

KPMG Knowledge Management and the Next Phase: Using Enterprise Social Media

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ABSTRACT: The purpose of this paper is to present a case study summarizing some of the issues associated with KPMG’s knowledge management system and their recent adoption of social media for collaboration and knowledge management. In particular, this case examines KPMG’s knowledge management initiative starting roughly when Robert Armacost was hired to lead the global firm’s efforts in knowledge management, from 2007 through 2014, with KPMG’s adoption of social media as part of their knowledge management system. This case study shows a fundamental and strategic shift in knowledge management at KPMG from focusing on content to including collaboration. In addition, this paper illustrates some of the advantages of including enterprise social media as part of the knowledge management system.

Keywords: knowledge management; content; collaboration; social media; enterprise social media; enterprise social networking.

INTRODUCTION

Historically, knowledge management has been largely concerned with “managing content.” For example, in a report recently developed by APQC (an organization aimed at creating and communicating information to its members about knowledge management) in January 2014, the top five best practices were:¹

1. Let business leaders and experts determine what knowledge is critical, but provide criteria to support their decision making.
2. When deciding to capture and transfer knowledge, consider the ratio of tacit to explicit knowledge, the intended audience, and the rate of change.
3. Structure systematic knowledge transfer as a time-bound event with clear goals, milestones, and outcomes.
4. Make knowledge broadly available unless there is a specific reason to restrict it.
5. Offer self-service tools to navigate, filter, and customize the flow of knowledge—and provide a human support team as a last resort.

Each of these best practices is focused on content, aimed at treating knowledge as something that can be captured, stored, and reused when needed, consistent with the notion of a repository of knowledge. In addition, these best practices suggest the importance of “business leaders and experts” to deciding which knowledge should be part of the knowledge management system. As a result, these best practices suggest that organizational hierarchy is important to choosing knowledge. However, individual users may be reluctant to gather, categorize, and store knowledge, just in case someone might look for it and might be able to find it. Further, users may find that searching a grand repository for just the right knowledge could be difficult. This focus on content had led some to contend that knowledge management was dead, but others suggested that knowledge management was continuing to evolve and that evolution included knowledge management becoming more social (O’Leary 2016a).

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Supplemental materials can be accessed by clicking the links in Appendix A.

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¹ Available at: <https://www.apqc.org/new-apqc-research-details-best-practices-turning-knowledge-lasting-value-and-competitive-advantage>

This content/repository approach is in clear contrast to emerging approaches such as the importance of the crowd in providing knowledge (e.g., [Surowiecki 2005](#)). In addition, this approach ignores the potential impact of social media on being able to capture and disperse knowledge of concern to companies and individuals. In response to two of these trends there has been a growth in what has been referred to as “enterprise social media” (ESM) or “enterprise social networking” (ESN). This emerging set of software and processes is aimed at providing a social media-like environment and capability for companies that engages users from all levels of organizations. However, unlike social media that most experience as part of everyday life, ESM and ESN are designed to provide an application environment in which data are secured and private. In addition, they employ capabilities designed to capture knowledge from social engagements within the media.

Recently, some of the Big 4 have begun to implement and use these enterprise forms of social media, apparently creating value through sharing knowledge. For example, as noted by John [Veihmeyer \(2014\)](#), chairman of KPMG International:

One of the things we struggle with is how do we [get] 150,000 people sharing knowledge with each other. Tibbr has been a real win for us . . . [it has] taken knowledge sharing to a completely different level.

Unfortunately, although enterprise social media is being implemented in a range of companies, there are few studies illustrating its use, discussing characteristics of such systems and their implementation, and embedding their use within organizational knowledge management programs. Accordingly, the purpose of this paper is to examine KPMG's use of social media and the implementation of enterprise social media, within the context of KPMG's overall knowledge management efforts.

Outline of This Paper

This paper proceeds in the following manner. The second section briefly summarizes some of the previous literature on knowledge management at KPMG and in the Big 4. In addition, that section also provides a brief summary of the previous literature on enterprise social networking and the use of content versus collaboration. The remainder of the paper focuses on the case study of KPMG's use of enterprise social media. The third section summarizes some of the recent knowledge management efforts at KPMG prior to the adoption of social media-based knowledge management, including their global knowledge management strategy. The fourth section briefly examines the use of social media in enterprises, while the fifth section analyzes the use of social media at KPMG, examines some of the benefits of social media at KPMG, and investigates the “pushes” for social media within KPMG. The sixth section examines KPMG's “Hub” system, designed to facilitate enterprise social media. The seventh section summarizes the paper.

PREVIOUS RESEARCH

The purpose of this section is to briefly summarize some of the previous literature in knowledge management at the Big 4 and KPMG. In addition, this section provides a brief review of the emerging enterprise social media literature and its relationship to knowledge management.

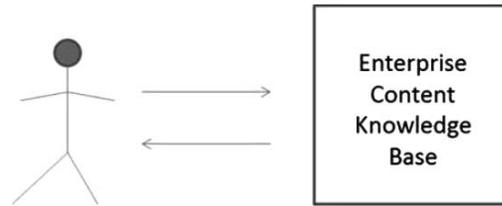
Previous Literature on Knowledge Management at KPMG and the Big 4

One of the first glimpses into corporate knowledge management was provided with Eccles's (1991) case about KPMG's Shadow Partner system design. Later, [Alavi \(1997\)](#) developed a follow-on case study that addressed the initial design and development of KPMG's U.S. knowledge management system, “K-Web.” Subsequently, [O'Leary \(2008\)](#) examined KPMG's efforts leading to their first global knowledge management system, “K-World.” [Manohar \(2005\)](#) also summarized some of KPMG's knowledge management strategy, organization, and use of tools subsequent to the introduction of K-World. Parallel to those efforts there were case studies generated about other Big 4 firms' knowledge management efforts, including Ernst & Young ([Sarvary and Chard 1997](#)). However, there has been limited recent investigation into the Big 4's recent knowledge management efforts. This case study provides some continuity to that research with an investigation of KPMG's recent efforts at knowledge management. As seen in the discussion in this paper, KPMG's efforts have shifted from primarily a content focus, as seen with the design and use of K-World ([O'Leary 2008](#)), to including an improved collaboration capability through their introduction of enterprise social media into their knowledge management implementation and strategy.

