

{ making SMART COMPANIES }

A TOP salesperson of a major pharmaceutical company must print a brochure by 10 a.m., in time for a meeting with a major client. It's 9:30 a.m. when she dashes into her local Topeka, Kan., Kinko's, a global provider of document solutions and business services.

The printer she needs, however, isn't functioning properly. Whereas once this almost certainly would have caused the customer to miss her deadline, this Kinko's is participating in a pilot test of a new solution, dubbed eSupport. Intended to foster the sharing of information among all Kinko's employees, eSupport works like this: The branch manager logs onto the new knowledge-sharing solution, discovers that the problem has cropped up in other branches, and sees that it has an easy fix. He is able to make the repair and

print the brochure within the 30-minute window, keeping the salesperson on time—and happy.

"Smart organizations learn to share information to better serve all of their stakeholders. At Kinko's, we accomplish this by using technology as an enabler, both internally and externally," says Gary Kusin president and CEO of Kinko's, based in Dallas. "eSupport and our File, Print ... Kinko's offerings are examples of how technology translates into smarter solutions that reduce costs, cut turnaround times, and dramatically increase customer service."

Why share?

Various forces are driving companies like Kinko's Inc. to focus on collaboration. "An organization needs to respond to requests for proposals, react to changes in business strategy, help employees share knowledge, and access sales and marketing information from everywhere within the corporation," says Kurt Delbene, corporate vice president of the Office Server Group at Microsoft. "The organization needs easy, seamless access to information to do problem solving and analysis and to generate new ideas. Collaboration lets workers focus on the job rather than on processing information."

Collaboration tools from companies including Microsoft enable workers on a team to create a portal where they can share information and expertise, and work together in real time on documents and tasks, with each member able to see changes as they happen. For example, an engineering team can collaborate on a project design in an online meeting, with each participant able to manipulate the design, no matter where he or she is located. Alternatively, team members can work sequentially, accessing the most updated

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Connected companies prove that the secret to success is sometimes as simple as sharing.

By Roseann McGrath Brooks

Photographs by Charles Ford

Kinko's Executive VP and Chief Administrative Officer Dan Connors and CIO Laurie Zeitlin: Collaboration eliminates distractions that take away from the customer, thus enabling Kinko's to offer a better value proposition.

sharing



information whenever they log onto the portal. The portal becomes an extension of the team, encouraging innovation, streamlining project management, and enabling quicker response to market trends.

Collaboration is also a way to foster the kind of openness that breeds trust among employees and business partners, says Don Tapscott, coauthor of *The Naked Corporation: How the Age of Transparency Will Revolutionize Business* (New York: Free Press, 2003). "If my employer shares information, I'll trust my employer. If I trust my employer, I'll work harder and do better. Then the company will do better," Tapscott says. "In the same way, if you share information with external stakeholders, they will trust your business." (See Tapscott's column, "Transparency: Engine for growth," page 50.)

Better, faster decision making

Think of collaboration portals as a "dynamic workspace" for updating information and facilitating more effective interaction among project teams, says Ray Ozzie, creator of the widely used Lotus Notes collaboration tool, and founder, chairman, and CEO of Groove Networks, Beverly, Mass. Groove Networks' software allows both online and offline collaboration.

Online meetings—facilitated by products such as Microsoft Live Meeting Services, Live Communication Server, and Groove Workspace—eliminate the costly barriers of time and distance and keep team members informed. But technology should not be the starting point; rather, determine the business problem first.

One example is decision making. E-mail is not the most efficient vehicle for making decisions that require input from numerous employees, as anyone who has ever participated in a seemingly endless e-mail string will attest. "You have to have the fastest and most accurate decision-making abilities to be number one," Microsoft's Delbene says. "And most decision making is collaborative." Using a collaboration portal, decisions can be made in minutes that could otherwise take hours or days via e-mail.

Companies are catching on to the collaboration possibilities. According to the Meta Group, a research firm in Stamford, Conn., by 2004, 50% of Global 2000 enterprises will have a plan for uniting knowledge management activities; that number will grow to 80% by 2008 as companies begin to realize business benefits.

Lowe Enterprises Inc. already has its plan. The Los Angeles-based multinational, diversified financial management, real estate, development, and hospitality company is upgrading its



Kinko's Connors and President and CEO Gary Kusin: Listening to customers makes collaboration easy.

client environment to a raft of the latest Microsoft products to take advantage of their collective collaboration capabilities. These products include SharePoint Portal Server 2003 for groups that handle construction and property acquisitions, as well as Microsoft Office Professional Edition 2003 and, shortly, Microsoft Windows Server and Exchange Server 2003.

All Office applications, including Outlook, Word, and Excel, now have hooks into SharePoint Portal Server that make it simple for geographically dispersed Lowe employees to save documents to online portals. Authorized employees can then log into the portal and get everything from contracts and meeting minutes to accounting reports and location information. Such information helps executives make faster, more accurate decisions, says Keith Fletcher, senior vice president at Lowe.

"It avoids the 'e-mail-plus-attachment' approach," Fletcher says. "Portals also eliminate the 'who-has-the-correct-version' problem and allow us to rapidly share information among team members. With dozens of major projects, working from an old contract or document is counterproductive."

