



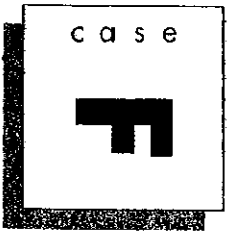
COVER SHEET

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Knowledge Management in Accenture: 1992–January 2001

Siri Ann Terjesen

Accenture is the world's leading management consulting and technology services company with more than 75,000 employees in 47 countries. (See Appendix A for a comparison with other management consultancies.) The company generated net revenues of US \$11.6 billion for the fiscal year ended August 31, 2002. Accenture split from Andersen Worldwide in August 2000. Accenture went public in a \$1.6 billion initial public offering in August 2001, and trades as ACN on the New York Stock Exchange. Accenture consultants work in eight service lines: Strategy and Business Architecture, Human Performance, Customer Relationship Management, Finance and Performance Management, Supply Chain Management, Technology Research and Innovation, Solutions Engineering, and Solutions Operations. These capabilities are then matrixed across five operating groups: Communications and High Technology, Government, Financial Services, Products, and Resources. Careers are stepped in a five-tier hierarchy: Partners, Associate Partners, Managers, Consultants and Analysts. Accenture's Knowledge Management (KM) organization mirrors the consulting practice, but has different promotion time frames and fewer top executives. Partner Jill Smart reports directly to Gill Rider, Chief Leadership Officer and Managing Partner, Human Resources on company KM efforts (See Appendix B). Accenture has invested 15 years, countless people hours, and over US \$500 million to support the KM strategy's technological and organizational aspects. According to Chairman and CEO Joe Forehand, 'The execution of our business strategy is dependent on how we create, share and protect knowledge. Knowledge sharing is the essence

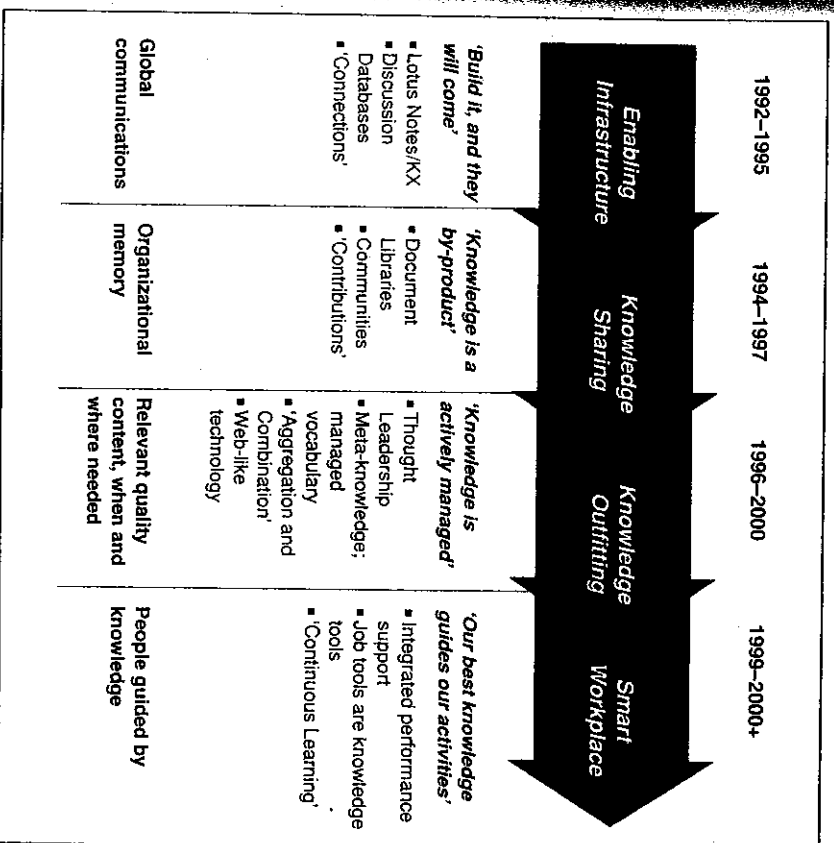


Figure F1 Accenture's KM progress, 1992–2000+

of how we bring innovations to change the way the world works and lives.' The company estimates savings each year, but does not have quantified benefit data. Moreover, the vast KM databases and people networks give Accenture an edge over competitors and a platform for the future. Thomas Davenport, director of an Accenture research center and a frequent author on KM, shared 'Companies have come to realize that there is a benefit to effective and explicit management of knowledge and that the opportunity cost – e.g. the cost of ignorance – is even harder to quantify than its benefits.'

Accenture's KM capabilities have developed over the past 15 years from a predominantly hierarchical, technology first, top down perspective to a bottom-up, people driven process. This is similar to most former Big-5 consulting firms.

Karl Liander, former Head of Nordic KM, illustrates KM progress with a four-step model: Enabling Infrastructure, Knowledge Sharing, Knowledge Outfitting, and Smart Workplace. The following sections review Accenture's chronological progress, including critical organizational and technical milestones. Years overlap as strategies have been pursued concurrently.

Enabling infrastructure: 1992-1995

From the consulting practice beginnings in the 1980s, Accenture employees have shared knowledge through employee conferences, phone calls, faxes, and regular post. Client deliverables, which were devoid of confidential information, were stored in an office repository file, later evolving into subject files and industry binders. Consultants could 'borrow' the files but the materials did not travel further than the local office. These KM methods were effective in the early days but unmanageable as the company grew exponentially in the digital age.

