Knowledge Management: Supporting Merger Synergies and Corporate Fusion

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Presentation Overview

- Merger Opportunity
- KM & Organizational Capability
- KM Strategy & Business Value
- Connections Strategies
  - PeopleNet (Expertise Directory)
  - Community/Network/Project Team Collaboration
  - Knowledge Portals
- Desired Behaviors
- Cultural Assessment
- Knowledge Retention
The merger provides a unique opportunity to change the way ChevronTexaco employees work together. We have a short window of opportunity to improve profitability and synergies by sharing, learning and building best practices.
Pre-Merger State of Knowledge Sharing

- Average employee has 20 years of experience
- Good lines of sight for knowledge sharing inside each company
- Connections and CoPs are established in some areas
- Weak line of sight between companies
Unacceptable Merged State

- Lines of sight between companies establish slowly
- Communities of practice remain isolated
- Knowledge of retired employees is lost
- Total Knowledge capital of decreases
- Merger synergy benefits only partially realized
Desired Merged State

- Line of sight between companies establishes quickly
- Communities of practice are merged
- Connections to knowledge of retired employees
- Knowledge capital of merged company > $K_{\text{Chv}} + K_{\text{Tx}} + K_{\text{Caltex}}$
- Merger synergy benefits fully realized
Synergy Savings Depend on Knowledge Management

Exploration & Production: deploying new technologies rapidly to solve common business challenges; utilizing resources more effectively with global virtual teams.

Refining: improving reliability, yield, reducing operating expenses and shutdown durations through the sharing of best practices in the global refining system.

Marketing: reducing service station construction costs, improving planning, and improving retailer operations through the sharing of best practices among the four global marketing organizations.
“4+1” Corporate Strategies

Organizational Capability

- Profitable Growth
- Cost Reduction
- Capital Stewardship
- Operational Excellence

No.1 TSR
“Organizational Capability is our know-how, our capable people, our excellent processes. It is a source of competitive advantage, a willingness to

- Seek and apply the best ideas in the company
- Share and learn from each other
- Get better at everything we do

All aimed at better results.”

Dave O’Reilly
Definitions

Knowledge
Explicit: Practices, Procedures, Manuals, Documents…
Tacit: Skills, Ideas, Experience…

Manage…
Create, Identify, Capture, Transfer, Improve, Reuse…

Knowledge Management
Processes, Technology and Behaviors that deliver the right Content to the right People at the right time and in the right context so that they can

– Make the Best Decisions Quickly
– Solve Problems
– Exploit Business Opportunities
– Accelerate Competency and Innovation
Key To Success: The ability of an organization to execute its strategies.
We propose to implement a suite of technology solutions that can significantly enhance our ability to find expertise, connect people, work as virtual teams and share knowledge.

These technology solutions will:

• Support Attainment of OpCo Synergies
• Accelerate Corporate Fusion

- If key communities are linked, and
- If reinforced with knowledge-sharing work processes
Knowledge Management Strategy

Connected People - Exploiting Knowledge

- PeopleNet
- Knowledge Portals
- Communities of Practice
- eLearning
“Connecting People” Strategies

• **Communities of Practice**
  – Identify Communities and Leaders
  – Map Content Similarities
  – Prioritize Connections/Provide Resources
  – Provide Collaborative Tools

• **Personal Skills/Expertise**
  – Unify Skill Categories
  – Move Profiles into Common Repository
  – Encourage New Profiles

• **Facilitate Merger Team Collaboration**
# Technology for Leveraging Know-how

<table>
<thead>
<tr>
<th>Who’s Done This Before?</th>
<th>PeopleNet, Intranet, Portals, Search &amp; Find, Communities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sharing Knowledge During</td>
<td>QuickPlace, MeetingPlace, NetMeeting, Webcast, Best Practices, Communities</td>
</tr>
<tr>
<td>After: What worked, what didn’t</td>
<td>Publishing, QuickPlace, Best Practices, Communities, Content Repository</td>
</tr>
</tbody>
</table>
Welcome to peopleNet - Microsoft Internet Explorer

Browse Alphabetically
Browse by Expertise
Click + and - to expand/collapse
Click on an expertise to browse

Accounting
Administration
Aviation
Communications
Drilling & Completions
Facilities Engineering/Construction
Finance
Geoscience
Government Affairs
Human Resources
Information Management
Information Technology & Computers
Land
Legal
Management
Marketing
Organizational Effectiveness
Other
Planning
Power Generation
Product Research Development and Tech Support
Production
Public Relations
Refining & Manufacturing
Reservoir Engineering
Risk Management
Safety Health & Environment
Sales
Security

View or Update My Profile
oldjm@texaco.com
enter email address (doejs@texaco.com)

peopleNet for networks

今天的 featured people

- Hartz, David M
  Geoscience II
  Worldwide E&P
  THP 2702

- Seufert, Fred B
  Gasification Consultant
  Houston Exec & Admin Staff
  BAX 258

Currently there are 2951 people in the PeopleNet database.
Currently there are 16 networks in the PeopleNet database.

