White paper

Corporate Memory:

the why and the wherefore

Contents

1. Executive summary

> "A Corporate Memory is a tool for capturing and reusing the know-how of **key managers** and **employees.**"

A Corporate Memory is a tool for capturing and reusing the know-how of key managers and employees. It makes vital information as accessible as recalling information from one's own memory - rather than becoming a task unto itself. With a Corporate Memory employees are able to do more, with less training; businesses work more effectively, and are able to adapt quickly to changes in products and procedures.

This paper addresses three points: how a Corporate Memory is distinct from the Intranets and search functionality that comprise most knowledge management initiatives, it illustrates the benefits of a Corporate Memory, and outlines what a business has to do to deploy a Corporate Memory.

2. Corporate memory vs. knowledge management

Many knowledge management initiatives focus on archiving and searching through ceaselessly increasing volumes of reports, manuals, and documents.

There is a "just in case" mentality that underlies this type of activity. The end result is that businesses can "effectively access a lot more information that they don't want.[1]" The cold truth is that the vast majority of this information does not aid the profit-making activities of a business. Veteran knowledge management consultants believe that "less is more"; that knowledge management needs to be tied to real business processes; and that "Just In Time" knowledge management can deliver similar efficiencies that saw the JIT approach revolutionize manufacturing.[2]

A Corporate Memory is a tool used by employees to perform more complex (or less frequent) tasks than they could accomplish without specialist training. A Corporate Memory enhances the "know-how" of employees - increasing the tasks they are able to do without "breaking stride" to seek information they can't remember or don't have at their fingertips. A prime differentiator between a Corporate Memory and searching through a website or a document collection is the user experience, and in particular their expectation of quickly and intuitively getting the guidance they need to solve a problem or make a decision. A Corporate Memory is used to "recall know-how" ideally in a manner that mimics human memory so everyone can use it without training.

A search engine returns a list of documents that contain matching keywords. In order to get the 'right' documents users must be adept at posing the 'right' search query to avoid having too many 'hits' or none at all. Even then, users

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are confronted with a list of documents, each of which may be useful, but is unlikely to be definitive, and is potentially out of date. After all that, a document is not an answer. The answer may lie within a document, but to highlight the folly of relying on search as a decision support tool, as the document collection grows it becomes increasingly more difficult and time consuming to find the 'right' answer.

Searching through documents is fundamentally a research activity – a unique task itself - not something undertaken when 'time is of the essence', e.g. when serving a customer. For a typical business, research constitutes a tiny proportion of its over-all activities. An emphasis on accessing huge archives of information seems misguided, and probably accounts for the disappointment that follows many knowledge management initiatives.

It is important to recognize that the know-how provided by a Corporate Memory lies in the heads of key employees: policy setters, top sales performers, product managers, team leaders, market researchers, and so on, not in the forest of documentation that accrue as a by-product of contemporary working life. The goal of any Corporate Memory initiative is to put in place the technology and policies that enable the widespread sharing of know-how. The rewards for doing so are illustrated by examining the impact of providing a Corporate Memory to advisers that service customers in a retail bank network.

3. Illustrating the value of a corporate memory

The following diagram (Figure 1) shows a competency curve for an adviser working in a bank. After three months on the job, advisers are able to deal with most routine tasks: checking account balances, setting up direct debits or standing orders, and so on. These are tasks that they can complete within the five to ten minute "window of opportunity" that frames the limit of patience of each customer they service. After six months, they can potentially do more with each opportunity, but after eighteen months (or even earlier) they reach a limit to the tasks that they can perform effectively, without becoming specialists. Financial service products are complex, and advisers have a limited capacity to absorb detail - a limitation that applies to everyone.
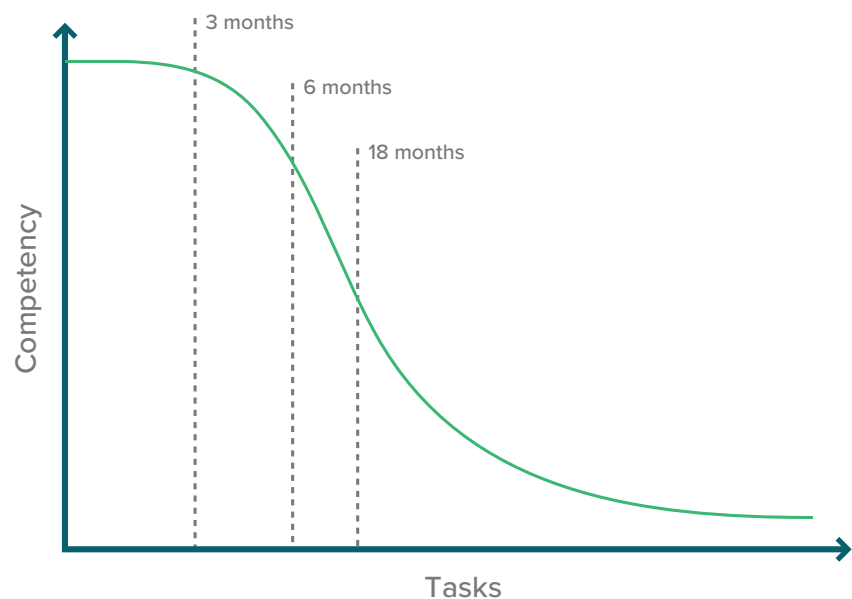
Figure 1

