



Knowledge Management: Supporting Merger Synergies and Corporate Fusion

Jeff Stemke
ChevronTexaco

jeff.stemke@chevrontexaco.com
925.842.1075

Presentation Overview



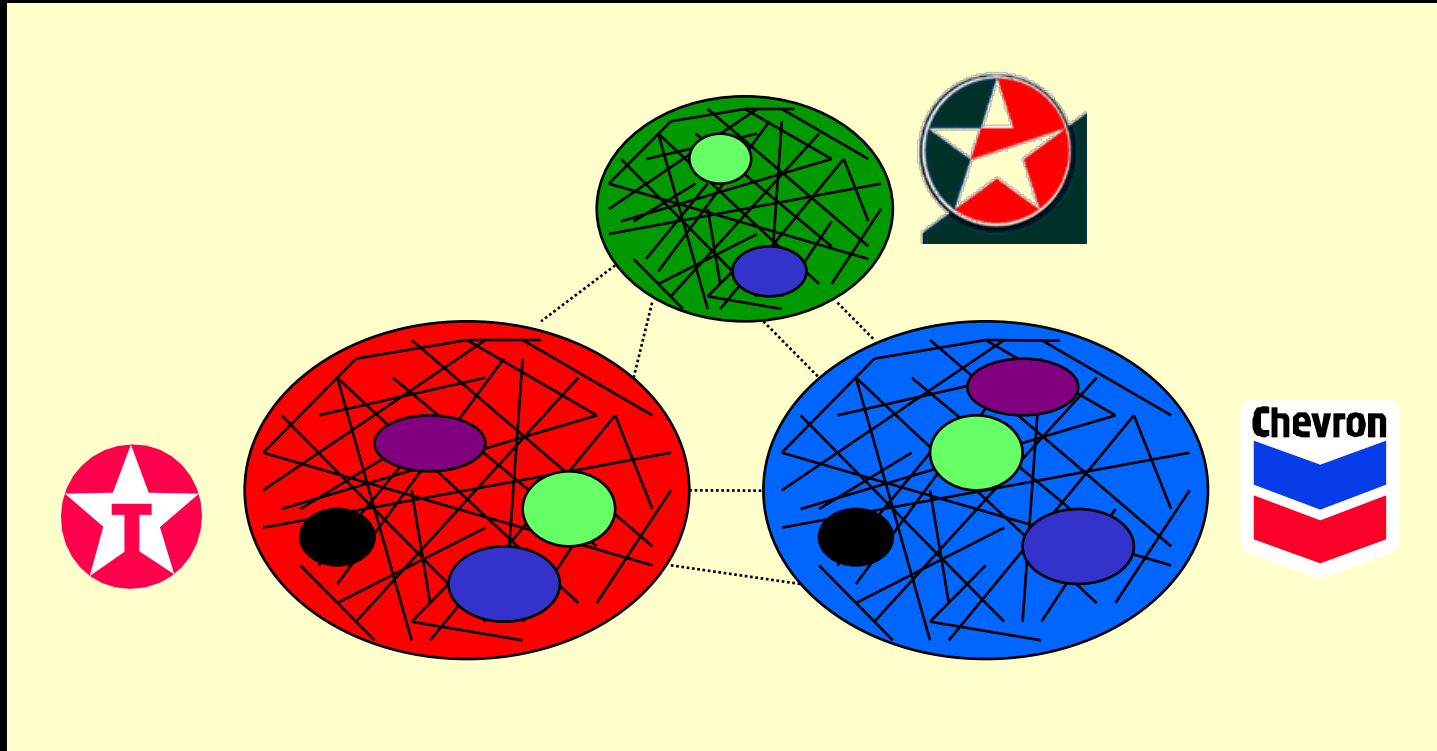
- **Merger Opportunity**
- **KM & Organizational Capability**
- **KM Strategy & Business Value**
- **Connections Strategies**
 - **PeopleNet** (Expertise Directory)
 - **Community/Network/Project Team Collaboration**
 - **Knowledge Portals**
- **Desired Behaviors**
- **Cultural Assessment**
- **Knowledge Retention**

