Highs & Lows of a Mature Knowledge Management Environment

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Agenda

1. HP Services Knowledge Management Overview

2. Measuring Business Value

3. Summary of Learning's

4. The Next Frontier

HP Services Knowledge Management Overview

HP business technology portfolio

Technology for better business outcomes

Business information optimization	Provide good information to enable better business decisions
Business technology optimization	
Adaptive Infrastructure	Lower risk to the enterprise with better control of the infrastructure
Servers & Storage	Software	Services	Reduce the cost of IT while delivering more to the business

Our HPS KM Environment

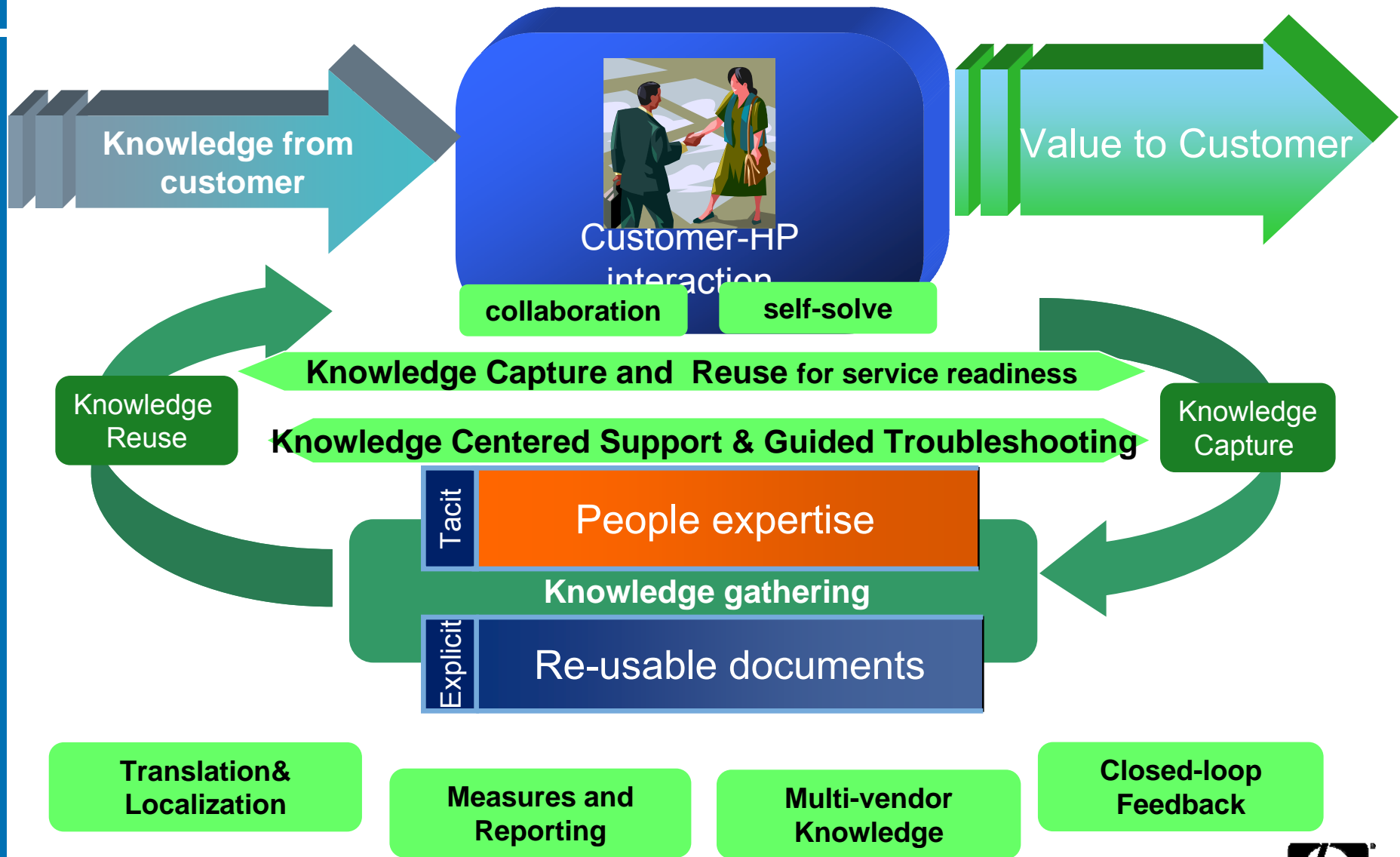| Objectives	Outcomes

➤ Simplify complex environment:
  ➤ 69,000 HPS professionals
  ➤ Resources and facilities in 170 countries
 	
Every 24 hours, HPS Global Delivery handles …
  ➤ 800,000 service alerts
  ➤ 400,000 devices remotely managed
  ➤ 350,000 customer contacts via web, phone, on-site
  ➤ 75,000 incidents remotely resolved
  ➤ 45,000 parts shipped
	➤ Customers, partners, and workforce utilize same knowledge and search experience
	
	  ➤ Consistent information across portals
	  ➤ Improve TCE
	  ➤ Reduce time to solution
	  ➤ Improve first-time-fix

➤ Globally consistent services methodology ➤ Standardized tools and processes	➤ Knowledge Centered Support (KCS) ➤ Knowledge Capture & Reuse KCR) ➤ Guided Troubleshooting

(excluding HP consumer products support)

Knowledge Management Capabilities

Knowledge from customer

Customer-HP interaction

collaboration

self-solve

Value to Customer

Knowledge Reuse

Knowledge Capture and Reuse for service readiness

Knowledge Capture

Knowledge Centered Support & Guided Troubleshooting

Tacit

People expertise

Knowledge gathering

Explicit

Re-usable documents

Translation& Localization

Measures and Reporting

Multi-vendor Knowledge

Closed-loop Feedback

Guided Troubleshooting (GTS)