Enterprise Social Media and Knowledge Management

[O'Leary \(2016b\)](#) recently reviewed the previous and emerging literature of enterprise knowledge management and developed some theoretical models to support enterprise social media. As noted above, in general, knowledge management typically assumes a knowledge repository in which firms capture and store hierarchically approved knowledge. Such

FIGURE 1
Content-Based Knowledge Management



Based on O'Leary (2016b).

repositories can be local or global, private or public. In a classic knowledge management setting, an individual searches the repositories that they have access to for knowledge of interest, as seen in Figure 1.

However, with enterprise social media, knowledge management becomes “social,” or at least recognizes the opportunities for gathering knowledge from others rather than simply from specific repositories. An individual’s search is not limited to their own search of whatever knowledge bases they have access to. Instead, knowledge management system users also have access to people, who also have access to knowledge bases (Figure 2). This is consistent with original definitions of knowledge management (e.g., O’Leary 1998) that stressed the importance of knowledge management systems “connecting” people to people and people to knowledge.

Social media is well known for its broad-based use and for its ease of use. As a result, O’Leary (2016b) suggested a “pecking order” theory of knowledge management, with particular application to social media-based knowledge management. A pecking order theory is a “least effort-based” theory. That theory suggests that users would employ the approach that required the least effort or the least costly effort to finding the necessary knowledge. Accordingly, when presented with the onerous task of methodically searching through a knowledge base or simply asking others, it is likely that at least some (many) users would prefer to ask others. Enterprise social media provides an environment to facilitate that asking. Further, social media provides an approach that is easier to use than most other knowledge management structures.

In addition, as noted by Hayek (1945), “[K]nowledge (is) not given to anyone in its totality (instead) . . . the knowledge of the circumstances of which we must make use never exists in concentrated or integrated form, but solely as the dispersed bit of incomplete and frequently contradictory knowledge which all the separate individuals possess.” As a result, the knowledge is not likely to be available all in a single place. Accordingly, it can be important to be able to gather information from multiple sources.

RECENT KNOWLEDGE MANAGEMENT AT KPMG

Robert Armacost was named the U.S. and global head of knowledge management in June 2007. At that time, former vice chair Rick Rohrbaugh noted,² “Knowledge is clearly a key part of KPMG’s strategy, and it is central to the professional development of our people and the delivery of quality services to our clients. Bob Armacost will be responsible for developing processes at KPMG in the U.S. for sharing, retrieving, communicating and leveraging our knowledge assets. We intend to build a knowledge management (KM) system which will serve as a role model for KPMG International’s member firms worldwide.”

Global Knowledge Management Objectives

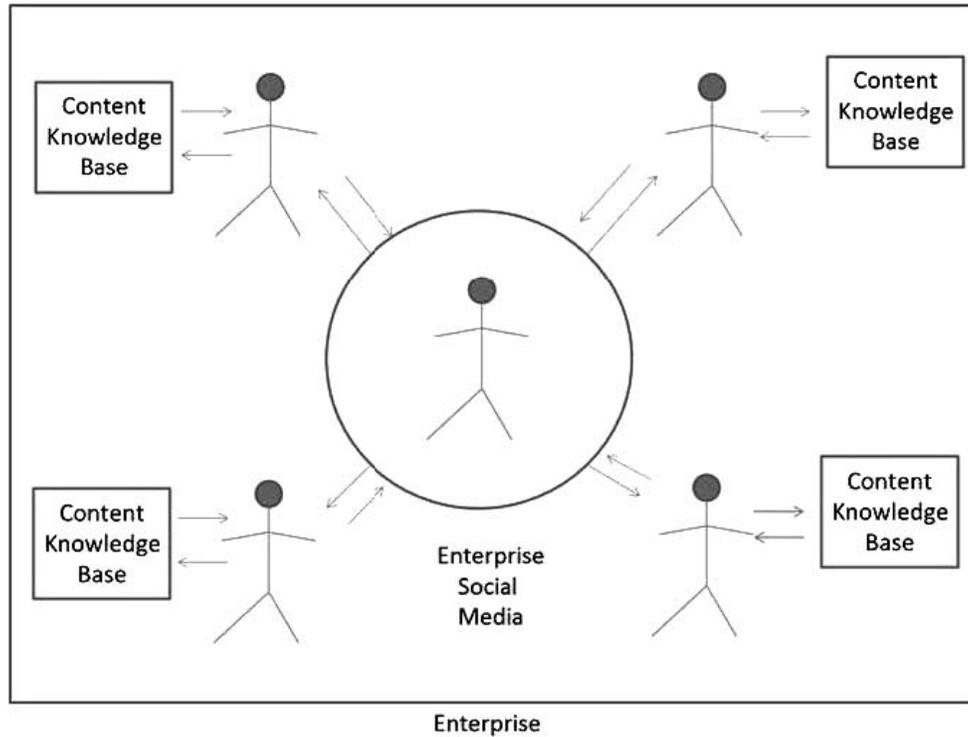
As the global head of knowledge management (Figure 3), Armacost (2011) indicated that the overall objective of knowledge management for KPMG was “to harness the knowledge of our people to help them deliver and create value for our clients.” This objective is consistent with KPMG’s original concerns with the development of Shadow Partner (Gladstone and Eccles 1991, 3), when there was concern with providing clients with more value added service.

As part of that objective, Armacost (2011) indicated that the knowledge management system was designed to accomplish eight sub-objectives (see also Hughes and Chapel 2011):

1. Make it easier for users to find what they need.
2. Speed the response time for client inquiries and development of proposals.
3. Decrease duplication of investments in knowledge by member firms.

² Available at: <http://www.prnewswire.com/news-releases/kpmg-names-armacost-national-knowledge-leader-58143867.html>

FIGURE 2
Knowledge Management System



Based on O'Leary (2016b).

4. Improve the overall experience with using knowledge management.
5. Broaden the access to collective expertise.
6. Help deliver deeper forward thinking insights.
7. Foster stronger client relationships and more effective service delivery.
8. Help drive profitable growth across member firms and practices.

These sub-objectives can be used to evaluate potential strategies and processes and will be discussed further below, with KPMG's adoption and use of enterprise social media.