Review Usage Agreement

Click here to see "What's New" in PeopleNet.
Browse Alphabetically
Browse by Expertise
Click + and - to expand/collapse
Click on an expertise to browse

- Accounting
- Administration
- Aviation
- Communications
- Drilling & Completions
- Facilities Engineering/Construction
- Finance
- Geoscience
- Government Affairs
- Human Resources
- Information Management
- Information Technology & Computers
- Land
- Legal
- Management
- Marketing
- Organizational Effectiveness
- Other
- Planning
- Power Generation
- Product Research Development
- Tech Support
- Production
- Public Relations
- Refining & Manufacturing
- Reservoir Engineering
- Risk Management
- Safety Health & Environment
- Sales
- Security

Areas Of Expertise

Name: Gazouelas, John P
Email: gazdp@texasco.com
Texnet: 666-22-44
Outside: 713-432-2244
Title or Position: BOB 242

Company: Texaco Group Inc
Department: Global Information Svs

Profile modified by: Gazouelas, John P. on 6/14/99 9:50:03 AM

Areas Of Expertise

- Information Technology & Computers
  - Extensive Experience G. McDonald
  - Extensive Experience B. Gazouelas
  - Extensive Experience R. Wherrett
  - Extensive Experience P. Wherrett

- Management
  - Extensive Experience E. Richter, D. Muir
  - Extensive Experience J. Stitt

- Knowledge Management
  - Extensive Experience J. Stitt

- Creativity
  - Working Knowledge B. Gazouelas

- Geoscience
  - Working Knowledge J. Stitt
  - Working Knowledge D. Osten

- Geoscience Acquisition/Processing
  - Working Knowledge M. Zeitten

- Workstation & Computer Mapping
  - Working Knowledge P. Hansen

- Competitive Intelligence
  - Working Knowledge K. Sminsky

- Learning
  - Working Knowledge L. Wood

Work History

February, 1999 - Present
Focus Area Leader Information Management, Baille, Texas
Texaco World-Wide Upstream

The mission of the Information Management Focus Area is improving information flow and knowledge transfer. We accomplish that by delivering systems, processes and services that help Texaco units achieve better decisions and reduce cycle time. Data Management, Web Development, Multimedia, Technical Training, Intellectual Property Management (Patents), Technical Library Services, Computing Services and Knowledge Management are all part of the skills used to deliver this mission.

July, 1997 - February, 1999
Director Knowledge Management Competency Center, Baille, Texas
Global Information Services

Develop and deliver knowledge management tools (collaboration, virtual learning, decision analysis, neural networks), develop and maintain information systems for Texaco and JV business units.

June, 1995 - July, 1997
Account Executive, International Upstream, Baille, Texas
Information Technology Department

Responsible for leveraging IT across Texaco’s International Upstream, oversight of Upstream IT projects and identifying opportunities where IT can improve Texaco’s International upstream operations.

April, 1995 - June, 1996
Director Information Systems, Harrison, NY
Texaco Information Technology Department

What is PeopleNet?
Integration: Knowledge Portal

Successful Practice Connection
Processes, Products, and Services

Project Connection
Past/Current Projects Documentation

Lessons Learned

GetSmart Templates

Virtual Teams

People Connection
Who Knows What? Who Has Done What?

Network Connection
TREx/BP Networks Communities of Practice

ePortfolio
What Can We Do?

find.Chevron Search Tools

Publishing Personalization

Collaboration Tools

Taxonomies Content Mgmt

Successful Practice Connection

Project Connection

Lessons Learned

GetSmart Templates

Virtual Teams

People Connection

Network Connection

ePortfolio

find.Chevron Search Tools

Publishing Personalization

Collaboration Tools

Taxonomies Content Mgmt
KM/Collaboration Video

An Integrated Knowledge Architecture
(or “Virtual Home on the Range”)
Accountability - Executives

• **Critical Element**
  – Create the expectation of knowledge sharing as a way of doing business enterprise-wide.

• **Expectations**
  – Market your organization’s knowledge to other Opcos.
  – Recognize and reward specific business and employee knowledge sharing.

• **Measurement**
  – Cite specific examples, relative to business plan, of adapting ideas and sharing for business leverage during performance review.
Accountability: Manager/Employee

Manager Expectations

• Recognize and reward specific employee knowledge sharing.
• Market your organization’s knowledge to other organizations.
• Set expectation to search for work to leverage before starting a project and to document results and lessons before completion.
• Sponsor a CoP, fund coordinator’s role, provide time for participation.

Employee Expectations

• Contribute to a CoP.
• Adopt/adapt a successful practice; credit the source.
• Be a mentor.
• Participate in peer consult/assist review process.

Suggested Measures

• Cite specific examples, relative to Business Plan, of adapting ideas and sharing for business leverage.
• Document cycle time and cost savings achieved through knowledge sharing and best practice replication, giving credit to the knowledge source.
• Document and publicize case studies that show desired “ways of doing things.”
Cultural Lessons Learned

We interviewed an equal number of Chevron and Texaco transition team members asking questions about how they worked together to plan the integration……

• Demographics
• Examples of success
• Examples of difficulty
• Barriers to success
• Overcoming barriers
Differing Views

We discovered examples where the lenses of company heritage caused team members to interpret events differently......

- Puzzles of mutual perception
- Managing conflict
- Working difficult issues
- Task participation
- Approach to Project Management

Nancy Dixon/Bruce Kaplan
Proposed Interventions

• Using Stories, Poetry and Group Conversation.

• Using Conversations around uncovered paradoxes of mutual perception.

• Using Conversations about successful practices of transition teams.
Knowledge Retention Issues

• Demographics
• Retiring Expertise
• Knowledge Capture ??
• New Employment Opportunities
  – Part Time
  – Contractors
    • Mentors
    • Community of Practice Coordinators
• Legal/Economic Issues
Summary

• Effective knowledge management can bring synergy benefits on the order of hundreds of millions of dollars.

• Effective knowledge management can be enabled by technologies like:
  – Intranet & Webcasting - Collaboration Tools
  – Search and Taxonomy Engines - eLearning
  – Web Publishing / Content Management - Portals

• But ultimate success in improving organizational performance and organizational capability relies on Dynamic Leadership, Behavior/Culture, Accountability, Rewards/Recognition, and Reinforced Work Processes.

• Our objective is to deploy enabling technologies that support improved work processes which generate value through connecting people for knowledge sharing.