

ERNST & YOUNG

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GLOSSARY OF TERMS

Repository - also called KnowledgeBase; electronic container for knowledge, similar to a database but usually less structured

Knowledge Object - a discrete re-usable component of a document; e.g. a proposal document could have “resume” knowledge objects, “credentials” knowledge objects etc.; in a sophisticated KM environment the knowledge objects are individually tagged for easier re-use

Container - a generic name for anything that holds knowledge, electronic or manual, from a file folder to a highly structured database or KnowledgeBase

Knowledge Steward - a person whose job is to enable, encourage and champion the contribution and use of knowledge in the organization

Knowledge Manager - a person whose job is to accumulate and contribute knowledge from an assignment or business process to applicable KnowledgeBases, and to help co-workers find applicable knowledge in KnowledgeBases

Killer App - short for “killer application”; the application of some technology or knowledge that transforms an organization’s products, services, processes or delivery channels in a highly visible, dramatic and profitable way, so as to justify the investment in that technology or knowledge

Community of Interest - sometimes abbreviated to COIn; similar to a Community of Practice (CoP), but usually with less urgency, practical sharing of knowledge and workflow than a CoP; it is not uncommon for a small core CoP to have a larger halo COIn following the developments of the CoP and occasionally participating with it

Knowledge Behavior Curve - the dynamic shift of people’s knowledge behaviour from intermediated (using a librarian) to disintermediated (doing one’s own research and analysis) as comfort with the technology and value of the KnowledgeBases increases, and the counterbalancing shift from disintermediated to reintermediated (using advanced analysts and report writers) as the opportunity cost of doing one’s own research rises and dealing with information overload makes do-it-yourself research unproductive

BACKGROUND & INTRODUCTION

Ernst & Young (“E&Y”) is one of the world’s largest integrated professional services firms and an acknowledged global leader in knowledge management. The firm has over 100,000 employees in over 100 countries, practicing in four service lines: audit and business advisory, tax and law, consulting, and corporate finance.

Since its pioneering knowledge management and organizational learning (“KM/OL”) efforts began in 1994, the firm has since received at least a dozen awards for its KM/OL leadership. These include being named in the Top five world’s Most Admired Knowledge Enterprises (MAKE Award) recognition two years running. The firm’s employees share a 650-person centrally managed Knowledge Organization (the “CBK—Center for Business Knowledge”), and have universal access to its knowledge-powered Intranet (the “KnowledgeWeb”). At time of writing, the firm is selling its consulting practice to Cap Gemini, but Cap Gemini has insisted on having ongoing access to the CBK and the KnowledgeWeb as part of the deal.

PHASE ONE: ASSESSING NEED

In 1994, E&Y had a KM/OL system that, as they describe it in self-deprecating terms, consisted of “two guys and a filing cabinet.” Especially in its consulting practice, the firm was growing very quickly. It urgently needed a system to leverage its vast untapped wealth of best practices, proposals, experience references, marketing collateral and other intellectual capital. The firm’s global management also saw the opportunity to use a robust KM/OL system to support its efforts to globalize E&Y’s autonomous member firms.

Accordingly, E&Y established a Global Knowledge Steering Group (“GKSG”), consisting of the newly-appointed Chief Knowledge Officers of its US, Canadian, and UK firms. In addition, the GKSG included the global Vice Chair who was responsible for infrastructure, reporting directly to the global management committee. It had just drafted a business strategy called *Future State 2002*, whose four major focuses (development of a sales culture, practice globalization, becoming an Employer of Choice, and accelerating speed-to-market), dovetailed precisely with the potential offerings of KM/OL.

The four drivers of the need for world-class KM/OL at E&Y were (and still are):

- 1. Growth:** E&Y needed to accelerate the development of new products and services especially in the e-commerce area, to replace “commodity” services and increase organizational growth;
- 2. Cost and Speed to Market:** Both in pursuit of new assignments and in work delivery, E&Y needed to reduce cost-of-sales and reduce time to prepare deliverables;
- 3. Customer Satisfaction:** E&Y needed to increase its depth of knowledge about clients and their industries — and about its own global competencies and best practices — to enhance customer satisfaction and increase “share of client”; and
- 4. Learning Curve:** Due to the traditional high turnover in its profession, E&Y needed to offer its people access to learning materials and knowledge that would make them quickly proficient and productive in new practice areas, whether they were new hires or existing staff moving into new practice disciplines.

The GKSG, in its first meeting in 1994, hammered out a list of underlying principles for its new KM/OL system. It then set about designing a system that would improve performance in each of these four driver areas. They were able to leverage E&Y's intense customer focus to do this, but had to overcome three major obstacles:

- **Desire for Control:** E&Y's existing KM/OL personnel (librarians, researchers, analysts, competitive intelligence experts, database managers) were widely dispersed and their "owners" were reluctant to cede them to a centralized KM function;
- **Practice Autonomy:** The autonomy of E&Y's practitioners, while a key strength of the firm, would make it more difficult to introduce new KM practices and processes quickly, consistently and globally;
- **No Knowledge Culture:** In 1994, E&Y had just been through a huge change management program to introduce a Sales Culture. There was no immediate appetite for another major change program to convert knowledge hoarders into knowledge sharers.

