

Mobilizing Knowledge to Accelerate Business Speed

PFU Limited

How to respond quickly to changes in customer needs and demands-this is a major proposition all companies face today. In particular for companies in the IT industry, where market trends change and innovative technologies emerge at a blinding pace, stepping up business speed is a pressing need. To address this issue, PFU Limited is merging and sharing its know-how using REALCOM's KnowledgeMarket.

Pursuing Speed

"To increase business speed-our reasons for introducing knowledge management boil down to that one point," declares Fujio Wajima, senior managing director at PFU, about the company's reasons for introducing knowledge management.

The product of a merger between USAC Electronic International and PANAFACOM, the company renamed itself PFU Limited in 1987. Aside from its expansive business in IT solutions and computer equipment R&D, design and manufacture, since 2001, PFU has rolled out a new service called ProDeS (Product Design Services) and begun contracting electronic equipment design and development.

This type of contract service is generally called Electronics Manufacturing Services (EMS), but PFU's ProDeS transcends the

conventional framework of EMS. Grounded firmly in its know-how and technological capabilities developed over many years in the IT field, PFU provides a truly broad range of services-from consulting on product planning, design and development based on customer requirements (read: customer specifications) to actual development, design, manufacture, evaluation, shipment, maintenance, and even repair. Through its services, PFU helps customers get their products to market in less time.

Actually, ProDeS' launch, "significantly changed PFU's awareness of speed and fueled the need to share and utilize individuals' know-how and knowledge," notes Mr. Wajima.

"For example, an IT company such as ourselves had long struggled with the management issue of shrinking product devel-

opment cycles. But our efforts to resolve this issue focused solely on increasing speed as measured in conventional terms. With a business like ProDeS, though, gaining tremendous competitive superiority hinged upon our ability to work fast enough to at least meet, at least meet, better yet exceed, demanding customer requirements. To attain that level of speed and raise the quality of services like ProDeS, it was important that we mobilize every employee's know-how and specialized knowledge and that we stay a step ahead of the customer in incorporating the latest technologies," adds Mr. Wajima.

PFU envisions becoming a knowledge-creating company, and is working to reform itself based on a 3-S slogan: Specialty, Synergy and Speed. The concept of ProDeS embodies this company-wide vision of increasing business speed and enhancing the company's technologies and know-how (specialty) through linkage and cooperation (synergy) among employees. And PFU positions knowledge management as a key solution in realizing the ProDeS concept, as well as the company-wide vision.

Getting Off to a Smooth Start

In April 2002, PFU launched a knowledge management promotion office with two dedicated employees and began studies on a full-fledged knowledge management system for its product unit (about 700 employees). They found that, while each department in the unit shared information internally to a limited degree, the unit as a whole was not sharing informa-

tion internally to a limited degree, the unit as a whole was not sharing information.

To resolve these issues, PFU ironed out a knowledge management plan and defined its system requirements. The company attached particular importance to compatibility with its legacy information sharing system and to customization that would meet PFU's own requirements. In essence, the company wanted to minimize resistance to the new knowledge management framework by introducing it as an extension of the existing system.

After surveying knowledge management products against these requirements, PFU selected REALCOM's KnowledgeMarket and launched its the new knowledge management system in December 2002.

Evaluating Intellectual Contribution

Besides knowledge communities for each department and a community for the product unit as a whole, PFU created cross-departmental communities for sharing information on technologies and customer input. The unit-wide community handled information common to the entire unit, while the technology community exchanged more specialized and technical knowledge. PFU established the customer input community based on its belief in attaching the utmost importance to the customer's voice and needs, and used the forum to post and share customer requests

and complaints, as well as the respective action plans and results. The ultimate objective, of course, was to enhance employees' customer response and to improve quality of service.

PFU employed ingenious operational measures to boost usage and effectiveness of its knowledge management system. For example, KnowledgeMarket can record "hours saved," the amount of time knowledge posted to the community saved others. PFU took advantage of that function to implement a commendation system for individuals and divisions that exhibited outstanding intellectual contributions through the knowledge management system. PFU credits this commendation system with increasing community activity.

