



Case Study: The Siemens ICN Knowledge Management Challenge: ICN/ICM ShareNet

Massive changes in the business environment drive the need for knowledge networking.

Siemens' Information and Communication Networks Division is a global provider of telecommunication solutions, active in more than 100 countries. The company's traditional business used to be quite simple and straightforward: it dominated its home market by means of a close relationship with a regulated national telecom monopoly. Siemens used this position to sell integrated products to other national telecoms around the world.

Since mid-1990s, however, the market environment has undergone a massive transformation and the Siemens ICN business model has been superseded by wholesale market change. Deregulation within the sector led to new types of players in the telecom market, who often cherry-picked the most interesting segments of the value chain. New competitors arrived at the scene while the pace of innovation was upped by the introduction of new technology such as IP networks. New kind of customers were less interested in "buying boxes" from Siemens, but were far more focused on complete solutions fitting their specific needs, including consulting, financing, systems integration and other services. This shift from a pure product business to a stronger service focus and solutions approach increased the complexity and knowledge intensity of Siemens' business.

The company was forced to rely more than ever on the front lines of the organization, who are more knowledgeable about the latest developments. Sales people had to act more and more like consultants. Skills like business analysis, business development, network planning, outsourcing and so on were suddenly in high demand, albeit dispersed globally. Solution selling had become an important value-adding activity.

Doing this right meant identifying best practices quickly, sharing them on a global scale and making sure that they were reused for profit in similar settings.

The idea of ShareNet as "global knowledge sharing network" was born.

ICN/ICM ShareNet – leveraging local innovations globally

ICN/ICM ShareNet is a community of around 18.000 sales, marketing, business development and research and developments people of Siemens ICN and ICM, active in more than 80 countries on all continents. ShareNet networks these experts globally and lets them share and develop their knowledge in order to create better customer solutions.

The goal is to detect local innovations and leverage them on a global scale. ShareNet covers both explicit and tacit knowledge of the sales value creation process including project know-how, technical and functional solution components, and the business environment (for example customer, competitor, market, technology and partner knowledge). ShareNet has a strong focus on experience-based knowledge; you will rarely find official "brochureware" but rather personal statements, comments, field experience of sales projects or the real-life tested pro and cons of a solution. In addition to structures questionnaires on the above mentioned topics, ShareNet provides less structured spaces such as chat rooms, community news, discussion groups on special issues and so called "urgent requests" (UR). Urgent Requests is basically a forum for asking any kind of urgent questions that don't have defined organizational owner. As ShareNet works independent of time zones and organizational boundaries, members usually get answers within a few hours.

Contributing knowledge – a task for all members

The fundamental paradigm of the ShareNet network is that any reader/user is also a publisher. There is no central or single "source of wisdom". The idea of ShareNet is to gather the collective knowledge of the worldwide community with as little bureaucracy and "barriers to entry" as possible. Most members are active sales and marketing people, not specialist journalists. There are various way in which members can contribute their knowledge. In many countries, filing in the web-based project questionnaires has become a mandatory step and a milestone in

all important projects. Any contribution is clearly personalized, allowing readers to validate the resource. Related knowledge of any kind can be dynamically linked to, for instance, a sales project description, thus giving a comprehensive picture of the business. This includes other knowledge on ShareNet and any other web-based system with or outside Siemens.

Furthermore, every contribution is "commentable" by the whole community, in a similar approach to the book reviews in online bookstores.

Collaborating virtually via a website complements traditional ways of co-operation, like telephone conferences and personal meetings, and can be used to provide even richer exchange of knowledge and to build trust and a sense of teamwork among members of (sub-)communities.

Universal access to sales, marketing and service knowledge

The use of knowledge available via ShareNet occurs in all phases of the sales process. Members browse the website for specific solutions, they search for all projects where a certain competitor was involved, they look for innovative financing or pricing schemes and so on. Members often use success stories in meetings with their customers to increase credibility and the likelihood of winning the project. The possibilities here are endless.

Whenever a member reuses knowledge of a third party, he or she also gives so-called "re-used feedback" on the website, indicating how, for example, they used the solution, together with comments and suggestions, their own specific experiences and a subjective rating of the value of the contribution, which is a basis of the incentive system.

ShareNet – The virtual organization

Although ShareNet is integrated in the daily work, that doesn't mean that no additional support is required. New roles were created to foster the development and operations: Every local company has at least one "ShareNet Manager", a multiplier responsible for supporting the members in his organization and ensuring that ShareNet becomes and remains an integral part of their work, by training new users, fostering intra-organizational re-use, promoting the "philosophy" of ShareNet with all stakeholders in his country, and promoting success stories to attract more "power users".

A global editor is the main contact partner for the ShareNet Managers, coaching them for success, triggering the content quality review process and serving as a community manager with regular news and updates.

Incentive systems – why should people share their knowledge?

Sharing your knowledge with colleagues that in most cases you don't know is somewhat counter-intuitive. It means giving up individual power for the benefit of the whole organization, and hence does not come easy. The Siemens experience shows that a combination of individual and organizational measures drive knowledge contributions:

- members reap benefits from ShareNet for their daily business: they save time, they receive a quick answer for a pressing problem and so on. As such, they have an inclination to give something back to the community.
- Often, the real subject matter experts are not identifiable on a simple organizational chart. They work hidden somewhere in the world without much publicity. With their personalized contributions, ShareNet makes these "hidden champions" visible to the global organization and to the board, who regularly check the system to find and promote these experts.
- A web-based incentive system has been developed: for any valuable contribution, members receive ShareNet "Shares" or bonus points, much like in an "air miles" system. Both contributors of knowledge, as well as re-users are rewarded for sharing their experiences. The shares can be redeemed for prizes that foster their individual knowledge, such as a participation on an international conference or courses and seminars they want to attend even if these are not closely related with their day-to-day job.

The combination of these three approaches seems to work, and ensures a rapidly growing number of contributions each month.

The benefits

Knowledge sharing does not simply happen, unless there are a number of measurable benefits for both the organization and for the individual. In the case of ShareNet the main advantages Siemens derives from its knowledge network are:

- ShareNet provides real life experience knowledge of sales projects and tested customer solution modules ready for application in similar circumstances. It thus saves precious time in all phases of the sales value creation process, in the preparation of an offer, in the negotiation phase and in the implementation of the network. The time previously needed to "re-invent the wheel" is now spent in a richer relationship with the customer and for creating new opportunities.
- In addition to time, ShareNet saves consulting fees for Siemens, because the knowledge and analyses of external consultants' reports are made available on a global scale whenever possible.
- By making innovative customer solutions visible throughout the organization, they are re-used in other countries or with other customers, thus generating new income streams.
- By networking the sales frontline in all countries, Siemens is able to detect new trends and developments in both technology and customer requirements earlier for the benefit of the customer.

Success stories from actual sales project that highlight these benefits are systematically collated and published on the website. A business plan with projections of expected savings and additional revenues created through the use of ShareNet is also in place and communicated.

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