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Best practices, case studies and strategy

As instant messaging spreads, so do concerns about security, productivity, and unwanted interruptions. The St. Paul Companies has used instant messaging for 18 months without any of these problems – in fact, it’s improving the way people collaborate for customers. Here, Erick Thompson describes how the company has succeeded by embedding the tool into a network of virtual communities, and tying it to business needs from the beginning.

EXPERTISE IS ONE CLICK AWAY WITH INSTANT MESSAGING

Embedding technology in workflow and linking it to strategy

By Erick Thompson, The St. Paul Companies



Erick Thompson is assistant vice president, knowledge and learning technologies, for The St. Paul Companies. He promotes the deployment of learning technologies and knowledge sharing processes within business units and across the company.

In the insurance business, speed with quality has become paramount. Companies that don’t deliver products and solutions quickly risk losing customer loyalty, sales, and a profitable bottom line. The St. Paul Companies is developing new tools to help employees improve on speed and better serve customers, and instant messaging – a hot topic for businesses around the world – is one of those tools.

During the past 18 months, The St. Paul has used instant messaging as part of its knowledge management strategy, by embedding it in an existing network of virtual communities. Employees are using instant messaging for quick chats to spark ideas, for “presence awareness” (knowing if someone is available to take questions), and as a training tool. Instant messaging is speeding up work, and as a result, staff are meeting The St. Paul’s business goals – more profits and improved customer loyalty.

Embedding instant messaging in workflow

Why is instant messaging working well at The St. Paul while other early adopter businesses have achieved less favorable results? The most important tactic in The St. Paul’s instant messaging strategy is

using it within virtual business communities, which are a closed, trusted group of colleagues who are dedicated to achieving a clearly defined, shared business purpose. Participants are vetted by the business community leaders – called mayors – so members don’t have to worry about wasting time chatting with someone with a separate agenda. The serious business intent creates an environment of collaboration and willingness to share information – even proprietary information – among peers.

Quick answers across locations

The Specialty Excess and Umbrella business unit writes insurance for large companies and

How instant messaging works at The St. Paul

Employees log into their virtual communities through The St. Paul’s “Knowledge Exchange” section on the company intranet. There are more than 90 of these members-only business communities that are focused on a specific discipline, such as underwriting or risk control. Every page includes a “Who’s Online” feature, which is the instant messaging tool (see Figure 1, next page). A list of members appears, informing the viewer of the other community members who are online and available for contact. If the viewer wants to ask “Jane Doe” a question, he or she simply double-clicks on the name. A pop-up screen appears on both members’ screens, with the question appearing as it is typed.

The St. Paul Companies

is a commercial property-liability insurance and asset management services provider based in Minnesota. It is the largest underwriter of surety bonds in the US. In 2001, it reported revenues of US\$8.9bn and total assets of US\$38.3bn.

KEYPOINTS

organizations to insure against risk that goes beyond basic property and casualty coverage.

About 100 of the business unit's underwriters are located in various field offices across the United States. If an underwriter has a question, he or she can immediately see who's online and send a fellow member a quick note asking for an answer. "If my first choice doesn't know, I go to another colleague online," says Mike Hager, director of operations for the unit and mayor of its virtual community. "With instant messaging, it's actually faster to get an answer from across the country than to get up and walk into the next cubicle. This access to information and experience speeds up business processes and reflects directly on our profitability."

Mark Schultenover is director of operations for the technology business unit, which underwrites insurance for companies and organizations in the medical products, software, telecommunications and electronics industries, as well as for large internationals. Most of its underwriters are located in 18 field offices – some in offices with only four people. Schultenover, like Hager, is mayor of its virtual community.

Approving special requests from customers to exceed underwriting limits requires authorization from a director-level authority, often located at corporate headquarters. Directors of the technology business unit can log on to the virtual community and make themselves available through the instant messaging feature to quickly provide insight to authorizations on special requests. "They don't see these requests as interruptions," Schultenover says. "They view them as opportunities to better serve our customers – an inherent part of their jobs and directly affecting our profitability."

Instant messaging is immediate, more so than the

- Employees are using instant messaging for quick chats to spark ideas, for "presence awareness" (knowing if someone is available to take questions), and as a training tool. Instant messaging is speeding up work, and as a result, staff are meeting The St. Paul's business goals – more profits and improved customer loyalty.
- The most important tactic in The St. Paul's instant messaging strategy is using it within virtual communities, which are a closed, trusted group of colleagues who are dedicated to achieving a clearly defined, shared business purpose.
- Instant messaging is immediate, more so than the telephone tag that can occur with voicemails and e-mails. What's more, it's initiated on demand, when needed, unlike more expensive and time-consuming video conferences.
- Instant messaging can be used to provide training across the country. The St. Paul uses instant messaging to field test training before releasing it to the larger population of trainees slated for training.

telephone tag that can occur with voicemails and e-mails. What's more, it's initiated on demand, when needed, unlike more expensive and time-consuming video conferences. "Our instant messaging focus is on quick connection and quick response," Schultenover says. "Instant messaging gives us another communication channel to achieve that."