PFU also nominated 40 veteran engineers from various departments to act as "helpers" to participate (virtually, through the knowledge management infrastructure) in a development project comprising primarily younger employees. By doing so, the project team has enjoyed successes such as resolving an issue in a day that might have taken the project's full-time members 2-3 weeks working alone.

The Option of Expanding Knowledge Management Overseas

PFU's knowledge management system has accumulated 800 contents to date, sav-

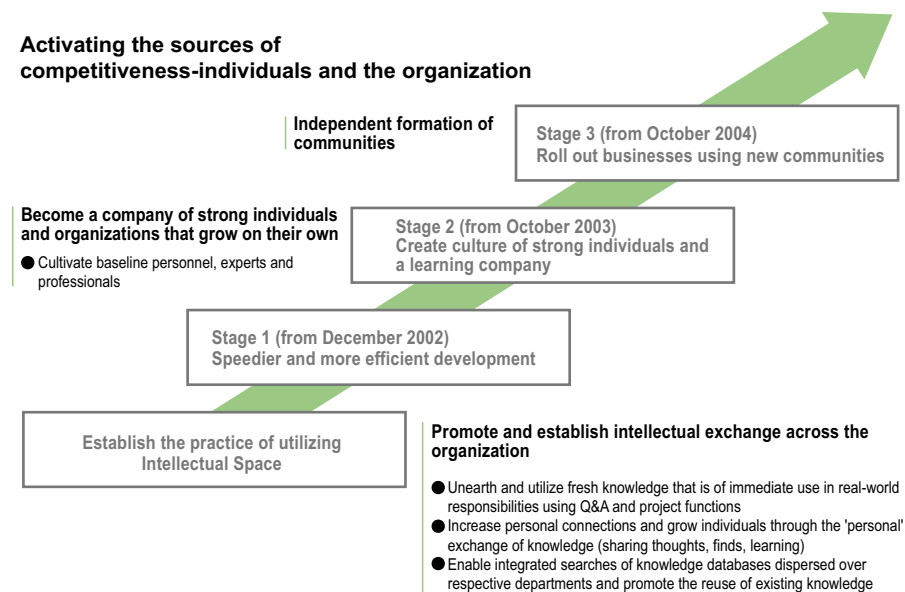


Fujio Wajima, senior managing director, PFU Limited

ing its employees 1,700 hours in all. The system has a total of 1,400 registered members participating in 120 projects currently under way. In fact, usage rates are higher on cross-departmental communities than on division-specific communities. One of PFU's major knowledge management objectives-to share and utilize knowledge and know-how among departments-is nearing achievement.

PFU is planning to use its knowledge management system to share knowledge with affiliates overseas. Mr. Wajima is enthusiastic about PFU's future utilization of KnowledgeMarket. "Moving forward, I want knowledge management to take root in our corporate culture so that individuals and groups form self-directed knowledge communities that in turn serve as the base point for creating knowledge and developing businesses."

Diagram: Plan for implementing use of Intellectual Space



CASE STUDY OVERVIEW

Purpose of knowledge management

- Realize management vision-becoming a knowledge-creating company
- Enhance product planning, design and development speeds
- Enhance response to customer needs and customer satisfaction services
- Implant knowledge management within corporate culture and develop new businesses through cross-organizational knowledge communities

Benefits from knowledge management

- Improved quality of service through sharing of diverse knowledge and know-how on cross-organizational knowledge communities
- Visible contributions through placement of individuals' know-how and knowledge on database
- Quicker problem resolution using flexible development project compositions

Number of users

- Approximately 700 people (Product unit. Future expansion planned for other business units and overseas affiliates.)

USER'S PROFILE

Company name: PFU Limited

Capital: 4.98 billion yen

Employees: 2,299 (as of March 2003)

Areas of business: IT solutions (hardware, software, services). ProDeS (development and manufacturing services). R&D and manufacture of server systems, disc arrays, peripheral and applied equipment, and related software.

Places of operation:

Head office, Tokyo head office, sales offices (9 in Japan, counting head office sales department), service offices (nationwide service network of 120 offices)

Revenue: 89.8 billion yen (FY2002 results)

URL: <http://www.pfu.fujitsu.com>