



High performance. Delivered.

Measuring the Impact of Knowledge Management (KM)

Steve Kaukonen/Tom Barfield - Accenture
APQC, Chicago, May 2nd, 2008

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Agenda

- Accenture Overview
- Metrics & Measurement
- ROI of Knowledge Management

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Accenture is a global management consulting, technology services and outsourcing company. Combining unparalleled experience, comprehensive capabilities across all industries and business functions, and extensive research on the world's most successful companies, Accenture collaborates with clients to help them become high-performance businesses and governments.

- Over \$19.7 Billion in Revenue (FY07)
- Over 178,000 Professionals in 49 Countries
- 94 of the Fortune Global 100
- 2/3 of the Fortune Global 500
- All of our top 100 clients have been clients for at least five years, and 85 have been clients for at least 10 years

High performance. Delivered.

- Over \$500M in R&D expenditures
- Over \$500M in Training expenditures



Consulting

More than 90% of the world's top companies benefit from our insights and solutions.



Technology

Our experienced professionals bring the latest technology to deliver solutions, no matter how complex or risky.



Outsourcing

Using our global delivery network, we can help clients focus on their core business.

Bottom Line – People and Knowledge are our most important assets

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Accenture's business strategy drives the future evolution of knowledge sharing at Accenture



Knowledge Sharing Vision: To connect people to information and people, mobilizing the power of "One Global Network"

"... The question is how to bring out the best ideas, the best technologies and the best expertise wherever they are in the world. . . . to be organized in such a way that we are constantly learning and bringing our new ideas, innovations and expertise to our clients...."

Bill Green, Chairman & CEO, Accenture



Knowledge Sharing at Accenture – sample scenario



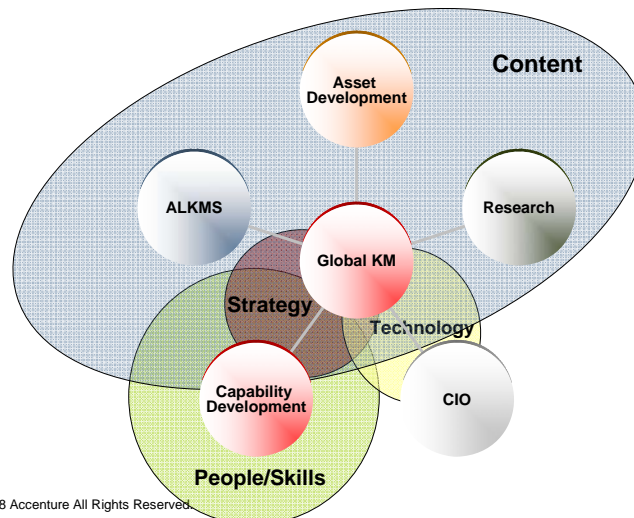
Knowledge Sharing at Accenture revolves around the sharing of information, expertise, knowledge & assets to enable project teams to sell & deliver work more efficiently & effectively.

Example: Sales Team at client 'X' is looking to sell 'offering Y' – they are able to:

- See where we have done similar work before
- Access & Leverage previously developed Sales Decks, Point-of-Views, Sales Collateral
- Collaborate with experts via People Profiles, Blogs, Wikis



Global Knowledge Management team coordinates KM strategy, infrastructure and content management





Metrics & Measurement

accenture **In the Beginning...**



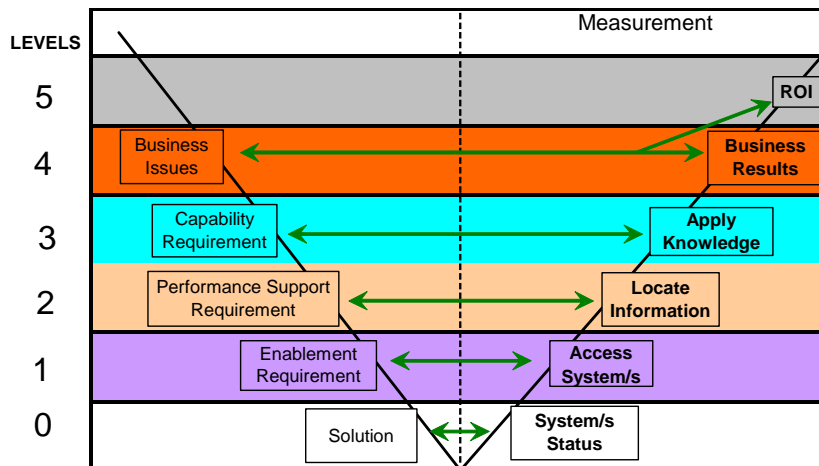
- Migrated from Lotus Notes to Microsoft SPS 2003 in June of 2005
 - Utilized out of the box reporting capabilities
 - Convened Metrics Working group in December 2005
 - Initial 'strategic' focus
 - Developed improved Transactional reports during 2006
 - During 2007 focused on producing common reports for key audiences
 - Content Owners
 - KM/Capability Leads
 - Executive Sponsors

