

Boosting Organizational Capabilities with Knowledge Communities

LaLaport, Inc.

LaLaport, Inc. is actively managing knowledge across the company using REALCOM's KnowledgeMarket. Its aim is to support future business growth by beefing up organizational capabilities. To reach that goal, LaLaport wants to transcend organizational barriers and physical distances by sharing and utilizing individuals' knowledge of planning and operating shopping centers and retail stores.

Supporting Aggressive Management Approaches with Knowledge Management

TOKYO-BAY LaLaport is more than Japan's largest shopping center. It is LaLaport's launch pad for growing its footprint in contracting shopping-center management and in retailing ("Snoopy Town" stores). It now contracts the management of 21 shopping centers and operates 11 Snoopy Town stores nationwide. On top of that, LaLaport plans to double its shopping centers under management in the 5 years between fiscal 2003 and 2008.

But LaLaport met a significant challenge in pursuing this aggressive strategy. As its business grew, individuals' working know-how got dispersed across branch offices and divisions, and the flow of information and know-how across the company stagnated. This led employees managing shopping centers respectively to rely more on their own experience. Differences cropped up in how each branch office managed its shopping centers. Each shopping center launch suffered inefficiencies; new shopping cen-

ter managers had nowhere to turn to get questions answered and eventually repeated the same trial-and-error process. So, LaLaport elevated work standardization to a management agenda.

"We urgently needed to deploy company-wide knowledge management to share individuals' knowledge and know-how, standardize shopping center and retail outlet planning, management procedures and know-how, and consequently improve employees' work quality," says Mutsumi Hiroshima, head of LaLaport's information systems department. To LaLaport, knowledge management was an important tool to: beef up planning and operational capabilities to support a growing shopping center and retail business; and provide core support to its management agenda to standardize work procedures.

Bringing Knowledge Communities into Fruition

LaLaport had been using Lotus Notes to disseminate working information from the head office to local offices and to exchange

information among individuals via email.

But the company also experienced many problems sharing information on Notes. One was that individual departments managed their own Notes databases, so employees rarely looked outside of their department for helpful references. Also, information scattered across multiple databases could not be searched, so employees found it difficult to pinpoint useful information. Consequently almost no information was shared across departmental borders.

LaLaport introduced knowledge management to fundamentally resolve these information-sharing problems experienced with Notes. A manager in its information systems department, Takashi Nishi, worked as knowledge management promotion officer, surveying knowledge management solutions and designing the system.

Mr. Nishi had a clear vision for knowledge management. "We communicated face-to-face in departmental or smaller organizational levels. I wanted to utilize a visible format (text communication) on a company-wide network to achieve that intimate style of communication (virtually) across organizational and physical boundaries."

For example, employees in the office exchange information and know-how face-to-face on a daily basis. Peers sitting side by side at the same section pick up those conversations naturally and consequently stay informed of work's progress in the department. At times, the manager may overhear his staff's conversations and offer new ideas, too.

Picture the style of knowledge- and information-sharing practiced by employees working side by side in intimate work settings. Then try to achieve that intimate in-

teraction on a network-based community that reaches across branch offices and organizational boundaries-this was Mr. Nishi's fundamental approach to knowledge management. LaLaport selected REALCOM's KnowledgeMarket as the system that best matched this notion.

LaLaport's KnowledgeMarket now comprises three communities, each with a specific purpose: Shopping Center Community, Retail Community, and Staff Community. All employees are registered and participate in these communities, regardless of organizational affiliation.

The Shopping Center Community is a forum for work correspondence between the head and branch offices and for knowledge sharing and exchange. The community utilizes a library to systematically manage useful information from employees concerning shopping center management, work reports and information on tenant complaints. KnowledgeMarket's project module also provides space to work together hammering out operation plans for new shopping centers.

LaLaport's knowledge management system also ties in tightly with Notes. For example, users can access KnowledgeMarket using the database icon on the Notes' workspace. KnowledgeMarket can also search information on Notes databases. LaLaport has designed its KnowledgeMarket to spare employees accustomed to using Notes the shock of adjusting to a new system. Even after introducing KnowledgeMarket, LaLaport continues to use Notes for specific tasks such as email, schedule management,

conference room reservations, and some data processing.