Global Knowledge Management Organization

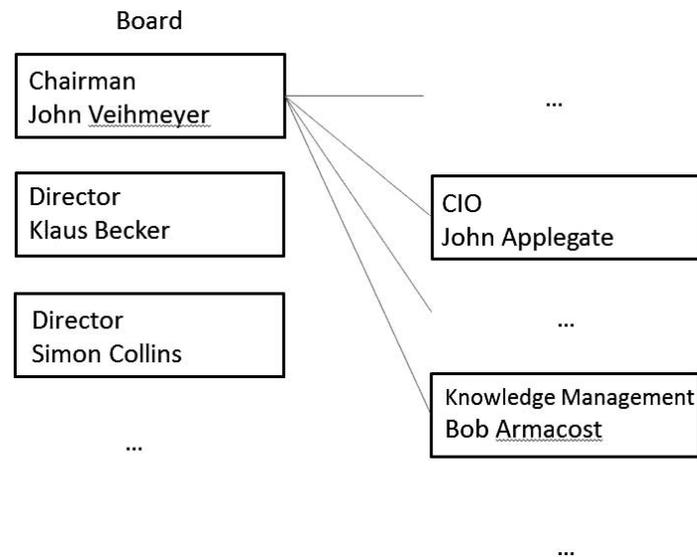
Knowledge management was global, with key staff located in London, England; Montvale, New Jersey, U.S.; Toronto, Canada; and Gurgaon, India. By the end of 2011, knowledge management had the formal structure as summarized in Figure 4.

Ultimately, KPMG's knowledge management efforts are multifunctional, and are not just related to information systems and technology. For example, Armacost (Roberts 2007) noted the importance of involving top human resource executives: "They can think of incentive programs, educational programs and change management to facilitate knowledge management and collaboration."

KPMG's knowledge management program uses knowledge management champions from many industries, sub-industries, and geographical regions. For example, there is a "Southeast Internal Audit Knowledge Management Champion" and a "Knowledge Management Champion for the Midwest Region." Such champions assist other KPMG professionals both in finding and in using best practices. In addition, they coordinate the capture and "harvest" of other best practices into KPMG's best practice repository.³

³ Available at: <http://www.prnewswire.com/news-releases/kpmg-names-armacost-national-knowledge-leader-58143867.html>

FIGURE 3
KPMG Organization Structure
 Partial Organization Chart



Abstracted from: <http://www.theofficialboard.com/org-chart/kpmg>

Figure 3 is a summarization of information available regarding the organization structure at KPMG International. Greater detail is contained in the full-color original that is available as a downloadable Word document, see Appendix A.

Global Knowledge Management Strategy

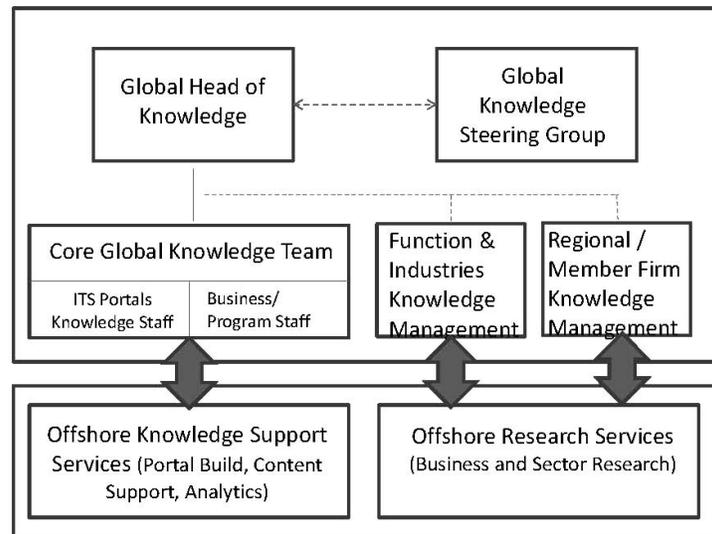
In 2011, KPMG's knowledge management strategy was based on three pillars: content, connectivity, and culture. [Armacost \(2011\)](#) described those three pillars:

- High quality, robust, and timely content so our people can access and use the right content, at the right time, to support their clients.
- Strong connectivity, collaboration, and sharing among our people teams and networks.
- A pervasive culture of knowledge sharing and collaboration among our people and across our global firms.

In addition, [Armacost \(2011\)](#) indicated that those three pillars were supported by three core enablers: organization, technology, and change management. In particular, the knowledge support organization was designed to be professionalized, efficient, and globally consistent, as reflected in the new global organization. Further, the technology would be globally aligned and user centric, in order to support sharing and access to content, people, and tools. Finally, critical to implementing knowledge management was change management in both processes and knowledge.

Ultimately, there would be a strategy associated with each pillar, e.g., a "Content Strategy." KPMG's content strategy involved capturing multiple "layers" of content, as seen in Figure 5. The lowest level (core technology and industry knowledge), is based on facts, regulations, and trends, and is delivered through tools and training. The second level (methodologies and tools) is created by business functions and typically is tailored to specific industries. Associated with methodologies and tools are previous proposals and client presentations, which are often the genesis of methodologies and tools. Previous engagements generated innovation as teams solved unique or emerging problems for clients, and the knowledge management system tried to capture those innovations by harvesting the content from those engagements. The third level (best practices and insights) is harvested to identify the best work and experts. At this level, not everything is codified, but instead information and knowledge are shared by individuals and emerging networks. As a result, codified knowledge at this level can be limited to contact information and engagement credentials. Finally, at the top level (top "points of view"), knowledge is seen as a competitive differentiator, harvested from client work, research efforts, and institutes, ultimately designed to drive publication and go-to-market strategies.

FIGURE 4
KPMG Knowledge Management Organization Structure
Global Knowledge Management Organization



Source: [Armocost \(2011\)](#).

Global Connectivity and Collaboration

[Armocost \(2011\)](#) noted that “the knowledge strategy that we have really relies on the ability of our people and our teams to connect with one another and (to) find others that can help them solve problems and can help them serve their clients more effectively.”