One of the first tasks of the GKSG was to establish a Deployment Group to develop training, communication and internal marketing programs to address these issues. The GKSG also decided to *go slow* in introducing changes, starting by supporting just the consulting service line in the US, Canada and the UK. The changes would then expand to the remaining three service lines and seven additional countries once the GKSG had momentum and success stories to share.

The GKSG also recognized the need to completely re-engineer much of the pre-existing "legacy" knowledge resources, both human and technical. The process they used to do this is explained in the Planning & Strategy Phase, below.

E&Y's knowledge program assessment has focused, since day one, on five types of success measures:

1. Accessibility of the firm's people to KM/OL resources and staff (this measure category was later dropped when penetration reached 100%);
2. Rate of contribution of knowledge to the firm's repositories;
3. Rate of re-use of knowledge from the firm's repositories;
4. User-surveyed quality of knowledge in the firm's repositories and of deliverables of CBK staff;
5. Recognition of E&Y's KM/OL leadership by three groups: outside awards, E&Y's own people (unsolicited kudos), and university recruiters (becoming an "Employer of Choice").

PHASE TWO: PLANNING & STRATEGY

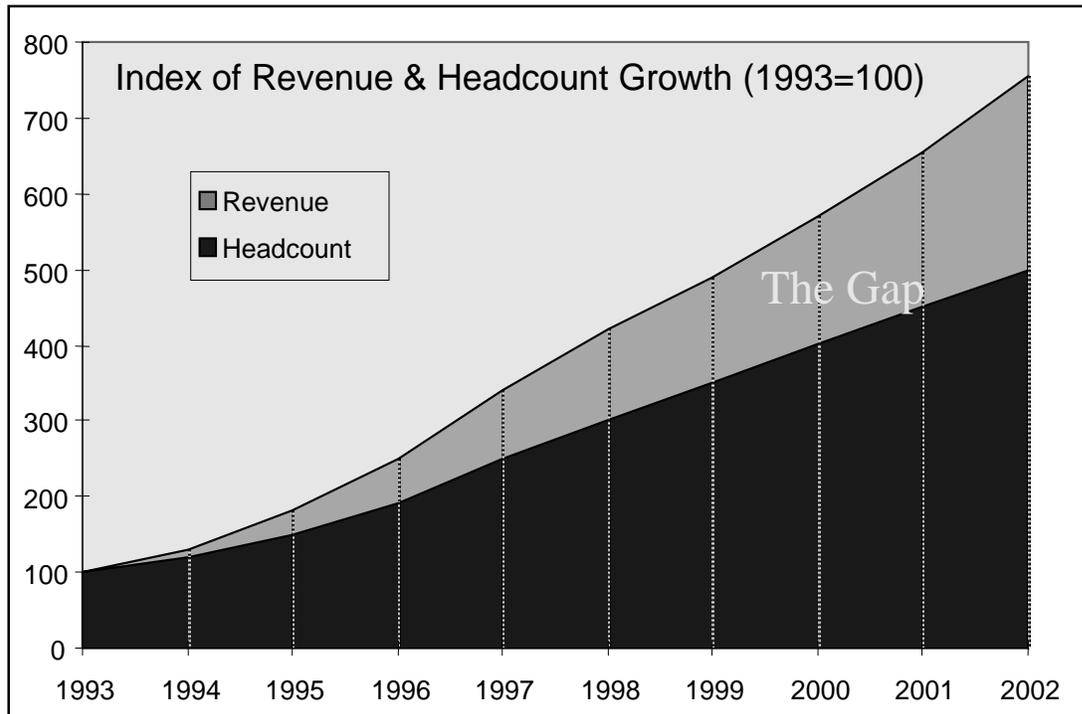
Building on a set of mutually agreed fundamental KM/OL principles, the GKSG developed a 5-step process to implement KM/OL. It divided its Center for Business Knowledge (“CBK”) staff into six groups to manage the implementation:

- 1. Strategy:** Development of a KM/OL strategy, future state vision, value propositions, and design principles (managed by the GKSG itself);
- 2. Architecture:** Design and development of the knowledge architecture, access tools and content, both internal-source and external-source (managed by the CBK Architecture and Extranet groups);
- 3. Infrastructure:** Design and development of the seven distinct roles, knowledge network mechanisms and HR to support KM/OL (managed by the CBK Knowledge Services and Knowledge Networks groups);
- 4. Culture:** Programs to achieve a Knowledge Culture, including training, internal marketing, thought leadership, communications, measurement and reward programs (managed by the CBK Acquisitions & Deployment group); and
- 5. Innovation:** Programs to sustain change momentum and global leadership in KM/OL (managed by the GKSG itself).