In 1991, the partners decided to pursue a more global, standard and inclusive KM policy, establishing the 'Horizon 2000' task force. A 'Knowledge Management Strategy' was developed to 'leverage the skills, knowledge, and experience of the individual with the cumulative knowledge and reusable experiences of the global community of Accenture, connected electronically and culturally' and a task force created a 'Knowledge Management' organization to 'ensure the leading edge currency of our knowledge capital, and to keep the knowledge exchange demand driven rather than supply driven.'²

As then Chief Information Officer Charlie Paulk said, 'We did it as a strategic initiative. At the outset, we looked at some of the benefits in terms of reducing faxing, FedEx, and mailing expenses. But a much more important barometer is 'are we delivering client solutions more quickly?' If one assignment leads to another engagement with a client in part because these investments supported our consultants in doing even better quality work, do I count that and if so, how?'³ Accenture's KM technology was based on Lotus Notes[®] and discussion databases. The first version of the company's internal 'Knowledge Exchange'[®] (KX) repository of knowledge was released to partners in 1993. Based on the existing Lotus Notes application, KX contents included information about client's, company methodologies and tools, industry best practices, external information, examples of project deliverables, discussion databases, company-wide policies, and employee skills and knowledge. The KX vision was designed 'to be a virtual place where personnel can build and share knowledge internally and with external groups, forming global electronic communities of practice that transcend the barriers of geographical and organizational boundaries.' At that time, a business case was not asked for to support KM. Nor was initial spend analysed in order not to derail what was considered to be a critical strategic imperative.

The KX is organized first by a Directory Database such as the KX Yellow Pages or the KX Front Page; or Reference Databases which are industry or capability libraries. Under each of these, Discussion Databases (e.g. Financial Services Industry Discussion), Homepages (e.g. Consumer and Pharmaceutical Projects) and External Databases (e.g. newsteds or Gartner Group reports) are available. There are also Application Databases whose capabilities include call tracking.

Each contribution to a KX database includes the name, career level, home office, e-mail address, and OCTEL voice-mail number for at least one project contact. This enables individuals who locate the document to solicit more information, including specific project details and context, from the primary author(s).

Knowledge sharing: 1994-1997

The second phase of Accenture's KM growth was characterized by knowledge sharing activities. The company utilized both technological and organizational elements to stimulate contribution, use, and improvement of the KX and other KM tools. Knowledge was seen as a by-product of client work that should be shared throughout the organization. According to Paulk:

The use of [technology] groupware works better in organizations that are into teaming and collaboration. I have relied on the people that I work with to help me for the past 31 years. Groupware shouldn't replace those kinds of interactions. But it can build on and extend the benefits of those interactions, and I think we have seen that it can also have a significant impact when it comes to facilitating creativity.⁴

Technically, the KX was rolled out to most management levels in the company. By 1996, partners, associate partners, managers, and consultants could access ever-growing repositories. (By 2000, all employees would have access.) Continuous improvements provided enhanced catalog and search possibilities, including 'KX Doc Finder' and 'KX Profiler'; off-line systems with search capability and return of e-mail results that enable consultants to devote more time to other tasks. These advancements were developed after feedback about the difficulties of locating and utilizing information. During an interview, one manager shared, 'There's so much out there that you don't even know where to start.'

Organizationally, the KM electronic databases reflected the company's people structure. This encouraged knowledge sharing among professionals interested in similar projects and industry. Geographic offices were segmented into communities, based on industry groups and consulting expertise, e.g. 'Financial Services Technology'. These networked groups met quarterly and also communicated related new ideas and information through OCTEL voice mail, e-mail, and elec-

tronic newsletters. Informal networks also existed, e.g. lunch conversations at home office and cafeterias while on a project site.

These knowledge-sharing initiatives can be interpreted through Nonaka's SECI framework. Accenture's socialization modes included brainstorming sessions, executive retreats, discussion databases, on-the-job training, brown-bag discussions and training at the Q Center in St Charles, Illinois. St Charles training includes primers on the company's KM resources. Individuals are encouraged to access company repositories when examining problems at projects and creating new deliverables. According to one consultant, 'There is this mentality that 'no invented here' is okay. We learn to cut and paste. All the while preserving client confidential information'. Another example of socialization is the video training library of successful partners sharing best practices and lessons learned, e.g. techniques for assembling and presenting a winning proposal. Externalization is accomplished through brainstorming and problem identification in project team and community meetings; and also library repositories. For example, the Business Integration Methodology and other performance tools attempt to describe learned processes. Combination modes include follow-up meetings, the data warehousing and mining features of the KX. Accenture internalization modes incorporate the development of shared vocabulary, learning-by-doing at the project site, reading newsletters, and use of specific tools such as ARTES time reporting, OCTET voice-mail, and Look-Up employee address book. On-line tools such as databases for best practices and search tools also characterize internalization.

Accenture increasingly began to sell KM client solutions during this time period. These offerings were based in part of the company's internal lessons learned, and included capabilities processes and infrastructure, ongoing change management programs, shared organizational interface, data warehousing, systems integration, and intranet consulting.

Accenture developed a framework (in research at its Institute for Strategic Change) to help companies understand unique KM challenges and models that best meet these needs. Level of interdependence (e.g. do individuals need to work individually or collaborate?) is paired to work complexity (e.g. do individuals need to use judgment while completing tasks?). According to one Accenture manager, 'there is no "one-size-fits-all" approach'. Accenture generally operates within the collaborative model, the framework for knowledge-based industries.

The **Transaction Model** (low interdependence, low complexity) delivers consistent performance with limited interaction. Routine, automated tasks (e.g. factory assembly lines) require low-level employee skills. Knowledge is learned through formal rules, procedures, and training. KM should be codified KM, e.g. job aids.