The primary tool designed to facilitate connection and collaboration was Microsoft Corporation’s SharePoint. By the end of 2011 KPMG had over 8,000 SharePoint team sites that had been created for a range of activities, including delivering services and sharing documents. Sites were developed for audits, internal projects, advisory engagements, and account home pages. For example, client audit engagement sites were developed to provide access to client information and documents, group audit instructions, client news, and general announcements. Account home pages might provide a record of client meetings, contacts, and related documents. Accordingly, in 2011 even connectivity and collaboration had a content focus.

Global Portals: Content, Connection, and Communication

Portals were seen as the primary unifying access point for people, content, resources, and tools. KPMG uses portals for both internal and external groups (see Figure 6). Many KPMG countries have a portal available to guide users to particular content. For example, on the external India portal⁴ there are a number of links to both KPMG corporate and KPMG India resources, including “Accounting and Auditing Update” and “KPMG Transparency Report.” The China portal⁵ has similar resources.

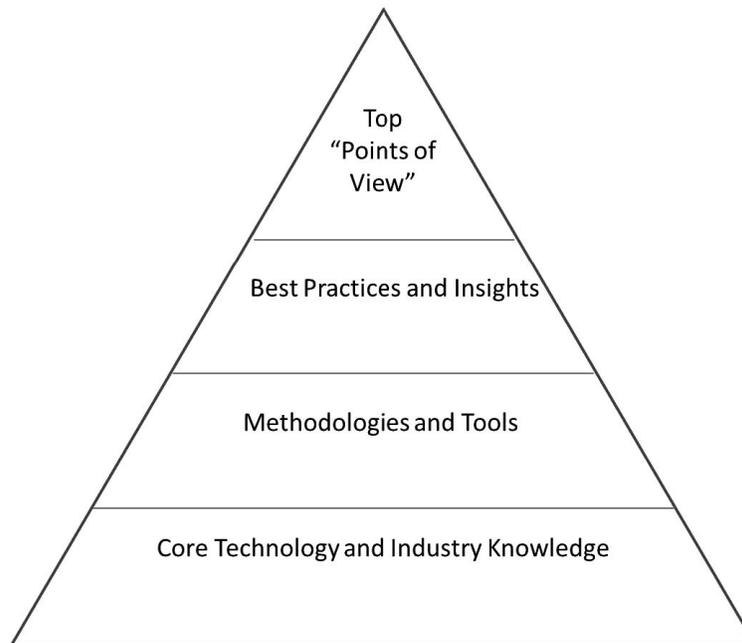
KPMG also has internal portals that provide knowledge repositories for audit, tax, advisory services, and markets (e.g., [Hughes and Chapel 2011](#)). Portals provide a communication channel for the particular country/marketplaces. [Armocost \(2011\)](#) indicated that by the end of 2011 there were portals in 62 different countries, and portals were being developed in 30 other countries. Portals also were developed for business lines and activities. Future goals for portals included integrating an *Autonomy*⁶ search engine and building a single portal for advisory services (e.g., [Champion 2011](#)).

⁴ Available at: <http://www.kpmg.com/in/en/Pages/default.aspx>

⁵ Available at: <http://www.kpmg.com/cn/en/Pages/default.aspx>

⁶ *Autonomy Corporation PLC*, a U.K. software firm that was acquired by HP and recently sold (available at: https://en.wikipedia.org/wiki/HP_Autonomy).

FIGURE 5
Content Layer Strategy
 Content Layers



SOCIAL MEDIA

Social media includes a range of tools including blogs, micro blogs (e.g., Twitter), Facebook, wikis, videos, community spaces, social bookmarking, social profile pages, online threaded discussion boards, crowd sourcing, and others designed to build internal social networks. Increasingly, social media tools were being developed for corporate markets and individual firms' internal use that mirrored the use of these technologies. For example, tibbr and Yammer (Table 1) were tools that were finding potential internal enterprise use. Other tools were developed by Salesforce.com, inc., Socialcast, and Neudesic LLC. These products were easy to use and provided social networking, but also allowed firms to limit access, provide security and privacy, and other advantages.

Unique Aspects of Social Media in Enterprises

With social media, every user is a potential content provider—every message they send can provide information to the parties involved. Further, with social media, rather than a one-to-one exchange of information, such exchanges are typically one-to-many, broadening the base of information exchanges. Use of social media also builds personal networks of contacts that can be used in other settings.

Social media has replaced a range of other media, such as personal meetings and phone calls. In so doing, there has been a transfer of communicated information from voice to information available in a written format.

Social media takes many messages and moves them beyond one-to-one to a broad base of users. That also makes what used to be email messages potentially visible to others, reducing some of the asymmetries of information associated with email.

Social media also potentially influences the flow of information in hierarchies. For example, in a classic organization, about the only opportunity for a junior staff to interact with a partner is on an elevator. However, social media potentially can help those in an organization cut across the hierarchy, facilitating communication across organization levels.

In addition, social media exchanges can be investigated for their content and the specific knowledge that they contain. The sentiment, emotional content, and other issues can be investigated, captured, and reused.

Generation X Employees versus Generation Y Employees

Increasingly, there was an interest in those issues that affected social media use. KPMG's Australia CIO, C. Robinson (2011), differentiated between how Generation X and Generation Y employees treated knowledge and social media and its impact on enterprises. Generation Y employees had grown up with social media, whereas Generation X had not.

FIGURE 6
Example of an External Portal

The screenshot displays the KPMG India website interface. At the top, the KPMG logo and tagline 'cutting through complexity' are visible. The page is titled 'India' and includes navigation links for 'About', 'Industries', 'Services', 'Research', 'Careers', and 'Topics'. A search bar is located in the top right corner. The main content area features a large banner with the text 'Welcome to KPMG' and a description of KPMG's services in India. Below the banner, there are several sections: 'Latest articles & publications' listing various reports and updates; 'Global IT-BPO Outsourcing Deals Analysis' with a photo of hands signing a document; 'Social Media' featuring tweets about KPMG India's participation in KICC 2015 and GST Poll Results; 'Improving Board Effectiveness' with a photo of a book cover; 'Alumni Re 'Kconnect'' with a photo of three people; and 'Audit Committee Institute'. A sidebar on the right includes a map of India, 'Useful Links', 'KPMG in India Hotline', and 'Our Recent Transactions'.

Source: Author's screenshot, KPMG website, January 2015, <http://www.kpmg.com/in/en/Pages/default.aspx>
The full-color version of Figure 6 is available as a downloadable Word document, see Appendix A.