The Opportunity is Now



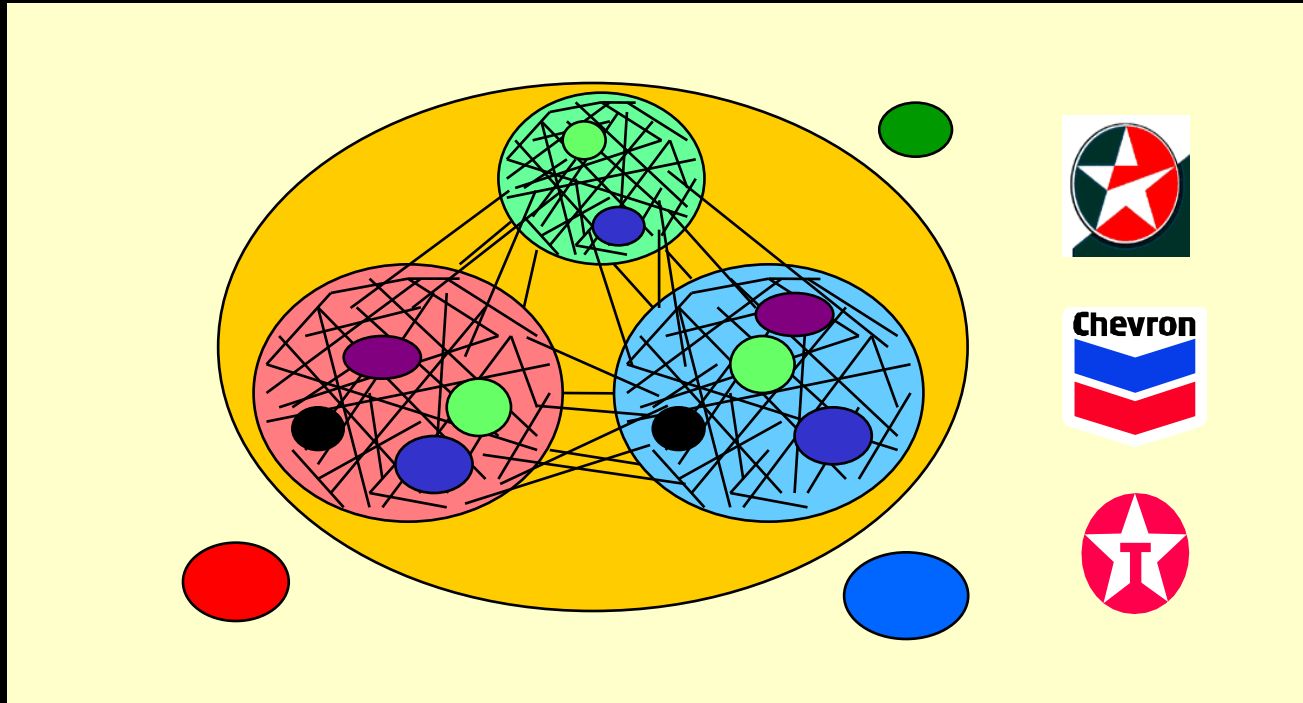
The merger provides a unique opportunity to change the way ChevronTexaco employees work together. We have a short window of opportunity to improve profitability and synergies by sharing, learning and building best practices.