The **Integration Model** (high interdependence, low complexity) relies on transferring knowledge around the organization to improve performance. Knowledge is indwelled in processes, tool kits, and rules. Systematic and repeatable tasks

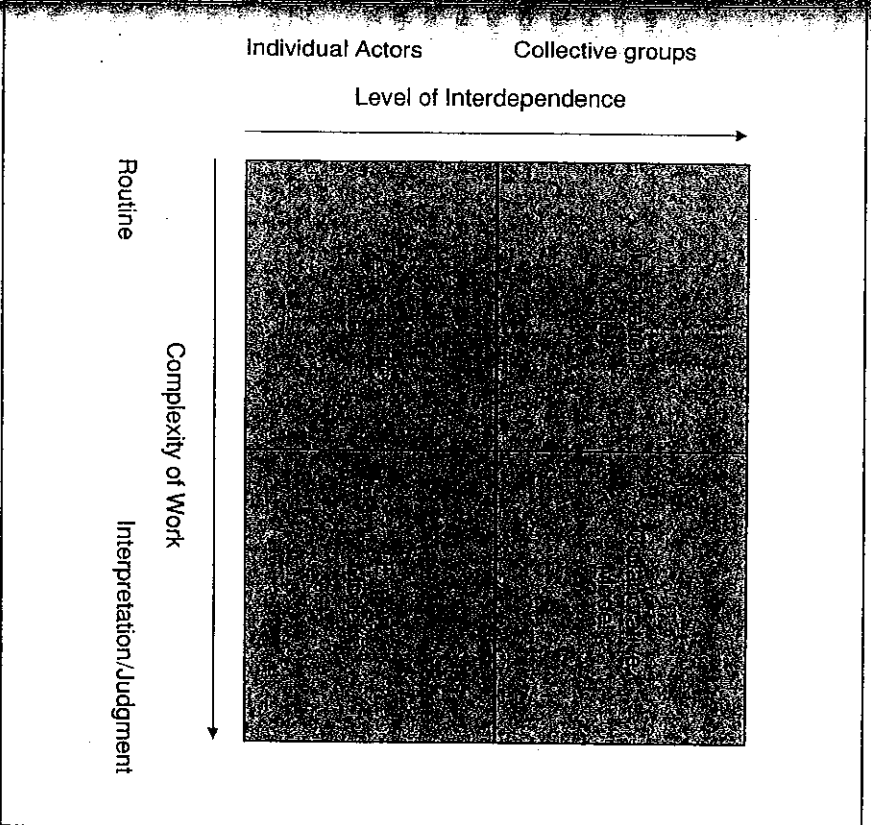


Figure F2 Accenture's interdependence/work complexity framework

must be tightly integrated across different functions, e.g. supply chain management. Organizations can implement a process-oriented strategy emphasizing cooperation and standardized procedures.

The **Expert Model** (low interdependence, high complexity) requires expert star performers with highly specialized skills and expertise who exercise good judgment and discretion, e.g. a mutual fund manager. KM strategy must enable these top individuals to research and analyze the environment, and share these insights with colleagues.

The **Collaboration Model** (high interdependence, high complexity) involves experts partnering to create new knowledge through improvisation and learning-

by-doing. A team must possess individuals with deep expertise across functions; they become 'fluid' members of flexible teams. Management consulting is a good example.

Knowledge outfitting: 1996-2000

The next phase of Accenture's KM journey was active management and outfitting of relevant, quality content to the right people at the right time and place. Organizational dynamics had changed: migrating from strong-control hierarchies that 'push' information top-down to flexible networks in which individuals 'pull' information from bottom-up. The new paradigm was driven by the growing importance of knowledge-based (rather than physical) assets and service industry growth - comprising roughly 70% of developed countries' GDP and 50% of developing countries' GDP.⁵ Karl Liander, Senior Manager of Nordic KM, utilizes the following model to demonstrate the changing dichotomy of work during the third phase:

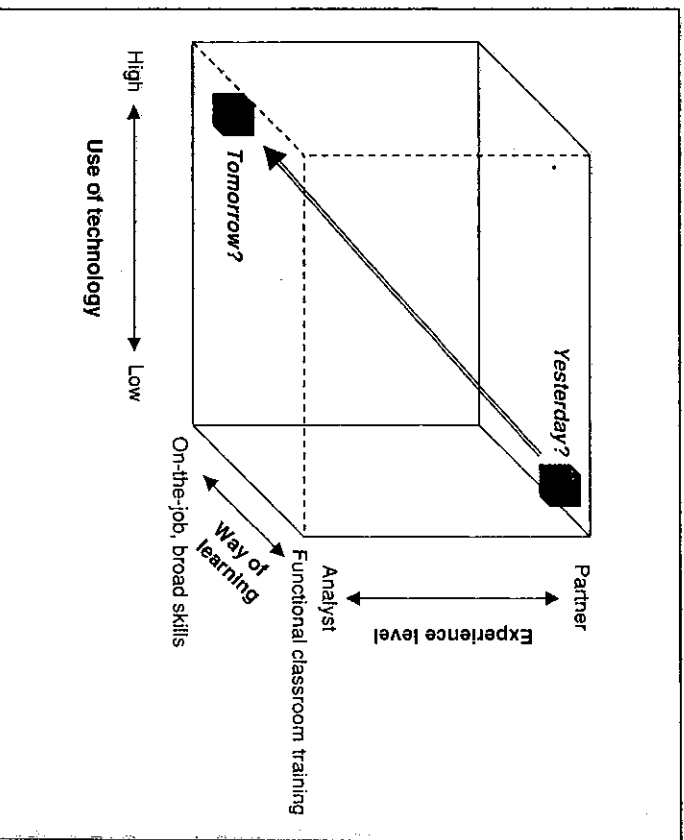


Figure F3 Changing KM paradigm model

The first KM efforts were initiated in a partner-centric knowledge arena. Accenture partners held relationships and knowledge, sharing with subordinates and colleagues on an as-needed basis. The company's work relied on skills that could be learned in a classroom setting and low technology. Partners with years of experience were provided front-line decisions. Consultants and analysts filled back office roles. Increasingly, however, client problems demanded more technology and a broader toolbox of skills. As client-facing roles increasingly included less-experienced consultants, it became imperative to outfit these individuals with the company's OM and a robust set of KM tools.

The company initiated the 'Emerald City' project to focus on six components of the KX vision: KX training, Contribution, Collaboration, Finding, Communities, and Access. The company aggregated and combined knowledge - cutting 16,000 databases to 7,500. In 1998, Pocket Xchange® (PX) was created to enable Accenture consultants with offline access because the KX's 1,000 gigabytes of data were too large to replicate down to a laptop. Other technical refitting of knowledge included business unit e-mail updates and newsletters, tailored Jupiter News, Accenture news wires, and mobile WAP delivery.