In addition, the number of meetings has been slashed. With all project details available in a common portal, the company no longer needs to hold numerous meetings on every project.

"The \$60,000 per year we'll save in improved employee productivity alone is just a start," explains Fletcher, who notes the upfront costs for the smart-sharing project were extremely low. "Our only cost besides the licenses for the server technology is IT time to bring the system up and train people," he continues. "It's quick and powerful and easy to learn because it's a Web site and everything is standardized."

Giving employees tools they recognize helps them buy into collaboration, agrees Groove Networks' Ozzie: "Most people know Office. So if you give workers a tool that they understand, that integrates with what they're already using, and that helps

resources

Go to www.microsoft.com/executivecircle/smart for additional resources related to collaboration technology, including:

- A Microsoft Executive Circle story on corporate portals
- Information on Microsoft SharePoint Portal Server 2003
- Case studies on how Lowe Enterprises and Honeywell are putting collaboration tools to effective use

Smart listening

them do their job more effectively, they're far more likely to embrace it."

Collaboration also improves the bottom line. For Lowe, sharing information through a single portal gives senior management information about all current and pending deals in one place. "Management asked for this," says Fletcher. "Being able to quickly analyze data from all over makes us more profitable. Because of this ability, even if we add only one deal a year—say, for \$5 million—it's not hard to see the return on investment."

Collaborating for customer service

Technology also helps companies share information with external groups. So discovered Kinko's, whose eSupport solution—currently in pilot testing—will enable Kinko's 20,000 representatives in 1,100 offices to quickly diagnose and solve equipment and software problems. The portal solution centralizes support information, enabling team members to use the common repository as a self-service database.

Avanade Inc., a Microsoft technology integrator based in Seattle, architected and implemented the Kinko's solution using Microsoft Office System tools. Tools such as Microsoft Office Visio 2003 and Microsoft Office InfoPath 2003 let IT communicate support processes and create dynamic forms to share technical information with branch team members. Microsoft SharePoint Portal Server 2003 provides the portal for the support repository.

"If branch team members spend less time trying to get their technology questions answered, they can spend more time leveraging their expertise with customers, which results in higher customer satisfaction," says Laurie Zeitlin, CIO at Kinko's.

According to Zeitlin, eSupport enables technical support personnel to concentrate on root-cause analysis of problems, rather than reacting to each individual event. Says Zeitlin, "eSupport drives tech support team member productivity and effectiveness. Now we can develop and share a single solution to common issues experienced across our branches."

In addition, the central database enables quicker response and more first-call resolution when a team member calls the help desk. "By collaborating," says Zeitlin, "we can eliminate distractions that take away from customers and thus offer a better value proposition."

Higher customer satisfaction was also a primary motivator in the introduction of the company's File, Print ... Kinko's solution, which enables customers to create a document in an Office application and print it to any U.S. Kinko's location (see story, "Smart listening," this page).

Smart sharing = good business

Independent analysts confirm that all this connecting of employees and customers is a sound investment. A recent study by

At document company Kinko's Inc., collaborating with customers makes for good business. And listening to customers makes collaboration easy.

"Our customers value convenience, customer service, quality, and speed," says Dan Connors, executive vice president and chief administrative officer at Kinko's, based in Dallas. "When we give them what they want, not only does that improve customer loyalty rates and increase spending per customer, it also creates a sustainable competitive advantage. Our competitors, by and large, cannot replicate these services, so they serve as a real point of differentiation with our customers."

One recent Kinko's response to customer demand is File, Print ... Kinko's, a service that will allow users of Microsoft desktop software to print their documents to any of Kinko's 1,100 U.S. branch locations from a standard print dialogue box. The service acts like a virtual printer cable connecting a PC to all of Kinko's printing capabilities.

With File, Print ... Kinko's, a customer can create a document using a native desktop application such as Word or PowerPoint. He or she then uses a simple, online wizard to send the document to Kinko's for production. The customer can pick up the printed piece at the local Kinko's, have Kinko's distribute copies to multiple points, or have the document shipped to a hotel or company headquarters, for example. A company that has a large sales force could provide its mobile users File, Print...Kinko's capabilities and give each salesperson the ability to personalize standard corporate documents, such as a sales brochure, and print them at the nearest Kinko's.

Kinko's is more competitive, says Connors, because it creates technology solutions not for their own sake but to meet customer needs, which drives higher customer satisfaction and loyalty rates.

"Plus, producing documents through electronic channels results in a higher-quality finished product, higher customer satisfaction, and lower total production costs," he points out. "And partnering with Microsoft results in keeping Kinko's on the cutting edge of collaboration." —Roseann McGrath Brooks

Navigant Consulting Inc. in Chicago found that the median internal rate of return for Microsoft Office System investments is about 142%, with payback in eight months. Navigant predicts the deployment of collaboration solutions and portals will contribute to organizations realizing 34% shorter project cycle times, 35% reduction of meeting times, 37% reduction of travel expenses, and up to 4% increased productivity.

"Collaboration is being able to do more because we know more," says Fletcher of Lowe Enterprises. "And that knowledge is what drives the top and bottom line." ●

At press time, FedEx Corp. had agreed to pay \$2.4 billion to buy Kinko's. The Kinko's management team is expected to remain in place.

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