Pre-Merger State of Knowledge Sharing



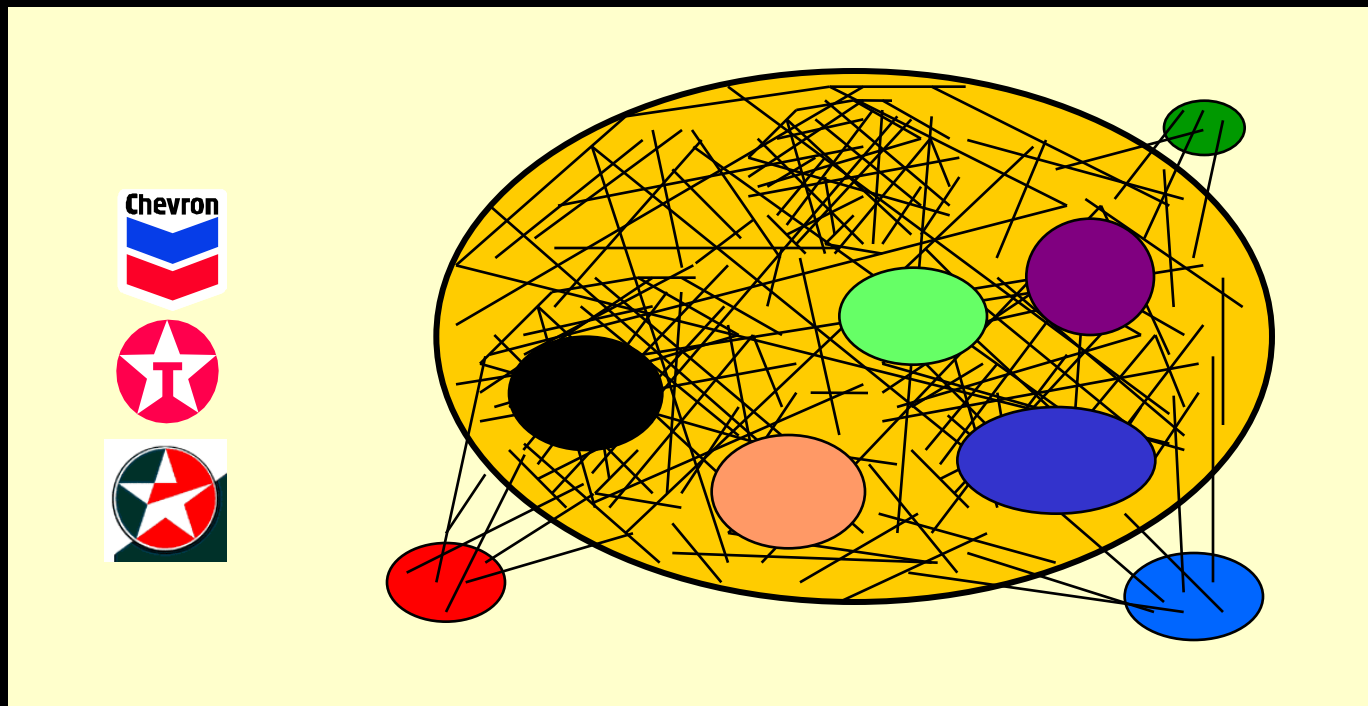
- Average employee has 20 years of experience
- Good lines of sight for knowledge sharing inside each company
- Connections and CoPs are established in some areas
- Weak line of sight between companies

Unacceptable Merged State



- Lines of sight between companies establish slowly
- Communities of practice remain isolated
- Knowledge of retired employees is lost
- Total Knowledge capital of decreases
- Merger synergy benefits only partially realized

Desired Merged State



- Line of sight between companies establishes quickly
- Communities of practice are merged
- Connections to knowledge of retired employees
- Knowledge capital of merged company $> K_{Chv} + K_{Tx} + K_{Caltex}$
- Merger synergy benefits fully realized