Triggers:	Objectives :
➢ New and junior support agents are not always sure of troubleshooting paths ➢ Customers are having trouble finding relevant content on portals	➢ Repeatable process ➢ Utilized by customers to avoid calls ➢ An additional way to interact with HP without having to search or call HP
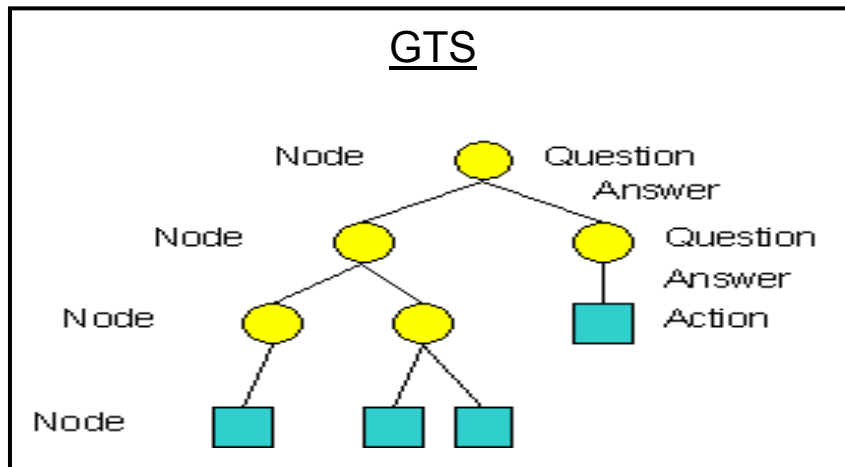
GTS - An interactive reasoning and advisory system used for guided retrieval of information

Translation & Localization

Global Solution Center/Global Competency Centers – emerging global issues priorities

Knowledge Usage: analysis of content usage and linkage data

T&L Strategy and business goals

Does the content have Global high value?

No

Yes

Does the content have regional high value?

Translated via Concentra Trados process

Yes

Delivered to portals
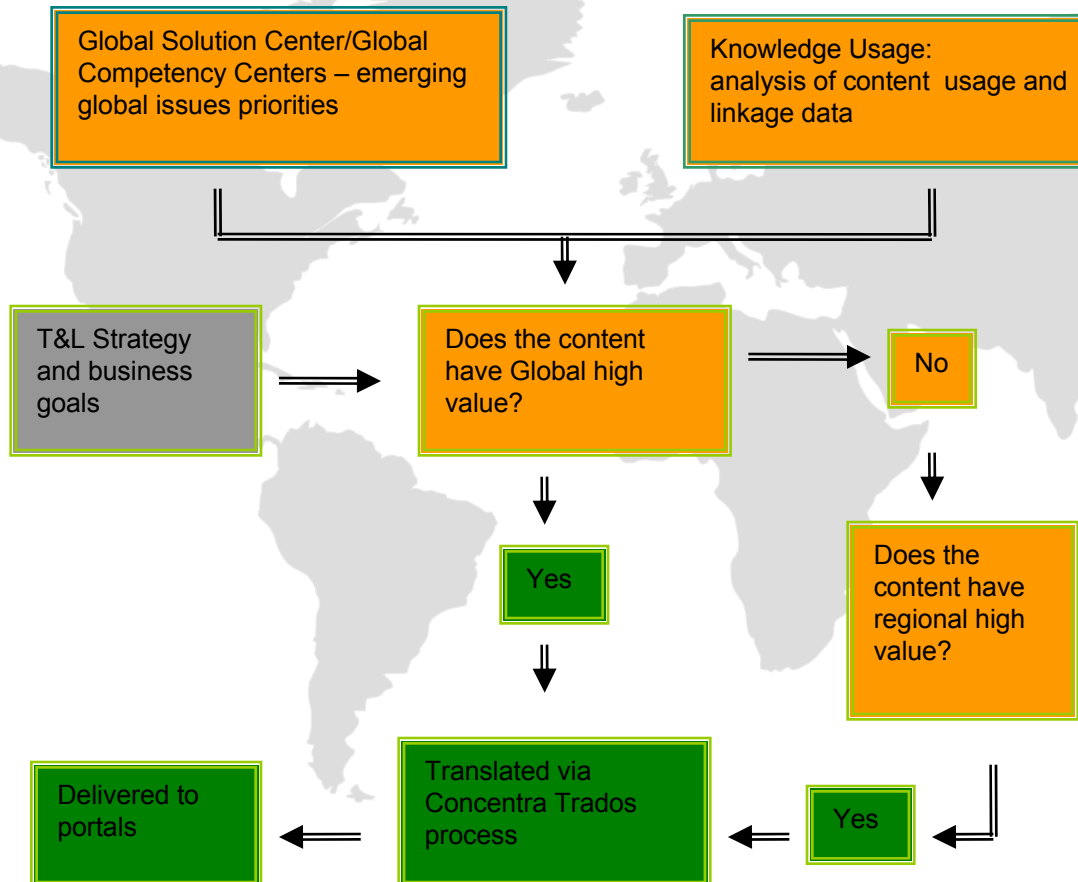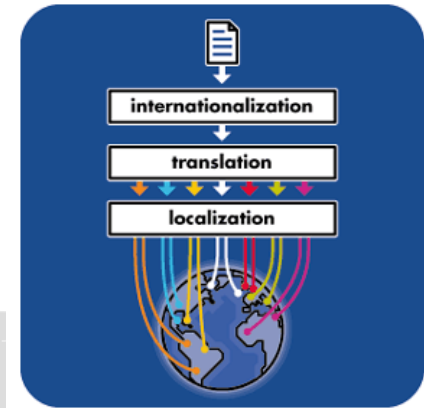
Leveraging Low Cost:

- Standard global process
- Centralized translation memories
- In country translations- APJ & LA resources
- Utilize "reverse translation" to English then to other languages

Languages:
- Japanese
- S. Chinese
- T. Chinese
- Korean
- English
- French
- Italian
- German
- Spanish
- Portuguese

