginning, the firm had enjoyed steady growth (25 per cent, year-on-year), achieving revenues of $2 million[[4]](#footnote-4) in financial year 2015 while maintaining a profit margin of 30 per cent (see Exhibit 1). In 2016, the firm competed directly with the “big four” accounting firms[[5]](#footnote-5) and with Tier 1 accounting organizations. As a result, it became necessary to compete in terms of quality and project-delivery speed.

Knowledge management systems

Generally speaking, information management software enabled any kind of information practice or practices in the processes of information management. One type of information management software was the “enterprise content management system,” of which a KMS was a subtype. KMSs managed the way information or data was collected, stored, or accessed. The idea of knowledge management was based on the scope of practices employed by an individual, a firm, or a large establishment in order to identify, produce, represent, and redeploy knowledge for a variety of functions.

The objective of a KMS was to provide users with the ability to systematize and locate appropriate information, and to deliver the proficiency necessary to address business tasks and assignments. Some KMSs could even examine the associations between data, employees, themes, and activities in order to create an information map or knowledge report. Important features of a KMS included accumulation of information or data from both internal and external sources, and organization of content using nomenclatures, search, expertise location, and dashboards. In selecting a KMS, the challenge for any business involved the choice between acquiring pre-made software from a vendor or creating the software in-house so it met the knowledge-sharing needs of the users within a particular organization.

Industry Context

The industry and the market in which Coinmen operated included many large and well-known consulting firms such as Deloitte Touche Tohmatsu Limited, EY, and Accenture PLC. These organizations were among the first firms to take interest in knowledge management and make large investments in it. These big-four firms also took the lead in fiercely investigating the role of information technology so as to capture and share knowledge.[[6]](#footnote-6) Since knowledge was the core asset of consultancies and the key to effectively competing in the consulting world, it was mandatory for these organizations to derive benefit from their employees’ knowledge-sharing, collaborating, reusing information, innovating, and learning from each other. Using efficient knowledge management strategies paved the way for businesses to achieve better and faster decision-making. By delivering important information at critical times through search, structure, subscription, and support, a knowledge management ecosystem could provide the basis for businesses to make sound decisions. Using the right kind of knowledge-sharing technology, businesses could reuse ideas, documents, and expertise; avoid redundant efforts; communicate important information widely and quickly; promote standard and repeatable processes and procedures; accelerate delivery of projects; and provide agile solutions to customers.

**Knowledge Management Strategies**

The consulting industry employed two different knowledge management strategies. In some companies, knowledge was tied to the employee who developed it and was shared chiefly through direct, person-to-person contacts. The main purpose of computers at such companies was to support people in order to communicate knowledge, not to store it. This strategy was known as personalization strategy.

The general trend in the consulting industry was to use the codification strategy, whereby knowledge was carefully organized and stored in databases so it could be retrieved and used effortlessly by anyone in the corporation. Companies utilized intricate methods to categorize, stock, and reuse information. With a codification strategy, information was carefully arranged using a “people-to-documents” method, whereby information was obtained from the individual employees who had created it and then separated from those individuals and reused for other purposes. This method permitted many employees to explore and obtain codified information without having to connect directly with the employee who initially created it, thus providing opportunities for achieving greater scale in business. This reuse of codified knowledge allowed market participants to compete more effectively on speed and cost.[[7]](#footnote-7)

Coinmen’s Position on Knowledge Management Systems

When Coinmen was established in 2010, the partners made an informed decision *not* to install any kind of KMS in their firm during the start-up period, choosing instead to focus on establishing a client list and building the company brand. Given the general trend in the business consulting industry, the implementation of a KMS would have been seen as the expected choice for Coinmen once it started growing exponentially, but through his experience working with one of the leading organizations in the industry, Goel had also witnessed the negative side of the KMS coin, which turned him against the use of a KMS, even in the face of Coinmen’s exponential growth.

