

Using Knowledge Communities to Fuel Innovation

NEC Corporation

Global IT and telecom player NEC Corporation is aggressively rolling out an integrated solutions business that merges IT and network solutions. To buttress its business expansion, NEC chose REALCOM's KnowledgeMarket to link and share individuals' knowledge and to spur intellectual creativity.

Knowledge Management - An Infrastructure for Creativity

Every IT solutions business strives to reach the same goal-maximize customer satisfaction by providing IT that resolves strategic hurdles. To be successful, a company needs to recognize what circumstances and challenges its customer faces and promptly select the right combination from its arsenal of products, technology and know-how. To do so, of course, the company needs to have a proper grasp of its own products and relevant knowledge and know-how. But for a company like NEC with a diverse array of product types, it is unrealistic to expect all employees to gain precise knowledge of every product is out of the question.

Recognizing that fact, NEC turned to knowledge management methods to share

and utilize individuals' knowledge and experiences across the company. According to Hiroyuki Okada, an IT strategy manager at NEC, "If you were to distinguish between explicit knowledge and tacit knowledge, we enjoyed a fair degree of success (electronically) sharing explicit knowledge such as documents or otherwise visible information. But for us to increase our business speed or to come up with better solutions, we needed to go beyond the realm of explicit knowledge. We needed to tap the tacit knowledge residing within each individual."

"Corporations today, including ourselves, need to create new things, whether it be new types of solutions or services, or new business models. To us, it is a company priority to create these new things by bringing together knowledge from throughout the company through more active cross-organizational communication."

NEC selected REALCOM's KnowledgeMarket as its knowledge management infrastructure to support this kind of intellectual creativity.

Managing Knowledge Globally

NEC selected KnowledgeMarket for "its extensive track record with major Japanese corporations and its intuitive interface, which eliminated the need for exhaustive training." (Hideshi Yokoi, general manager in NEC's IT strategy department)

For NEC, another important requirement for a knowledge management system was English-language capabilities. A global company like NEC has many non-Japanese speaking employees. So NEC required REALCOM to support English capabilities to enable employees overseas to participate in the KnowledgeMarket communities and share information. As of March 2004, NEC became the first user of KnowledgeMarket's English version.

Flourishing Knowledge Communities

Interestingly, NEC gives its KnowledgeMarket communities a free hand to use and run the tool as they like. Of course, with the introduction of KnowledgeMarket, NEC's IT strategy department provides logistical support including group user-training sessions. "But users decide for themselves whether they actually use it and we give no elaborate instructions on how to use the system," says Mr. Yokoi.

Nevertheless, already over 80 cross-departmental knowledge communities have materialized. While the level of activity varies from community to community, over half are getting into full swing. NEC's highly IT-literate employees are behind this success. But KnowledgeMarket's user-friendly operability has also contributed to high activity levels. In sum, the cumulative effect of NEC's IT literacy, KnowledgeMarket's superior design, and the need to share and utilize knowledge accelerated the autonomous and decentralized formation of knowledge communities.

As knowledge management using KnowledgeMarket takes root throughout the company, NEC contemplates its next step-fusing a portal site with KnowledgeMarket.

NEC employees can instantly access almost any information needed in the course of their work through portal screens. But NEC's portals were a place to search existing contents for needed information-not to share and connect knowledge with interactive communication. By combining KnowledgeMarket with portal sites, NEC plans to use knowledge communities to equip its portal sites with the interactive communication functions they had lacked.

Promoting Intellectual Creativity with REALCOM

Now NEC has tied up with REALCOM as a business partner selling KnowledgeMarket. At the same time, possibilities for marrying NEC technology with KnowledgeMarket abound.

According to Mr. Okada, "when we first introduced KnowledgeMarket, we were only considering it for our own use. But KnowledgeMarket performed for us so well we became convinced it would be an effective software component in our solutions. Moving forward, we will combine KnowledgeMarket with broadband technologies (e.g. mobile and multimedia telecommunications, television conference systems) to build a track record of signature NEC knowledge management solutions.

Tried and true knowledge management solutions will certainly be practical and effective for many corporations. Moreover, as NEC communicates its experiences and know-how using KnowledgeMarket to REALCOM, the product will become more attractive. That in turn will contribute to NEC's knowledge management solutions. As this cycle goes in motion, that in and of itself would be a product of the intellectual creativity touted by NEC.



Hiroyuki Okada, general manager of NEC's process reform promotion division

USER'S PROFILE

Company name: NEC Corporation
Capital: 330 billion yen (as of the end of December 2003)
Employees: 23,965 (as of the end of December 2003)
Areas of business: IT solutions, network solutions
Places of operation: 105 locations in Japan, including its head office, branch offices and research facilities
Revenue: 2,781.4 billion yen (FY2002 nonconsolidated results)
URL: <http://www.nec.co.jp/profile/en/>

CASE STUDY OVERVIEW

Purpose of knowledge management

- Promote knowledge sharing and utilization to beef up solutions business and increase solutions-development efficiency
- Respond to customers quickly and improve customer satisfaction
- Create new solutions and services by fostering intellectual creativity free of organizational impediments
- Manage knowledge globally

Benefits from knowledge management

- More active communication and intellectual collaboration among employees
- Creation and provision of new knowledge management solutions (incorporating KnowledgeMarket)

Number of users

- Approximately 65,000 (all employees, including employees of group companies overseas)

An illustration of NEC's knowledge management system