Measuring the Business Value

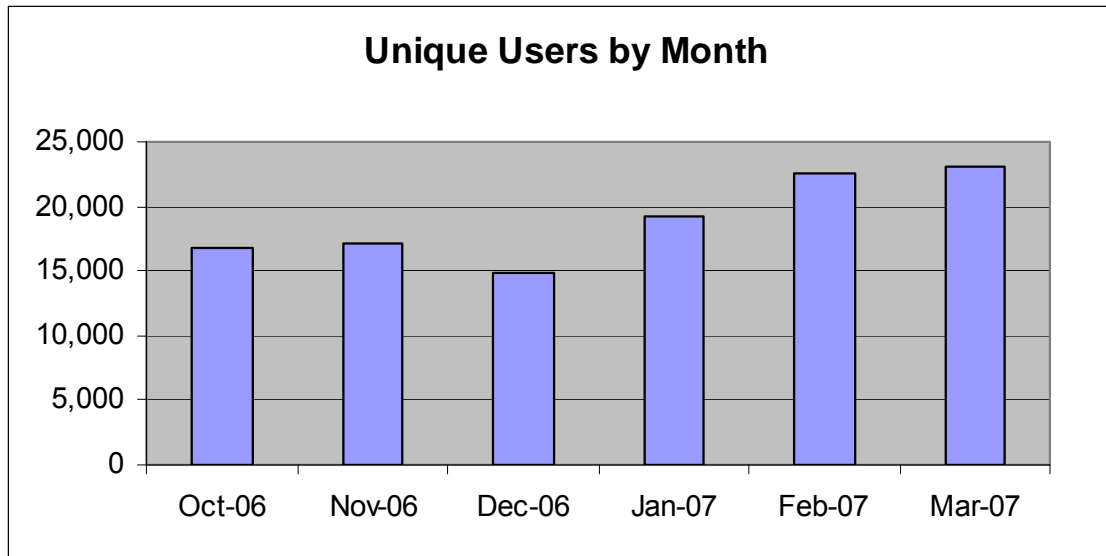Supply Chain Efficiency

HP Direct Onsite Labor Productivity

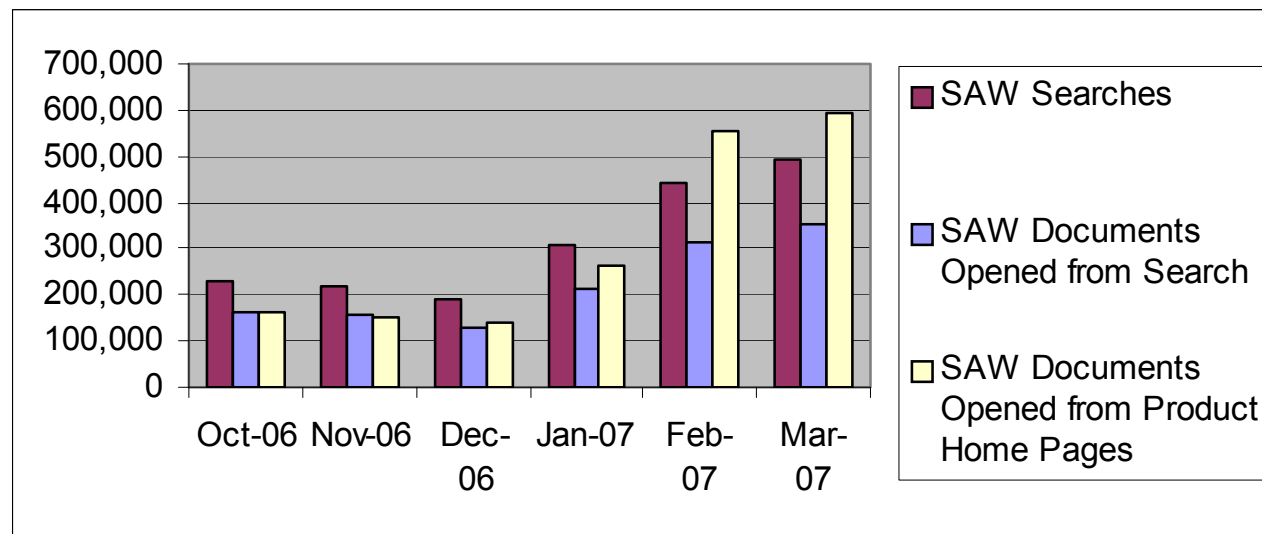Operational Efficiency

Remote Resolution

Self-Solve

Service Agent Workbench (SAW)

Unique Users by Month

Our agents' work environment has integrated KM practices into the workflow & issue management processes.

- SAW Searches
- SAW Documents Opened from Search
- SAW Documents Opened from Product Home Pages

Current Agent Reuse Impact Model

ROI for KCS documentation in FY'06 = 328%
For every $1 invested in KCS documents, the program produced a net of $3.28 in cost savings.
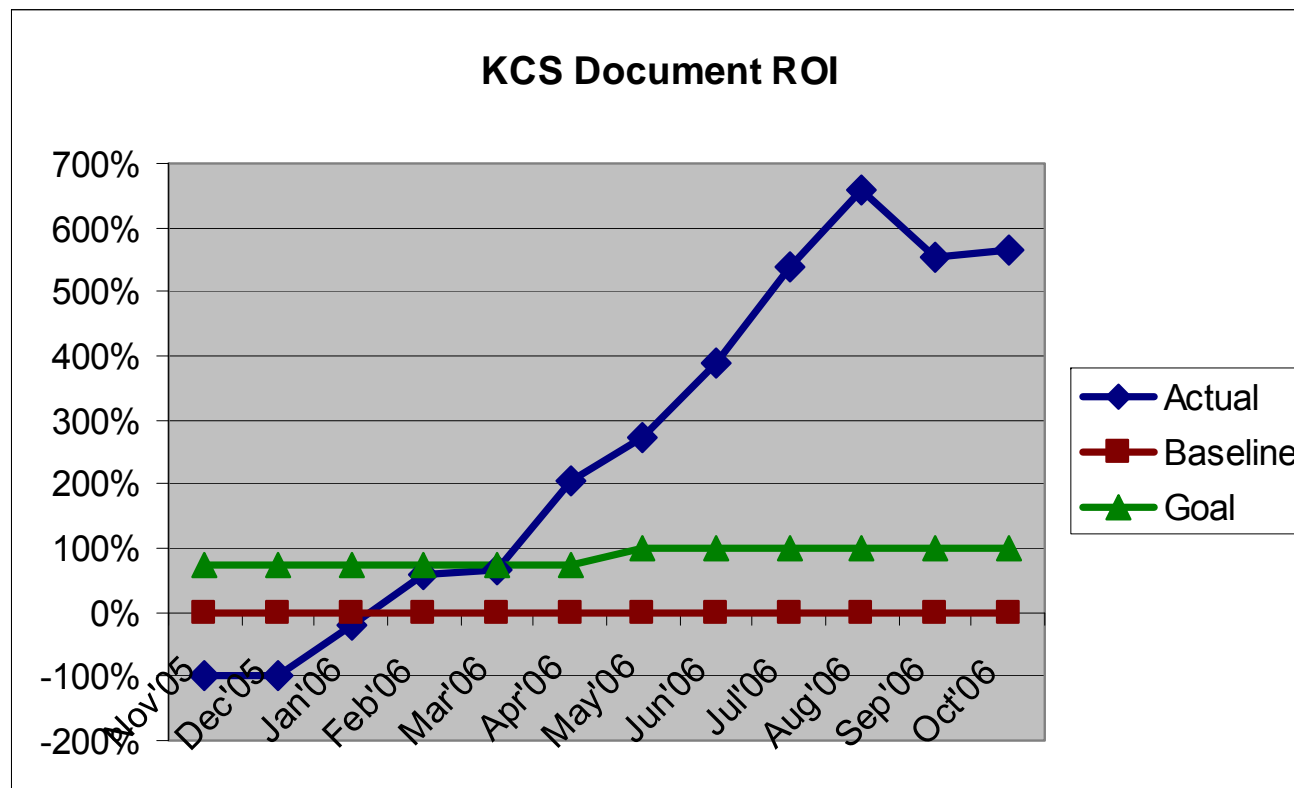
NOTE: The ROI formula was leveraged from *Web Services Return on Investment*, an article written by Gunjan Samtani, Divisional Vice President, Information Technology at UBS PaineWebber, one of the world's leading financial services firms.