Organizationally, Accenture expanded its use of 'Centers of Excellence' (CoE), groups of people geographically or virtually positioned who gather and distribute leading information in a given discipline. In total, the company's 40 solution center CoEs employ 5,000 knowledge works focusing on specific business capabilities. Accenture CoEs include the Chicago-based Accenture Technology Labs, which employs leading academics, consultants, and librarians dedicated to cross-practice technological knowledge. Company technology research CoEs include Silicon Valley and Sophia Antipolis locations.

Accenture's 500 employees working in KM capacities could be considered a virtual and global CoE. Two hundred KM professionals, 'Knowledge Managers,' are deployed across industries, competencies, and geographic locales. Their tasks include knowledge creation, database management, and content management. The company also employs 150 'Knowledge Integrators.' These individuals have deep expertise in a given field and helped to determine and synthesize the most valuable knowledge. They also provide secondary research, help desk support, and external content acquisition and management services. KM employees also began to 'clean the KX' - eliminating data that did not offer value, and highlighting 'best practice' knowledge.

During this period, Accenture received the Most Admired Knowledge Enterprises award, placing 15th in 1998 (later #6 in 1999 & #14 in 2000). Nominated by Fortune 500 CEOs and KX experts, award recipients were ranked against eight key knowledge drivers.

Smart workplace: 1999-2000+

'Smart Workplace' describes today's Accenture where people are guided by knowledge. Integrated performance support and job tools enable continuous learning. The KX now contains over 7,500 databases with over 400,000 documents; and consultants need help mining this vast repository. Accenture created an Internet-based internal company-wide portal in August 2001. Available via a secure Internet connection, employees have instant access to an ever-growing selection of databases.

Industry knowledge maps were created to provide access to best industry specific knowledge. This is a 'one step guide' to the best KX assets including products, services, distribution channels, customer segments, key players, internal operations, and hot topics. Options include Delivering the Solution (tools, practice aids, and frameworks), Market Insight (industry overview, though leadership and point of view, subject matter experts, and sample engagement deliverables), and Selling the Application (sample proposals, credentials, engagement solutions). The Credentials Mart offers 'one stop shopping' of company expertise across all industry and service lines. Credentials are approved for external use and include 220 case studies, key references and resources, analyst reports, stock photography, and information on the Accenture brand.

The latest step in Accenture's KM journey is characterized by the need to align robust organizational and technological strategies to ever-changing external and internal environments. Externally, clients once satisfied with tailored workable solutions based on consultants' research and analysis may now demand primary research and adopt a do-it-yourself approach. Strategic alliances with small and large companies will necessitate increased inter-firm knowledge sharing. KM professionals were asked to take on additional responsibilities. Another key internal change is Accenture's new status as a public company. Consultants recognize that personal compensation hinges on company-wide performance and thus contribute in ways that enable organization-wide success. As shareholders, employees will focus on company revenue maximization, not just optimization of their own situation, e.g. work load.

New policies directed at part-time partner incentives and more flexible work hours will create more virtual teams. These individuals may have less personal contact with colleagues and therefore increasingly rely on technical KM infrastructure. Accenture will also develop an increased focus on retaining top performers otherwise lured to competitors, start-ups, and other opportunities. KM tracking systems could identify rising stars.

Ongoing Challenges

Accenture has faced numerous challenges as it implements a KM strategy, including culture, employee turnover, incentive systems, and usage.

Culture

According to Paulk, Accenture

always had a (knowledge) sharing culture . . . But we are changing the ways in which we share. To some of our colleagues using a computer is second nature. For others technology can sometimes be a barrier . . . Our firm is increasingly focusing on new ways of training people in the way we want information and knowledge shared. Firms like ours need to make it as easy as possible for busy consultants to contribute their knowledge.⁶

Lander believes that this strong culture aids KM, 'If you feel that you belong to an organization, then you automatically want to contribute to the organization and ensure its survival.'

Although the idea of knowledge sharing is central to organizational culture, the KM organizations and systems are peripheral – and at some times divorced – from the rest of the company. Strong company culture reinforces a sense of community with fellow consultants in the office and on the client engagement who work face-to-face with one another on a daily basis. Meanwhile, consultants' contact with KM employees may be limited to e-mail, OCTEL voice mail, and the occasional office meeting, especially when KM professionals are located all over the globe, from Chicago to Stockholm to Bombay.

Consulting employees have larger compensation packages and faster promotion timelines than their KM counterparts. Lander acknowledges the difference in rewards distribution, 'Supporting clients and generating revenue is seen as more important than storing and sharing knowledge.'

Turnover

Accenture's turnover of 15–20% per annum is par with the industry accustomed to a pace-based workforce model. As one consultant said, 'Accenture is a place where you grow – but not where you grow old. Most of us aren't thinking "I want to be a partner someday." There are a lot of other opportunities out there.'

With roughly one in five or six employees leaving each year, the company risks valuable knowledge walking out the door on a daily basis.

Incentives

Although the knowledge sharing culture is overarching, Accenture has experimented with numerous intrinsically- and extrinsically-focused incentive programs to facilitate KM. Contribution-targeted incentives have ranged from implementing KM-oriented performance evaluation criteria to raffling Palm Pilots to KX contributors. Intrinsic motivations are based on altruism, reciprocity, and feelings of self-worth. Accenture employees want to be helpful, and expect help in return. An individual may also get a sense of worth from establishing him/herself as a source of knowledge for others. He or she will be admired by colleagues and may have the opportunity for challenging projects in the future. An experienced consultant enthused about her role as a 'Knowledge Champion' on an SAP implementation project:

It was really important to me to be the KC [for the project]... We were doing [SAP] implementations all around the US and abroad. I was constantly getting e-mails and connecting teams and project information. I spent a lot of time working with senior executives at the company and client... I was definitely recognized for my work.