Synergy Savings Depend on Knowledge Management

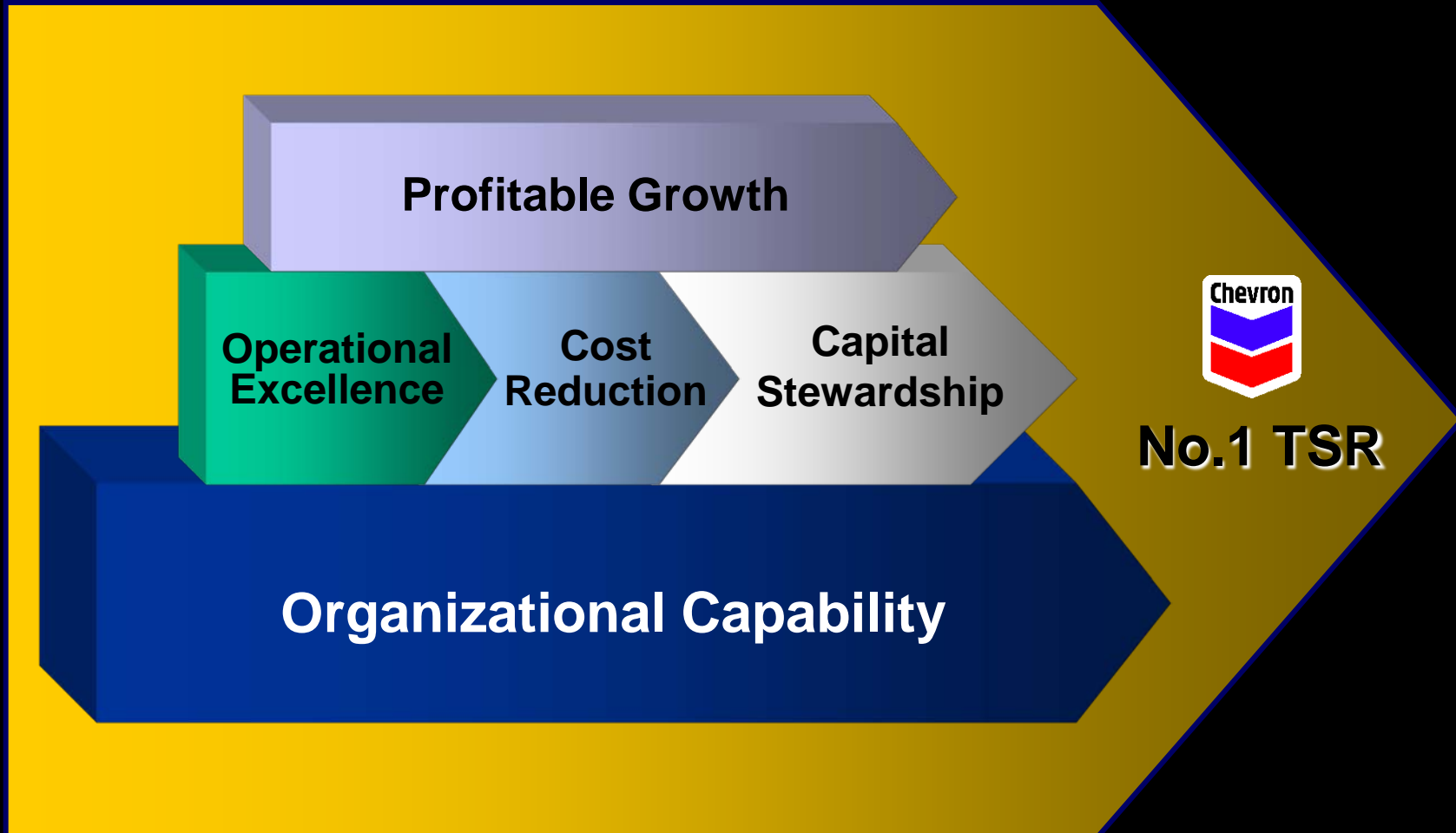


Exploration & Production: deploying new technologies rapidly to solve common business challenges; utilizing resources more effectively with global virtual teams.

Refining: improving reliability, yield, reducing operating expenses and shutdown durations through the sharing of best practices in the global refining system.

Marketing: reducing service station construction costs, improving planning, and improving retailer operations through the sharing of best practices among the four global marketing organizations.

“4+1” Corporate Strategies



The Direction is Clear



“Organizational Capability is our know-how, our capable people, our excellent processes. It is a source of competitive advantage, a willingness to

- Seek and apply the best ideas in the company***
- Share and learn from each other***
- Get better at everything we do***

All aimed at better results.”

Dave O’Reilly

Definitions

Knowledge

Explicit: Practices, Procedures, Manuals, Documents...

Tacit: Skills, Ideas, Experience...

Manage...

Create, Identify, Capture, Transfer, Improve, Reuse...