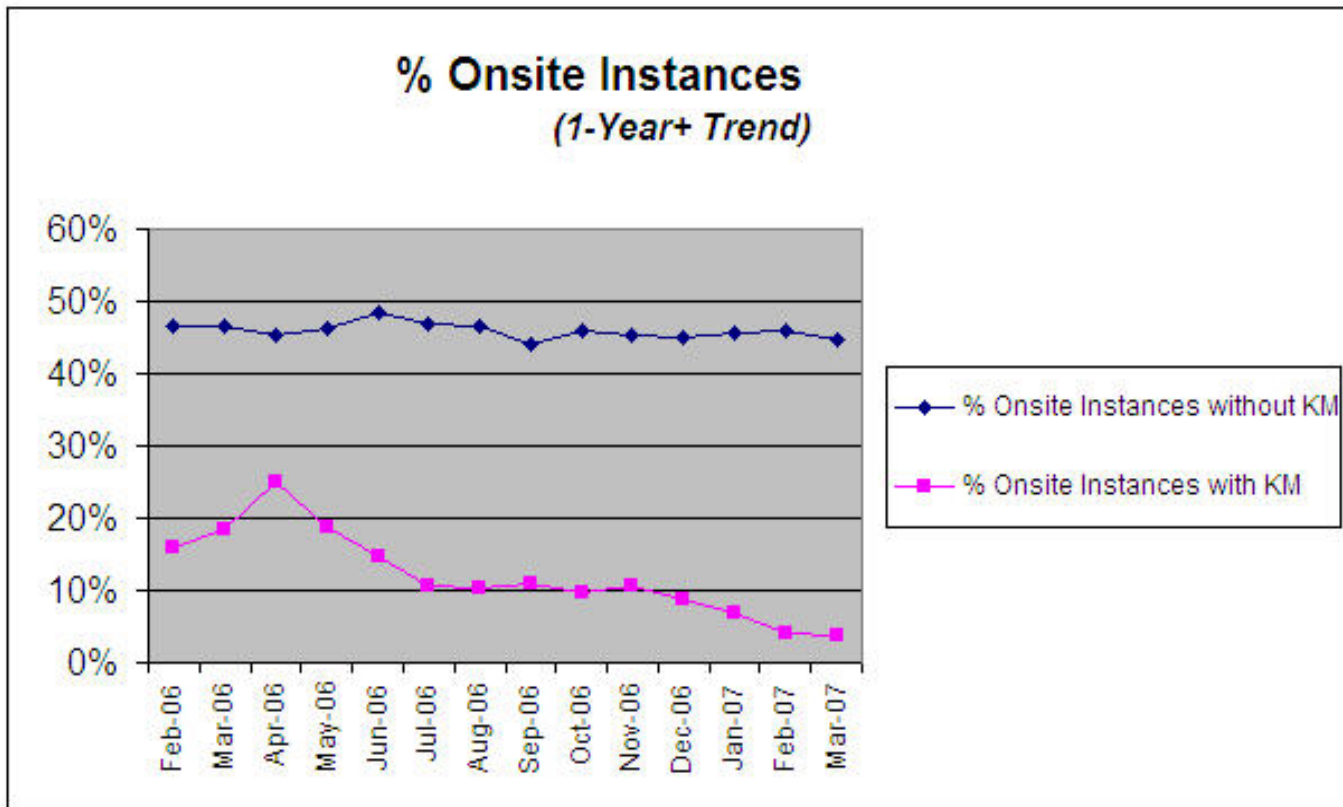# Knowledge Management Processes Increase Remote Resolve Rates

Trending shows that phone agents who use a knowledge management process to promote reuse in the Global Solution Centers are **3x more likely to resolve a case** than agents who do not.
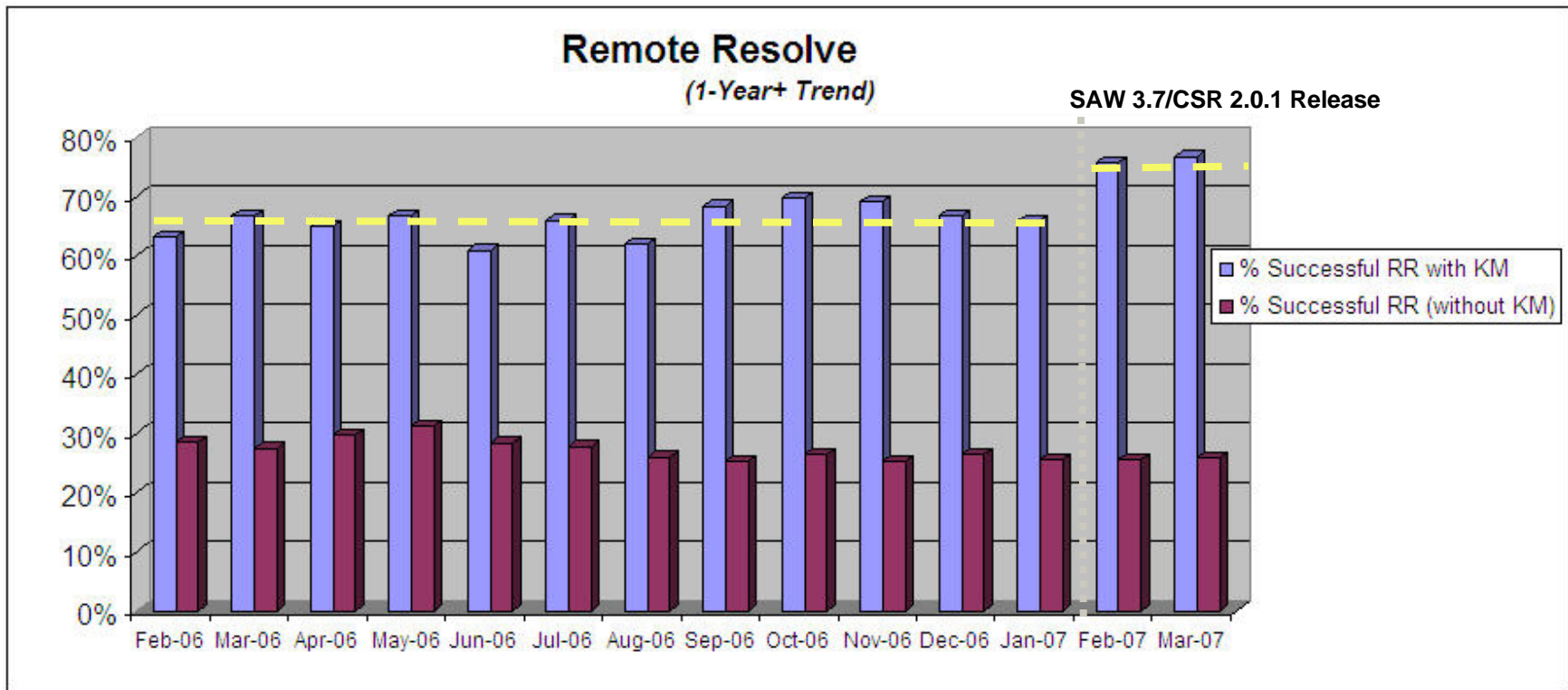
Remote Resolution rates for agents who used knowledge management processes **are 50% higher** in March '07 than cases where KM processes (KCS) was not used. The SAW 3.7/CSR 2.0.1 release prompted a 10% improvement in the Remote Resolve rate in February and March '07.

