



## Return On Intelligence:

How Integrated Information  
Advances Business Metrics



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## Surprising insights about the “return on intelligence”

In an advanced economy, we know that “intellectual capital” is a vital asset. But when the economy staggers, the soft measurement of knowledge comes under harder scrutiny. Business leaders want to know: What information do we need and what’s the most efficient way to get it? Where are the gaps in our intelligence? How do we leverage what we know to get what we want to achieve? In sum, what’s the return on intelligence?

In fact, many organizations are beginning to understand that real business value falls within a gap—the deep divide between their large reserves of internal data (the intelligence and content developed within the course of regular operations) and the vast fields of news and information produced by external media sources (newspapers, journals, Web sites, social media, broadcasts and more) all over the world.

By bridging the divide, decision makers can turn timely news and emerging trends into fresh insights for crucial business functions:

- Researchers and Knowledge Workers: Do they have timely access to the content they really need to be productive?
- Public Relations and Corporate Communications: Are they able to keep their collective finger on the pulse of the conversation around their organization and use this intelligence to develop news hooks?
- Product and Services Strategy: Where are technologies and markets moving and how should these changes shape investments in R&D and new product development?
- Finance and Operations: How are national and global markets bracketing the organization’s ability to fund daily operations and future growth?
- Competitive Landscape: What are your competitors doing and what do you need to do to respond or anticipate their next move?
- HR and Benefits Management: What do today’s employees need and what does the next generation of workers, managers and leaders expect?
- Sales and Marketing: Who are your ideal prospects and what motivates them to become customers? Where and how do you reach them?
- Financial Services Professionals: How do you integrate authoritative information, commentary, research and connections into your workflow to enable better, faster deals and increased revenue?

These comprehensive questions defy easy answers. But we need not work without the singular insights that drive action. In this eBook, we explore three successful paths to determining real knowledge ROI, including:

- An award-winning Accenture Impact Study that revealed a 25:1 return on a “Knowledge Exchange” that integrates internal know-how with external media feeds
- A case study demonstrating Caterpillar’s ability to slash editorial costs while increasing global knowledge distribution
- Key statistics from a comprehensive Dow Jones Factiva survey that exposes the business value of quality media content

While these real-world stories approach knowledge ROI from different angles, they all inspire a similar response: surprise. The real value of our intelligence investments often exceeds our expectations.

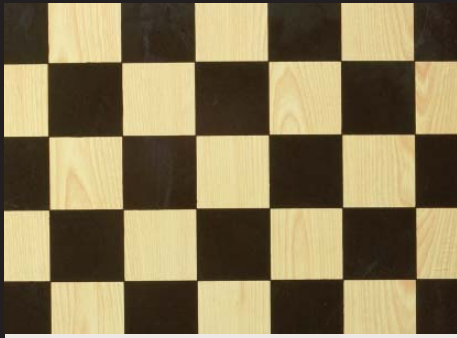
You’ll find the facts and figures in the following pages. And as you’ll see, the insights apply to just about any business that needs efficient knowledge management to achieve its goals.

Yet the world of media and business intelligence evolves on an almost daily basis. To help you stay current or participate in an ongoing discussion of knowledge vision and value, I invite you to join me and my colleagues at our team blog, [www.letstalkknowledge.com](http://www.letstalkknowledge.com), managed by Ken Sickles, solutions strategist at Dow Jones Enterprise Media Group.

Good luck exploring your company’s Return on Intelligence!

Brigitte Ricou-Bellan  
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# Measuring the Invisible

## Accenture takes on the ROI challenge

In 2005, Stephen Kaukonen of Accenture's Global Knowledge Management Team faced a difficult challenge: measuring the value of Accenture's intellectual capital, specifically, the ROI of its browser-based content portal, The Knowledge Exchange.

At the time of this study, Accenture was one of the world's leading consulting firms with more than \$19.7 billion in revenue and 178,000 professionals in 49 countries, and had more than a casual interest in its knowledge resources. "Accenture is basically about knowledge and people," Stephen says. "That's what we sell. It's imperative that we leverage our knowledge as effectively as possible."

The general recognition of knowledge value has never been in doubt at Accenture. "The question is not whether knowledge management is worthwhile," says Stephen. "It's about how well we manage knowledge—and what impact we have on our business. We wanted to make our value tangible."

## Starting at zero

Stephen and his colleagues immediately recognized that traditional knowledge metrics—of information transactions such as downloads, "hits" or printouts—were insufficient; while such statistics offered some insight into activity, they failed to capture consequences: what were the business results of these actions?

The Knowledge Management (KM) team, therefore, developed with a "KM Measurement Framework", based on the V-model structure that visually stratified, in an escalating series of levels, both the practical steps involved in knowledge transfer and their relative value to the organization (Figure 1.0).

As the levels progress from 0 to 5, the complexity of the business challenge rises and with it, the difficulty of finding precise measurements. In order of increasing value, these were the concerns Stephen's team faced at each step:

LEVEL	ORGANIZATIONAL CHALLENGE	MEASUREMENT OF SUCCESS
0	What technology/capability do we need to physically store and distribute knowledge?	Is this technology successfully available (up and running)?
1	What does it take to give users access to this technology and the knowledge within it?	How many people access the system and how often?
2	What kinds of knowledge do users need and how do we connect them to it?	Can users find the information they need, when they need it?
3	Is the knowledge packaged and presented in a way that's useful/helpful?	Can users actually apply the knowledge they find to their business objectives, such as sales?
4	Does the available knowledge address our organization's core business issues and the pursuit of our underlying strategy?	What kinds of business results are users achieving with the knowledge they find?
5	Is KM delivering value far beyond its cost for Accenture?	What's the real benefit, the ROI, of KM?