Extrinsic motivations are visible to others and focus on compensation such as a career promotion or gifts. Paulk describes Accenture as 'constantly evaluating the way we assess performance.'⁷ Accenture employees view KM activities as one of many important inputs to the performance evaluation and promotion process. Most performance criteria could be broadly interpreted to include KM activities. The current performance evaluation, Global Assessment Tool, includes the following criteria (possible KM interpretation given in parentheses): 'Establishes Personal Credibility with Clients and Others' (serves as an expert in a given field and shares knowledge with colleagues and clients), 'Drives to Add Value' (contributes to the KX), 'Builds and Applies Skills and Capabilities' (acquires and applies personal knowledge effectively), 'Community Building' (shares lessons learned with other community members), and 'Maximizes Team's Performance' (uses KX efficiently or trains others on KM tools). KM-oriented performance criteria are now included for every level of the organization. The South Africa practice is particularly keen on supporting knowledge management. In fact, nearly all of the individuals promoted to consultant in the South Africa practice had

served as 'Knowledge Integrators', a role in which they encouraged KX contribution and use.

Accenture's extrinsic rewards have also included freebie presents (e.g. t-shirts and pens) and raffles for larger items (e.g. Palm Pilots). These efforts seem to bring short-term results in the form of a flood of documents - only some of which will be useful to others.

Users

Accenture has unique sets of 'top KM contributors' and 'top KM retrievers.' Each user group is driven by a unique set of personal motivations, project tasks, and other goals.

The trend of top contributors tends to be young, relatively experienced, technically savvy and analytically minded individuals who have been with the firm for at least three years. They recognize the value of contributing and make it a critical part of their projects. One manager shared, 'My project managers are usually good about quickly reviewing my sanitized deliverables and then I stick them on the KX... usually just the best stuff.' These high contributors know 'what's out there' on the KX and can often suggest the best database repository or key search words for their own and others' documents. Contributors also enjoy the recognition. According to one experienced consultant, 'I like being the "go to" guy. People know who I am.' A top contributor is usually well connected to his/her specific competency group and office, and will continually grow these critical networks. Eventually, contributors become more involved with project management and sales and spend less time with the KX. It is possible to search some KX databases by 'Contributor' view and find individuals who have submitted dozens or even hundreds of documents.

Americans contribute more than 80% of the KX documents. European countries follow as the next largest contributors. Asian counterparts contribute the smallest number of documents. The difference in contribution may be due in part to cultural differences among nations. The different levels also reflect Accenture's client-driven nature - most but not all of Accenture's clients request English documentation. Accenture's heaviest contributors are generally native English speakers who contribute English documentation. Of the documentation in languages other than English, most can be found on country or project-specific databases. The remaining non-English documentation can be found on the KX, and includes a brief abstract in English. The idea of such a short summary is that readers could then contact the project leaders directly to gain more insight. In some cases, a machine translation was used to create the abstract or the entire document. One KM manager reflected on how this mechanization resulted in

some very awkward English renditions. Accenture's relative contribution levels are generally on par with other management consulting firms.

On the retrieval side, top users tend to be inexperienced consultants who are new to the company and tasked with KX searches. Due to their relative lack of experience, they may not be able to locate valuable information effectively and efficiently. These individuals don't know what they are looking for and may waste a lot of their personal and project time. One experienced analyst reflected, 'I remember the first time I used the KX. My project manager asked me to search for projects which had created similar deliverables. I didn't even know where to start.' New users may also locate, download, and peruse documents, which are not relevant to their tasks. Lander estimates that only five per cent of retrieved documents are actually of use. Theoretically, these individuals should develop searching skills over time.

Another primary group of data miners are individuals in the business development stage of a project. They are concerned with materials that will help to prepare project proposals. According to one manager, 'I always use the KX to get the latest and greatest credentials. It's also good to see who did what [task] and where [client].'

Case Studies

Successes

Implementation success: From a Manager, KM Enterprise Business Solutions

A Manager in the KM Enterprise Business Solutions (EBS) met with her team members to review the local progress of the Enterprise Business Solutions' (EBS) Global Knowledge Network (GKN). The manager joined Accenture as an analyst eight years ago after receiving her Master's degree from the Stockholm School of Economics.

EBS was one of Accenture's most successful lines of business, incorporating integrated solutions for SAP, PeopleSoft, Oracle, Baan, and ERP. Her GKN team was responsible for creating and storing knowledge that could be transferred and used in pre-sales and delivery environments. The company would benefit from leveraging of intangible assets, gathering and dissemination of experience and know-how, and increasing competitive advantage. It was also anticipated that clients would reap benefits from improved productivity and reduced costs.

The EBS GKN project spanned 13 countries and had a high profile within the company. The manager recalls, 'We were the pioneers. The future was in globally integrated KM... Our successes and failures would be watched closely.' Each

geographic region had ten to twelve team members. Knowledge Integrators (KIs) were full-time KM professionals responsible for the process of knowledge sharing and outfitting across the global EBS practice. Deployed by geography, software, competency, and market unit, KIs were tasked with training and communicating KM to consultants, developing knowledge-sharing tools and processes, and supporting KM efforts. Database managers created home pages, discussion forums, searchable databases, and other electronic tools.

The manager and her team were responsible for the Nordic region's (Denmark, Finland, Norway, and Sweden) contributions. As KIs, they had spent much of the last six months introducing the company to the project and the mutual benefits to employees, clients, and the firm. The manager recalled the dozens of office and client site meetings with colleagues in Copenhagen, Helsinki, Oslo, and Stockholm, 'I was always impressed by the strong levels of 'buy in' from analyst to partner. People really believe in it [EBS GKN].'

Analysts and consultants were particularly 'charged up' to be able to contribute and have their participation reflected in performance appraisals. These relative newcomers to the company saw the project as a unique personal development opportunity. Individuals with at least 12 months experience with the company were honored with selection as 'Knowledge Champions' (KCs). In this role, they served as the primary client contact for all knowledge sharing activities. KCs were responsible for adding at least two project deliverables each month and for keeping all of their project information current on the KX. They also monitored and encouraged project members' contribution and use of the KX. KCs were ambitious analysts close to the consultant promotion timeline, and often worked extra hard to guarantee personal rewards. 'The really hard workers were often promoted. It was win-win.'

