

Sharing Knowledge to Push Corporate Reform

OYO Corporation

The largest player in Japan's geological investigation and consulting industry, OYO Corporation is managing knowledge using REALCOM's KnowledgeMarket to drive structural reform.

Maximizing Customer Satisfaction

Since the late 1990's, public works projects have been cut back and the construction industry has fallen into structural recession. Meanwhile, customer demands continue to diversify. In the face of these drastic changes in market needs and the management environment, OYO-the leader in geological investigation and geo-consulting for construction projects-has not escaped the deteriorating earnings structures that have afflicted the industry.

To successfully navigate these difficulties, OYO embarked on structural reform under the slogan, "Maximizing customer satisfaction." Since launching a structural reform promotion division in April 2000, the company has implemented various measures based on its reform theme. One of which is practicing knowledge management, considered key to bolstering reform.

Established in 1957, for a half-century OYO has accumulated massive volumes of project reports-considered the fruit of its labors-as intellectual assets. According to Tateso Suzuki, OYO director, senior executive officer and executive secretary at OYO Corporation

cutive officer and executive secretary, "the reports number more than 100,000, and if we stacked one on top of the other, the pile would rise higher than Mt. Fuji." But the company had yet to make full use of those intellectual assets. For example, OYO had established a library to house the survey reports centrally. Employees across the country could have any report needed sent to their office by express courier. But the index for retrieving reports listed only each report title. This made it difficult to accurately determine which report contained what kind of knowledge and information.

Transcending Document Management -Managing Knowledge with a Focus on People

If the goal were merely to share reports, converting the report contents to electronic form and putting them on a database would solve the problem. But OYO chose knowledge management, which goes a step beyond document management.

"The knowledge that is truly helpful to our field investigators is not what gets written in the report. It's what's inside the minds of its authors. Investigators rely on their own ingenuity-or 'artisanry'-to do their work. You won't find the know-how that these artisans possess in a report or a textbook. If you want to learn it, you have to be there, you have to experience it. We saw the importance of drawing out this personal knowledge to share and put it to use," says Hiroshi Wada, a planning manager in OYO's IT center.

To share and utilize knowledge, OYO wanted to do more than simply beef up its document control and improve access to its existing database. It wanted to boost the company's problem-resolution capabilities by sharing the tacit knowledge held by 'artisans' across the entire organization on a people-focused knowledge management infrastructure. That would lay a foundation for achieving its ultimate structural reform goal-maximize customer satisfaction. OYO also decided that making more effective use of its intellectual assets to create new knowledge, information and corporate value would give a powerful boost to structural reform across the company.

In deciding this direction for its knowledge management implementation, OYO surveyed and analyzed numerous knowledge management case studies from around the world and held repeated discussions and reviews of what form truly effective knowledge management would take for OYO. These studies continued from October 2002 until March 2003. Considering its unique needs, OYO thoroughly examined methods for successfully incorporating knowledge management into its work processes and came up with certain requirements. In addition to cross-organizational knowledge communities, OYO wanted to be able to share and utilize information generated and knowledge acquired by its employees in the ordinary course of their duties. To support system operation, OYO wanted a knowledge management system that would encourage usage; namely, ease of use (easy to register information), information queries using natural wording, linkage to external systems, and usage history collection and analysis.

chi, executive officer and director of OYO's IT center, explains how the company evaluated KnowledgeMarket post-launch. "Employees enjoyed using the community-based knowledge management system. We surveyed our employees, and many clearly understood the potential for knowledge management using KnowledgeMarket. Many responded positively, saying, 'this is going to help'."

The actual benefits are already being seen. In May and September 2003, while the system was under trial operation, two separate areas of Japan suffered earthquakes measuring over 7 degrees magnitude, respectively. In this case, the branch office that investigated post-earthquake damage and soil following the May earthquake shared investigation know-how with the local office investigating the September earthquake, and did so with unprecedented speed and closeness. That means that the 'artisans' that had been apathetic about sharing information with others transcended the barriers between local offices, actively shared information and worked at a higher level of quality and speed.

Which is exactly how OYO had hoped to benefit from knowledge management. Now, OYO has focused the scope of knowledge management to sharing best practices and creating communities that solve problems using specialists' knowledge. Moreover, the company is studying the creation of a company-wide operational body, headed by a CKO, to run those knowledge communities.

