



KM REVIEW

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Best practices, case studies and strategy

In 2000 Sainsbury's launched a business transformation program to move the supermarket chain toward a "faster, simpler, and together" approach to customer service. Here, a team from Sainsbury's and Accenture describe how Sainsbury's has used knowledge management and a new portal, *Connect*, to reduce the time to market for new products, help employees discover new possibilities for collaboration, and allow staff to respond more flexibly to customer needs.

BUILDING A FOUNDATION FOR INNOVATION AT SAINSBURY'S

Improving the customer experience through an enterprise portal

By Maggie Miller and Ruth Mallors, Sainsbury's, and Aimie Chapple and William Ives, Accenture



Maggie Miller is business transformation director and CIO for Sainsbury's. She has 30 years of experience in IT and has responsibility for Sainsbury's company-wide IT-enabled Business Transformation Program, which began in November 2000.

Before Sainsbury's launched its business transformation program in November 2000, it knew there might be a sense of inconsistency and confusion for customers in areas such as product offerings and availability across store locations. Critical functions such as product development took too long from concept to store shelf. Moreover, products that had failed trial runs in one location were then being re-launched in others without the product development teams knowing that the chain had already trialed them unsuccessfully.

To address these inefficiencies and optimize the customer experience, the supermarket adopted the interrelated themes of "faster, simpler, together." From then on, any program Sainsbury's undertook would be measured against the "faster, simpler, together" goal – in other words, all of Sainsbury's divisions should be working together to provide a faster and simpler experience for customers.

Sainsbury's is using knowledge management to accelerate the move toward increasing customer focus. Key to the program is Sainsbury's new enterprise portal, called *Connect*. Although the program and the portal are still in their infancy,

they are already producing benefits, and laying the foundation for innovation and collaboration.

Starting the transformation

A team from Sainsbury's and consultants from Accenture held a series of sessions with Sainsbury's employees from all divisions – including supply chain, product development, supplier relationship management, finance, marketing, HR – to discuss how best to roll out the transformation program.

The team did not start out by asking what technology employees needed to do their jobs better. Instead, the team asked small groups what was working well and what frustrates them. From there it was possible to map the gaps and provide solutions, some of which could be helped by technology (see Figure 1, next page).

In these sessions, employees across divisions stressed the need for better collaboration within and between divisions, more informed decision-making, knowledge sharing, and having a single source for relevant information. The divisions described the following requirements:

- document management;
- workflow management;
- a more collaborative work environment, and tools and processes for effective knowledge sharing between teams;
- information management tools (e.g., a taxonomy).

Sainsbury's

is part of the J Sainsbury plc group, a UK and US food retailer with interests in financial services and property. The Group comprises Sainsbury's Supermarkets and Sainsbury's Bank in the UK, and Shaw's Supermarkets and Star Market in the US. Group turnover in 2002 was £18.2 billion, and the Group employs 173,800 people.

KEYPOINTS

- Although Sainsbury's KM program and new portal are still in their infancy, they are already producing tangible benefits, and building a foundation for innovation.
- Using the information from employee discussions, Sainsbury's outlined needs in the following areas: document management, workflow management, a more collaborative work environment, tools and processes for effective knowledge sharing between teams, and information management tools (e.g., a taxonomy).
- The specific business cases for the portal are defined at the division level by using metrics such as decreased time-to-market for new products, rather than generic time savings at the enterprise level.
- Originally, most employees wanted to increase collaboration within their silos. After the portal implementation, it has been encouraging to see employees recognize the power of the portal to help them collaborate across divisions.

To address these concerns, a knowledge management architecture was defined to meet all of these needs and provided the foundation for *Connect*, which would be the focal point for the program. Sainsbury's based the foundation for its intranet and its evolving KM framework on work by BP and Accenture (see Figure 2, next page).

Connect: more than just a portal

Connect is a branding message for both the system and related actions (e.g., "Get Connected," "Have you been Connected," "Connect will Connect you..."). The name implies an inferred level of activity. The tool set comprises a portal with three layers: the corporate layer, department or functional layer, and the individual layer.

Connect has associated personalization and security, an enterprise document management system, and a robust search engine. It's more than the sum of its technology, because the portal embodies new processes, roles, and attitudes, such as:

- An ongoing knowledge management process that encourages colleagues to think about what works well and what frustrates them, leading to actions to resolve these issues through new processes and support within *Connect*.
- Event-based learning, processes that enable project teams to revisit their projects in an informal, confidential environment to obtain key learnings for other projects, and good working practices. These "retrospective reviews" are written in a plain, accessible style.
- New roles include four full-time knowledge managers, plus about 150 part-time and full-time knowledge specialists in the business divisions. These knowledge specialists promote the best use of information in teams, and manage content that is posted to *Connect*, editing it and ensuring it's up to date.
- Active executive sponsorship to support business outcomes.