After reviewing the first six month's results, her team was pleased with the high contribution levels and good productivity among the 250 EBS consultants on 16 projects in the Nordic region. Each project had its own client home page and KC who was trained and supported by Solution Center KCs in the larger offices. So far, EBS KM had gathered over one hundred contributions to the EBS Library and over two hundred questions and responses in the discussion databases. All KCs had been rewarded with excellent feedback as either 'Gold' or 'Green,' the two highest possible ratings.

The team discussed success factors. Certainly, buy-in at all levels of the company had helped. Everyone seemed to believe in the project and want to contribute. The business integration across the four company competencies also ensured that all parts of the company were working together. The team also discussed the future challenges. She emphasized the need to ensure capturing of the 'right knowledge.' She wanted to focus more on client team's knowledge needs and develop 'velocity services' that would target the most valuable needs. Furthermore, the team wanted to ensure that the short-term contributions and successes

they had witnessed would actually lead to long-term behavior and results. They resolved to continue to install knowledge sharing culture and action through regular communication and training.

Her team also pondered how KM efforts could help drive future EBS work. EBS was still a very strong area for the company, but not growing as fast as e-Commerce. She wondered, 'Would EBS, and our EBS KM efforts, be valuable to the company in the future?' As Accenture was constantly reorganizing, the team also considered how a future organization would challenge and inevitably change the EBS efforts. For example, if the company shifted from competencies to market units, the EBS KM would have to reorganize to mirror this structure. Also, she thought privately, 'How would future cost-cutting initiatives impact the EBS KM program? Would KCs still devote time to the project without a charge number?' She thought there was a real need to quantify the financial benefits of the EBS KM program.

Sharing success: From an Analyst, Human Performance

An analyst in Accenture's Human Performance practice faced the most daunting task in her 12 months with the company. She had two weeks to draft role and job descriptions for 150 employees at a large telecommunications client. She joined Accenture's Washington D.C. office straight out of her undergraduate Business degree at the University of Richmond. Like all new employees, she was introduced to the Accenture culture through rapid-fire training in her home office and then St Charles, the worldwide training facilitated located in the suburbs an hour outside Chicago.

She learned that she had been staffed on the telecommunications project in an e-mail from her future project manager. The project manager emphasized that she would need to play a leading role as content provider for the job descriptions, and asked her to look over the attached project proposal and contract to stimulate ideas. She was expected at the client project site the next morning. This hasty project start was par for the course at Accenture. Employees were expected to 'roll-on' (and 'roll-off') projects as quickly as business needs demanded. Sometimes this would entail a few hours notice before a Red-Eye flight across the country or, occasionally, across the ocean.

After 12 months with the company on telecommunications clients, she was familiar with the industry but had no experience writing job designs. As she recalls, 'I was definitely overwhelmed but I wanted to get up to speed quickly and hit the ground running.' She read the project documentation carefully and then logged onto the KX to search for relevant deliverables from similar projects. She

used the KX Doc Finder utility to order archived information she hoped would be pertinent. The KX Doc Finder searches multiple databases and e-mails possible relevant documents. This KM tool saved her the time of a manual search. She justified her KX search, 'Accenture sells this type of work all the time. I don't want to 'reinvent the wheel.' I'd rather spend time getting to know my client and customizing the documents... I just hope that someone archived some good frameworks.'

Later that day, she ate lunch with a member of her 'start group.' A 'start group' is a group of employees who began their Accenture careers on the same day. The group (generally five to twenty individuals) often grows close during shared orientation and training experiences. She shared the exciting news of her new project and asked her start group member for ideas on how to gather more information. The member of her start group recommended the KX, and then paused as he remembered that one of his friends from recent St Charles training at the Centre for Professional Education had spoken of a similar engagement - albeit 3,000 miles away in London. The Center for Professional Education brings employees together from all over the world for three day to two week classes. Evenings are often spent socializing at the on campus sports center or the town country line dancing bar 'Cadillac Ranch.' Accenture encourages both work and play time to build trust and long-standing working relationships among employees from all over the world. It was during one of these evenings that she and her London friend had discussed their experiences in the telecommunications industry. The member of her start group suggested that she contact the London-based consultant for general insights on how to approach the work and, if possible, more specific guidance on deliverables.

After lunch, she sent her London counterpart an Otel voice mail and then perused the 50 documents highlighted by Doc Finder and retrieved the most promising. She shared, 'With the KX, you never know what you might get. Sometimes you can't even imagine how something got out there. It just doesn't fit what you want. Luckily, I found some stuff that I hope will give me some ideas.'

The next day, she spent her first morning at the new project - meeting her clients and colleagues, and settling into a cubicle by the window. The project manager scheduled a meeting the following morning for which she would propose a work timeline and action plan for the next critical two weeks. She checked her OCTELs and agreed to call her London counterpart earlier that afternoon. The firm's OCTEL voice-mail system enables employees worldwide to leave and retrieve messages from one another and clients. This system facilitates round-the-clock communication and saved on a long distance phone call.

On the call, the London-based consultant identified with her situation, recalling a similarly challenging project with short deadlines at a leading British telecommunications client. He asked her to explain the client environment and

project demands, and then offered some universal guidelines in terms of a reasonable timeline, necessary client inputs and feedback, and lessons learned. He also promised to send her some of his own relevant documents which had not yet been archived to the KX. She thanked him for the input, and he offered to look over her work and answer any additional questions.

She compared her notes from the phone call with some of the relevant KX documents, and designed a workable project timeline. She established deadlines and milestones for each of the project phases, and allowed for feedback sessions with key stakeholders. She also prepared a rough draft of an interview checklist and potential job description templates. Her new project manager was impressed with her efficiency, and approved the schedule and ideas with few modifications.