Locating expertise with one click

Human experience usually yields more actionable insight than an algorithm in a search engine. That's because humans blend explicit knowledge with tacit knowledge, the intuitive connections sparked by know-how. Both Schultenover and Hager agree that instant messaging makes connecting with human search engines – the community members listed in the "Who's Online" instant messaging tool – efficient and productive. "Invariably, quick chats spark ideas," Schultenover says. Hager adds, "You not only find the information you're looking for, you'll likely discover a better way of applying it."

Jane Corey, a business support specialist, provides support to all of The St. Paul's virtual communities and their mayors. As the community members' first line of support, she receives questions from the members on how to use the online tools provided by the virtual communities and The St. Paul's intranet-based Knowledge Exchange, as well as where to find key

Figure 1: The "Who's Online" window



Faster than a phone call – the benefits of instant messaging

- **Speed:** faster than a phone call, it enables quick answers and eliminates telephone and e-mail tag.
- **Cost-effective connection:** reduces long distance expenses while providing an immediate connection with people in the field, even if they are on the phone. It provides real-time chat for items that don't need documentation.
- **Collaboration:** ensures secure, confidential communication between colleagues; supplements training by allowing instructors to chat with students; and provides an instant help desk.
- **Presence awareness:** no time wasted trying to see if someone is available – indicates who is online and ready for a question.

o documentation on best practices. “Busy people simply don’t have time to search for documents and information,” Corey says. “I tell members that if they can’t find what they’re looking for in two or three minutes, then just instant message me. I can direct them and help them find what they need.”

“WITH INSTANT MESSAGING, IT’S ACTUALLY FASTER TO GET AN ANSWER FROM ACROSS THE COUNTRY THAN TO GET UP AND WALK TO THE NEXT CUBICLE.”

Being there – presence awareness

With e-mail and phones, you never know if someone is in or not. The presence awareness window makes it visible when people are online. This means users don’t waste time leaving messages for someone who isn’t at their desk. “You can waste a lot of time leaving voice messages or e-mails for people who are in meetings or out of the office,” Hager says. “You may have no idea when they might hear or read your message, even less idea of when they might get back to you, and not a clue as to where you might be when they do. With a list of people who are online, you can focus your

Keeping homeworkers connected at British Telecom

Paul Riches, a British Telecom (BT) consultant and one of 7,000 homeworkers at the company, says the immediacy of instant messaging helps him maintain closer connections with others on his team.

“Just having the instant messaging on your desktop, being allowed to see that these people are online, and occasionally getting an instant message, does give you a sense of being much less isolated,” says Riches, who was speaking by phone from the end of his yard. “There is a real connection. You’re not just a dumb node hooked into the network.”

Instant messaging has become a standard tool, not only for homeworkers, but for the thousands of workers who spend part of the time in the office and part on the road, including sales staff and engineers. BT doesn’t mandate use, Riches says. There are guidelines for installing the software, but employees are left to decide when and if they want to use it and for what purpose.

Riches leaves instant messaging on all the time, and uses it mostly for *ad hoc* questions – “does anyone have any case studies on intranet strategy?” for example. He’s met most of the people in his instant messaging network in person, but messaging enhances the relationships. “Ultimately in organizations, it’s about relationship building,” Riches says. “The better relationships you have, the more value is leveraged and the more efficiently it works.”

Riches sees instant messaging converging with other communication channels – text messaging and instant messaging is one natural fit. Another clever innovation Riches has seen is combining instant messaging with document management. At the end of a document, the author was listed, along with an icon telling the reader if the author was present on the network and available for questions.

communication efforts productively.”

Delivering better training

Training is another business area that benefits from instant messaging. In the competitive insurance industry, products and services are constantly changing to better meet customer needs, demands and expectations. If underwriters are to consistently make wise business decisions and underwrite profitable business, they must continually upgrade their specialized expertise.

Schultenover uses instant messaging to provide training across the country. A group of trainees is defined and their instant messages are separated from the larger virtual community membership, essentially creating a focused group within the community. Then, using instant messaging to collaborate, the trainees are taken through a case study, immediately answering the questions that arise as the case study unfolds. “It’s a lot like having the trainees gathered in one physical location, except without the inconvenience and expense of travel,” Schultenover says.

Hager also uses instant messaging to field test training before releasing it to the larger population of trainees slated for training. “The input we get from experts actually in the field is invaluable in shaping quality training that truly addresses the knowledge needs of trainees,” he says.