Many KPMG employees are Generation X employees—people in their 40s and 50s who will be leaving the firm in the next ten to 20 years. Unfortunately, those employees will be taking a lot of knowledge when they leave. As a result, there is interest in capturing their knowledge, if possible. Further, historically with the Baby Boomers/Generation X employees, the notion that “knowledge is power” has been dominant. For Generation X, hoarding knowledge was not only acceptable, it was the way of actually getting ahead. As Robinson (2011) noted, “your clients and the knowledge that you had around them was what got you promoted. It was not in your interest to share.”

TABLE 1
Enterprise Social Networking Tools^a

Neudesic LLC	http://www.neudesic.com/Pages/default.aspx
Salesforce.com, inc.	http://www.salesforce.com/chatter/overview
Socialcast	http://socialcast.com/about
tibbr	http://www.tibbr.com
Yammer	https://www.yammer.com

^a All last accessed on January 3, 2015.

Robinson (2011) felt that there were some emerging issues associated with social media that would need to be addressed. Unfortunately, as noted by Robinson (2011), hoarding is one of the “killers” in terms of sharing information. How can you change that knowledge culture from one where knowledge equals power to one where power equals knowledge sharing?

Second, Robinson (2011) noted the new employees from Generation Y coming into the firm have grown up in the opposite culture. In fact, they probably share too much information; although, having grown up with the tools has enabled them to be able and willing to share, almost opposite of the Baby Boomers. Thus, a challenge is likely to be what happens when the two philosophies come head-to-head: what kind of systems would be needed to address both types of participants? This would need social media that allowed for limiting access and ensuring privacy and security of the knowledge.

SOCIAL MEDIA AT KPMG

In 2011, it was clear that KPMG had implemented social media as a means of integrating with their clients. However, in 2011, KPMG also had begun to explore using social media for knowledge management, so choosing which social media tools to use was one of the next steps. KPMG planned to deploy social media by the end of fiscal-year 2012. However, KPMG had not fully “internalized” all of its knowledge about social media. There had been a number of papers internally in KPMG from information and technology (Matuszak 2007) and from human resources (Isaacson and Peacey 2012) that examined the use of social media. Further, it was becoming clear that social media had some additional benefits over and above more traditional knowledge management tools.

General Use of Social Media at KPMG

At KPMG Bob Armacost, global knowledge leader, and others thought that social media could be used for developing internal and external relationships. Internally, social media was seen potentially to be able to drive stronger collaboration, more sharing, and relationship building.

As noted by Armacost (2011), externally, social media was thought to mean a stronger market presence. In particular, using social media was thought to be able to strengthen KPMG’s relationships with key stakeholders—especially clients—project and reinforce the KPMG brand, and improve the client experience. However, Armacost was also interested in using social media to facilitate knowledge management.

Other Potential Benefits of Social Media at KPMG

Hughes and Chapel (2011) indicated that social media was expected to provide internal knowledge management benefits of stronger collaboration and sharing. In particular, it was expected that social media would facilitate (1) finding internal experts and people, (2) allowing access to insights of others, (3) building networks on critical topics, and (4) responding to client queries.

From a knowledge management perspective they felt that there would be some direct business benefits associated with social media approaches: faster and more efficient responses to proposal inquiries, better and more efficient engagement startup, more efficient staff integration, greater access to the collective skills and experiences of the staff, and reduced confusion about where to find what.

These and other potential benefits would be at the base of establishing estimates of return on investment. But it was not clear how or which social media would be able to deliver these benefits.

Social Media Tools in Use at KPMG

Internally, KPMG from 2010 through 2012 used different social media tools throughout the organization (e.g., [Hughes and Chapel 2011](#); [Armocost 2011](#)). In particular, KPMG used all of the classic social media, such as blogs, wikis, microblogs, etc. As an example, Bill Thomas, deputy CEO of KPMG in Canada, wrote a blog about leadership for internal use. As with other blogs, users were permitted to leave comments.

Externally, KPMG had at least six Twitter accounts, including KPMG US, KPMG UK, KPMG US Careers, KPMG Recruitment UK, KPMG Canada, KPMG Advisory, and KPMG Updates (also affiliated with KPMG UK). In addition, KPMG used Twitter externally under the name “Brave Banana,” designed as a crowd-sourcing approach to business: “Where clients source the minds of KPMG crowds. You come to us with an issue relevant to your business; we use our expertise to generate innovative ideas.” KPMG also used different internal private communities for leadership, human resources, and other communities where the discussion among those groups is promulgated.

Emerging Enterprise Social Media

Starting in roughly 2011 ([Hughes and Chapel 2011](#)), KPMG developed internal pilots of different enterprise social media technologies. For example, [Carr \(2012\)](#) reported that as KPMG Australia began to investigate the potential use of social media they found that many users were already using free versions of Yammer. However, KPMG also chose to pilot tibbr because of its ability to be integrated with other tools, e.g., SAP and SharePoint. Both Yammer and tibbr offered security and privacy, yet provided capabilities reminiscent of Facebook.

Further, on June 15, 2012 the *Wall Street Journal* reported that Microsoft was acquiring Yammer, Inc.⁷ It was not long after that announcement that Twitter reports from KPMG indicated that they were “trailing Yammer.”⁸

Impact of Using Social Media at KPMG

Social media allow users to capture knowledge from dispersed portions of organizations as seen in two examples reported by [Robinson \(2011\)](#):

- A senior analyst noted, “I posted a question and got an answer the same day from across the globe. It’s helped me to deliver a better result to my client.”
- A junior employee noted, “I have connected with Partners, who I’d never typically talk to offline.”

In addition, KPMG UK reported that their online Brave Banana ideas forum was giving participants the chance to provide ideas to help solve some of the biggest challenges faced by their clients. Not only was the forum generating ideas, but retention of those participants that were more active in the program (on the “Emerging Leaders’ Programme”) ran at a rate of 97 percent.

Additional Benefits of Social Media

In a study of corporate use of social media [KPMG \(2011\)](#) found that although the single most cited internal benefit was related to knowledge management, there were a number of other additional benefits of using social media, including a wider knowledge pool, job satisfaction, cultivation of relationships, productivity gains, and attractiveness to employees.