# KM Processes Significantly Decrease Onsite Support Visits

Trending shows that phone agents who do **not** use a KCS process are **11x more likely to send** a customer case to an onsite field engineer.

Onsite escalations continue to decrease in 1H'07 with agents who use knowledge management processes. **In March '07, only 4% of all KCS-impacted cases resulted in a support visit to a customer site.**

Savings in eDeflection
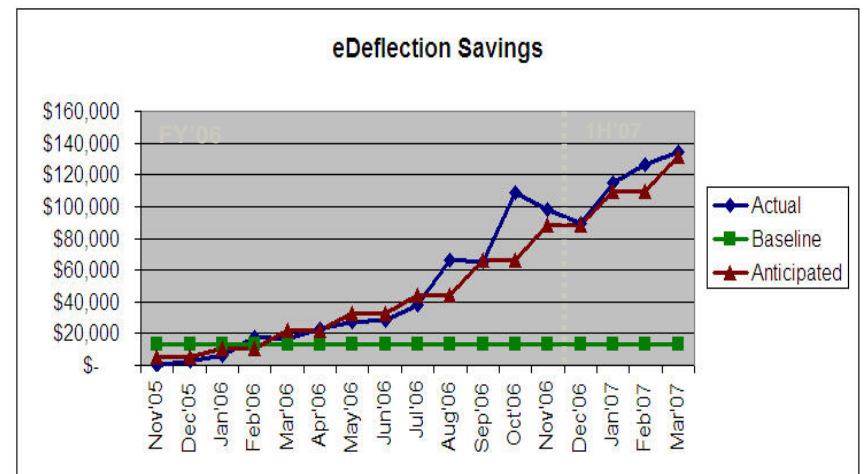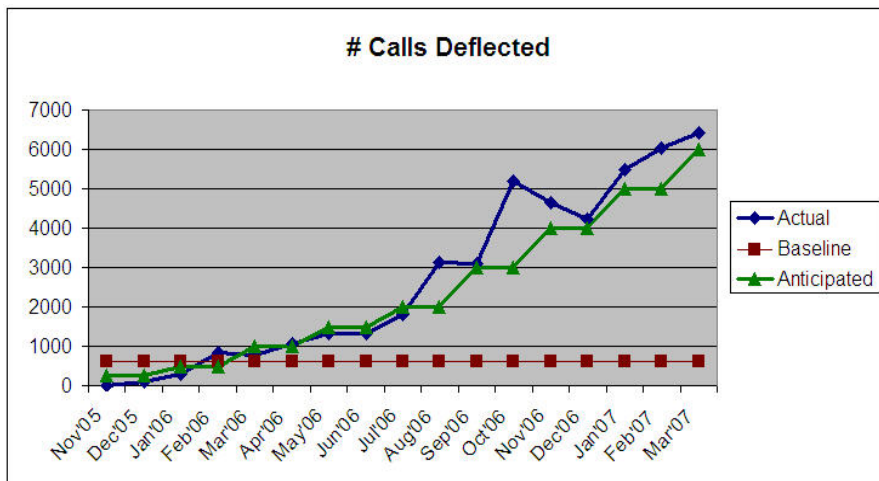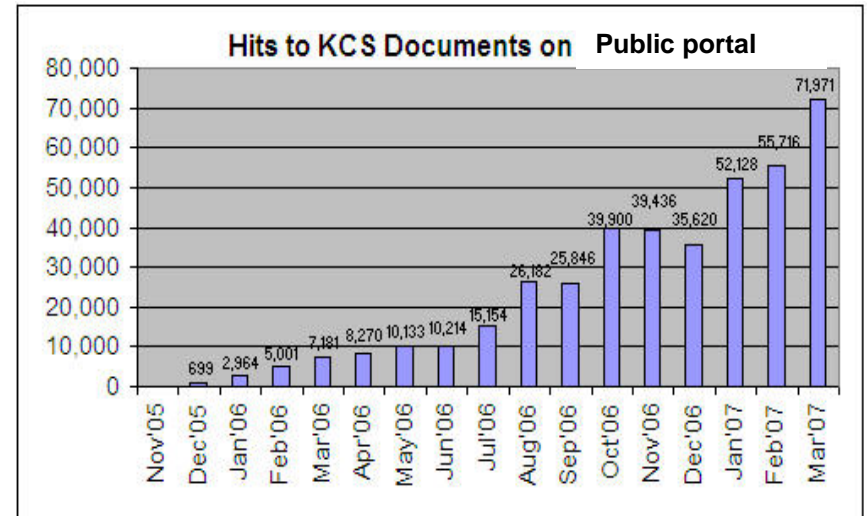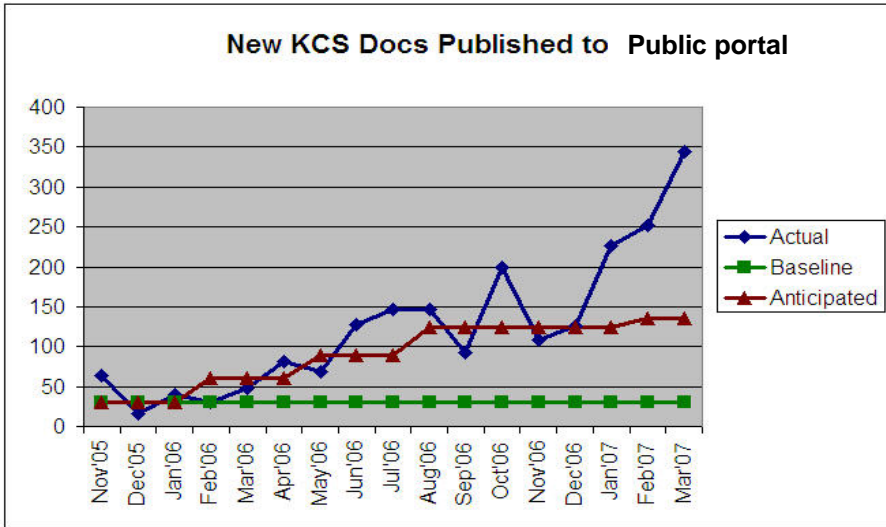
KCS docs deflected **45,805** calls based on the eDeflection rates reported on the Voice of the Customer Site

