Buckman Laboratories and its parent Bulab Holdings pioneered much of what became known as "best practice" in knowledge management. Though its early successes have been widely studied, less has been written about its activities since the retirement of Robert Buckman. Here, Sheldon Ellis and Melissie Rumizen explain what they've been up to and show us how they've continued to innovate and how they've used KM to put their business goals into practice.

THE EVOLUTION OF KM AT BUCKMAN LABORATORIES

How its KM program has developed with the new leadership

By M. Sheldon Ellis and Melissie Rumizen, Buckman Laboratories

The story of KM at Buckman Laboratories is well known. You may remember the beginning of the story: how, under the leadership of Robert (Bob) Buckman, Buckman Laboratories pioneered a knowledge management initiative in 1992. Then visitors came from all over the world to learn about it and the story was documented in countless articles, books and presentations by our associates. Awards were also showered on us. See sidebox, page 13, for a timeline of major events.

However, we ruefully admit that one of the disadvantages of being a trailblazer is that few others come before to pave the way. Buckman Laboratories has made many mistakes along that difficult path and has the lessons learned to show for it. Success, however, has balanced some of the more difficult lessons.

Overall, since the inception of our knowledge sharing system, K'Netix, we've experienced a 50 percent rise in sales from new products, which indicates a dramatic rise in profitability from innovation. Sales per associate have increased 51 percent, while operating profit per associate has gone up 93 percent. The payoff is clear.

Buckman Laboratories
is a leading manufacturer of specialty chemicals for aqueous industrial systems. The company was founded on its unique ability to create and manufacture innovative solutions to control the growth of microorganisms. Its headquarters are in Memphis, Tennessee.

Transitioning at the top

But that's not the whole story. Our family-owned company has experienced some changes in leadership at the very top. After Bob Buckman retired in 1996, Steve Buckman became CEO, taking over the day-to-day operation of the company. And in 2000, Kathy Buckman Davis became Chairman of the Board. They have given us a new leadership vision, emphasizing the establishment and standardization of business processes that are simple, easy to learn and easy to do. We also look for processes we can apply systematically across the globe, while demonstrating a clear ROI and linkage to our overall business strategy. We do nothing unless we clearly understand how it aligns with our strategy. This creates a deservedly high threshold for any approach to cross.

In the early 1990s, we began to re-examine our business model that heavily relied on products. By the mid-90s, we were rapidly moving to a customer intimacy model[1]. This model focuses on delivering a customized version of a company's product mix that provides the best total value to the customer. This way of doing business places a premium on individual and corporate knowledge and the capacity to act on it. We were able to leverage our K'Netix knowledge-sharing system to rapidly scale up our ability to deliver customized solutions to our customers around the world.

Continually pushing innovation

But let's take a step back. Despite our success with K'Netix, within months of its launch we began to see the need to move past our new baseline to achieve continued innovation and growth. Our next step was to explore the ability to use technology to complement our traditional training and development processes.

By 1994, we had produced our first multilingual, technology-enabled courses that both replaced and supported several remedial training programs. As our capability and capacity to deliver e-learning grew, we continued to innovate and experiment with new ideas and technologies. In 1997, we established the Bulab Learning Center to challenge our existing training and development paradigms. The Learning Center represents a convergence of knowledge and learning initiatives that focuses on the acquisition of organizational capability through accelerated learning at the organizational and individual level.

The Learning Center also represents a continued demonstration of our belief from our first days in 1945 that our competitive advantage resides in the collective knowledge and capabilities of our associates. And that in order to sustain that advantage, Buckman Laboratories must create sustainable personal and professional development initiatives for all associates that focus on creating customer value and associate commitment. By opening associates up to learning new concepts, the company creates a culture that's predisposed to accept and take on the accelerating rate of change in today's knowledge-based economy.

Distributing learning tools

Our initial goal with the Learning Center was to create universal access for all associates to training, education and knowledge, no matter where they were located. The Learning Center initially focused on delivering only technology-enabled materials. But within a year, we realized that a blended approach was more effective and began to design learning experiences that incorporated the best that technology and people could deliver.

Because we were wired, global, and multi-cultural, many groups worked with us to create and enhance distributed-learning products and services. Buckman and the Bulab Learning Center served as incubators for new ideas, products and processes.

