

Developing a Shadow Organization to 'Make the Market' for Knowledge

APQC – The New Edge in KM

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Chicago, 2 May 2008



Vodafone is the world's leading communications organization which leverages its knowledge as a competitive advantage

- Vodafone Group is the largest mobile telecommunications company in the world:
 - Equity interests in 25 countries across 5 continents, and Partner Markets in a further 40 countries; Presence in US via 45% stake holding in Verizon Wireless
 - Vodafone has 252 million proportionate customers worldwide (31/12/07)
 - Total market capitalisation of £99 billion (31/12/07)
- Vodafone has the unique opportunity to leverage its large and diverse global footprint to make knowledge a key competitive advantage:
 - Operates in markets with different degrees of maturity – enabling opportunities to leverage knowledge from mature markets in new and emerging ones
 - Combines focus on increasing operational efficiency as markets mature with a focus on innovation to become the leading total communications company
 - Employs approx. 66,000 people with a wealth of experience and knowledge
- Our KM objective is to improve systematic transfer of knowledge and experience across the organization to deliver tangible benefits – by 'connecting our people'

This presentation contains my personal and generic views which are not necessarily the views of Vodafone.



Vodafone's strategic objectives focus on driving performance in mature markets and growing new markets

Progress against strategic objectives	
Revenue stimulation	<ul style="list-style-type: none"> • 19% growth in total European outgoing voice usage in Q3 07/08 • 5% organic European service revenue growth in business segment in Q3 07/08
Cost reduction	<ul style="list-style-type: none"> • May 2006 cost initiative targets expected to be met or exceeded • £410 million cumulative cost savings to date
Enabling total communications solutions	<ul style="list-style-type: none"> • Partnerships with leading Internet players, e.g Facebook, eBay, Google • 3.1 million fixed broadband customers across 11 markets at Q3 07/08
Strong growth in emerging markets	<ul style="list-style-type: none"> • India now Vodafone's largest market by customers • Recent spectrum allocation to Vodafone Essar will enable a national footprint

Source: Andy Halford (CFO), Citigroup European and Emerging Markets Telecoms Conference, 19 March 2008

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KM seeks to establish an effective environment that connects knowledge seekers and sources to create tangible value

