

University of Lugano Teaching Cases on Knowledge Communication, Case #8, 12/2004

Knowing how, just not now. The difficult transfer of know-how in technology consulting.

Martin J. Eppler has prepared this anonymized case for in-class discussions. The case study is based on ten interviews with consultants of all hierarchic levels of a national facility management consulting company.

“Not again!“. Pascal Stein said to his colleagues, noticeably irritated. “This is the second time that our client hasn’t implemented what we agreed.“ “Even though he agreed with all our suggestions“, his colleague Susanne Frey who had sat next to him in the client meeting, added. The third in the group, Felix Ernst, added his assessment to complete the picture: “It seemed to me that he understood precisely what we talked about last time.“ “That’s where I’m not so sure“, replied Susanne Frey, and they already found themselves in the midst of a heated debriefing discussion about the just-finished project meeting with the client. This meeting would continue to give them plenty to discuss over the next few days, of this Pascal Stein was certain. “Because what just happened here,“ Stein thought to himself, “is just the tip of a dangerous iceberg.“

Pascal Stein was a project leader and board member at FACIM AG, a consulting firm of about 50 employees which specialized in facility management, real estate management and building site management. The company had been operating for several years, and had developed nicely. It was among the leading firms in its field and had acquired and maintained a broad palette of top-notch clients. These clients valued the market knowledge and method-based know-how, as well as the stakeholder approach of the FACIM consultants. They also valued the cooperative and systematic project management style. Despite strong growth, FACIM had managed to continually adapt, document and optimise the internal structures and processes. The growing professionalisation of the facility management sector also helped the company find a foothold in the market and work together with capable project partners on behalf of the client.

Nevertheless, the facility management consulting business was not about providing cookie-cutter solutions. This was clear to Pascal Stein. He used the unsatisfactory meeting with the client as a starting point to give some more thought to the reasons for the counterproductive client behavior, that is to say, the reasons for the *failure to implement the recommendations*. After the debriefing with Ernst and Frey, he sat down to reconstruct the most important events of the project, as his personal debriefing of the project up until now. Perhaps this would help them to do things differently or better next time.

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The project with the client under discussion had started around four months ago. The goal as far as Stein was concerned – the client had difficulties deciding on a clearly delineated goal – was the professionalization of the buildings management activities of the client as well as the implementation of a straightforward real estate management software package. At first, the client had in fact only wanted a more systematic structural organization for the facility management services and department, but then he realized that this alone would not lead to a lasting improvement. The project was designed to run for six months. It had a well-remunerated project committee and internal project leaders. It started with an *analysis phase*. In this first phase, the intention was that the FACIM AG team would establish what the status quo was and identify optimization potential. At first, this was a very laborious process, since a number of the employees who were interviewed were worried that their jobs would be eliminated and that the project was solely concerned with finding errors in their work. However, thanks to the open communication style and listening skills of the consultants, these reservations could be removed relatively quickly. The FACIM team managed to develop a positive project atmosphere and had become a welcome guest at the company. But even during this analysis phase, the work required a surprising amount of chasing after the client. Submission deadlines had to be extended several times, because the interviewed employees had provided the consultants with erroneous or no information. Not everyone seemed to have understood what was meant by ‘modern buildings management’. Thus they again and again returned to discussions regarding fundamental concepts such as what should be considered a building, or what was and what wasn’t facility management. Some employees also had difficulties, imagining what changes they specifically would be confronted with. Stein had often heard from the client that while the theories and concepts FACIM presented looked good, they would probably not fit into the organically developed structures and processes of their company. The project committee, however, took exactly the opposite view: The managers which comprised the committee did not understand the delays and thought it was all about installing the software and starting the new, standardized processes. One member of the committee exemplified this attitude when he said “you already have your tools, why don’t you just use them?” Stein had lively memories of how the managers inappropriately simplified the existing problems. They simply did not see the wide-ranging consequences of the software implementation and the new processes. He himself had to highlight to the committee just how complicated the situation was. But the project committee – as supervisory body and sponsor of the project – only met once a

month. In the third phase of the project, the actual implementation, this led to a serious problem. But first things first:

The *analysis phase* was followed by the *definition phase*, in which the new buildings management processes were (or ought to have been) defined and the new software adaptations agreed. This phase was completed in a surprisingly short amount of time, and Stein had the feeling, that not all those employees who were affected by the changes had been actively involved. This could probably be explained by the fact that in a failed previous (internal) project, a great effort was made to collect employee comments, which were subsequently dumped in a filing cabinet without any evaluation. Understandably, the employees now had little enthusiasm left for providing their input regarding software and process requirements. During this project phase, Stein also had the feeling that not all the involved employees were pulling in the same direction. Some probably felt overtaxed by the complex methods and terminology of the software, and tried to cover up their perceived incompetence. This group of employees subsequently also provided specifications which were difficult to implement. Additionally, they hardly ever asked questions, which led to a number of misunderstandings. Another group saw the project as an opportunity to extend their own range of influence, and therefore provided process requirements which had nothing to do with the actual project goals.

During the *implementation phase* (the third phase of the project), many of the client's employees finally began to realize what process changes were specifically to be undertaken, and what possibilities the software offered. This resulted in a range of additional inputs, as well as requirements which had not been mentioned during the definition phase (Phase Two). This caused significant additional work, because the agreed structure had to be substantially revised and extended. (it was only later that Stein found out that this had already happened once before in a FACIM project, two years earlier.

At the status update presentation to the project committee towards the end of the implementation phase, a critical situation resulted. Two important members of the committee (including the CEO) were utterly surprised at the expanded scope of the project and the new requirements (which were already implemented in part). The internal communication on the client's part, as well as the expectation management of FACIM had apparently worked less than optimally in this case. Luckily, Stein had spoken to a number of committee members prior to the meeting to explain the problem to them on an individual basis. For this reason, the situation did not escalate further. The board together with the consultants decided to prioritize and reduce in scope those requirements which were yet to be implemented. In order to achieve this, FACIM's requirements catalog method was to be used. Following this meeting, Stein, Frey and Ernst had immediately met with the project team of the client to explain their prioritizing method (for this task, the CEO of FACIM was called in to hold the lecture). Although the project team was not overjoyed to throw away their laboriously created implementation plans, everyone agreed to let the client's employees (and not the consultant) should work on the prioritizing round, not the least because the

consulting budget of the client was beginning to run low. Only Susanne Frey, the youngest member of the FACIM team, should be available to answer questions. This was the result of the next-to-last project meeting.

Two weeks later, the meeting which had so much annoyed and worried Stein took place. Instead of utilizing the prioritizing method and reducing requirements in a systematic manner as had been agreed, the project team members had just continued to work as before. To be precise, the still-to-be-implemented issues were dealt with one after the other, without any reference to their necessity or importance; and this despite those client team members' explicit agreement to use the prioritizing method and thereby reduce the implementation points. To Susanne Frey they had indeed complained about the method and its complicated criteria, but she had interpreted this feedback as difficulties with implementation rather than a refusal to use the method. The repeated, fundamental questions concerning the method should have made her aware that the method would neither be understood nor accepted. However, Frey interpreted the comments and questions as misgivings regarding her lack of experience, and therefore did not pass this feedback on to Stein – until today's discussion.

When the issue came up for discussion in the meeting, the client team reacted coolly:

“As agreed, we have set priorities during the implementation process. However, since we are working under intense time pressure, we were not able to additionally learn a new method with a number of complicated procedures. Your method for prioritizing is much too complex for us and only top shots like your CEO can really work with it. We therefore simply talked to a couple of people and got rid of these three implementation points here. We left the rest as they were. After all, we had to try to make some headway with the project.”

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Stein did not want to risk a similar project trajectory again. He now had to present a project which remained too large in scope to the company's top management. The managers would certainly not be happy to hear this, and would demand more budgetary responsibility from him. In this situation, should he explain the misunderstandings, communication problems and difficulties in learning transfer of the prioritization method, without at the same time proposing practicable solutions for the problem? In his opinion, all these problems were related in some fashion, and all had something to do with good communication. But where should he start? What were the problem's drivers? It could not just be the client's fault. His internal sphere of responsibility as a board member of FACIM was process management. Would he be able to offer a solution using well-documented processes when faced with a complex and wide-ranging topic such as communication? Or would he have to deploy new methods to improve communication? Whatever the answer was, Stein was sure there was no single panacea to be found for the area of communications. One single measure alone would not suffice to quickly improve the situation, as FACIM usually managed to do.