Collaboration among peers and experts

Instant messaging is debunking the myth that electronic communications depersonalizes business. Corey says, “I meet more people online via instant messaging than I do in person. And now, when I do meet them in person, I already have a positive relationship established with them.”

She also sees a second myth evaporating as instant messaging and other collaborative communication tools become integrated into business environments. “Tools such as instant messaging are changing the old vanguard thought of ‘Knowledge is power. I’ll keep it to myself,’ to, ‘Information is best shared. We all benefit. Let’s collaborate for our mutual gain.’ That’s tremendously exciting.”

Individually, collaboration makes one feel a part of the group. Collaboration promotes creative thinking and problem solving. Collectively, people who collaborate freely become groups that are rich in business insight and focused on a common business goal. That’s a very powerful entity for delivering profitable business.

Becoming a required tool

Perhaps the best measurement of a tool’s success is its


widespread use. At The St. Paul, acceptance and use of instant messaging is strong. "Its use is encouraged but not mandated," Schultenover says. "Instant messaging is being driven by business needs."

Demonstrating their support for instant messaging, business operations leaders have set the tone for its acceptance throughout the company. Virtual community mayors are often members of management, and they're often the first people appearing in the "Who's Online" instant messaging window each morning, indicating that they're available to answer questions and conduct business.

Instant messaging has gone farther than we originally thought. Nobody asked for instant messaging with the communities – no one said, "This is a business requirement." It was added to the virtual community package to see if it would be useful. Within 18 months it's become a required tool for many virtual community users. The usual way to implement IT solutions would be to conduct a requirement assessment from users and then implement a solution according to those requirements. The opposite happened in this case – we implemented it within their workflow and it became a required tool.

Linking messaging to business goals

Instant messaging is still young, but The St. Paul has already found that it works best when linked to business goals right from the start. By embedding it within its established online business communities, The St. Paul has established a clearly defined purpose and use of instant messaging – one that points directly to better profitability via increased speed in meeting customer needs.

An effective knowledge management system helps people focus their attention. By keeping instant messaging within the boundaries of the virtual business communities, we avoid interruptions and keep attention focused on the company objectives. 

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Savings through instant messaging

Instant messaging is being adopted in enterprises from the bottom up, rather than as a top-down initiative, often without the IT department taking notice until the majority of employees are already using it. "It is mirroring the adoption of consumer instant messaging or SMS messaging," says Glyn Baker, director business development for FaceTime Communications, which sells security software for instant messaging, and whose customers include seven of the eight largest US banks. "Somebody knows somebody who has it, and it's viral, spreading through informal networks and communities."

In July, FaceTime commissioned a study of instant messaging in UK investment banks from independent researchers Vanson Bourne. The study returned these key statistics:

- Nearly half of companies are certain that employees are using IM. One in 10 companies don't know for sure if employees are using it.
- Despite the fact that 60 percent of institutions admit that traders and brokers are the main users of IM, two out of the top three IM networks used are public ones such as MSN and Yahoo.
- Seventy-seven percent of companies believe instant messaging will replace the use of e-mail in some cases.
- Half of the organizations using instant messaging believe that business and personal usage are intertwined.

From a strictly financial perspective, organizations can save immediately on phone costs – a 20-minute instant messaging between the US and the UK costs nothing, compared with a 20-minute phone bill. Even replacing short calls and voice mails adds up across a global corporation. Enterprises are taking advantage of the broadcast capability of instant messaging, with one fast food chain adopting the tool in its restaurants so managers can broadcast to the help desk when they have an IT problem, Baker says.

For some people, being available through instant messaging can turn into an annoyance, when they are bombarded with messages on a tight deadline for another project. Baker has found that people find new ways of working to compensate. "You tend to see a maturity grow within the way that people use IM," he says. "You get this acceptance that IM is a business tool, and you use your 'away message' proactively. You learn to respond to messages saying, 'I'm just in the middle of something else and will be back in 10 minutes.'"

The most common message Baker sends is "yt?" – are you there? If so, he picks up the phone. "Just seeing that someone is ready to talk to you is an extremely valuable tool," he says. For Baker, IM is vital. "For me it would like taking away e-mail or taking away the telephone," he says.

Baker sees instant messaging eventually spreading to enterprise relationships with partners and customers. "There are massive potential efficiencies if you compare the costs of supporting a customer network by telephone to supporting a customer network by instant messaging," he says. Technically, the customer is never on hold, and the "latency" – the amount of time in which a customer expects a response – could be 30 seconds to a minute, while on the phone, it's instantaneous. Because the interactions are text-based, all customer contacts are searchable and more easily analyzed. Before this becomes accepted practice, however, organizations will have to overcome what are still formidable challenges in making such networks secure.