[Horrigan \(2012\)](#) also suggested that by using social media, retaining personnel would be eased since employees would expect these kinds of tools in the workplace. KPMG’s [Robinson \(2011\)](#) went a step further and indicated that social media is helpful in making people feel more valued and gets people more easily integrated into the community. [Robinson \(2011\)](#) also felt that social media was more effective than email because it removed the obligations of email and that people could just be observers if they wanted to.

Costs of Social Media

In a study of corporate use of social media, [KPMG \(2011\)](#) found that using social media faced some potential costs and benefits. That study, entitled “Going Social,” suggested that in general benefits exceeded costs. Leading costs included exposure to malware, consumption of bandwidth, time wasting, sensitive/confidential information, and negative representation.

However, [KPMG \(2011\)](#) found that “time wasting” was significantly overestimated, while productivity gains were underestimated. They also found that restricting access to other social media on work devices was not a “panacea.” In

⁷ Available at: <http://www.wsj.com/articles/SB10001424052702303822204577467312505454118>

⁸ Available at: <https://twitter.com/nzdealflow/status/86288177215717376>

particular, if employees are blocked from using social media, then roughly half use social media anyway on personal and other devices. Further, they found that employee morale seems to be positively related to access to social media.

In that same study, KPMG (2011) found that over 60 percent of organizations have policies related to social media. Further, almost 60 percent of organizations monitor social media use. As a result governance is an important cost issue that is being addressed, at least in part, in the majority of firms.

Different Pushes for Social Media within KPMG

Within KPMG it was apparent that there were a number of forces pushing for social media capabilities.

Generation Y Wanted It

There was concern that if KPMG did not implement an internal version of social media, then many Generation Y employees would effectively take much of their social media needs to publicly available social media. Accordingly, there was concern that employees could start putting KPMG information on Facebook or Twitter. Further, Salt (2007) suggested that potentially the personnel turnover rate might decrease with the introduction of social media into the workplace.

Peer Review

In 2010 KPMG began its efforts toward integrating social media into their knowledge management efforts (e.g., Hughes and Chapel 2011). It was at this time that KPMG initiated their “Knowledge Management Competitor Benchmarking Project.”⁹ The purpose of that project was to study the strengths and weaknesses of knowledge management in selected peer firms and then to map those assessments to the key elements of KPMG’s knowledge strategy. As part of that analysis, the benchmarking highlighted a number of gaps and improvement opportunities (Skelton 2011). This effort led to an understanding of the importance of social media for knowledge management. It also led to the finding that apparently key competitors (e.g., PwC and Deloitte) had begun to either use or investigate the use of enterprise social media (Wright 2013; Riemer, Scifleet, and Reddig 2012; Riemer and Scifleet 2012; Riemer and Tavakoli 2013).

Task Force

In 2010 KPMG also formed a task force on Internal Social Media (ISM) designed to drive strategy and policy development (e.g., Hughes and Chapel 2011). In addition to the business case, the task force generated detailed requirements and recommendations for the technology platforms to be used internally. Further, the task force provided governance and risk guidelines for the social media environments.¹⁰

Advisory Services

Within KPMG there had been interest in social media in different product lines, different industries, and different countries. For example, Champion (2011) described the view that advisory services had regarding using social media. Social media was seen as *the* approach to generate people-to-people communication and knowledge deployment. In particular, in addition to portals, advisory services had begun to widely employ blogs, wikis, discussion boards, and community workspaces. At the same time it was clear that other consulting firm competitors, such as Accenture PLC, were also using social media, such as wikis (e.g., O’Leary 2014)

Tests in Australia and New Zealand and a Prototype

According to Horrigan (2012) KPMG Australia began trials with Yammer and then TIBCO Software Inc.’s social media offering (tibbr), while other reports suggest that KPMG New Zealand trialed Yammer.¹¹ In addition, Chris Robinson (2011), indicated that simply “the payback in terms of improved talent retention and the ability to actively connect KPMG alumni back to the mothership provides more than enough ROI to justify the spend.”¹²

However, social media was so appealing, and so intuitive, that many different entities within KPMG were trying and implementing different solutions. As a result, as noted by Hughes and Chapel (2013a), KPMG had a problem with

⁹ Available at: <https://www.linkedin.com/in/johnshobday>

¹⁰ Available at: <https://www.youtube.com/watch?v=gr34T2Tfioo>

¹¹ Available at: <https://twitter.com/nzdealflow/status/86288177215717376>

¹² Available at: <http://saeed612.blogspot.com/2014/08/kpmg-and-tibbr-partnership.html#!/2014/08/kpmg-and-tibbr-partnership.html>

“unsanctioned” social media platforms. The result of these grassroots efforts illustrated the importance and desirability of social media, however, as noted by Hughes and Chapel (2013a), there was no control over user provisioning and access management, causing potential problems when people left the firm. As a result, KPMG realized that people will use free versions of social media unless there is an official version available in-house.

In order to prove interest and feasibility, KPMG deployed a prototype of a social media package using roughly 1,000 users across multiple locations. According to Hughes and Chapel (2013a) this illustrated that there was an interest in social media by the KPMG workforce and indicated that tibbr would work.

THE “HUB”

After developing and issuing a request for proposals, KPMG chose tibbr as the basis of their internally named “Hub.” According to some sources, tibbr was chosen over Yammer because of security concerns and its ability to integrate with Microsoft’s SharePoint.¹³

After their choice and implementation in Australia, the U. S., and some European countries, KPMG was ranked as a top “E2 Social Business Leader” for 2013 (Carr 2013). According to Carr (2013) one of the key reasons that tibbr was chosen was because of the ability to secure a new client quickly, connecting the people with expertise that might not otherwise have been found. Ironically, that rationale was one of the key design features of the original Shadow Partner (Eccles 1995).

As implemented, the Hub has a number of capabilities (KPMG 2014). Users have a personal profile page (e.g., Figure 7 and Figure 8) with a number of components, including their own “wall.” In addition, users can post observations and knowledge about a range of issues. Further, users can ask questions of colleagues, follow colleagues, and remark on different publications. Finally, as with other social media, users can “follow” people and “like” posts.