Tailoring benefits according to function

Connect provides a common, branded experience for all employees, with a consistent, single source for corporate information supporting the "together" and "simpler" goals. People across the business are now becoming accustomed to sending hyperlinks for relevant information directly to *Connect* when answering queries from their colleagues, rather than sending the document as an extra attachment, allowing for accurate and easy access to common information.

Business information at Sainsbury's, however, is more complex than that. Sainsbury's is comprised of a number of discrete divisions, each with its own

culture and unique business needs. *Connect* is designed to work within this structure – there are sub-portals for stores, the supply chain division, product development, and call centers, among others. But Sainsbury's also encourages enterprise-wide information sharing by providing a platform for cross-enterprise collaboration. The architecture allows for a tailored capability within each divisional sub-portal, while providing transparency across sub-portals, reducing any "silos" that may have emerged.

The specific business cases for the portal are defined at the functional level by using metrics such as decreased time-to-market for new products, rather than generic time savings at the enterprise level. What follows is a selection of the ways different Sainsbury's divisions use the portal.

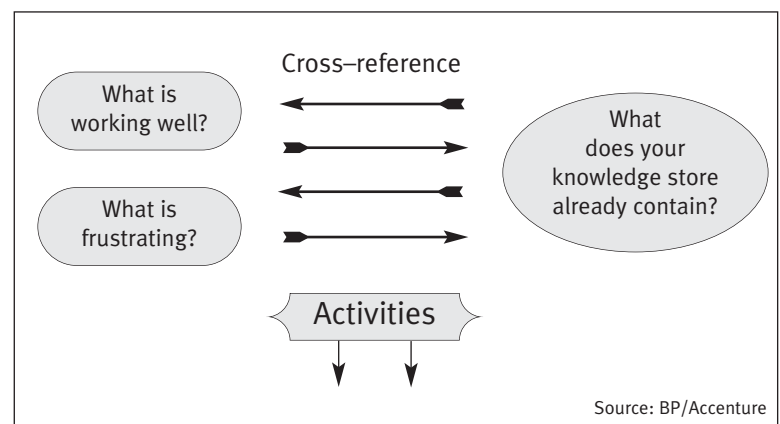
Documenting customer contact

Careline is a service that customers can call to learn more about such issues as using Sainsbury's products, exploring recipe options, or inquiring about health and safety issues. *Connect* enables customer service representatives to resolve an increased number of queries during the first telephone call. Contact center personnel now have easy access to answers to frequently-asked



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Figure 1: The Sainsbury's KM Process





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questions, since they are now documented to expedite customer response time and increase first-contact resolution.

All calls are recorded in the customer contact system so that personnel have access to each customer's call history and can personalize their responses. Types of calls are also monitored, and information to address these areas is updated in *Connect*, ensuring that colleagues are updated on customer concerns.

Board members are provided with information on the types of calls being received, which they can use to help drive strategic decisions to address customer requirements.

Customer-centric product development

Product development was the initial business need that stimulated the KM program. A pilot was conducted with the first 200 users. For an organization of 170,000 this was big enough to be credible to the rest of the workforce, but small enough to be manageable. This is the group that came up with the name for the portal.

Connect stimulates and supports new product development, since any new product idea must be registered in the "Ideas Bank" within the portal. In order to initiate the new development process and register the idea in *Connect*, a developer must demonstrate that the idea is not already in the bank by searching the database. This requirement helps to drive collaboration where possible and ensures that the right products make it through the development process.

All information relevant to product development is easily accessed from a single point to ensure that learnings from the past are incorporated, and that all relevant stakeholders are aware and involved.



William Ives leads the knowledge management practice within the Human Performance service line at Accenture, and was an adviser to *Connect*.

This results in faster time-to-market, increased product success rates, increased number of "first-to-markets" and improved customer perception of innovation at Sainsbury's. The process supports Sainsbury's move to customer centricity and is driven by customer requirements.

Collecting the "need to knows"

Re-engineering the distribution process is one of the underpinning projects for the change program, "Sainsbury's Business Transformation." But among all the changes, colleagues must still deliver the products to the store, ensure that stacks are full, and customers are getting what they need. Depot employees have participated in a knowledge management process to help them capture key pieces of information that are critical to operations. They have also identified areas of success within the process, as well as areas that are causing frustration. This information has been compiled into a collection of "need to knows" (for successful operations in a dynamic environment) which is available through *Connect*.

New learning processes are being embedded into Sainsbury's, such as after action reviews, which are now commonplace at the depots. They allow for immediate learning after short bursts of activity. Additionally, a *Connect* Champion has been appointed in each depot to assist with this process, and the results are accessible to the enterprise through *Connect*.