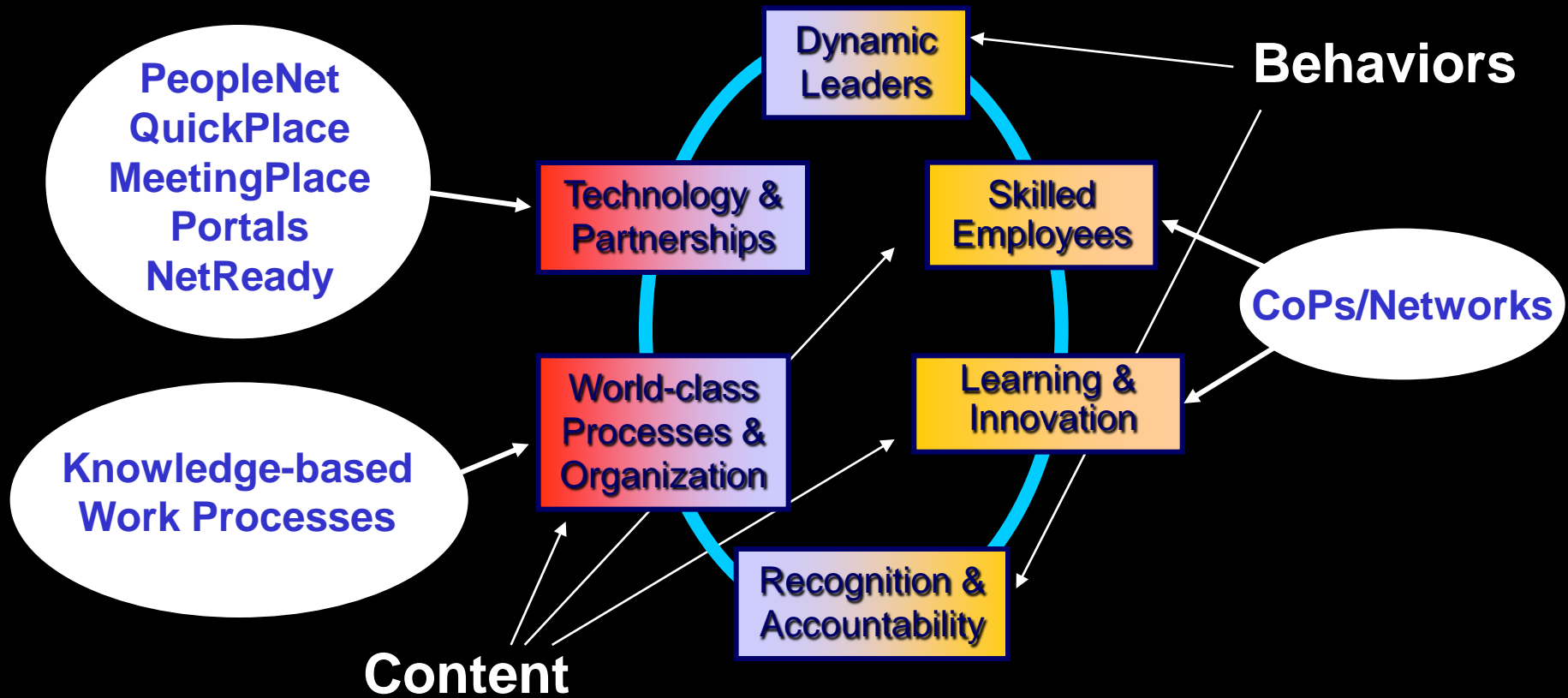
Knowledge Management

Processes, Technology and Behaviors that deliver the right *Content* to the right *People* at the right time and in the right context so that they can

- Make the Best Decisions Quickly
- Solve Problems
- Exploit Business Opportunities
- Accelerate Competency and Innovation

Organization Capability

Effectively Applying Our Knowledge



Key To Success: The ability of an organization to execute its strategies.

Merger KM Proposal



We propose to implement a suite of technology solutions that can significantly enhance our ability to find expertise, connect people, work as virtual teams and share knowledge.

These technology solutions will:

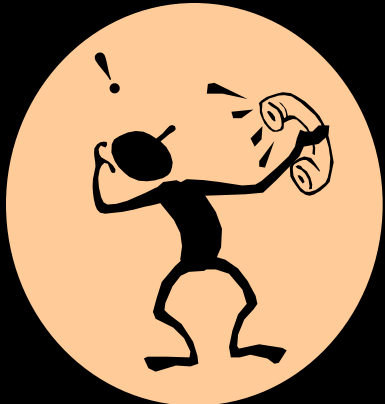
- **Support Attainment of OpCo Synergies**
- **Accelerate Corporate Fusion**
- **If key communities are linked, and**
- **If reinforced with knowledge-sharing work processes**

Knowledge Management Strategy

Connected People - Exploiting Knowledge



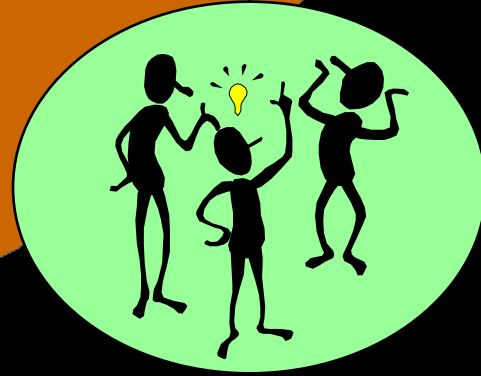
Even Smarter



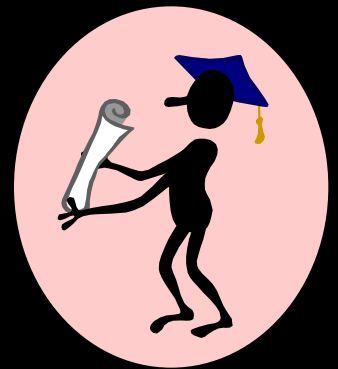
PeopleNet



Knowledge Portals



Communities of Practice



eLearning

“Connecting People” Strategies



- **Communities of Practice**
 - Identify Communities and Leaders
 - Map Content Similarities
 - Prioritize Connections/Provide Resources
 - Provide Collaborative Tools
- **Personal Skills/Expertise**
 - Unify Skill Categories
 - Move Profiles into Common Repository
 - Encourage New Profiles
- **Facilitate Merger Team Collaboration**

Technology for Leveraging Know-how



Who's Done This Before?