Feedback Service – Content Issues Resolved

Total Number Issues Resolved
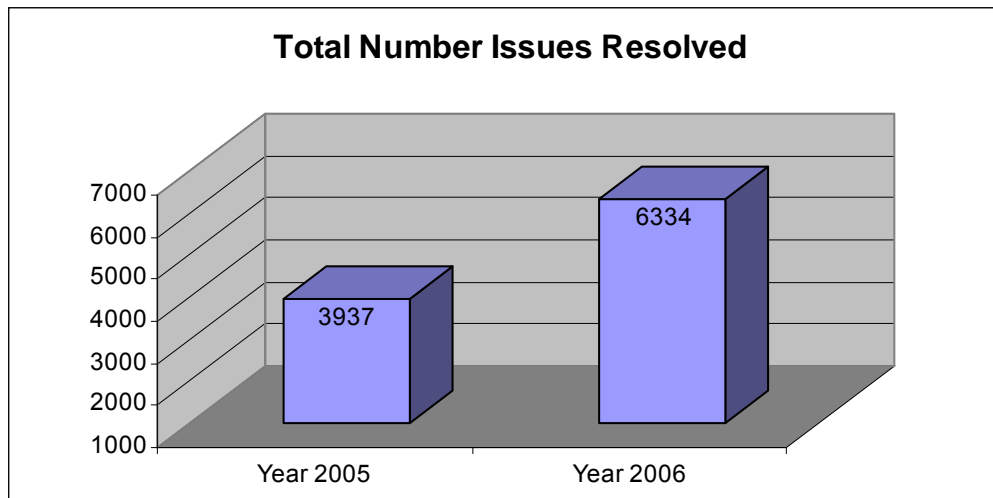
A total of **6,334 issues were resolved** in 2006 through Feedback Service, **an increase of 38%** from 2005.

The majority of issues logged in FY'06 were related to content problems. Missing content and content errors were consistently the top two problems recorded every month.