Answers at their fingertips

Sainsbury's stores are diverse and distributed across the UK – and are often independent in their needs and requirements. Prior to *Connect*, in-store customer service personnel were answering customer queries from paper-based information systems. Now they have access to the same information as their colleagues in the Customer Contact Centers, providing them with an amplified number of answers at their fingertips to effectively address customer queries.

Reducing the noise

With the increasing volume of information flow, *Connect* is helping to remove the "noise" in this information-driven world. One of the tools redeveloped as part of the portal, Store Post, provides in-store colleagues with access to critical information. This process has been designed so that actions that need to be taken are received the day before, providing the team with insight in advance so they can prepare for the next day.

The Store Post application, which provides secure content for store managers and regional

Figure 2: KM Framework – benefit types and benefit areas

Benefit Types	BENEFIT AREAS	
	Tactical	Strategic
Job Effectiveness	<ul style="list-style-type: none"> • Capture information more effectively • Find information more easily • Re-use and application of explicit information 	<ul style="list-style-type: none"> • Gain insight • Re-use work and ideas • Create
Enterprise Effectiveness	<ul style="list-style-type: none"> • Ease of access to people • Increase span of influence of experts • Learning organization • Extend highly codified knowledge to customer self-service 	<ul style="list-style-type: none"> • Increase collaboration • Increase synergy • Work enrichment
Support of Strategic Direction	<ul style="list-style-type: none"> • Increase operational effectiveness • Shrink delivery times • Extend KM to external partners and customers 	<ul style="list-style-type: none"> • Increase rate of innovation • Increase competitive positioning • Shrink response time • Drive e-business value chains

Source: Gartner

business managers, is organized within a Stores sub-portal, capturing knowledge with single-point access to business critical applications. It is the daily news service for the corporation and the information might include product recall, business transformation program, distribution, and anything the store needs to know.


These terminals are accessible in the back offices and the canteens. We have implemented a process called “retail gatekeeper” to ensure that postings to Store Post are relevant to the stores involved. We have the capability of separating information that might be relevant to our superstores but not smaller stores.

Linking Sainsbury’s divisions and next steps

KM is seen as a key element of the business transformation program, because it allows the organization to make links between divisions and learn from them. Learning cycles are now included in retail change programs – focusing especially on the post implementation stage.

Now that we have provided a framework of KM tools within *Connect* that are specific to the business needs of a number of areas, the same rigor and structure need to be imposed across all business areas and knowledge processes need to be integrated into their business processes.

Originally, most employees wanted to increase collaboration within their silos. After the portal implementation, it has been encouraging to see employees recognize the power of the portal to help them collaborate across divisions.

We must recognize the value of the knowledge we have and how each of us, in our roles, possesses knowledge that we can leverage to drive and enable the customer experience. 

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KM at Sainsbury’s – lessons learned

- *Have a small central team:* Enable this group to reach across the organization through enterprise reporting relationships. This central group will provide consistent governance, process and methodology across the organization. It can provide a neutral, independent view on initiatives across the business, and link them together where appropriate.
- *Engage the business without creating an empire:* Ensure that KM professionals across the business can interact and share their updates. At Sainsbury’s we created a Forum, allowing for collaboration between colleagues from various departments who participate in these sessions, including trading, distribution, stores, central retail, finance, property, and marketing.
- *Kick-start the KM forum far sooner:* At the time of this article, the KM Forum has been in operation for five months. It brings cohesion to the KM program, and if we had started it ten months ago we would be much further along in the project.
- *Allow for organic growth:* Provide a consistent framework (e.g., tools, processes) but realise that managing knowledge will and should happen differently in every area. Re-use the framework, tools and processes, and let the knowledge grow.
- *Recognize and support diverse audiences:* Sainsbury’s has 170,000 employees, but only 50,000 work on a full-time basis. When thinking about how to address the knowledge needs of this population, we must take this diversity into consideration. The *Connect* team has provided tools that cater to these distinct audiences, getting the right information into the right person’s hands so they can effectively operate the business. For example, to support the product recall process, *Connect* now has a “Product Recall” tool that feeds directly into a compliance module. When a product needs to be recalled from the shelves, colleagues use this tool to monitor the compliance actions within stores. Prior to *Connect*, this compliance process could take 12 hours. Now it happens within four.
- *Develop and maintain executive support:* This enterprise approach crosses a number of functions and requires support at the highest levels of the organization. Actively work to secure and maintain this support. The Sainsbury’s KM team has established success stories and buy-in with executives on the decision level, which will be invaluable when making the case to the board of directors.
- *Integrate capabilities within specific business processes:* It was critical for *Connect* to go beyond providing a generic enterprise capability to support specific processes. Base the business case on transforming the performance of people within these business processes.
- *Remain flexible:* Having a common set of tools and processes is one thing. Being able to apply them flexibly is where you can really win in the early stages of knowledge management.
- *Document the smallest wins from day one:* This way, not only can we tell the KM success story, but we can also substantiate it with examples of how KM adds value through diverse means.