Goel understood that while a KMS functioned as a comprehensive repository of information generated by projects throughout the organization, it could also serve as a ready-made platter of solutions for a firm’s new projects. In Goel’s previous position, he had seen employees develop a habit of simply using the KMS-generated solutions without employing any innovation, creativity, or care in customizing the stored solutions to a particular client’s needs. Goel found that employees often pushed cookie-cutter projects and, in a few cases, seemed to be merely changing the particulars on the same set of presentations. While this approach had increased project delivery speeds, the over-reliance on technology sometimes detracted from the quality and context of a particular project and even duplicated previous mistakes.

Managers at Goel’s former firm had access to a large online repository that stored documents containing disguised analyses, presentations, and information on various industries and projects. The purpose of this database was to provide the staff with a way to learn about past projects, but this system of knowledge-sharing had a drawback: It alleviated the need for employees to communicate with the people who had actually performed the work. Simple files and documents could not deliver any richness of information or explain the reasoning process that had been applied to reach the solutions. Any efforts at collaboration failed in the face of time pressure and competition to hit completion targets.

Goel realized that a typical KMS had the potential to give users a false sense of security about the knowledge they drew out, a situation that could, in turn, lead to significant depreciation of the firm’s key assets (i.e., its people). As a result, major side effects appeared in such organizations after a few years when, rather than using their own logic and reasoning abilities, employees developed the habit of simply copying and pasting data. In Goel’s opinion, the people-to-documents system not only harmed employees’ professional growth and development but also affected the quality of their work and the application of a personal touch to clients’ projects. Such an approach to business could cause a firm to deviate from its focus on high-margin jobs and niche clientele, turning it instead into a service firm that undertook higher volumes of work with lower margins.

Organizational Culture at Coinmen

In 2010, Coinmen started delivering projects, and its employees worked rigorously to maintain a high quality of work and a focus on the clients’ specific needs. The employees were almost all within the age range of 25 to 35 years old, making the company a young and vibrant place to work. The major talent at Coinmen, including the co-founders, came from the big-four consulting organizations. Employees at Coinmen were hired after receiving their post-secondary degree or recruited from the leading multinationals.

Coinmen’s co-founders focused on two major objectives: developing their employee base and improving their employees’ expertise by making them work from the ground up. On a daily basis, Coinmen’s employees went the extra mile to deliver effective solutions to their clients. For example, Priya Chauhan, a senior manager at Coinmen, had to solve a challenging strategy problem for a large British financial organization. The client wanted Coinmen to expand its offerings through new and innovative products and services. This project necessitated an extensive understanding of the finance industry, as well as geographic and product-related know-how and a great deal of imaginative thinking. Chauhan, who had been with Coinmen since it was established, knew that several colleagues possessed expertise related to the specific needs of the project. She contacted them and also used her various business contacts to find other acquaintances with related knowledge and skills. Ultimately, she was able to put together a team of colleagues who had experience in creating growth plans for financial institutions. Over the next three months, Chauhan and her team consulted frequently as they developed a sound strategy for their British corporate client. Thus, throughout the entire process of creating an exclusive growth strategy for the client, Coinmen’s employees not only used their own knowledge and experiences but also collaborated with a broad network of partners.

Goel believed employees were able to gain significantly more learning from in-person knowledge-sharing compared to simply retrieving existing information from repositories. Conversations during brainstorming sessions, collaborations with colleagues, working through complications, and developing innovative and individualized solutions to the problems they encountered helped consultants expand their knowledge and develop as professionals. Hence, Coinmen was easily able to differentiate itself and compete in the industry on the basis of the high-quality projects it delivered. These completed projects were the product of Coinmen employees’ first-hand work and collaboration efforts, not just a compilation of information drawn from a KMS.

knowledge-management Decision

As Coinmen grew in size and scope, certain tasks became a struggle in the absence of a KMS. For example, when someone left the company, transitioning knowledge and responsibilities from old to new employees became increasingly difficult. Past-due project deliveries began to occur more frequently, as employees were unable to transfer information quickly. In many instances, service quality was negatively affected because of Coinmen’s complete reliance on employees’ individual knowledge.