PeopleNet, Intranet, Portals,
Search & Find, Communities

Sharing Knowledge During

QuickPlace, MeetingPlace,
NetMeeting, Webcast, Best
Practices, Communities

After: What worked, what didn't

Publishing, QuickPlace, Best
Practices, Communities,
Content Repository



Browse Alphabetically

Browse by Expertise

Click + and - to expand/collapse
Click on an expertise to browse

- + Accounting
- + Administration
- + Aviation
- + Communications
- + Drilling & Completions
- + Facilities Engineering/Construction
- + Finance
- + Geoscience
- + Government Affairs
- + Human Resources
- + Information Management
- + Information Technology & Computers
- + Land
- + Legal
- + Management
- + Marketing
- + Organizational Effectiveness
- + Other
- + Planning
- + Power Generation
- + Product Research Development and Tech Support
- + Production
- + Public Relations
- + Refining & Manufacturing
- + Reservoir Engineering
- + Risk Management
- + Safety Health & Environment
- + Sales
- + Security

View or Update My Profile



oldjm@texaco.com



enter email address (doejs@texaco.com)



today's featured people

- [Hartz, David M](#)
Geoscience II
Worldwide E&P THP 2702

- [Seufert, Fred B](#)
Gasification Consultant
Houston Exec & Admn Staff BAX 258


Currently there are **2951** people in the PeopleNet database.
Currently there are **16** networks in the PeopleNet database.

[Review Usage Agreement](#)

Click [here](#) to see "What's New" in PeopleNet.

Browse Alphabetically
Browse by Expertise
 Click + and - to expand/collapse
 Click on an expertise to browse

- + Accounting
- + Administration
- + Aviation
- + Communications
- + Drilling & Completions
- + Facilities Engineering/Construction
- + Finance
- + Geoscience
- + Government Affairs
- + Human Resources
- + Information Management
- + Information Technology & Computers
- + Land
- + Legal
- + Management
- + Marketing
- + Organizational Effectiveness
- + Other
- + Planning
- + Power Generation
- + Product Research Development
- Tech Support
- + Production
- + Public Relations
- + Refining & Manufacturing
- + Reservoir Engineering
- + Risk Management
- + Safety Health & Environment
- + Sales
- + Security

Name: Gazouleas, John P
Email: gazoujp@texaco.com
Texnet: 666-2244
Outside: 713-432-2244
Title or Position:
Location: BOB W242
Department: Global Information Svcs
Company: Texaco Group Inc



Profile modified by: Gazouleas, John P. on 6/14/00 9:50:00 AM

update

expand all collapse all

Areas Of Expertise ▶

Resume ▶

Key External Contacts (External to Texaco) ▶

Interests and Links ▶

Documents ▶

Networks ▶

Areas Of Expertise

Area of Expertise	Expertise Type	Network
Information Technology & Computers	Extensive Experience	Ed McDonald Gazouleas Be
Management	Extensive Experience	Peter Whatne Dave Rettew,
Service Function Technology		
Organizational Effectiveness Business Process Reengineering	Extensive Experience	Del Richter, G Moate
Organizational Effectiveness Knowledge Management	Extensive Experience	Reid Smith, J Wisch, John C McDonald, Bo Lionetti
Organizational Effectiveness Creativity	Working Knowledge	Betty Zimmer Paula Hansen
Geoscience Seismic Acquisition/Processing	Working Knowledge	John Riola, Da Osten, Darrel
Geoscience Workstation & Computer Mapping	Working Knowledge	Mike Zeitlin, D Keyser
Organizational Effectiveness Competitive Intelligence	Learning	Karen Siminsky, Les Wood

Work History

February, 1999 - Present
 Focus Area Leader Information Management, Bellaire, Texas
 Texaco World-Wide Upstream

The mission of the Information Management Focus Area is improving information flow and knowledge transfer. We accomplish that by delivering systems, process and services that help Texaco units make better decisions and reduce cycle time. Data Management, Web Development, Multi-media, Technical Training, Intellectual Property Management (Patents), Technical Library Services, Computing Services and Know How Leverage (aka Knowledge Management) are some of the skills employed to deliver this mission.

July, 1997 - February, 1999
 Director Knowledge Management Competency Center, Bellaire, Texas
 Global Information Services

Develop and deliver knowledge management tools (collaboration, virtual teaming, decision analysis, neural networks). Develop and maintain Information Systems for Texaco and JV business units.