As she proceeded with the project, she checked in occasionally with her London counterpart and a few others who had contributed valuable KX documents. The client and project manager were pleased with her work. At the conclusion of the project, she sanitized her documents and added them to the knowledge repository. She thought her efforts might help her bid for an early promotion to consultant level, 'I made sure my GAT [Global Assessment Tool performance evaluation] mentioned those KX dumps.' She also wondered how many people would read and use her documents in the future. Perhaps someone would even contact her for further explanation and help.

Partial success: From a Consultant, Technology

A Consultant in Accenture's technology practice leaned back in his chair after typing in the last lines of PeopleSoft code. He had just finished the 'build' phase of a PeopleSoft implementation project at a large financial services client in New York. The next step would be product test and retest, followed by refinement.

He had written most of the code from his prior project experience and information gathering. In his three years with the company, he had compiled sanitized code from different stages of several implementation projects. He had also retained some key programming from his undergraduate degree in Computer Science at the University of California.

He also occasionally searched the KX for code and copied the useful pieces onto his c:/drive files. He enthused, 'Sometimes you find real "gems." You can use them to fix "kluges."' Kluges are code written by programmers that is indecipherable to anyone but the original author. Kluges can wreak havoc on technology projects and can create 'real nightmares' for future programmers. Other times, he found outdated, unworkable code. He never alerted the KX database administrators to problems of inaccurate postings, 'I don't want to get all high and mighty and try to shut other people down. Who knows? Maybe some of that code is worthwhile to someone.' Instead, he learned to recall the names of

contributors to seek out, 'I just try to remember who sends in the good solutions and use their information.'

He had built a good repertoire of code and other technology solutions on his laptop's c:/drive. He also backed up a copy on a shared drive. It would be time-consuming and perhaps impossible to locate another copy on the KX, 'I can't afford to lose this stuff even though I don't use all - or even most - of it.' He intended to someday contribute some of the most useful code for the KX, but it was to be a time intensive process and he felt that he didn't have the time beyond his 70-hour week.

He reflected on the most challenging aspect of the project. He had to write a piece of code that would link the PeopleSoft program to the client's software. Although the client's software wasn't very common, he was sure that someone else in the company had seen the problem before. He thought that he could come up with a solution after hours or days of writing and testing the code, but he didn't have the time. The build phase was supposed to wrap up in three days' time, 'I didn't want to hold up the entire project.'

He scanned through dozens of KX technology-oriented databases, but couldn't locate any relevant documents. He posted a question on three relevant discussion databases and awaited replies. Discussion databases on Lotus Notes enable individuals from all over the company to communicate questions and answers to tasks. Although he occasionally checked the discussion databases, he wasn't confident that most of his Technology colleagues around the world were using them. Still there were no replies.

Finally, he sent an e-mail to five programmers whom he knew and trusted from prior projects. Three were unable to offer any solutions. One former colleague sent back code for a related program, but it didn't quite work. The last reply referred him to a project manager in Zurich who then put him in touch with the programmers at a Danish financial client. He e-mailed the programmers and soon received the code as a Lotus Notes e-mail attachment. At first he didn't understand how the solution would work, and contacted the programmers. They traded Otel voice mails and eventually arranged a conference call to discuss the code and its context. As he recalled, 'The Danish guy's information was customized so I had to fine-tune and tweak it a bit.' In the end, the code worked, but he was annoyed to realize that he had spent much of the last two days trying to get information that should have been more readily available.

This was a mild success because he didn't share his lessons learned and workable code with others in the company. The KM tools were not as effective as he had hoped. He did not initiate any action to improve KM documents, processes, and tools.

Technical failure: From a Partner, Strategy

A Partner in Accenture's Strategy practice was preparing to leave the company. One week from now he would begin his first day of work at a smaller strategy firm close to his family home in Connecticut. He stopped into the office's technical support center to pick up a copy of a CD burned from his laptop hard-drive. The support crew asked if there was anything else that he or others might want from the laptop before they deleted the c:/drive and prepared it for another employee. He replied 'no' - after all, no one else would know how to begin to look - let alone use those old client deliverables. He was certain that at least one other copy existed on the laptop of one of the other project managers.

As he walked through the lobby, he reflected on his five years with Accenture. Following an Ivy League MBA and an eight-year career at a leading strategy firm, he joined Accenture at age 35. He had worked directly with client top management and good junior consultants on challenging projects - traveling the world over for meetings, projects and training. Although his peer group of associate partners and partners had been fiercely competitive at times, he reveled in their intellectually stimulating contributions and hoped to stay in touch with many of them.

Holding the CD in his hand, he reflected on how five years of work could be contained on one little disk. He had spent many a long plane ride and late night hunched over his laptop - drafting client contracts, reviewing client deliverables, and answering e-mails. Well, he recalled, it was better than when he first started consulting so many years ago. Without Power Point, he and other junior consultants would spend hours cutting and pasting words and diagrams onto overhead slides for client presentations. Now, everything was electronic and he had a copy of it to pass on to his successor for posterity's sake.

He had always been protective of his work. At Accenture, he never personally archived deliverables or other knowledge onto the KX. In part, he didn't think that the material would be valuable to 99.99% of the firm. He was also unaccustomed to this technical method of knowledge sharing. His first firm had adapted a more bottom-up approach - calling colleagues personally rather than searching databases electronically.

At Accenture, he continued this practice of directly contacting APs and partners for their insights and old deliverables. He felt comfortable sharing the material when he could provide a context. He liked knowing who in the company knew about his projects and what aspects they knew about. Sharing knowledge personally gave him the confidence he could trust others to use the material wisely. In return, his peers would call on him for ideas. Sometimes, if the project was large enough, knowledge sharing might lead to a role in the selling or management of one aspect of the client engagement. These opportunities

augmented his firm résumé and, more importantly, his growing list of client and firm contacts.

He never searched the KX but would occasionally ask his project team members to search for relevant documents. These members would also search independently.