Employee morale and motivation also suffered in these instances, as staff members felt frustrated because of their inability to obtain relevant information for their projects. With the number of projects continuing to increase, efficient knowledge-sharing was a must-have if Coinmen expected to maintain its ability to deliver high-quality projects on time. Since most of Coinmen’s employees came from big-four companies, the transition from using a KMS in their former firms to creating and sharing knowledge individually at Coinmen was a bumpy one for many new recruits, and the problem was growing over time. Of late, Goel had frequently seen employees struggling with tasks like creating reports that they had been able to simply pull from the KMS in their previous organizations.

In order to compete effectively with big-four firms and multinationals in terms of speed and cost, it had become clear that Coinmen needed to use knowledge created in the past as a reference for future projects. The firm needed to create a new culture of knowledge-sharing across the organization. Moreover, to compete for talent in an industry where giant multinational organizations dominated the field, Goel knew it was necessary to attract and retain talent through compelling value propositions. He recognized that Coinmen had to mitigate the knowledge loss that was occurring (i.e., due to employee turnover) by reducing the firm’s reliance on individual employees’ knowledge.

As he contemplated these issues, Goel realized that if Coinmen did choose to implement a KMS, it would be a good opportunity to introduce new human resources (HR) policies as well (e.g., working from home and work flexibility) since a KMS could be accessed remotely. He believed that supporting a better work-life balance would motivate and engage employees at Coinmen, especially since the consulting industry was characterized by long working hours.

**Creating a Unique System for Coinmen**

Goel felt strongly that Coinmen’s KMS should go beyond a knowledge repository. His aim was to develop a KMS that would enable effective document management, leading to both storage and retrieval of company knowledge in a systematic manner. The system should also provide adequate guidance about the application of that knowledge. If the chosen software program allowed people not only to retrieve information but also to update it immediately or provide a written context about the application of the content, Goel believed that capability would lead to the enhancement of the KMS on a continuous basis. Moreover, on a per-subject basis, Goel wanted the new software to be able to search for online data that was available in the public domain, resulting in an integration of internal and public knowledge.

Goel was also considering implementing a HR information system (HRIS). An HRIS would help with collecting and maintaining all the information that managers or departmental heads would need in order to perform virtually every function of HR management. With Coinmen growing at a rate of 25 per cent per annum, and with new employees joining the firm every year, the process of manually keeping track of personnel data (e.g., leave management, hiring, and payroll management) had become highly complex. Adding an HRIS would be an intelligent choice for Coinmen since HR-related information could then be easily accessed at any time, and analytics could be performed on the data stored in the HRIS in order to make better-informed decisions about talent management.

Goel decided to look for sophisticated a KMS wherein an effective integration of a KMS and an HRIS was possible. Through this integration, a KMS would be able to create a “community of practice” (COP)[[8]](#footnote-8) effect, which would enable employees to retrieve knowledge and also contribute to the KMS repository. This feature might lead to employee appraisal based on the value that each individual added to the KMS within the company. Moreover, this combination might allow Coinmen to move from repository management to expert management through a skill-mapping process. Expert management would make it easy to identify the exact talent or skills of an individual employee, which would in turn facilitate the process of matching the right employee to new and challenging projects.

Given the challenges and limited features of an off-the-shelf KMS, Goel began to contemplate the decision of procuring a sophisticated KMS that would be developed uniquely for Coinmen; however, the additional cost burden of this software and the implications of this technology on the current organizational culture caused him to hesitate about the decision (see Exhibit 2).