2.1 Developing the Strategy

The design of this major change initiative drew heavily on the ideas in John Kotter’s book *Leading Change*. Identifying the enormous opportunity that a comprehensive KM/OL program offered the firm created a sense of urgency. The program could be instrumental in achieving each of the four objectives outlined in Phase One (Growth, Cost & Speed to Market, Customer Satisfaction, and Learning Curve). This opportunity would commensurate the risk of allowing competing firms to advance their KM/OL programs ahead of E&Y’s. For example, the firm’s *Global Vision 2002* strategy envisioned the need and opportunity to increase revenues at twice the pace that the professional labor force was growing (See Exhibit One). This would force the firm to “do more with less” to meet its strategic objectives. Knowledge was seen as a key enabler to do so.

With help from the GKSG, E&Y’s member firm CEOs regularly communicated the four objectives outlined in Phase One. They expressed how KM/OL was critical to their attainment at “town hall” meetings and in internal newsletters. By stressing the solution

EXHIBIT ONE: ERNST & YOUNG'S KNOWLEDGE GAP

(knowledge) as well as the challenges, management successfully got buy-in from the 80,000 employees in the largest ten-member firms. These firms then began clamoring for additional databases and knowledge services. The newly formed CBK was ready to respond.

The firm assembled what Kotter calls a “Guiding Coalition” to lead the change. This group consisted of Chief Knowledge Officers, with a solid background in the firm’s businesses and a strong appetite for innovation, in each of the firm’s ten largest member firms. In addition, it contained executive sponsors in each of the firm’s service lines who appreciated and could articulate to the field the importance of the KM/OL program and the need to invest both money and time in it. The executive sponsors, selected by the consulting practice leaders, were all very senior executives in the ten member firms who had already recognized the importance of KM/OL and were eager to do whatever they could to encourage knowledge sharing in E&Y.

Critical success factors in this process included global collaboration and interaction with other KM/OL thought leaders. Since KM/OL was such a new discipline in 1994, E&Y worked closely with other leading-edge firms to learn from their mistakes and vice-versa.

Guiding principles, including centralized management, standardization, ease of use, ability to migrate to evolving technologies, and ability to support practitioners 24/7 in remote locations, determined the design of the KnowledgeWeb technical and content architecture.

2.2 Designing the Architecture

E&Y selected a combination of a Lotus Notes and Web technology platform, for pragmatic reasons. Practitioners spend an average of 4 days out of 5 at client sites, where they were often disconnected from the Web. The practitioners needed Notes' ability to automatically replicate changes to major repositories to users' hard drives when users *were* connected to the firm network, so that these repositories would be available when they *weren't*. Notes was also a simple platform for adding, deleting, and maintaining content, requiring no programming or Web skills.

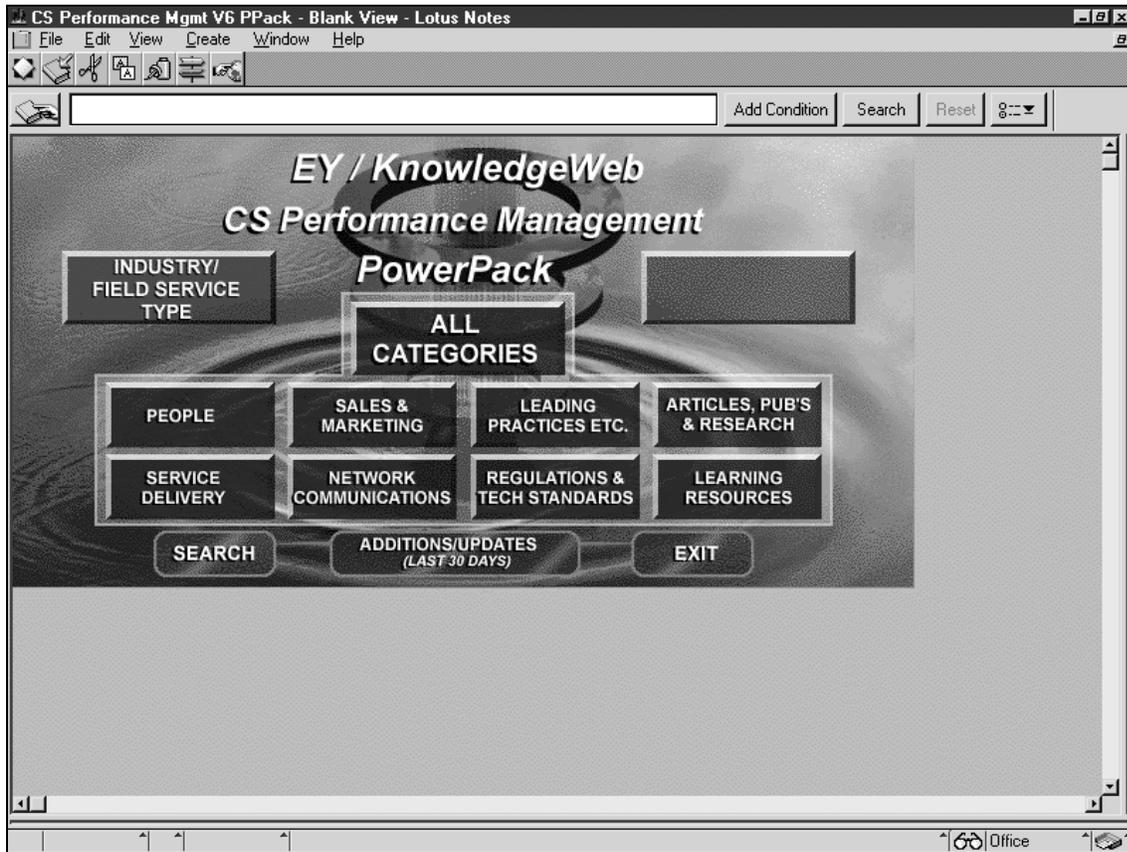
The firm also decided upon a small, standard set of repository formats, or "container types." These ranged from:

- simple Small Document Libraries and Engagement Team Databases, used by teams in a small community of practice or work assignment respectively, to
- more sophisticated Large Document Repositories, with a comprehensive indexing taxonomy for finding relevant documents among tens of thousands of unfiltered "knowledge objects," to
- PowerPacks (See Exhibit Two), the highly filtered, tightly organized "best-of-the-best" repositories on specific, professional, subject-matter areas.

The architecture group designed these standard container types by selecting best practices from existing consulting services databases. They then generalized them into reusable templates. In a few cases, when there were either too many, or no, best practices, focus groups of practitioners were used to engineer containers from scratch. The firm then built a sophisticated architecture to draw contributions into these repositories, organize and maintain their content, measure utilization, and push content out to relevant users. The discipline required to organize and index over one million knowledge objects from all practice lines and participating member countries within this strict architecture paid off in many ways:

- Ease of training users how to find, and use/reuse, the firm's knowledge;
- Simple integration of external-source and firm-proprietary knowledge about subject matter;
- Consistency of quality of repositories and their content; and
- Ability to "replicate" knowledge from one area of the firm to another.

EXHIBIT TWO: POWERPACKS: STRUCTURED, FILTERED, “BEST-OF-THE-BEST” KNOWLEDGE REPOSITORIES



2.3 Designing the Infrastructure

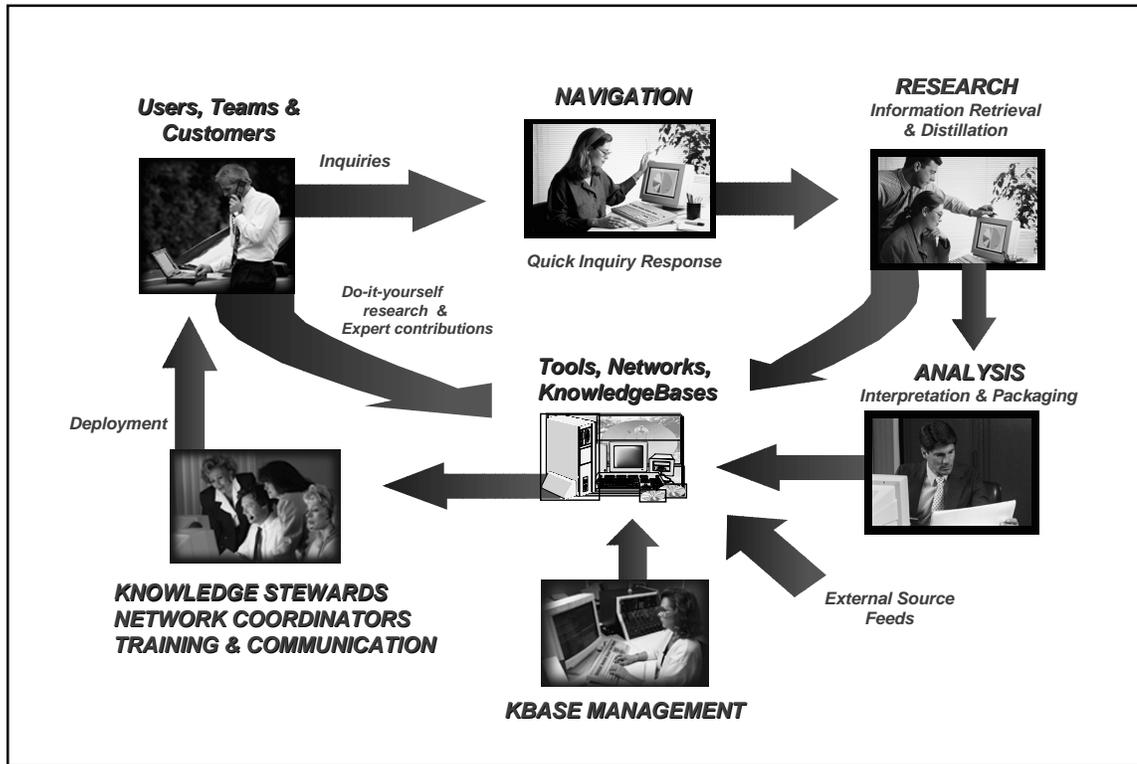
E&Y recognized the need early on to completely reengineer its existing library and research/analysis infrastructure, and to give these employees new competencies. Librarians were, for the most part, experts in hard copy and external-source knowledge. They waited for the phone to ring and then obtained and delivered what was requested, no questions asked. What was now needed were knowledge professionals who:

- understood the firm's businesses and its clients' businesses;
- were comfortable with the technology and knowledgeable about sources of on-line content;
- knew as much about the firm's own internal knowledge as external-source knowledge;

- took the initiative to reach out and sell their expertise to their internal customers; and
- added value to “raw” library and database materials by distilling, synthesizing, analyzing, interpreting, packaging, and adding insight to them.

Two-thirds of the firm’s 500+ librarians and researchers across the ten countries welcomed the change and rose to the challenge. The unwilling and unable, however, were identified early and counseled out or relocated elsewhere in the firm. The new roles are illustrated in Exhibit Three.

EXHIBIT THREE: CENTER FOR BUSINESS KNOWLEDGE ROLES



New knowledge roles and responsibilities were not limited to CBK staff. Many practitioners were designated to be Subject Matter Specialists, Knowledge Stewards, Knowledge Managers or Knowledge-Base Owners. Responsibilities were defined (and performance evaluated) for each role. *Every* practitioner in the firm was given responsibilities for contributing to and using the KnowledgeWeb. This was underscored by making KM/OL one of the four dimensions of the firm’s Balanced ScoreCard, a key performance evaluation tool for all staff.

EXHIBIT FOUR: A BALANCED SCORE CARD EMBRACES THE KNOWLEDGE CULTURE

<p><i>Growth & Profitability</i></p> <ul style="list-style-type: none"> • <i>new clients</i> • <i>new revenues</i> • <i>improved margins</i> 	<p><i>Customer Management</i></p> <ul style="list-style-type: none"> • <i>customer satisfaction</i> • <i>customer market share</i> • <i>customer retention</i>
<p><i>Asset Management</i></p> <ul style="list-style-type: none"> • <i>process improvement</i> • <i>employee satisfaction</i> • <i>employee retention</i> 	<p><i>Knowledge/Technology</i></p> <ul style="list-style-type: none"> • <i>contribution</i> • <i>use</i> • <i>proficiency</i> • <i>innovation</i>

E&Y's resource guideline was, and still is, the "1 percent rule."

- Its annual investment in KM/OL, exclusive of hardware and basic software on users' desktops, was 1 percent of firm revenues (mostly salaries of knowledge and the cost of external-source databases).
- Additionally, the knowledge center's headcount was 1 percent of firm headcount in the firm's ten largest member countries.

2.4 Developing a Knowledge Culture

The task of creating a Knowledge Culture was planned and supported by significant investment and effort from day one. The details of the Knowledge Culture initiatives are detailed in Phase Three, Implementation.

PHASE THREE: IMPLEMENTATION

The implementation of the strategy, architecture and infrastructure designed in Phase Two occurred gradually between 1995 and 1999. It has grown and evolved to encompass all four E&Y service lines in the firm's ten largest countries, with few hiccups. Both the architecture and infrastructure has to be "tweaked" to suit the different needs of non-consulting service lines and non-English speaking countries. In 1999, the Global CBK formally assumed the responsibilities in all ten countries for all aspects of KM/OL architecture and infrastructure, which had until then been managed locally by member firm CKOs. The Global CBK also took over the technical and human resources in the countries that needed to carry out these responsibilities.

3.1 Architecture Implementation

As Web and connectivity technologies have improved, the firm has "Domino-ized" most of its Notes-based architecture. It has developed a succession of increasingly powerful Web-based navigation tools:

- **Knowledge Catalogue** (1995) - a simple "table of contents" searchable directory of the firm's 1000+ knowledge repositories;
- **Knowledge Search Engine** (1997) - a complete key-word index of over 1 million knowledge objects, with relevancy ranking and an ability to display retrieved objects in both native (e.g. Notes, Word or PowerPoint) and Web format;
- **Community HomeSpaces** (1998) - navigators that give members of a Community of Interest dynamic access to all of the knowledge, and only the knowledge, about the community's subject matter (See Exhibit Five);
- **Service Delivery Tools** (1999) - self-documenting software applications that take practitioners step-by-step through a professional sale, service delivery, or practice management process, and automatically extract the knowledge from the KnowledgeWeb that is relevant to each process step; and
- **Personal Home Page** (2000) - a completely configurable personal Intranet Home Page that links to all of the profiled news, repositories, communities of interest, service delivery tools, schedules and work-lists that the practitioner needs to do his or her job effectively, anytime, anywhere, completely on-line.

Legacy repositories have substantially all been conformed to the global standard architecture design and incorporated into the Catalogue, Search Engine, and Community HomeSpaces.