June, 1996 - July, 1997
 Account Executive, International Upstream, Bellaire, Texas
 Information Technology Department

Responsible for leveraging IT across Texaco's International Upstream, oversight of Upstream IT projects and identifying opportunities where IT can improve Texaco's international upstream operations.

April, 1995 - June, 1996
 Director Information Systems, Harrison, NY
 Texaco Information Technology Department

Community/Project Workspace



Even Smarter

IT/Systems Merger - Microsoft Internet Explorer provided by Chevron Global Information Link

File Edit View Favorites Tools Help Links »

IT/Systems Merger Team Homepage Search

Member Directory

Documents & Issues

Calendar

Meetings/Events

Action Items

Archives

Search All

Website Homepage

User Guide/FAQs

Website Setup

Merger Team Central

NOTICE: Documents posted on this website have been reviewed by Chevron and Texaco legal staff to ensure conformance with FTC guidelines. New documents need to be reviewed prior to submission. Contact Linda Williams (LIBW) or Harold Delhommer.

Instructions on using this website: [Quick Start Guide](#)
For information, contact the team's moderator: Margie Dean (MLJE)

Near-term Deliverables.

Reminder: Make sure to

June 5(Tues)
- Status meeting in F132

ALERTS/NOTICES
[Link to Merger Central](#)
Go to this site for general RED box in the top right

<http://cpln-www1.chevron.com>

[Latest Legal Guidelines](#)
Attached are two files:
1) the full package of legal agreements
2) the confidentiality agreement

Welcome - fccexpert - Microsoft Internet Explorer provided by Chevron Global Information Link

File Edit View Favorites Tools Help Links »

FCC Expert

Home

New...

Collaborate

Welcome to Refining's FCC Expert QuickPlace!

Also lovingly referred to as "Lew in a box" after Chevron's retiring FCC expert, Lew Frederickson, this website provides:

- A searchable repository of Lew's email files (use Advanced Search on left panel).
- An "Ask The Experts" feature for you to post new questions on FCC issues

These will be augmented new experience and knowledge contributed by you, the FCC community.

New...

Monday, June 4, 2001

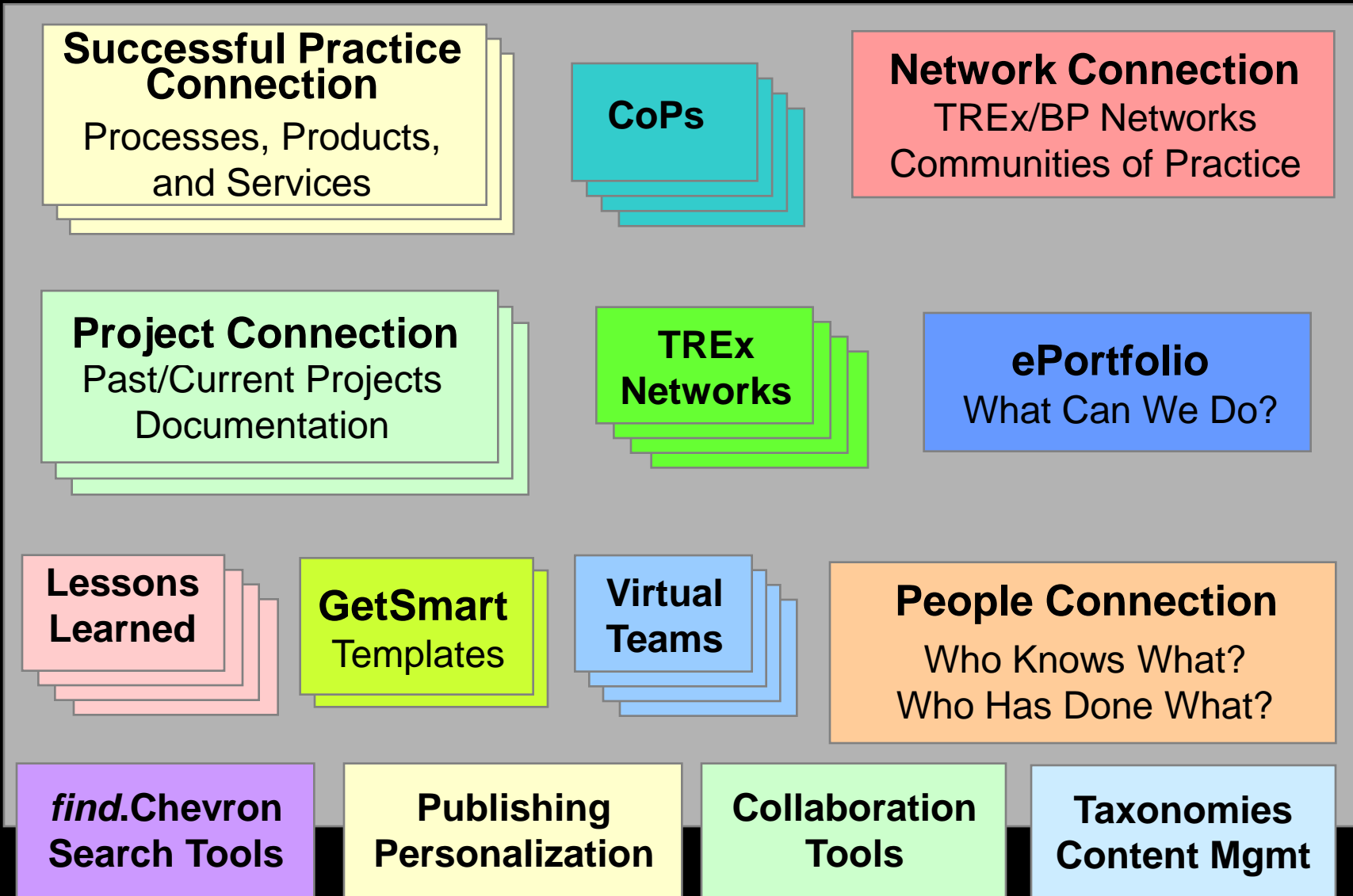
Welcome FCC Knowledge: Ask the Experts Discussion Index Customize Members