Improving the Knowledge Sharing Process

Only two months after launch, 60% of all employees were using LaLaport's knowledge management system. Behind this rapid growth are the efforts of Mr. Nishi's knowledge management promotion team. For example, in introducing and operating KnowledgeMarket, the promotion team held over a dozen meetings explaining the new system to all employees, including top management and officers. This helped the company gain a deeper understanding of the knowledge management system. The team also implemented various measures after launch to raise usage rates. Posting day-to-day personnel and general affairs notices-topics of interest for all employees-on the KnowledgeMarket community was of particular success. According to Kazutoshi Murasawa, general affairs section manager at LaLaport and a member of the knowledge management promotion team, "This completed the first step in getting the knowledge management system to take root in the company."

As KnowledgeMarket usage rates climbed, LaLaport started to see its benefits. One was that scores of departmental projects began to pop up on KnowledgeMarket in an autonomous and decentralized fashion. For example, faced with a shift in work responsibilities but unable to bring everyone together at any common time, one



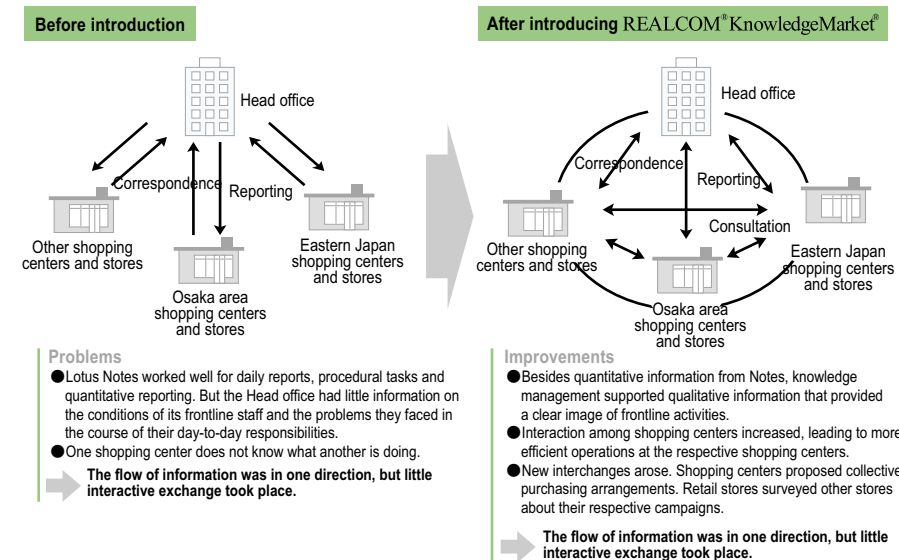
Mutsumi Hiroshima, LaLaport's information systems manager

shopping center used KnowledgeMarket's project function to help transition responsibilities smoothly. KnowledgeMarket also helped smooth the flow of work-related information, so the knowledge management system was able to attract a critical mass of activity. As a result, the company's total email data volumes dropped.

Mr. Hiroshima foresees that, "with the introduction of KnowledgeMarket, individual employees can stay aware of what's going on in the entire company as they go about their work. Information is flowing well across the organization. Already, we've completed the stage of getting the knowledge management system to take root. Moving forward, we want to implement incentives to promote further utilization."

KnowledgeMarket made communication more visible and helped establish an infrastructure for amassing and utilizing individuals' know-how across the organization. LaLaport is poised to expand the scope of knowledge management further and beef up its organizational capabilities.

An overview of how LaLaport runs KnowledgeMarket



CASE STUDY OVERVIEW

Purpose of knowledge management

- Standardize management and problem-resolution procedures for shopping centers under management and retail stores
- Share and utilize on a company-wide level individuals' knowledge that is scattered across branches and departments

Benefits from knowledge management

- More autonomous and decentralized project creation and operation
- Improved Notes-based information sharing and distribution
- Lower email data volume for the entire organization

Number of users

- Approximately 300

USER'S PROFILE

Company name: LaLaport, Inc.

Capital: 450 million yen
Employees: 279 (as of March 2004)

Areas of business:
Operation and management of shopping centers; merchandising of character goods

Places of operation:
Head office, shopping centers under management (21 nationwide as of April 2004), Snoopy Town (11 stores nationwide as of April 2004)

Revenue: 13.7 billion yen (March 2004)
URL: <http://www.lalaport.co.jp/>