EXHIBIT FIVE: COMMUNITY HOMESPACES: WEB-BASED NAVIGATION TOOLS FOR COMMUNITIES OF INTEREST

The screenshot shows the E&Y Electronic Commerce Community HomeSpace website. The navigation menu on the left includes buttons for WELCOME, KNOWLEDGE, LINKS, NEWSSTAND, DISCUSSION, EVENTS, and PEOPLE. The main content area features a header with 'KWeb | Community HomeSpace' and 'Electronic Commerce'. Below the header is a search bar with the text 'Are you looking for a ...'. The main content area includes a welcome message: 'Welcome to the eC Community HomeSpace'. Below this is a list of links for 'Today's eC News (U.S. users)', 'E&Y .company Newsletters', and 'ey.com/eBusiness Internet Site'. A section titled 'Highlights of the eC Community HomeSpace:' lists various resources such as 'eC Global Quals/Credentials', 'eBusiness Learning Kit', and 'Create an eProposal'.

The underlying containers remain Notes-based (hence, easy to use and maintain). With the addition of these Web-based navigation tools, the KnowledgeWeb also has all the power of a Web-based knowledge environment, providing users with the best of both worlds.

3.2 Culture Change Implementation

E&Y's Knowledge Culture initiatives encompass training, internal marketing, communication, measurement, and reward mechanisms. These are all designed to reinforce the importance of making knowledge sharing an integral part of what everyone in the firm does. Ultimately, the goal is to embed "knowledge behaviors" into all core business processes so that knowledge sharing simply becomes, as one practitioner recently put it, "the way we do things around here."

The effort was sizable: about one-fifth of the total knowledge budget has been spent each year on these culture change initiatives. Since this effort focuses on end users, it is the most visible part of the CBK's activities to front-line practitioners. The effort was managed by having the CBK deployment group work closely with, and through, national and local training and communication departments. The CBK provided curricula, internal marketing material and "train the trainer" sessions to these departments. The customization was left to localized needs.

E&Y's KM/OL training focuses on three things: awareness of KM/OL resources, how to use repositories and access tools, and effective knowledge network training. Training for the knowledge professionals (CBK staff plus practitioners with specific KM/OL roles described earlier) is separate from training for end users.

Knowledge training is currently integrated into all service line PD programs. Three training tools and techniques are used:

1. An entry-level curriculum to bring new hires up to speed;
2. The Global Deployment Hub to house KM/OL training materials and DTL modules; and
3. Business Unit training liaisons which are people from the CBK who train-the-trainers and help business units embed KM/OL modules into their training curricula.

Through these three training methods, over 80,000 E&Y employees have been trained since 1996, one business unit at a time. Each training started with a pilot group in each country and each service line to adapt the training to local and specialty needs.

The critical aspects of the implementation program have all been Knowledge Culture change aspects: communication, training, internal marketing, measurement & reward, and achieving external recognition for KM/OL achievements. It is a never-ending challenge. As new staff joins the firm, as knowledge behaviors evolve and change over practitioners' careers, as new KM/OL tools emerge, the programs needed to enable and encourage knowledge sharing must evolve as well.

The CBK deployment team leverages their own efforts by working with other customer-facing CBK groups. The CBK's researchers and analysts, for example, spend up to a third of their time on field assignments, and their work helping practitioners understand and use the KWeb (and the CBK's services) is an integral part of the knowledge deployment effort.

3.3 Lessons Learned from Implementation

The five elements of E&Y's KM/OL program that have had maximum user impact are:

- The development and roll-out of PowerPacks (the firm's first KM/OL "killer application");
- Evolution of the increasingly sophisticated access tools described above;
- The use of templates to standardize the design and streamline the preparation of CBK research and analysis deliverables ("productizing" the analysis service);
- The network program that supports knowledge-sharing across Communities of Interest; and
- The development of extremely sophisticated business analysis that E&Y is now considering re-selling to external clients.

The Network program was successful, and critical to the KM/OL program, because it recognized that Communities of Interest need help to organize their knowledge and knowledge-sharing abilities. By making this facilitation role "someone's job," the firm has ensured that this challenging, 100-percent, internal, client-facing, knowledge-leveraging job got done, and was done well. This program, probably more than anything else, differentiates E&Y from other KM/OL leaders. It is the reason why E&Y has been singled out as one of the top firms in the world in knowledge sharing.

The critical lesson about KM/OL that E&Y has learned through implementation is the realization that a variety of different KM/OL programs are needed since different users have different "knowledge behaviors." At one extreme, many young practitioners, comfortable with both the technology and do-it-yourself research processes, are willing and able to use the full functionality of the KnowledgeWeb without ever using CBK research and analysis staff. At the other extreme, some older practitioners, and those for whom the opportunity cost of do-it-yourself research is too high, are prepared to engage the more senior CBK staff to produce final client deliverables with minimal intervention.

In between, many practitioners value the CBK staff's ability to extract and distill knowledge quickly and inexpensively. They prefer to do their own analysis, though, and interpretation and packaging of the results. The knowledge needs of users with these different knowledge behaviors are also different. As behaviors evolve, the knowledge content, tools, programs, and roles must evolve with them.