Supporting Problem Resolution and Sharing Best Practices

Mr. Suzuki describes its knowledge management system's future direction in this way: "We need to increase usage by studying how KnowledgeMarket is used and by implementing new measures. Also, now we assign experts to each knowledge category and have them review information that is to be registered. But to further improve information quality, we need to equip our experts with more expertise."

KnowledgeMarket began full-fledged operations in October 2003. Keiji Tonouchi, executive officer and director of OYO's IT center, explains how the company evaluated KnowledgeMarket post-launch. "Employees enjoyed using the community-based knowledge management system. We surveyed our employees, and many clearly understood the potential for knowledge management using KnowledgeMarket. Many responded positively, saying, 'this is going to help'."

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OYO will continue to place high hopes on KnowledgeMarket as an important basis in its pursuit of structural reform.



Tateso Suzuki, director, senior executive officer and executive secretary at OYO Corporation

CASE STUDY OVERVIEW

Purpose of knowledge management

- Improve problem resolution capabilities of all employees by sharing and utilizing company knowledge and information
- Increase speed and quality of customer service

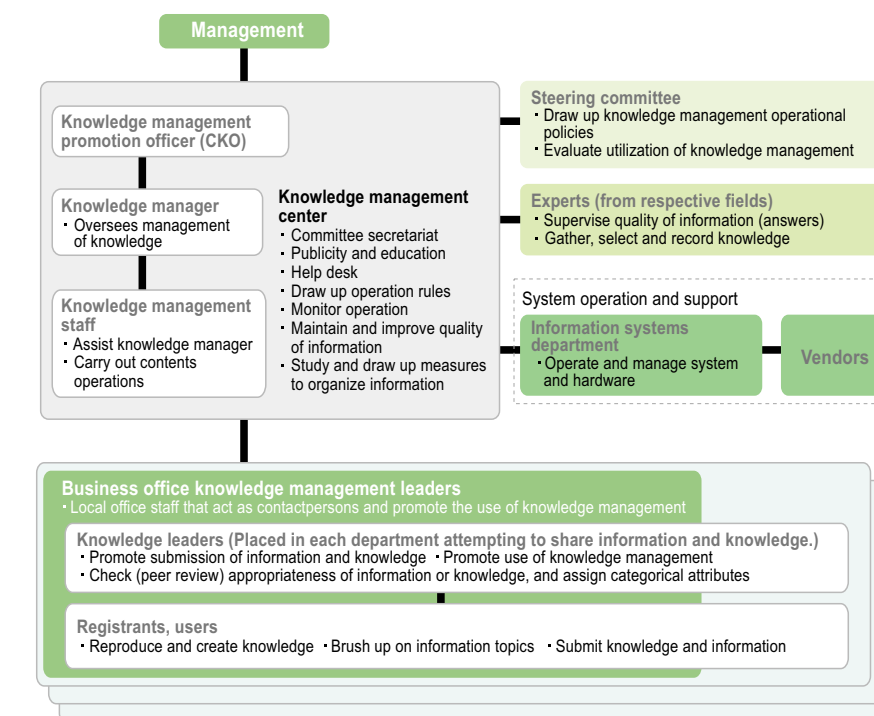
Benefits from knowledge management

- Faster customer response through knowledge communities that link employees with engineering specialists
- Emergence of concrete examples of the system's utilization in the workplace and increased efficiency

Number of users

- Approximately 1,200 (all employees)

An illustration of OYO Corporation's knowledge management regime



USER'S PROFILE

Company name: OYO Corporation

Capital: 16,174.6 million yen

Employees: 1,162 (as of October 2003)

Areas of business:

Geological investigation for civil engineering and construction projects, including design and construction management. Natural disaster prevention projects involving earthquakes, floods, landslides, etc. Environmental preservation and environmental risk prevention projects. Sale of geological, environmental and natural disaster information. Development, manufacture and sales of measurement equipment, software and systems.

Places of operation:

Head office, and 55 other local offices. 4 technology and research facilities.

Net sales:

25.6 billion yen (FY2003 nonconsolidated results)

URL: <http://www.oyo.co.jp/>