Social Media and Knowledge Management Objectives

The choice of tibbr, as the basis of the Hub, directly facilitated accomplishment of the “global knowledge management objectives” listed in the “Recent Knowledge Management at KPMG” section. Ease of use of social media can make it easier for users to find what they need (Objective 1). Social media was found to speed development of proposals (e.g., Carr 2013) (Objective 2). The choice of ESM was suggested to limit duplication of software investment capabilities (Carr 2013) (Objective 3). Social media also was expected to “improve the overall experience” because of its ease of use and other factors. Finally, because of social media, there is direct access to a broader base of KPMG personnel (Objective 5), thus expanding the overall access to expertise.

Cloud Implementation

KPMG’s Hub is hosted in a secure private cloud, in order to facilitate global collaboration. The decision to go with a private cloud was based on consideration of both the private aspect and the cloud aspect, resulting in a number of factors including the following (Armacost 2013). First, there was concern with storing and sharing of personal data, client confidential information, and other internal confidential information. Second, there was concern about the ability to use the same solution as it evolves over time (solution continuity). Third, increasingly it was important for mobile device access. Fourth, a key advantage of a private cloud was seen as the ability to integrate with existing internal infrastructure and systems. Fifth, there was an interest in the speed of deployment, and the cloud was viewed as the approach that would be the most rapid. Finally, there was an interest in the ability to upgrade to the most current features, and cloud capabilities can be made immediately available.

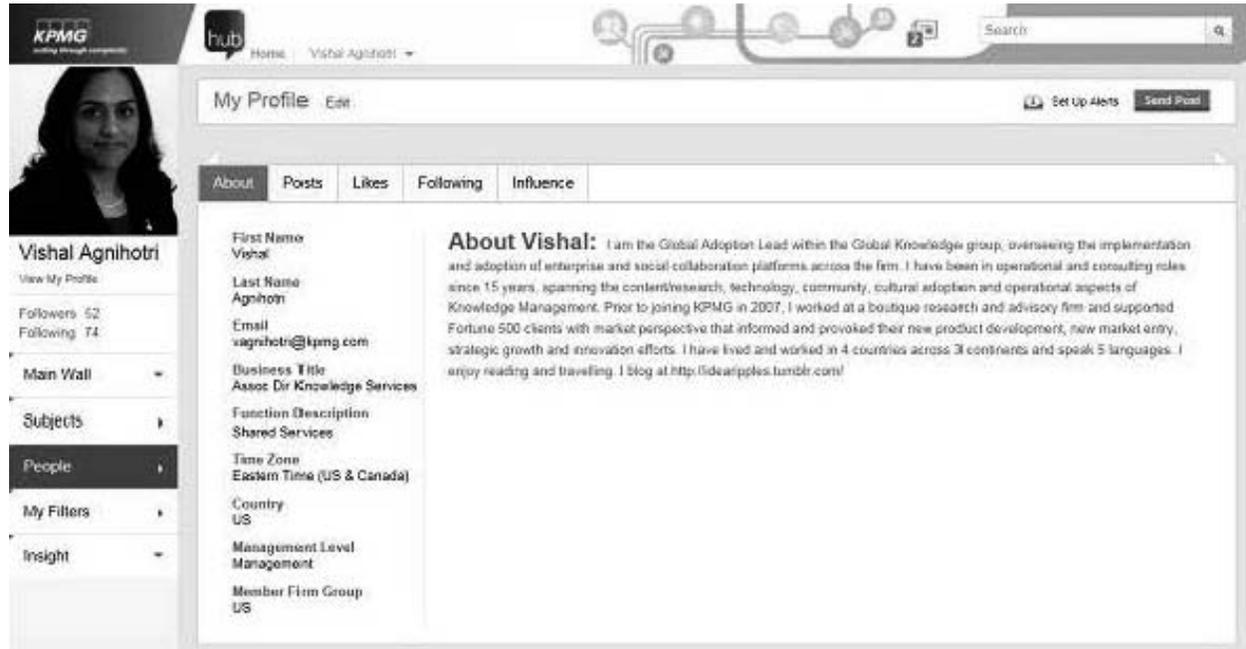
Some Example Applications on the Hub

The Hub has been used for a number of different types of activities (Armacost 2013; Hughes and Chapel 2013b), with particular success at connecting people to information, tools, and expertise, team successes and events, updates on client issues and events, awareness of market issues, and trends.

As a specific example, one Irish partner indicated that rather than sending group emails, that the Hub be used as a place to capture the information. Besides limiting the number of emails, this approach also mitigates asymmetries of information by exposing many conversations to more public access. As a second example, using the Hub, a senior manager in Australia requested help in identifying data analysis tools used in KPMG. Reportedly, within one day he had received information from contacts in the United Kingdom, the United States, and The Netherlands.

¹³ Available at: http://www.techgoondu.com/2011/10/17/tibbr-customers-how-to-build-a-social-enterprise/#.U_hxkrySxd9

FIGURE 7
Personal Profile Page



Source: Author's screenshot, KPMG website, http://www.informationweek.com/10-social-business-leaders-for-2013/d/d-id/1110203?page_number=4
 The full-color version of Figure 7 is available as a downloadable Word document, see Appendix A.

The Hub provides additional security and privacy beyond simply those capabilities enabled by the cloud implementation environment (Hughes and Chapel 2013a). The Hub allows conversations to be limited to particular groups of users, such as the “U.K. Partnership.” In addition, because conversations can be limited to particular groups, discussions regarding clients or practice can be access controlled.

Impact on Email

One of the unanticipated consequences of the introduction of the Hub was that social media has begun to overtake email as the primary corporate communication tool (Qualtrough 2013). As noted by KPMG CIO Harry Mosely, “We’re an organization of 152,000 people and email was the chosen way to connect. Today we use Tibbr. It has connected more people and we are sharing ideas in a way like they never had before. Solutions can come from the top of the house or even the latest analyst to join the organization. Social media platforms enable us to assemble ideas and harness our knowledge globally” (Qualtrough 2013).