As with all corporate culture-change initiatives, management support has been critical to the success of the Learning Center. Initially the Learning Center was housed and funded by the then Chairman of the Board, Robert Buckman. Today the Learning Center reports into the CEO, Steve

KEYPOINTS

- Buckman's KM program has led to a 50 percent rise in sales from new products since the inception of its knowledge-sharing system in 1992.
- Buckman transformed its business model from a product-focused to a customer-intimate one by the mid-90s.
- The principles of KM have been effectively applied to Buckman's Learning Center, which focuses on continuous learning to create customer value.
- The After-Action Review has been incorporated into most business processes at the company, leading to consistent experiences for customers.
- With 10 years of experience in KM, Buckman knows it still has much to learn. The company recognizes the need to continue redefining its model to meet the demands of the marketplace.

Buckman, and serves as one of the pivotal mechanisms for implementing key strategic initiatives and corporate culture. As the Learning Center became established at Buckman, the relationship with senior management has moved from total dependence on their support to a more mature relationship based on interdependence.

Keeping the customer in mind

By 1998, we knew that our corporate mission statement no longer reflected our customer intimacy strategy, so we initiated an open discussion on our knowledge-sharing system. Both our leadership and rank and file associates debated – at times fiercely – what our mission should be in light of our customer intimacy strategy. The result? A new mission that spells out what we want to provide customers:

We, the associates of Buckman Laboratories, will excel in providing measurable, cost-effective improvements in output and quality for our customers by delivering customer-specific services and products, and the creative application of knowledge.

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is a VP of the Buckman Learning Center and the CLO. Sheldon came to Buckman in 1989 as a field sales associate and has held positions in sales and product development management before becoming involved in KM and learning.

Buckman's KM Program Development Milestones

1960s	Distribution of Idea Trap, a notebook for jotting down creative ideas
1984	First attempt at e-mail
1985	First remote access to our mainframe
1986	Introduction of laptops
1987	Successful implementation of global e-mail
1989	Creation of Knowledge Transfer Taskforce
1991	Start of effort to use CompuServe for commercial use
1992	Implementation of K'Netix, our knowledge-sharing system
1996	New CEO, Steve Buckman, takes over leadership
1997	Establishment of the Learning Center
1998	Adoption of new mission and development of key business processes
1999	Installation of new information technology infrastructure
2000	Development of teaming/facilitation processes Adaptation of After-Action Review
2001	Implementation of Buckman After-Action Review (BAAR) Customer engagements around knowledge and learning

The creative application of knowledge requires skilled, knowledgeable people. We continually train all of our associates in the new chemical technologies and business processes that enhance our programs in customer facilities. This requires lifetime learning for long-time associates and extensive training for new hires, no matter where they are on the globe. Through our global distance-learning initiatives in the Learning Center, we're able to supplement our traditional blended training with just-in-time and on-the-job learning, job aids and knowledge. This assures our people are fully capable at every customer location in the world.

Creating smarter processes

The creative application of knowledge also led us to pursue knowledgeable business processes. These processes go beyond the actual "physical product" and are designed to help a customer in the application of our products. Each process we design is repeatable – not a one-time-use process. This way, once our people and customers understand the process, they can take the knowledge forward and share that knowledge with others. See sidebox, below, for an example of one such "smart" process.

In 1998, we began developing a comprehensive suite of processes, which continues today. Our primary developer was a key associate with over 30 years of sales experience in our industries. He distilled this expertise, identified critical processes for sales and customer service and created the simple processes required. About half of our workforce is in sales, and no sales associate has the time to waste on cumbersome processes. The simpler the process is, the more likely it is to be adopted. This is as true for our customers as it is for our associates. One serendipitous outcome was that we realized the enormous returns from even the simplest processes.

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Example of a repeatable, customer-focused process

In 1998, Buckman initiated a Transition Workshop to help customers who were switching suppliers from another company to Buckman. Often, a great deal of disruption and cost results from a switch. So Buckman designed a process to keep disruption to a minimum and manage the natural fear of change. Additionally, it helps the company transform change from a disruptive to a constructive process. Buckman wants to use the potential power of change to try new ideas, set new goals and develop new approaches.

By participating in a clearly defined process, customers feel a sense of ownership and stability that makes trying new things safe. This customer-intimate approach to doing business allows Buckman to more rapidly realize profits from new business, while ensuring that the customer benefits from a smooth, focused transition. Buckman's capability to meet customer requirements in this way exemplifies how it creates competitive advantage.

Nothing has to be complex to generate a payback; however, it must meet a business need.