Search:

Advanced Search
News: Daily | Weekly
Chat | Notify | Print
Tutorial | Help



Integration: Knowledge Portal



KM/Collaboration Video

**An Integrated Knowledge Architecture
(or “Virtual Home on the Range”)**

Accountability - Executives



- ***Critical Element***

- Create the expectation of knowledge sharing as a way of doing business enterprise-wide.

- ***Expectations***

- Market your organization's knowledge to other Opcos.
- Recognize and reward specific business and employee knowledge sharing.

- ***Measurement***

- Cite specific examples, relative to business plan, of adapting ideas and sharing for business leverage during performance review.

Accountability: Manager/Employee



Manager Expectations

- Recognize and reward specific employee knowledge sharing.
- Market your organization's knowledge to other organizations.
- Set expectation to search for work to leverage before starting a project and to document results and lessons before completion.
- Sponsor a CoP, fund coordinator's role, provide time for participation.

Employee Expectations

- Contribute to a CoP.
- Adopt/adapt a successful practice; credit the source.
- Be a mentor.
- Participate in peer consult/assist review process.

Suggested Measures

- Cite specific examples, relative to Business Plan, of adapting ideas and sharing for business leverage.
- Document cycle time and cost savings achieved through knowledge sharing and best practice replication, giving credit to the knowledge source.
- Document and publicize case studies that show desired "ways of doing things."

Cultural Lessons Learned



We interviewed an equal number of Chevron and Texaco transition team members asking questions about how they worked together to plan the integration.....

- **Demographics**
- **Examples of success**
- **Examples of difficulty**
- **Barriers to success**
- **Overcoming barriers**

Differing Views

We discovered examples where the lenses of company heritage caused team members to interpret events differently.....

- **Puzzles of mutual perception**
- **Managing conflict**
- **Working difficult issues**
- **Task participation**
- **Approach to Project Management**

Proposed Interventions



- **Using Stories, Poetry and Group Conversation.**
- **Using Conversations around uncovered paradoxes of mutual perception.**
- **Using Conversations about successful practices of transition teams.**

Knowledge Retention Issues



- **Demographics**
- **Retiring Expertise**
- **Knowledge Capture ??**
- **New Employment Opportunities**
 - **Part Time**
 - **Contractors**
 - **Mentors**
 - **Community of Practice Coordinators**
- **Legal/Economic Issues**

Summary

- **Effective knowledge management can bring synergy benefits on the order of hundreds of millions of dollars.**
- **Effective knowledge management can be enabled by technologies like:**
 - Intranet & Webcasting
 - Search and Taxonomy Engines
 - Web Publishing / Content Management
 - Collaboration Tools
 - eLearning
 - Portals
- **But ultimate success in improving organizational performance and organizational capability relies on Dynamic Leadership, Behavior/Culture, Accountability, Rewards/Recognition, and Reinforced Work Processes.**
- **Our objective is to deploy enabling technologies that support improved work processes which generate value through connecting people for knowledge sharing.**