People and Process Changes

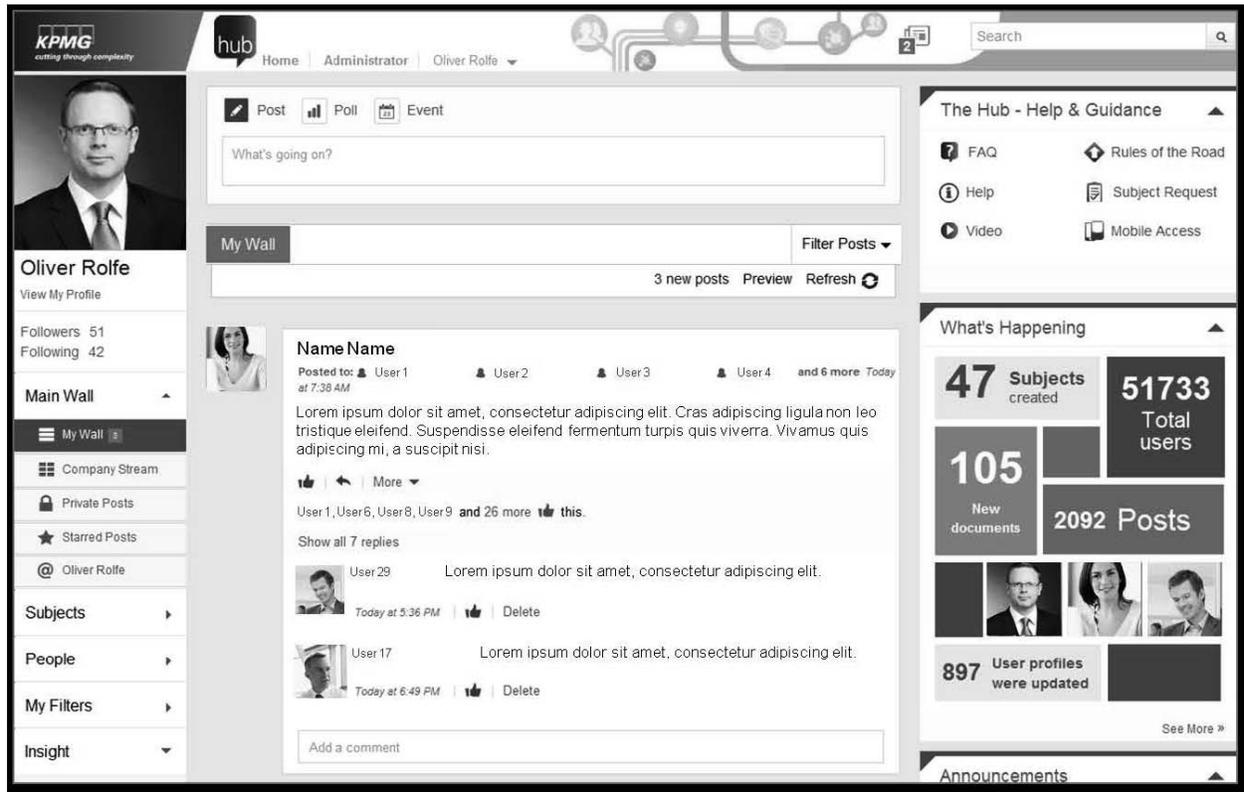
Although technology plays an important role, implementers suggest there is more than just the use of enterprise social media: “In our experience—both with clients and with our own internal collaboration platform pilots—the question of technology seems to be overblown. Sure, significant work will be required to ensure legacy systems integrate effectively with the selected technology. But, ultimately, it’s not the technology that enables internal collaboration, it’s the people and the processes.”¹⁴

SUMMARY, CONTRIBUTIONS, AND EXTENSIONS

KPMG had seen the importance of social media and that has led to analysis and the adoption of social media internally. Demand for social media came from a number of directions. Social media was seen as an approach to decrease the turnover.

¹⁴ Available at: <https://www.facebook.com/KPMG/posts/530798513634363>

FIGURE 8
Personal Profile Page



Source: Screenshot, KPMG website (see [Armacost 2013](#)).

The full-color version of Figure 8 is available as a downloadable Word document, see Appendix A.

Further, if a social media solution was not provided, then it seemed that people would likely either use publicly available social media, such as Facebook and Twitter, or they would use one of the free versions of existing enterprise social media.

KPMG established a clear set of knowledge management objectives. Those objectives provided guidance to analyzing the applicability of knowledge management system additions, such as the use of social media. As a result, KPMG has gone from a knowledge management system focused on content, to one concerned with the dual capabilities of content and collaboration. In so doing, an entirely new set of capabilities has been generated.

In any case, as KPMG moved toward implementation of social media a number of issues came to the forefront. First, it was readily apparent that employees wanted social media, including the implementation of a number of unsanctioned solutions. Second, if they had not gone with a single platform, then there would have been a number of unsanctioned platforms in their place. Third, there were a number of distinct well-defined steps that KPMG took as they moved toward social media, going from benchmarking to requirements to prototyping.

Choosing an appropriate “enterprise strong” social media depended on a number of requirements, including security and privacy concerns. In particular, it appears that the ultimate choice of which enterprise social media software to use was influenced by a number of factors, including the ability to locate the software in the cloud to facilitate global access.

Finally, KPMG’s enterprise use of social media as a partial replacement for emails appears to remove some of the asymmetries of information typically associated with email. As noted by Harry Mosely, KPMG CIO ([Qualtrough 2013](#)), “It lets the senior leadership team understand what’s happening at the coalface and utilize the power of our colleagues.”

Contributions

This paper has provided a case study about KPMG’s knowledge management evolution, across the time frame of roughly 2007 through 2014, when they implemented their system “Hub.” Unlike previous knowledge management cases, this paper allows tracing knowledge management across time, as the knowledge management systems evolved from Shadow Partner

(Gladstone and Eccles 1991), to K-Web (Alavi 1997), to K-World (O'Leary 2008), to the Hub. In addition, this case captures the effects of the social media trend on knowledge management.

Extensions

This research can be extended in a number of directions. First, case studies for other firms in the Big 4 could be developed. Second, case studies for similar firms, e.g., consulting firms could be developed. Third, the use of similar approaches in other industrial firms could be investigated. Fourth, those different case studies could be compared for similarities and differences. Finally, this paper was concerned with the system development up to the time of its implementation. Future research could investigate emerging use of the Hub and how it changed in response to organizational and other pressures.

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APPENDIX A

Figures 3-6-7-8: <http://dx.doi.org/10.2308/jeta-51600.s01>