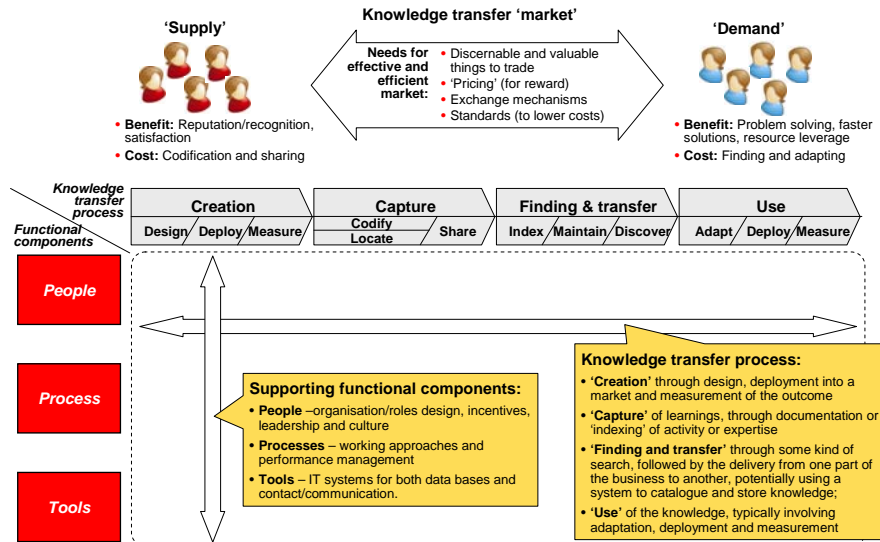
Knowledge Management Vision

- We are a learning organisation that learns from our past experiences, undertake experiments to learn new things and learns from other organisations
 - We deliberately take some risks to learn new things
 - We continuously look at other companies for inspiration and continuous improvement (operational benchmarking)
- We have optimal access to all the knowledge (past and present) within and outside Vodafone to help us do the best job possible
 - Using easy-to-use tools such as a single 'google-like' search interface
- It is easy to find and connect with other people across the organisation who can help and provide the knowledge required
 - we build on existing networks and maintain an index of our people and activities to easily create new connections when needed – in some cases we will exchange experts to fill knowledge gaps and enlarge social networks
 - I can use resources when needed to overcome any language or cultural barriers
- It is part of our daily job to learn from our experiences and share this knowledge with others across the organisation
 - We either indexing our activities/experience and/or codify important lessons
 - We recognize that making mistakes is part of doing the job and we learn from it, rather than punishing people for it
- We realise that managing and increasing our knowledge is a unique sustainable competitive advantage and understand how it generates tangible value
 - We also know how to quickly enable new acquisitions to benefit from this strategic advantage

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We look at the KM challenge in a market framework



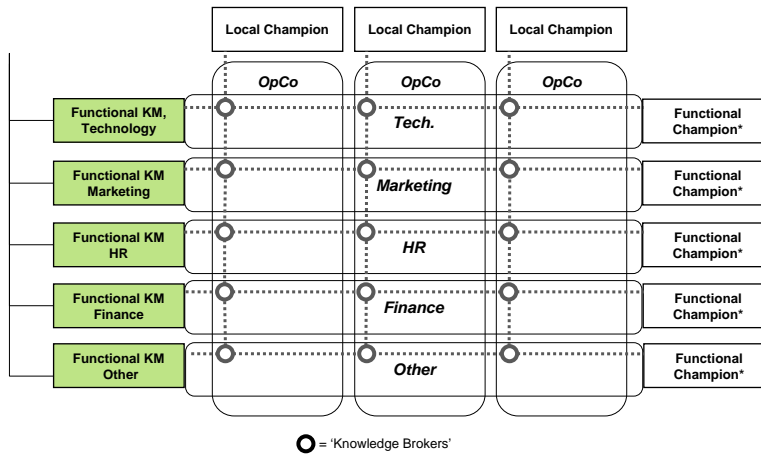
Our upcoming deliverables currently focus on culture, communities, IT tools and knowledge quality

Goals	Delivery Focus
I. Improve the culture of learning, sharing and collaborating	<ol style="list-style-type: none"> 1) Knowledge sharing and collaboration objective embedded in performance appraisals 2) Enhanced recognition scheme launched including employee submission & voting 3) Communication campaign executed to promote knowledge sharing & collaborative behaviour
II. Develop Communities	<ol style="list-style-type: none"> 4) Ongoing development and coaching of existing communities 5) Process implemented to identify and set-up new communities 6) Improved structured knowledge and information sharing between communities
III. Improve relevant IT tools	<ol style="list-style-type: none"> 7) Single integrated and user-friendly toolset for knowledge sharing across entire organization 8) Single, fully comprehensive enterprise search capability 9) Effective expertise finder 10) Education on knowledge tools via online tutorials, communications and induction of joiners
IV. Grow the quality of knowledge	<ol style="list-style-type: none"> 11) Enhanced support structure and embedded 'power-users' across the business 12) Increased structured review of projects / initiatives in OpCos to identify new learnings 13) Process implemented for maintaining knowledge repositories and owners identified 14) Process implemented for vetting good and best practices



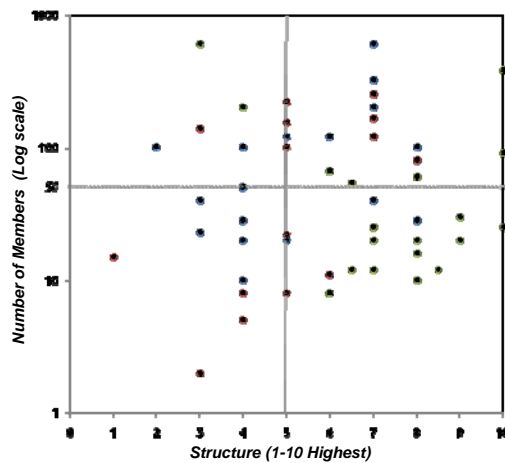
A key element to drive the internal knowledge market is a 'shadow organisation' that makes the market

'Shadow Organization' Set-up



The shadow organization complements the 97 global communities which differ significantly in size and structure

Communities Plot – size and structure



Size Distribution of Communities