accenture > **FY2008 Priorities**

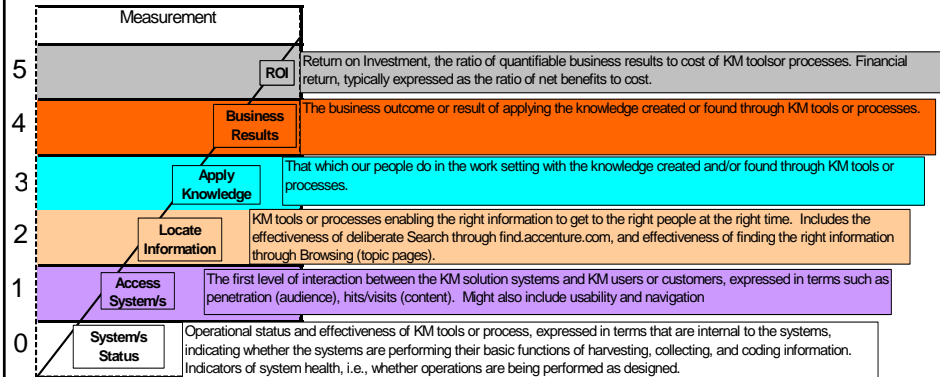


- Understand the value of knowledge usage
- Standardize and simplify the reporting of key knowledge sharing metrics
- Continued improvement of reporting capabilities
- Educate our Knowledge Management teams on how to use the data to take action/make business decisions

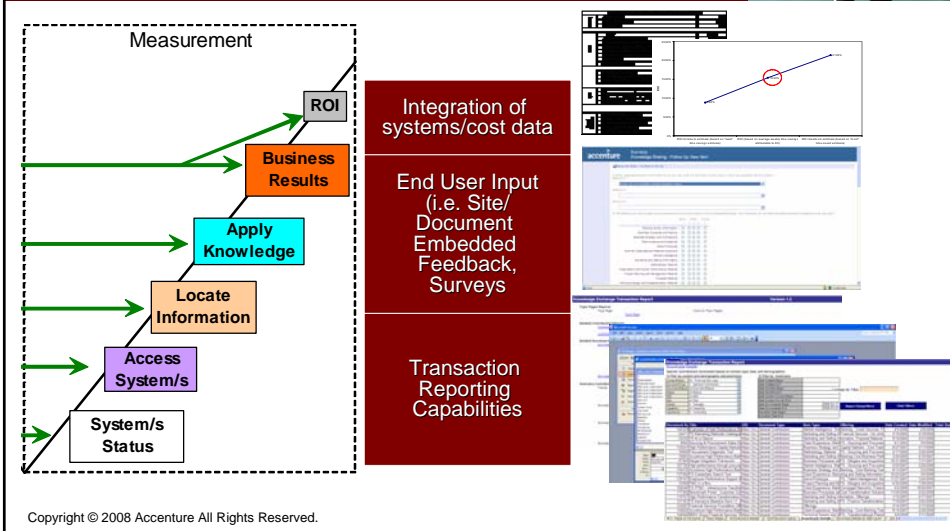
accenture > **KM Measurement Framework (V-model applied to KM)**



Measurement Definitions



Reporting Capabilities





- Evaluating Content
- Evaluating effectiveness of KM tools
- Managing Content on topic pages
- Providing input for Recognition Programs
- Measuring effectiveness of 'marketing Knowledge Sharing' activities
- Measuring effectiveness of knowledge harvesting activities



ROI for Knowledge Management



Accenture's KM Impact Study



Recognized as the "2007 Best Impact Study" by the ROI Institute at the 2007 Global ROI Conference in Chicago

- *The annual Best Impact Study award recognizes the study that 'best exemplifies successful use and application of ROI Methodology.'*



Key success factors



- Focus on one component of Knowledge Management – Knowledge Exchange
- Focus on single benefit (Time Savings) with ability to follow-up to gather additional benefits
 - Process should be 'transferable' to other KM initiatives (e.g. CoPs, other KM tools)
- Short, efficient survey with minimal impact on employees
 - Use branching logic to ask relevant questions
- Report Key Metrics at each level
- Credible process and metrics
 - Strategic random sampling
 - Scalable, Continuous measurement model
 - Minimize manual processes



Accenture's Knowledge Exchange



- The Knowledge Exchange (KX) is the place where an *exchange of ideas, content, information & knowledge takes place by connecting People to People and People to Content to help Accenture sell and deliver work to our clients.*
- A “one-stop-shop” for employee knowledge needs including:
 - Materials to support proposal development
 - Information about Accenture’s diverse market offerings
 - Delivery tools and sample deliverables
 - People profiles

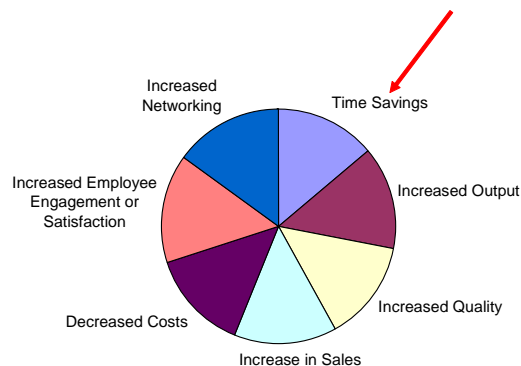


Return on investment (ROI) - Time Savings



$$\text{ROI \%} = \frac{\text{Net Benefits}}{\text{Cost}} = \frac{\text{Benefits} - \text{Cost}}{\text{Cost}}$$

Time Savings is only one of the potential benefits of KM. It is the only benefit currently used in the ROI calculation. Other benefits are considered intangibles.