He had consistently received good feedback on his performance. He worked well and shared knowledge with others, though not through the technological mechanisms provided by the company. His subordinate project team members weren't particularly strong KX contributors. This was in part due to the lack of a rule or discipline to send documentation to the KX at the conclusion of project phases. He never encouraged KX documentation. If another project member took the initiative, he was not quick to approve the sanitized documents. This could result in weeks or months of delayed posting to the KX. Also, the younger employees followed their partner's lead and aimed to establish and use personal contracts. None of his work was ever archived to the KX.

Explosive task failure: From an Associate Partner and her Proposal Team

At the end of a tough day, the Accenture project team regrouped in the hotel's restaurant to discuss the day's events and next steps. The Associate Partner (who was also the lead project manager) and her team members were disappointed with the sale of just one piece of the client need for a full SAP implementation. They had poured most of the last three weeks into a strong proposal that would integrate Strategy, Process, Technology, and Organization and Human Performance work.

Collectively, the lead project manager and her four team members had 20 years of experience with SAP implementations. This project was especially large and potentially lucrative as it might have led to additional sell-on work. The lead partner for the client had especially encouraged the team to solicit advice from colleagues running similar projects around the globe. The partner had even sent a 'broadcast OCTEL' to other SAP implementation executives asking for specific insights on this client proposal and referring follow-ups to the lead project manager. She and her team spent much of their time gathering electronic and personal input from others.

The team recalled how they spent weeks reviewing gigabyte after gigabyte of old project proposals, including budgets and timelines. Some documents located on the KX were really outdated. More time-consuming were the countless hours spent organizing and holding conference calls and meetings with executives from all over the world. As she recalled, 'Accenture certainly has a knowledge-sharing culture! Everyone wanted to be helpful and offered a lot of input and documentation.'

The lead project manager reflected, 'I had lot riding on this project.' She had worked in industry for five years before graduating from a top-20 MBA program and joining Accenture's Chicago office. In her six years at the company, she had built a reputation as a strong contributor, but not as a 'rain maker' who regularly sells large projects directly to clients. If the client bought this entire project, she thought that she was sure to be recommended for partner in two or three years' time. The promotion to partner was heavily influenced by revenue contributions to the company's bottom line.

She thought she had spoken to everyone, 'We talked to people who had sold work to the same client several years ago. We talked to project managers running SAP implementations in a half-dozen other countries... No stone was left unturned.' These calls were difficult to schedule and she thought that a lot of their insights weren't really applicable outside a particular client or country. Sometimes her team provided internal billing charge numbers for these executives' time and this became an expensive aspect of the business development budget. As the process wore on, the team couldn't help but ask themselves if they were wasting their time.

In the end, the team put together a lengthy proposal that incorporated most of the internal feedback. Some of the extensive information gathering was indeed effective. The team saved time by utilizing aspects of the proposal that described Accenture's extensive experience with SAP implementations. But in other cases, there were long descriptions of seemingly peripheral detail. In retrospect, the lead project manager thought that the client was confused by the multiple perspectives and alarmed by the extensiveness of the proposal. This could have led to the client's decision to purchase only one piece of work. The lead project manager hoped that the client had found the material to be personally customized, but she wasn't quite sure.

As the team finished dinner, the lead project manager thought back to the beginning of the project, 'We knew what we had to do.' In fact, together the team had enough experience to prepare a solid proposal. She felt disappointed by the wasted time and effort, and the inability to win the job, '... but we just didn't do it. We got distracted - way too distracted.' As a result, the team only sold one portion of the work proposed. The lead project manager would have to wait for another 'rain-making' opportunity.

Notes

- 1 Ostro, N. 1999. *The Corporate Brain. Chief Executive*, May.
- 2 Davenport, T., & Hansen, M. 1996. *Knowledge Management at Andersen Consulting*. Harvard Business School Case, 9-499-032.
- 3 Reimus, B. 1997. *Knowledge Sharing within Management Consulting Firms*. Kennedy Information.

- 4 Reimus, B. 1997. *Knowledge Sharing within Management Consulting Firms*. Kennedy Information.
- 5 World Trade Organization. www.wto.org
- 6 Reimus, B. 1997. *Knowledge Sharing within Management Consulting Firms*. Kennedy Information.
- 7 Reimus, B. 1997. *Knowledge Sharing within Management Consulting Firms*. Kennedy Information.

Case Assignments

- 1 Describe how Accenture in the second phase of the company's knowledge management development endeavored to stimulate increase knowledge sharing.
- 2 Discuss the implications of Accenture's 'Interdependence/Work Complexity Framework' for knowledge management in different types of companies.
- 3 Explain what is meant by 'Smart Workplace'.
- 4 Accenture has developed a performance evaluation tool called 'Global Assessment Tool'. How is this composed? Are there, in your opinion, any essential missing elements in this?
- 5 Discuss the following statement from the Accenture case:
'Americans contribute more than 80% of the KX documents. European countries follow as the next largest contributors. Asian counterparts contribute the smallest number of documents. The difference in contribution may be due to cultural differences among nations.'

Appendix A Largest management consulting firms (1998)

Firm	Consulting revenues worldwide 1997 (\$M)	US consulting revenues 1997 (\$M)
1. Accenture (Andersen Consulting)	5,726	2,863
2. CSC*	3,000	2,000
3. Ernst & Young	2,680	1,798
4. Coopers & Lybrand	2,400	1,270
5. Deloitte Consulting	2,300	1,500
6. McKinsey & Co.	2,200	900
7. KPMG Peat Marwick	2,011	1,066
8. Cap Gemini	1,648	198
9. Price Waterhouse	1,400	806
10. Mercer Consulting Group	1,338	823
11. Towers Perrin	1,120	817
12. A.T. Kearney	1,100	550
13. Booz-Allen & Hamilton	1,075	800
14. Arthur Andersen	953	483
15. Sema Group	888	N/A

Source: *Consultants News*, Kennedy Information.

Note: * Revenues for this group are derived from a number of business units, including CSC Index, CSC Consulting, and European operations (among others). The number for this group is a rough estimate.

Appendix B Accenture Organization prior to January 2001

