Missing the Point

And Finding It Again

John Alber
Intentionally Provocative Content
Deconstructing Knowledge Management

- A phenomenological approach:
- What does the term say about our choices?

It’s about knowledge
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- A phenomenological approach:
- What does the term say about our choices?

And knowledge can be managed
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• A phenomenological approach:

• What does the term say about our choices?
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- A phenomenological approach:
- What does the term say about our choices?
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- A phenomenological approach:
- What does the term say about our choices?

People will leave us alone
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- A phenomenological approach:
  - What does the term say about our choices?
  
  Because they don’t understand what we do
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- A phenomenological approach:
  - What does the term say about our choices?

But that’s alright with us
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- A phenomenological approach:

- What does the term say about our choices?

Because we really don't like to be bothered
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- A phenomenological approach:
- What does the term say about our choices?

Of course, we’re very, very good at what we do.
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- A phenomenological approach:
- What does the term say about our choices?

We can manage any knowledge
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• A phenomenological approach:

• What does the term say about our choices?

No matter how irrelevant to the underlying business
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- A phenomenological approach:

- What does the term say about our choices?

Except maybe things having to do with numbers
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- A phenomenological approach:
- What does the term say about our choices?

Because we don’t really like numbers
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- A phenomenological approach:
- What does the term say about our choices?

If we did, we would call ourselves Financial Management
**Deconstructing Knowledge Management**

- A phenomenological approach:
- What does the term say about our choices?

And favor dogs
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- A phenomenological approach:

- What does the term say about our choices?

Or maybe rabbits
Seriously

KM’s very name declares its intention.

KM and most other technology functions are usually:

- Internally focused
- Insulated from the everyday business of the firm
- Expensive both in terms of cost of capital and operations
- Without a clear path to return cost of capital
- Usually without ANY metrics connected to the business of the firm
KM headcount is revenue sensitive.

KM is a “felt” need rather than a profit-driven need in most firms. That’s why it’s revenue sensitive.
How Things Would Look If KM Drove Profitability the Way R&D Does

Suppose KM were a true R&D function.

KM investments would be independent of temporary market conditions.

![Graph showing hypothetical relationship between KM Headcount and Revenue.](image)
A Reformation

WHAT IS POSSIBLE?
What might we call ourselves to counter all the connotations inherent in KM?
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The MYLB Group
Making You Look Brilliant
• What might we call ourselves to counter all the connotations inherent in KM?

And that really is a very flattering color on you
What might we call ourselves to counter all the connotations inherent in KM?
A Radical Notion

Imagine:

• KM doesn’t just manage knowledge
• It INCREASES knowledge
• It helps us understand what we do best and how we can help
• It makes good decisions almost automatic
• It is profoundly connected to profitability
IT can boost productivity considerably, even dramatically, but only when it’s combined with broader changes in business practice, competition, and regulatory control. *In isolation, it tends to be inert.*
WHERE TO LOOK FOR EXAMPLES?
Accenture History
Grew out of the Accounting Practice of Arthur Andersen and Company

After witnessing a demonstration of the UNIVAC computer in 1951, AA’s top management resolved to develop a broad competence in computing.

In 1953, AA was asked to study the automation of payroll processing at GE’s Appliance Park in Kentucky.

That became the first successful commercial application of computers in the United States.
Accenture History

Andersen Consulting grew to become larger than the underlying business

Split from Arthur Andersen in 2000

Arthur Andersen liquidated in 2002, in part as a consequence of the Enron scandal

Accenture is now a public company that employees nearly 250,000 consultants.
Things to Notice About Accenture

- They do EXACTLY what we do
- They work with incredibly busy professionals
- They deliver technology
- They train
- They manage knowledge
Things to Notice About Accenture

• From the beginning, INNOVATION is at the core of their endeavors
• They have repeatedly been willing to undertake substantial risk in order to innovate
What could be more boring than that?

TRAINING
“Using strategic planning and leadership, return-on-investment methods, advanced technologies, and ‘phenomenal learning’ Accenture created enhanced, cost effective programs with measurable business impact”

Aparna Nancherla
T+D Magazine
“If you don’t believe an enterprise can realize a 353 percent return on its investment in learning, read this book to see how it is done. This is more than one company’s story. It’s a blueprint for any organization’s success.”

Nick Howe
VP of Learning, Hitachi
The Mission

• Cut $700 million training budget in half (downturn of 2001)
• Deliver GREAT training
• Measure profitability impact of training and maximize
• IN OTHER WORDS:
• Run training like a business
Running Training Like a Business

• Measure
• Determine value objectives
• Use accepted financial measures like shareholder value, book value, market value, employee value or customer value
• Plot and measure value objectives
• Plan to maximize
• Manage
• Use the best cost management techniques to drive business results with the most efficient use of resources
Running Training Like a Business

- Connect
- Create a governance and sponsorship structure that enables the learning organization to understand and respond to the business
- Manage relationships with key decision makers, making sure that learning is in the management agenda
The Accenture V-Model for Learning and Knowledge Management
Six Decisions IT Should Never Make

**Spend**
How much should we spend on IT?

**Processes**
Which business processes should receive our IT dollars?

**Firm-wide**
Which processes should be firm-wide?

**Quality**
How good do our IT processes need to be?

**Security**
What security and privacy risks will we accept?

**Blame**
Who do we blame when an IT project goes bad?

Source: Harvard Business Review – Ross & Weill

MIT
Applying the Lessons

• Training on Word, Sharepoint, etc.

• Versus

• Training on how to run a deal most effectively
  • How to collaborate on drafting
  • How to organize and share your work
  • How to memorialize lessons and work product
KM Can Drive Profits

KM can be directed squarely at profitability and its results can easily be measured

Breakeven

Using KM to Drive AFA Profitability

KM-Managed AFAs

Traditionally Managed AFAs
Clients [and their outside counsel] very often focus just on managing fees to their main firms.

But many other categories of legal spend can be managed both as to scale and predictability.

Managing spend in this way can profit both companies and their law firms.
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Questions? More Information?

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