UNIVERSITY OF SWAZILAND

FACULTY OF COMMERCE

DEPARTMENT OF BUSINESS ADMINISTRATION

SUPPLEMENTARY EXAMINATION 2005

TITLE OF PAPER: MANAGEMENT INFORMATION SYSTEMS II

DEGREE AND YEAR: BCOM

COURSE NUMBER: BA 416

TIME ALLOWED: TWO (2) HOURS

INSTRUCTIONS: 1. THIS PAPER CONSISTS OF SECTIONS (A) AND (B)

2. THE CASE STUDY SECTION (A) IS COMPULSORY

3. ANSWER ANY TWO QUESTIONS FROM SECTION B.

Note MARKS WILL BE AWARDED FOR GOOD COMMUNICATION IN ENGLISH AND FOR ORDERLY PRESENTATION OF WORK

THIS EXAMINATION PAPER SHOULD NOT BE OPENED UNTIL PERMISSION HAS BEEN GRANTED BY THE INVIGILATOR.

SECTION A

Booz, Allen's Quest for knowledge Management

Booz, Allen and Hamilton, founded in 1914, is an international management and technology consulting firm serving both government and private corporations. It offers specialized consulting services in areas such as financial services; computers, communications, and electronics; marketing and media; engineering and manufacturing; energy, chemicals, and pharmaceuticals; operations management; and information technology.

During the past decade, Booz, Allen has experienced tremendous growth. Revenues nearly doubled from $500 million in 1990 to $950 million in 1994. The staff has nearly doubled as well, from about 3500 in 1988 to 7000 today in 100 offices around the globe. However the company faces stiff competition from rival competing firms such as Andersen Consulting, McKinsey & Co. Inc., and KPMG Peat Marwick. Several years ago these companies seemed to be moving ahead of Booz, Allen because of their sophisticated use of information technology.

Clients depend on the members of a Booz, Allen consulting team to provide the best knowledge and skills to them from the firm as a whole. Fifty years ago, the company consisted of a small group of locals who understood each other's experience and skills. By the 1990s, geographic distance, lack of personal knowledge of individual consultants, and the sheer volume of employees made locating information and knowledge a formidable challenge.

Booz, Allen consultants were using a variety of technologies- e-mail, video conferencing, phone calls, and face-to-face meetings–to locate the knowledge they needed. But the company had no central store for its information, and consultants had to rely on informal networks and personal contacts to locate specific documents or employees with the knowledge and expertise they needed. For instance, to assemble a team for a specific project, a Booz, Allen officer had to manually resumes, areas of expertise, and previous assignments of potential team members who were either already known or recommended by co-workers. Productivity was obviously diminished, but the impact was magnified because Booz, Allen's expansion made it especially difficult for newly hired consultants to reach peak effectiveness. Booz, Allen's competitors were reaping benefits from on-line knowledge management systems they had already developed. Clients were asking Booz, Allen to help them implement knowledge management capabilities, but the company had no expertise of its own.

Recognizing the critical role played by knowledge and ideas in the consulting business, Booz, Allen management initiated an ambitious program to facilitate the creation and sharing of knowledge throughout the firm. The company created a senior position for chief knowledge officer (CKO) who would be responsible for managing research, development, and organizational processes that would enhance knowledge creation and

different locations assigned to build knowledge assets in specific areas, such as business process reengineering, also use these collaborative tools.

Booz, Allen's budget for technical upgrades and support for KOL was $250,000, but managing the content cost three times as much. Creating the content cost even more, an amount the company has been reluctant to quantify, because its consultants, who are paid up to $750 per hour, produce hundreds of documents for KOL's knowledge base. Over time the focus of KOL content has changed. Initially, Booz, Allen allocated half of the content of KOL to advanced thinking developed by leading experts in various fields. After studying KOL usage patterns, management learned that the heaviest users of the system were new employees trying to learn the basics. The system was changed to provide more training tools to help new employees learn company practices and standard frameworks for solving problems. Management also realized that the expert knowledge in the database could not be substituted for human experts. Leading-edge material was removed from the repository, and content was refocused on defining each employee's areas of expertise. With the major thrust of the knowledge program to encourage more collaboration, the new design encourages people to reach for the expert instead of the material.

KOL is often used to "jump start" a team to the beginning of a new project by allowing members to examine similar activities from the past for a particular client or task. Other popular uses include locating expertise within the company by searching KOL for similar projects or knowledge created on a specified subject, or searching resumes for certain skills. By learning about similar projects, teams can anticipate what issues are likely to cause problems and develop solutions in advance.

In the highly competitive world of consulting, giving one's knowledge to others or admitting that someone else's knowledge or skills may be better than one's own, has not been rewarded. Booz, Allen's culture did not promote knowledge sharing; it rewarded individual achievement over collaboration. Management tried to address this problem by structuring KOL to showcase the accomplishments of contributors. One-third of consultants' performance appraisals is based on knowledge creation and contributions that help the firm increase client business. The system was designed to make content submission easy. Although Booz, Allen's culture has become more collaborative recently, employees note that it still has a large measure of individual entrepreneurship.

Assignments for Booz, Allen's commercial clients- who tend to be Fortune 200 multinationals- are stuffed with "virtual teams" of consultants drawn from offices and practices all over the world. These teams come together for an assignment based on their expertise and may never work together again. So, the ability to become knowledgeable about one another's specific areas of expertise is key. By researching one another's contributions to the knowledge program a team can "know" what every team member knows- even before the first meeting at the client's site. This allows teams to bond quickly and get the engagement off to a good start.

Booz, Allen believes that KOL, along with the company's knowledge program, has provided both quantitative and qualitative benefits. Booz, Allen is able to leverage and use its best thinking for all clients on every assignment. Since the implementation of KOL, the firm has doubled its publication output. KOL has saved time compared to previous manual methods of information transfer, enabling the firm to deliver results faster and more effectively to clients. Clients who have seen KOL have requested that Booz, Allen create similar applications for them.

To calculate its return on investment for KOL, management surveyed a cross section of Booz, Allen consultants in order to understand the amount of actual time saved by using KOL to share and retrieve knowledge. This average was then reduced by a correction factor to account for the inefficient transfer of time. To place a value on this time, the composite billing rate of an average Booz, Allen & Hamilton consultant was used as a fair indicator of the additional billable hours that were created by using KOL.

CASE STUDY QUESTIONS

1. Analyze Booz, Allen & Hamilton using the competitive forces and value chain models.   10 marks

2. How significant a strategic advantage does Knowledge Online provide for Booz, Allen? Does it differentiate the company's service from competitors? 10 marks

3. What management, organization, and technology issues had to be addressed when building KOL? How successful was KOL as a solution?   20 marks

SECTION B

Question 1
Complete the table below

Project description	E/I	II	FP	FRC
High-structured/Low-Tech projects				
High-structured/Low-Tech projects				
High –structured/High-Tech Projects				
High –structured/High-Tech Projects				
Low-structure/Low-tech projects				
Low-structure/Low-tech projects				
Low-structure/High-technology projects				
Low-structure/High-technology projects				

E/I   External integration
II   Internal integration
FP   Formal planning
FRC   Formal results control

30 marks

Question 2
Discuss the forces that shape the strategy by
a)   Stating the implication   17 marks

b)   Stating how IT can be used to change the balance of power among these five
         forces   13 marks

Question 3
a)   Discuss the pressure towards User Dominance

                                                                                          21 marks
b)   Suppose you are the CEO for Spar. What key questions would you ask in
         Managing Legacies?   9marks