The Implementation Quandary

Coinmen’s challenges had grown exponentially along with its business, and Goel could see that unless he made some changes, these difficulties would remain a challenge for the foreseeable future. Implementing a KMS was becoming necessary in order to effectively manage the company’s knowledge and to successfully deliver projects to clients. Goel anticipated that the approximate cost of developing the sophisticated software for Coinmen would be around $25,000. While there was no shortage of funds at this point to put this plan into action, Goel wondered how he could ensure that employees would use information stored in the KMS as a reference only, rather than as a ready-made solution. How could the company guarantee that the unique personality of each client’s project would not be lost through the replication of prior work? How could Coinmen ensure that each employee’s tacit knowledge would continue to be shared in the way it had been up to this point, without a KMS in place? Would the implementation of a KMS stimulate the learning culture at Coinmen or slow it down? Was it advisable for Coinmen to extend the application of technology to the HRIS? Was developing customized software a better option than purchasing off-the-shelf software? Should management consider introducing talent analytics at Coinmen in addition to the KMS?

The other two co-founders reviewed the vendor brochures that Goel had brought them. One vendor in particular looked promising, and the contact number was printed right at the bottom of the brochure. The partners looked at each other, their eyes reflecting the same question: Would they be helping or harming their firm’s business and employees by contacting this vendor? Should they think of customizing the software? What were the other options available? Would a KMS, an HRIS, and talent analytics become a blessing or a curse for Coinmen?

Exhibit 1: Coinmen’s Revenue and Profitability

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| --- | --- | --- |
| **Year** | **Revenues** | **Profitability** |
| **2010–11** | $655,000 | $196,500 |
| **2011–12** | $819,200 | $245,760 |
| **2012–13** | $1,024,000 | $307,200 |
| **2013–14** | $1,280,000 | $384,000 |
| **2014–15** | $1,600,000 | $480,000 |
| **2015–16** | $2,000,000 | $600,000 |

Source: Created by authors using company files.

EXHIBIT 2: COMPARISON OF Knowledge Manangement SOFTWARE OPTIONS

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| --- | --- | --- | --- | --- |
| **Coinmen’s Needs** | **Alfresco Software, Inc. and Drupal Association (Open Source)** | **Microsoft**  **SharePoint** | **Helpjuice, Inc.** | **Customized Solution** |
| Knowledge Storage | Yes | Yes | Yes | Yes |
| Knowledge Retrieval | Yes | Yes | Yes | Yes |
| Integration with Public Domain | No | No | No | Yes |
| Knowledge Context and Updating | No | Yes | Yes | Yes |
| Cloud-Based | No | Yes | Yes | Yes |
| Community Effect | Yes | Yes | Yes | Yes |
| Integration with HRIS | No | No | Yes | Yes |
| Estimated Cost | $0 | $25,000  (for 10 years) | $30,000  (for 10 years) | $25,000 |

Source: Created by authors from the data collected from protagonist, facts mentioned in case, and information available on

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1. [Sam Ransbotham](http://sloanreview.mit.edu/article/avoiding-analytical-myopia/?utm_source=twitter&utm_medium=social&utm_campaign=sm-direct#article-authors), “Avoiding Analytical Myopia,” *MIT Sloan Management Review*, blog, January 25, 2016, accessed March 31, 2016, http://sloanreview.mit.edu/article/avoiding-analytical-myopia/. [↑](#footnote-ref-1)
2. “Our Team,” Coinmen Consultants, 2011, http://coinmen.in/about-us.html. [↑](#footnote-ref-2)
3. For the vision and values statement, see “About Us,” Coinmen Consultants, 2011, http://coinmen.in/about-us.html. [↑](#footnote-ref-3)
4. All currency amounts are in US$ unless otherwise specified. [↑](#footnote-ref-4)
5. The four major consulting companies in the market are Pricewaterhouse Coopers (PwC), KPMG International Cooperative, EY, and Deloitte Touche Tohmatsu Limited. “Who Are the Big 4?,” Big 4 Guide: Your Resource for Internships, Jobs, and Careers with the Big 4 Accounting and Consulting Firms, accessed February 28, www.big4guide.net/who-are-the-big-4/. [↑](#footnote-ref-5)
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7. Ibid. [↑](#footnote-ref-7)
8. Etienne C. Wenger and William M. Snyder, “Communities of Practice: The Organizational Frontier,” *Harvard Business Review* (January 1, 2000): 1–7. Available from Ivey Publishing, product no. R00110. [↑](#footnote-ref-8)