The competency curve in Figure 1 is an indication of the experience of an adviser - a measure of their personal memory. By augmenting their personal memory with a Corporate Memory (Figure 2), they can complete a greater variety of tasks within the window of opportunity that they have with each customer. They can not only check account balances but will have the competence to sell ISA's or do a better job at pre-selling to potential mortgage clients (for example).
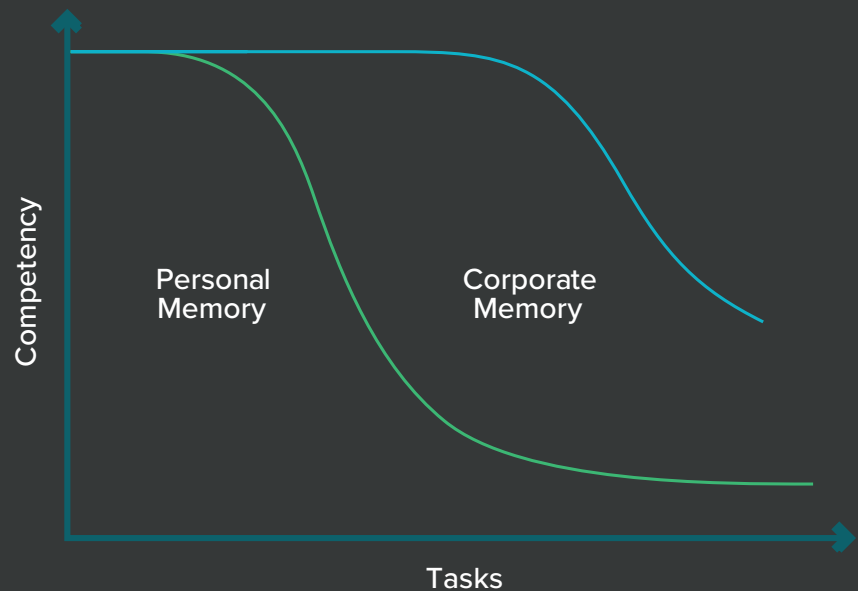

Figure 2

"A Corporate Memory enables advisers to perform more tasks that make money..."

Every task performed by an adviser has an associated cost to the bank. Servicing customer accounts is simply a cost of doing business. Selling ISA's, on the other hand, is an undertaking that makes money for the bank, and deploying a Corporate Memory enables more advisers to have this competency. The revenue associated with the tasks undertaken by advisers is shown in Figure 3.
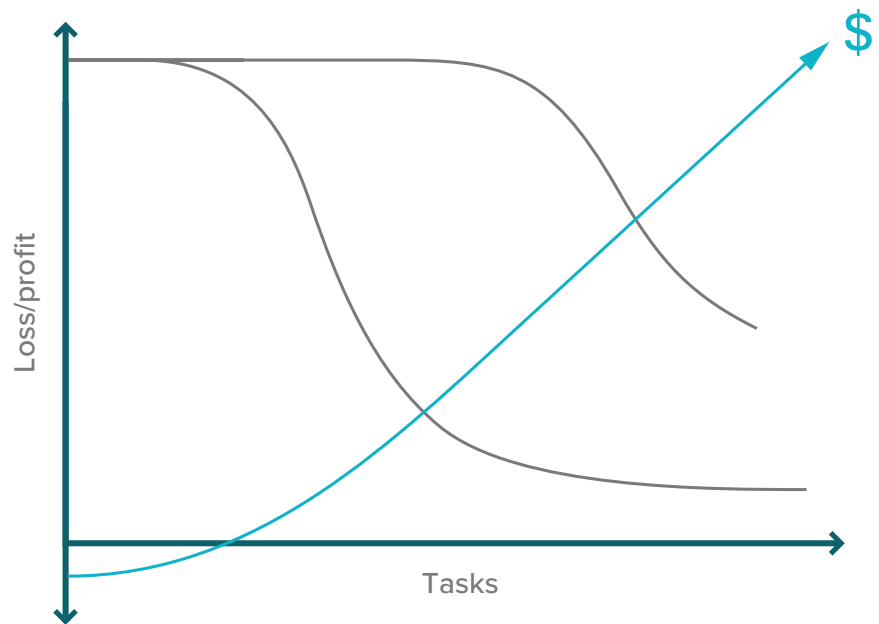
Figure 3

"The information provided must be **relevant** and **up-to-date** to support the activity the user is trying to complete."