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1. Please try to remember documents or other information you've obtained by using the Knowledge Exchange, just during the last two weeks. Which of the following are true about your use of the KX during the last two weeks? (select all that apply)
 - I found useful information that I have applied directly in my work.
 - I found useful information that I have NOT been able to apply directly to my work.
 - I strengthened my business network (for example, by making a new business contact, or reinforcing an existing contact).
 - None of the above.

2. Please estimate the amount of your time that you saved during the last two weeks as a result of this information.
 - Lowest time savings estimate: "During the last 2 weeks, this information saved me AT LEAST:"
 - Highest time savings estimate: "During the last 2 weeks, this information saved me AT MOST:"

accenture **Key Metrics**



<i>Key Impact Metrics*</i>		<i>Level</i>
FIND useful information as a result of KX	78%	2
APPLY information found through KX to work	75%	3
Build business NETWORK through KX	28%	4
SAVE TIME as a result of KX	67%	4
Increased QUALITY of work as a result of KX	55%	4
Overall SATISFACTION with KX %	80%	1-3
Overall SATISFACTION with KX, mean	4.19	1-3

*Sample figures due to sensitivity of data

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- Knowledge Exchange Design, Development, Maintenance
- Global KM Salary & Benefits*
- Outsourced KM Salary & Benefits*
- Deployed KM Teams Salary & Benefits*
- Other Global Administration and Evaluation

*Portion Allocated to Knowledge Exchange activities (includes activities such as Content Management, Topic Pages; does not include activities such as Communications, Communities of Practice, Discussions)

accenture ROI Summary*



<i>Note: Data are transformed to protect confidential information</i>			
Sample	1	Surveyed n	2190
	2	Penetration Rate	64.0%
	3	Sample n	3422
Costs	Item		Value
	4	KM Design & Development	\$1,000,000
	5	Global KM Salary & Benefits (KI only)	\$250,000
	6	Outsourced Salary & Benefits (KI only)	\$2,500,000
	7	Deployed KM Teams Salary & Benefits	\$2,500,000
	8	Global Capability Development Administration	\$10,000
	9	Evaluation	\$20,000
	10	KI annual cost/c:	\$7,280,000
	11	KI target audience:	150,000
12	Cost per person to deliver KI	\$50	
13	Average Salary + Benefits / person, per hr.	\$50	
ROI	14	Total hours saved per week attributable to KI	1000
	15	Annual value of KI, time savings	\$2,400,000
	16	Annual cost of delivering KI to sample	\$171,094
	17	ROI % (of the KI, based on time savings)	1303%
Net/Summary	18	KI COST (per person)	\$50
	19	TIME SAVED (per person, annualized)	14.03
	20	TIME VALUE (per person)	\$701.37
	21	Benefit to Cost Ratio	14.0
22	ROI (return on each dollar spent)	\$13.03	

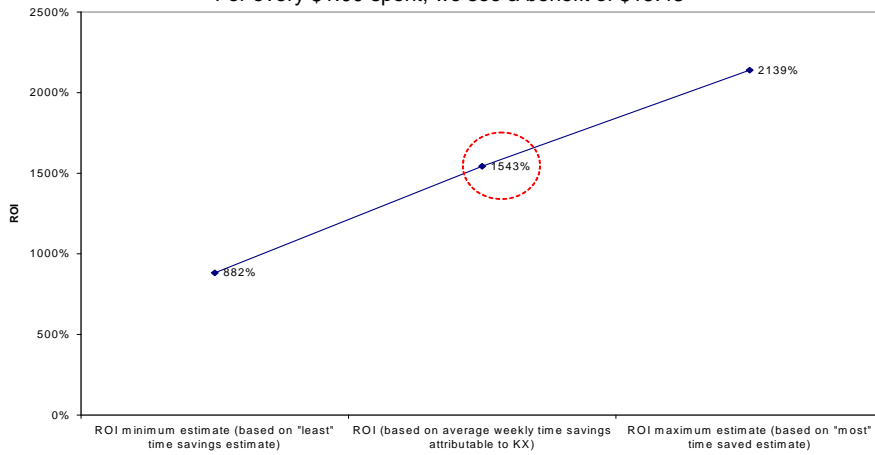
*Sample figures due to sensitivity of cost information



Overall ROI for the Knowledge Exchange



Knowledge Exchange ROI, based on time savings attributable to the Knowledge Exchange
For every \$1.00 spent, we see a benefit of \$15.43



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Questions?

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