Visualizing success

Another key success factor for processes is the ability to visualize them. Our sales associates tend to be visual thinkers. If we can't display a process visually, the chances of adoption drop drastically. It's also harder for a sales associate to demonstrate the process to a customer. We also applied these principles to a process from the United States Army: the After-Action Review. This simple process enables reflective learning. We benchmarked with British Petroleum and Sprint. We also tapped the extensive work done by Nancy Dixon and documented in her book *Common Knowledge*, as well as the book *Learning To Fly* by Chris Collison and Geoff Parcell. We also tapped many others.

> # "NOTHING HAS TO BE COMPLEX TO GENERATE A PAYBACK; HOWEVER, IT MUST MEET A BUSINESS NEED."

The After-Action Review met most of our standards for business processes. Additionally, it was a natural companion to another business process for planning. However, it failed to meet our requirement for a visual representation. So we created our own, one that in the words of our Manager of Instructional Design, Catherine Walker, "can be drawn in the dust on the hood of a sales associate's pick-up truck."

This ties into another key success factor we have learned along the way: internal marketing. We treat our processes as new products, launching them with much fanfare and promotion. For example, with our adaptation of the AAR, we "Buckmanized" it by naming it the Buckman After Action Review (BAAR). We also developed a logo of a jumper vaulting over a high bar. The bar symbolizes our need to always raise the bar on our performance. We produced a CD and a glossy tri-fold brochure that included coaching materials and presentation; the form was available electronically and also as a pad. Additionally, we reduced the BAAR and the directions to a small card, printed in color, which we then laminated. And, as we always do, we translated the entire launch package into Spanish and Portuguese, and later into French.

We began our launch by sending copies of the CD, a coaching guide and a flyer to all managers, including our critical middle management. Two weeks later associates received a flyer telling them about the new product and what materials were

Buckman's Lessons Learned

This company's journey since 1992 has revealed many insights that you can apply to your own business. Here's a few:

- Management at all levels must be wooed, won, and involved.

  Initially Buckman ignored its middle management; it now realizes that no one else has more impact on the day-to-day work environment for its associates.

- Look for unexpected serendipity – unanticipated benefits and value.

  Once Buckman spotted unforseen areas of value and benefit, the company leveraged the new-found sources of value.

- Create simple processes for your company that are easy to learn, repeatable and match business goals.

  Buckman's commitment to this has made knowledge sharing easier.

- Don't get comfortable – continuously innovate.

  Buckman committed early on to continually examine and improve its KM and learning efforts.

available to them, but before we sent anything else, we gave out the laminated card. At first, we put small piles of the cards on a few desks, like the desk of the VP of Marketing. We hoped people would see and take them. One surprise taker was our CEO, Steve Buckman, who held up the BAAR card at a meeting and told everyone, "This is a perfect example of the type of process we want." We also gave out dozens to associates who were visiting operating companies across the world, who then distributed them at the operating companies. The card became the hottest ticket in town.

Our most striking unexpected benefit of the BAAR was its versatility. We use it for many activities: benchmarking, meetings, training, orientation processes, end-of-project reviews, our yearly review of our financial report preparation and even our yearly summary reports to our senior management and Board of Directors. We constantly learn of new uses.

Meeting customer needs

Another serendipitous outcome of our overall program involves our customers, who have heard of our success too. Some considering or implementing KM or learning efforts have contacted us and asked for help. This has given us a new way to implement our overall strategy of customer intimacy by deepening relationships. Discussing an organization's needs invariably leads to discussing business strategy and drivers. We become part of that conversation. The deeper relationships also give us avenues to increasing our business with existing customers. Better yet, this advantage isn't limited to current customers. Our KM and learning processes and reputation have created opportunities to develop relationships with potential customers. Our experience and expertise is a competitive advantage for us, opening doors that might otherwise remain closed.

Steve Buckman decided to maximize the value we could receive and gave a charge to develop a capacity for sharing externally with three goals:
1. work with customers;
2. bring learning into Buckman Laboratories;
3. generate revenue.

Of these three, working with our customers – current and potential – is our priority. At the same time, however, while we work with others, we see how what we're learning can be applied internally. Last, we are a business for profit. We will work with those who are not our customers, if our other priorities allow.

Continuing the journey

An overriding lesson of the past 10 years is our need to continually improve our KM and learning efforts. No matter what our successes in these areas have been, we must continue to learn, improve and create. There's no end to this path. We also know that our KM program may someday become inadequate due to the demands of new strategies, changes in our markets, adoption of new technology and changes in the world situation.

This may sound discouraging, but it's easier to build on a foundation of success over the years, while honoring the lessons of the past. At least we know we can shorten our learning curve. We're not sure what turns the path may take next, but so far the trip has been well worth it.

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