A Corporate Memory enables advisers to perform more tasks that make money, allowing a bank to make the most of its finite customer contact opportunities, and thus maximize its potential to generate revenues from its customer base.

Example:

A major bank with a nation-wide branch network and 20,000 bank advisers finds that 90% of their retail sales are completed by 5% of their advisers. These 1,000 sales leaders are 170 times more effective at sales than the remaining 19,000 advisers.

On average, each adviser deals with 5,000 customers each year, and of the 100 million annual customer contacts, 95 million are dealt with by advisers the bank gains £70m of additional revenue.

4. Building a corporate memory

> "A Corporate Memory must adapt, and that requires **a modular architecture** - so it's easy to rearrange the building blocks."

A Corporate Memory is a living asset. Things change, policies evolve and the right answer yesterday is the wrong answer tomorrow. In order to deploy a Corporate Memory a business will need to acquire the appropriate technology, and decide on policies and responsibilities to keep it up to date.

The key responsibility lies with the "Corporate Memory Manager", who determines how the Corporate Memory will be deployed, and who the owners of each knowledge area will be. This high-level, policy setting is a nontechnical activity, and would normally fall in the domain of the CIO or CKO (with day-to-day responsibility delegated to someone in Corporate Communications, HR or Marketing).

The choice of technology determines how much work the owners of each knowledge area must undertake to provide relevant, accurate information. If the process is tedious and time-consuming the project will fail because it becomes a burden on the knowledge owners. In fact, there are many potential pitfalls that require specialized technology to overcome:

1.1. Instant recall

> "...a Corporate Memory enables businesses to **gain greater value from its workforce** by assisting them in their day-to-day tasks."

Users require an easy, intuitive interface to a Corporate Memory so they can find the information they need without loosing their train of thought. Search technology is inappropriate as a basis for a Corporate Memory. The latter is often comprised of answers to questions that are too short to be indexed as documents, so search technology Accurate, up-to-date information

The information provided must be relevant and up-to-date to support the activity the user is trying to complete. This requires continual updating of the Corporate Memory, which implies that workflow is in place to elicit the required inputs from the knowledge experts. In practice, this only works if this workflow is made a part of their day-to-day activities, i.e. by capturing their answers to people's questions automatically. Crucially, the information must be updated and added without the intervention of 'knowledge engineers'. So neither Case Based Reasoning nor scripted linguistic technologies can form the basis for a Corporate Memory.

1.2. Identify, track, monitor, enhance

The technology platform must provide detailed reporting so the effectiveness of the Corporate Memory can be assessed and improved. Ideally, the technology should identify deficiencies so the Corporate Memory will be self-healing, and areas for enhancement self-evident.

1.3. Access control, versioning

The technology platform must restrict access to controlled information, and compile complete revision histories of the entries in the Corporate Memory (for audit purposes).

1.4. Restructure, reuse

A Corporate Memory must be flexible: know-how captured to assist call centre agents (say), should also be reusable on public websites so customers can serve themselves (without contacting the call centre); information provided to aid retail channel partners should be reported to marketing and product development; businesses try new strategies, and reorganize from time to time. A Corporate Memory must adapt, and that requires a modular architecture - so it's easy to rearrange the building blocks (much like a Lego kit).

These are the high-level requirements that must be satisfied by any technology platform upon which an effective Corporate Memory can be built. By working with a specialist vendor, who can provide the requisite technology platform, consulting, and training, a Corporate Memory can be operational and delivering benefits within three months. By choosing the right technology platform, minimal internal resource is required in the setup and maintenance of a Corporate Memory. Typical implementations require a week or two of project management by the Corporate Memory Manager (over a three month period), and half a day's training for the knowledge owners. On an on-going basis, knowledge owners will typically spend an hour a week updating their knowledge area. The Corporate Memory Manager plans future enhancements, and gets weekly usage reports, but has no routine duties.

5. Conclusion

Deploying a Corporate Memory allows businesses to easily share knowhow and best practice with their workforce (as well as their customers and partners). Unlike knowledge management initiatives that focus on gaining value from vast stores of documents, a Corporate Memory enables businesses to gain greater value from its workforce by assisting them in their day-to-day tasks. An effective Corporate Memory results in a more capable workforce, one that is able to adapt quickly with changes in policy or the introduction of new products. This makes it possible for the business to make the most of each customer opportunity, which can have a significant impact on both the top line and the bottom line.

The technical requirements for deploying an effective Corporate Memory are extensive. However, a specialist vendor will have put all the pieces together in an integrated package that minimizes the work involved in implementing and maintaining a Corporate Memory.

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