 # Issues Resolved

Solution Quality Content Importance
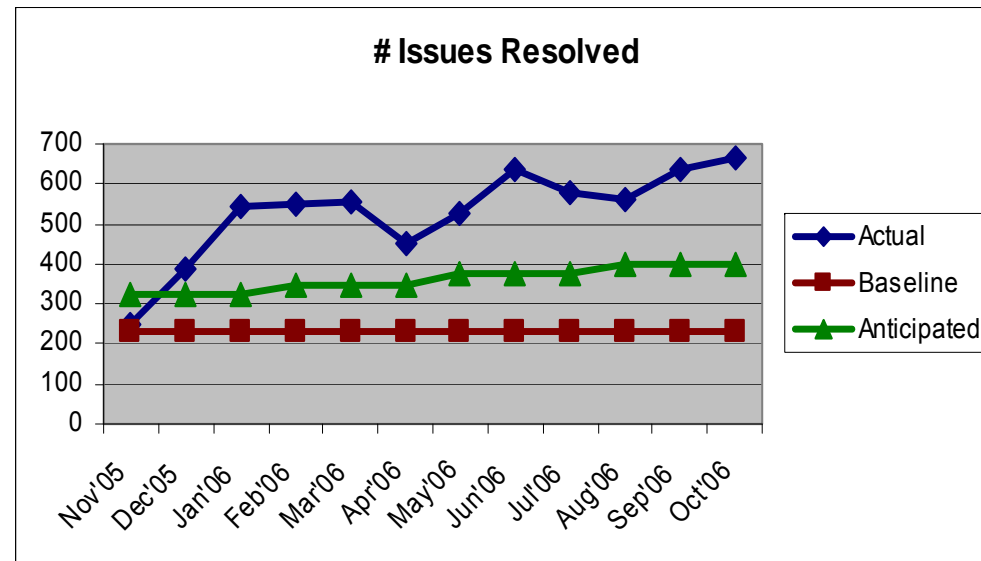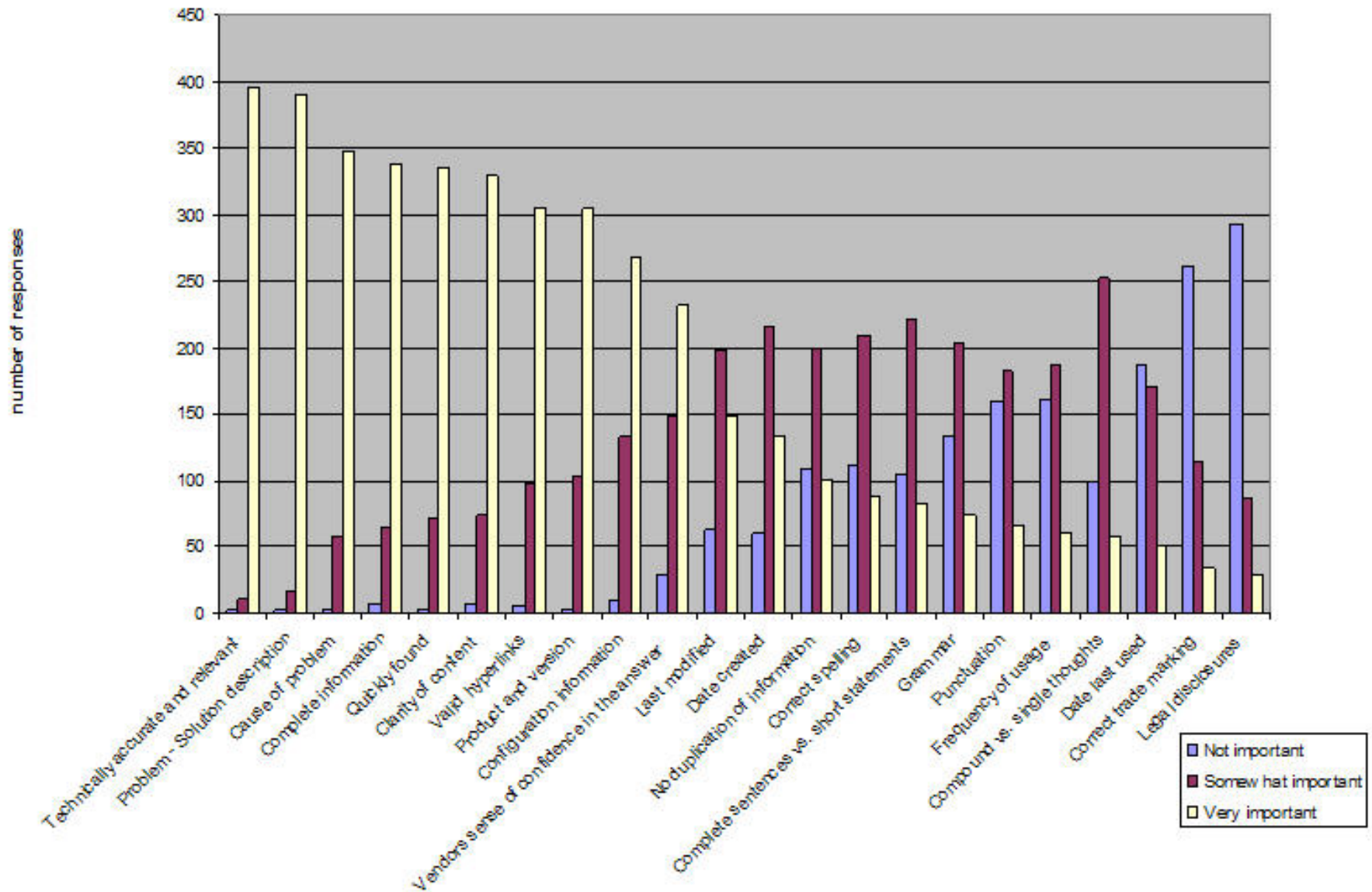
Cost of Poor Quality on Public Portal

Resolving content issues saved **$1,167,189** in eDeflection since FY'06 based on the eDeflection reported on the Voice of the Customer site. **Projected savings for FY'07 = $2M.** *(Assumes resolved issues are fixed for 1 year.)*

Cost Avoidance

"How good is good enough?"

Legend:
- Actual
- Baseline
- Anticipated
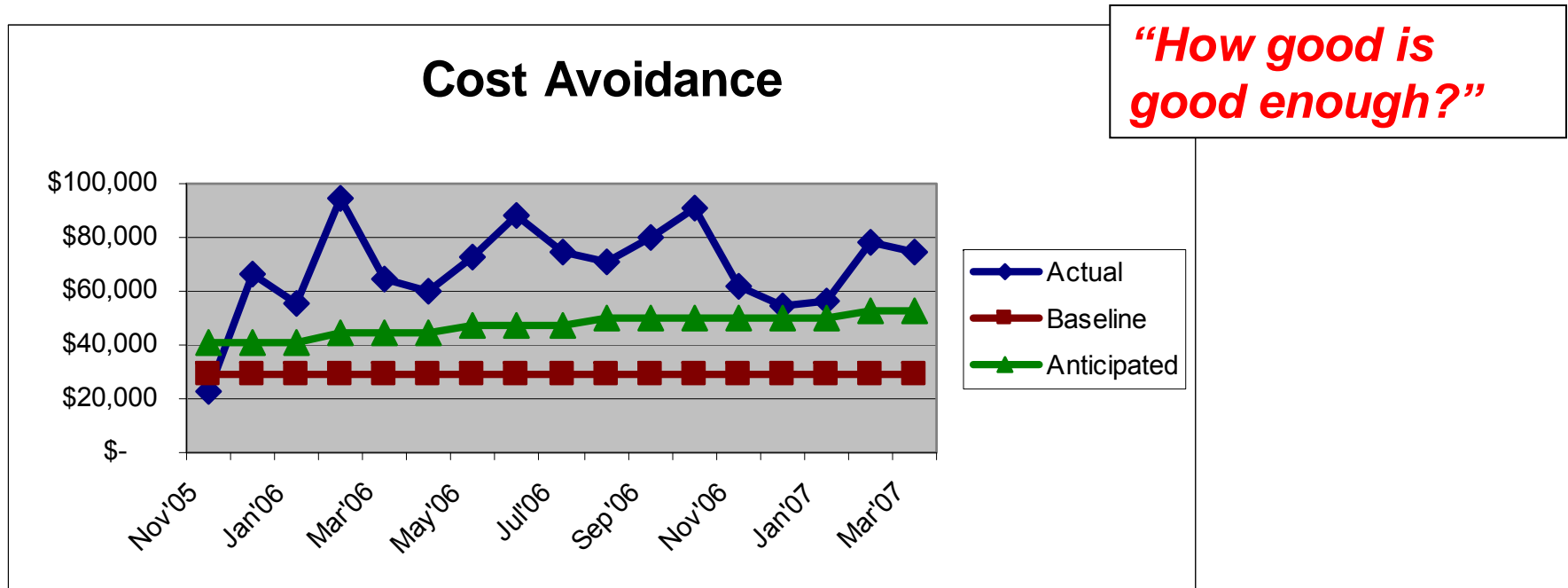
Fixing content problems makes documents "usable" again for customers on the Web, which improves self-service and deflects calls to the call center.