There have been two critical success factors in E&Y's KM/OL implementation.

1. Making the change evolutionary rather than revolutionary: People can only absorb so much change and new knowledge at one time, and the firm's service lines and people are only prepared to invest in KM/OL to the extent they could see early and continuous successes.
2. Focusing on Deliverables: The development of identifiable, valuable knowledge access tools, repositories, and research & analysis "products" has made KM/OL tangible to E&Y users and hence made it much easier to sell.

PHASE FOUR: REINFORCEMENT

E&Y continues to offer “lunch & learn” training in new KM/OL products. In addition, E&Y now offers an automated “assisted navigation” feature in its access toolkit that helps users find what they need online by asking and answering simple English-language questions. The goals now are to simplify tools and processes to make the use of KM/OL easier, reduce training needs, and handle information overload.

As a result of the above training, communication, executive sponsorship and internal marketing efforts, E&Y’s culture has changed in two important ways:

1. Users now accept the need for and value of a centrally managed KM/OL function (attempts to hoard knowledge workers are increasingly rare); and
2. The majority of users are now active knowledge sharers (participation rates—those using and contributing to the KnowledgeWeb—have more than doubled to over 80 percent since 1996).

In addition, the “knowledge behavior curve” has flattened. More users (about 30 percent versus 20 percent in 1996) do all their own research themselves without KM/OL staff intermediation. At the other end of the spectrum, more users (about 20 percent versus 10 percent in 1996) now rely on KM/OL staff to do complete research/analysis in final format for delivery to clients.

E&Y's KM/OL strategy has benefited the firm in six ways.

1. Its Return on Investment ("ROI") in technology is much higher—the proportion of practitioners using their laptops for more than just e-mail has risen from under half to over 90 percent since 1996. The size and use of the KnowledgeWeb have both more than quintupled in this period.
2. New staff has become knowledgeable — and hence productive in the field — much faster.
3. Many deliverables are built on templates or on deliverables from previous assignments, rather than built from scratch.
4. As testimonials and customer data indicates, E&Y clients, its people, and outside evaluators all see E&Y as a global leader in KM/OL.
5. Its clients see E&Y as more knowledgeable about their business, and therefore view it as a more rounded service provider.
6. Potential new recruits now perceive E&Y as an excellent learning environment to work in and hence E&Y is an Employer of Choice.

PHASE FIVE: EVALUATION

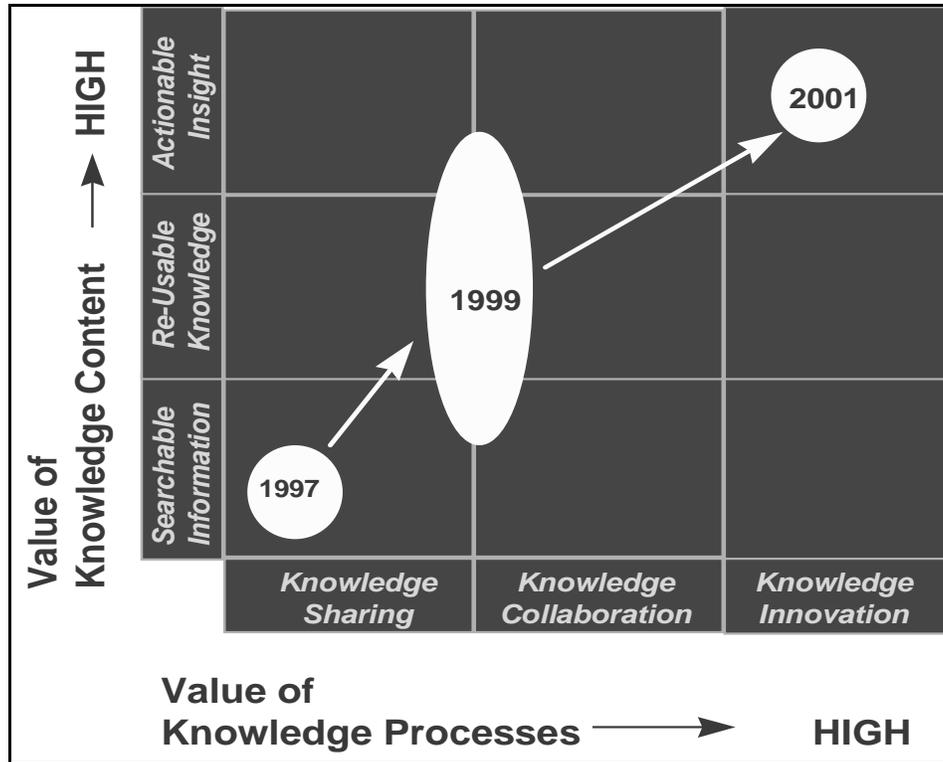
The four types of measures described in Phase One remain the firm's key evaluation criteria:

1. Rate of contribution of knowledge to the firm's repositories (number of new knowledge objects added);
2. Rate of re-use of knowledge from the firm's repositories (number of user sessions per day);
3. User-surveyed quality of knowledge in the firm's repositories, and of deliverables of CBK staff (users rate completeness, accuracy, subjective value and timeliness on a 10-point scale);
4. Recognition of E&Y's KM/OL leadership by three groups: outside awards, E&Y's own people (unsolicited kudos), and university recruiters (becoming an Employer of Choice).