Cost (3-Year ROI for KCS, SAW, GTS, & Feedback)

- **Current State** – Feedback Services, KCS participation at 6%, and SAW

- **Scenario 1** – GTS, Feedback Services, KCS participation at 6%, and SAW

- **Scenario 2** – GTS, Feedback Services, KCS participation at 15% ('07), 20% ('08), and 25% ('09), and SAW

- **Scenario 3** – GTS, Feedback Services, KCS participation at 20% ('07), 40% ('08), and 50% ('09), & SAW

3-Year Plan	*3-Year Investment	3-Year Benefits	3-Year ROI
Current	$6.9M	$27.1M	$20.2M
Scenario 1	$11.6M	$36.9M	$25.3M
Scenario2	$24.4M	$55.1M	$30.7M
Scenario 3	$39.4M	$174.1M	$134.7M

Summary

Summary

- Diverse global work force will not fit solely into one KM process
  - *Cost prohibitive training*
  - *Turnover*
  - *Flexibility req'd to support follow-the-sun*
- Strong leadership and governance that cuts across business functions are essential for success
  - *Continuous Communications and awareness mode required (it never ends)*
- Difficult for staff to understand new ways of managing and sharing knowledge
  - *Agents can be slow to adopt new process and tools*
  - *Not just a tool change, but process and style of work change*
- Integrate the feedback process of the user community into KM solution (strong relationship)
- Choose an off-the-shelf application and configure

Unquestionable business benefit far exceeds the challenges

Next area of further exploration
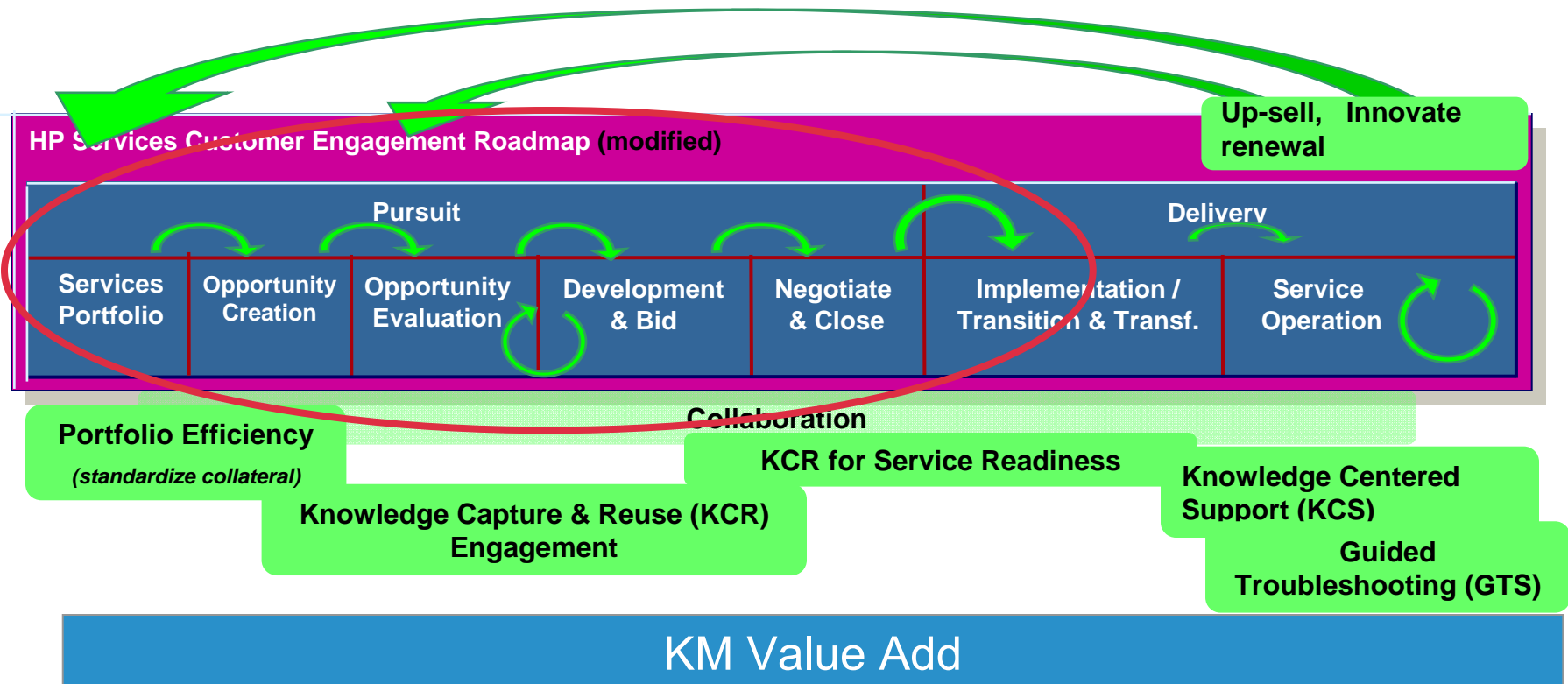
OPPORTUNITY: KCR/Collaboration ROI

- A 2003 APQC Study on "Information Overload" reported the average office worker spends 150 hours looking for lost information each year.

- APQC found in partner studies that productivity increased an average of 76% by implementing a formal Knowledge Capture Reuse/Collaboration strategy company-wide.

  - Caterpillar company, for example, reported an ROI of $2500 per person after implementing a KCR strategy

  BENEFIT TO HP (with a formal KCR strategy)

  $496.8Million * 76% improvement in the ability to find information = **$377.5M savings (avoidance) per year in improved efficiencies**

  Data Sources: APQC *Using Communities of Practice to Drive Organizational Performance and Innovation*, 2005; APQC *Information Overload*, 2003; Q1_HPS_Fact_Sheet_07.pdf

OPPORTUNITY: KCR/Collaboration

HP Services Customer Engagement Roadmap (modified)

Pursuit

Delivery

Up-sell, renewal **Innovate**

| Services Portfolio | Opportunity Creation | Opportunity Evaluation | Development & Bid | Negotiate & Close | Implementation / Transition & Transf. | Service Operation |

Collaboration

Portfolio Efficiency
(standardize collateral)

Knowledge Capture & Reuse (KCR) Engagement

KCR for Service Readiness

Knowledge Centered Support (KCS)

Guided Troubleshooting (GTS)

KM Value Add

- KM enables better win rate, healthier deals and lower operational costs
- KM enables better service delivery (more profit, better TCE / TEE) and up-sell opportunity discovery
- Provide primary focus for e2e KM strategy & global standard solution

Thank You