By all four measures, the performance of the CBK and its KnowledgeWeb has improved consistently and significantly since 1995. At the same time, E&Y has also seen consistent and significant improvement in revenues, profits, revenue-per-person, margin, speed to market, customer satisfaction, and employee satisfaction and productivity—the Drivers for the decision to invest in KM/OL in the first place. Crediting KM/OL success with these improvements requires something of a leap of faith. Other factors have undoubtedly played a key role in them as well. The strong correlation between KM/OL success and business success is compelling evidence that the firm's KM/OL programs and investments have given E&Y a handsome return.

Going forward, E&Y faces two main challenges in sustaining its "Knowledge Advantage." The next KM/OL frontier after Knowledge Sharing is Knowledge Collaboration—the leveraging of knowledge in a collaborative environment, rather than just person-to-person knowledge transfer (Exhibit Six). In Western society, people are motivated, hired, rewarded and promoted on *individual* performance. Work assignments (even those meted out by work teams) are to *individuals*. This raises the KM/OL ante from knowledge-sharing to knowledge-collaboration. It will require a quantum increase in effort, cultural change, improvement in supporting technologies, and KM/OL thought leadership. While E&Y is working with several leading-edge organizations to grapple with this issue, the challenge is daunting.

EXHIBIT SIX: THREE STAGES IN THE EVOLUTION OF KM/OL¹



¹ Adapted from: The Knowledge Management Scenario: Trends and Directions for 1998-2003; Gartner Group Online - Knowledge Management Series, A. Cushman, M. Fleming, K. Harris, R. Hunter, B. Rosser, March 18, 1999

E&Y's second challenge is to develop even more sophisticated KM/OL tools and products to stay on KM/OL's leading edge and not be content to rest on its laurels. The firm has recently appointed its first global Director for Knowledge Innovation. The Director is working with both the firm's — and the world's — most innovative people. The aim is to make tomorrow's CBK and tomorrow's KnowledgeWeb as dramatic an advance in KM/OL as the firm's first, bold steps into the KM/OL arena were in 1994. Some of the innovations they are looking at include:

- Ways of codifying “stories,” so that the KnowledgeWeb contains not only the assignment deliverable but the context that made it exemplary (E&Y is even studying how tribal cultures with no written language have kept their rich culture alive through story-telling, as inspiration for this project);

- Development of a Knowledge “Collaboratory” that will enable leading-edge KM/OL firms to co-develop and cost-share new KM/OL tools, products and resources, to mutual advantage; and
- Development of a new product development “Green Space” where E&Y’s people, clients and colleagues can collectively electronically brain-storm, using new innovation tools to invent new products and services that meet identified and evolving client needs.

E&Y looks forward to solving these challenges, and sharing its “knowledge about knowledge” with clients, so that all can succeed in the knowledge-powered economy of the 21st century.

ABOUT THE CONTRIBUTOR

Dave Pollard, B.Sc. (Comp.Sc.), CA, has been the **Chief Knowledge Officer** for Ernst & Young in Canada since 1994, following twenty years as an Entrepreneurial Services practitioner and partner. Dave has responsibility as part of the Global Knowledge Steering Group for:

- developing the firm's Knowledge Strategy and Vision,
- design and deployment of Knowledge Architecture, Tools and Content,
- management of Research, Analysis, Navigation, and Specialist Network Services, and
- attainment of a Knowledge-Sharing Culture.

He is the new **Director for Knowledge Innovation** in E&Y's Global CBK. Dave's new role entails:

- meeting with CBK customers and helping them to anticipate and define their emerging knowledge, learning and new product needs,
- working with global knowledge thought leaders to identify and deploy leading practices,
- helping customers reengineer their existing knowledge processes and resources, and design new knowledge tools, to embed knowledge creation and use in E&Y's day-to-day business culture, and hence increase the value of knowledge to the firm, and
- helping to extend E&Y's world-class "knowledge enterprise" to engage customers, associates and other business partners in the firm in collaborative and innovative activities with each other and with E&Y's people.

Dave is also the **Global Corporate Finance Knowledge Coordinator**, working with the leaders of the firm's Corporate Finance service line to develop knowledge tools, processes and resources to meet the evolving needs of this service line. This provides strategic finance, valuation, litigation support, restructuring and M&A transaction services for clients.

Dave has chaired firm committees and focus groups on the Virtual Workplace, Internet/ Intranet strategy, and business innovation. He is a subject matter specialist advising clients and client service teams on knowledge management, business innovation and e-commerce. He has written and lectured on a variety of subjects related to knowledge management, innovation and the future of business.