“At zero,” Stephen says, “the issue is technology. At levels one and two, it’s transactional: who gets what, when? But when we get to levels three and four—when we talk about how knowledge is used and what comes of it—that’s where we address real business value. At the top of the chart, where business results produce profits, that’s our ultimate measure of ROI.”

Once the KM Measurement Framework was in place, the KM Team could tackle its real challenge: creating a methodology that would touch every level of activity to find genuine ROI at the end of the KM line.

## The Math Tells the Story: 25/1

Working with his colleague, Bruce Aaron Ph.D., Stephen was determined to develop a methodology based on sound, scientific reasoning that would withstand close scrutiny.

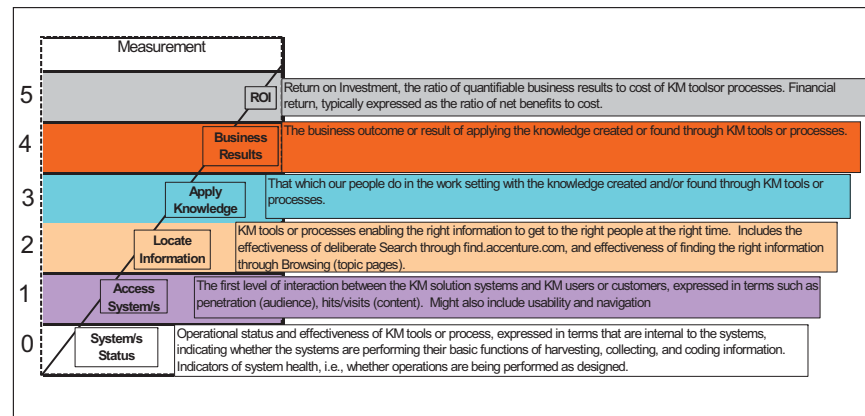
To ensure rigor, Stephen and Bruce brought focus to their research, beginning with the subject of their inquiry. Instead of trying to measure the ROI of knowledge management as a whole, they concentrated their research on a component they could successfully control and measure: Accenture’s Knowledge Exchange.

At Accenture, the Knowledge Exchange is the place—accessible by Web browser—where people connect to content and other people to exchange ideas, find information and share knowledge that helps the organization sell and deliver work to its clients. The Knowledge Exchange integrates internal intelligence sources and external media into one convenient platform.

Designed for depth and convenience, the Knowledge Exchange includes:

- Content-rich media feeds from Dow Jones Factiva
- Materials that support proposal development
- Information about Accenture’s market offerings
- Delivery tools and sample deliverables
- Social media resources such as discussions, blogs and wikis
- Participant profiles that facilitate people-to-people connections

\*Accenture - “Measuring the Impact of Knowledge Management” (KM)



\*Measuring the Impact of Knowledge Management: Measurement Definitions





## Sharpening the focus

While the benefits of the Knowledge Exchange are numerous—including increases in networking, output, quality and sales, and decreases in costs—Stephen and Bruce focused on the one aspect that could be most easily measured: time savings.

“By dividing the overall net benefit of time saved by the cost of creating, executing and maintaining the Knowledge Exchange,” says Stephen, “we would arrive at a very conservative yet measurable definition of ROI.”

They constructed a brief, efficient survey that would target value at every level of the KM Measurement Framework; by using branching logic, they were able to minimize impact on employee time.

Their questions probed the following areas of interest:

## Sample KX Survey Questions

Please try to remember documents or other information you’ve obtained by using the Knowledge Exchange, during just the last two weeks. Which of the following are true about your use of the KX?

- I found useful information that I have applied directly in my work.
- I found useful information that I have NOT been able to apply directly to my work.
- I strengthened my business network.
- None of the above.

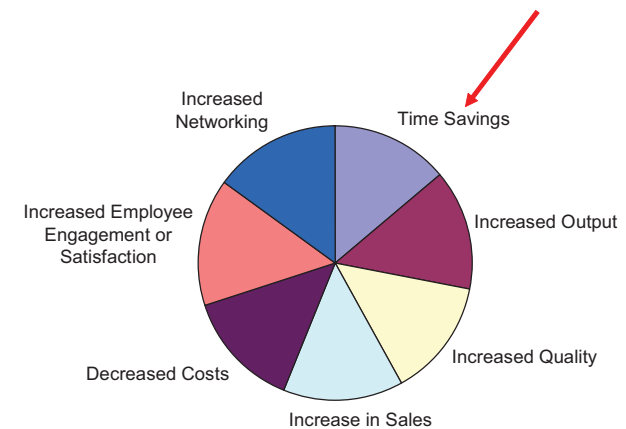
Please estimate the amount of your time that you saved during the last two weeks as a result of this information.

- During the last 2 weeks, this information saved me AT LEAST:
- During the last 2 weeks, this information saved me AT MOST:

\*Accenture - “Measuring the Impact of Knowledge Management” (KM)

$$ROI \% = \frac{Net\_Benefits}{Cost} = \frac{Benefits - Cost}{Cost}$$

Time Savings is only one of the potential benefits of KM. It is the only benefit currently used in the ROI calculation. Other benefits are considered intangibles.



\*Return on Investment (ROI) - Time Savings: Time Savings is only one of the potential benefits of KM. It is the only benefit currently used in the ROI calculation. Other benefits are considered intangibles.

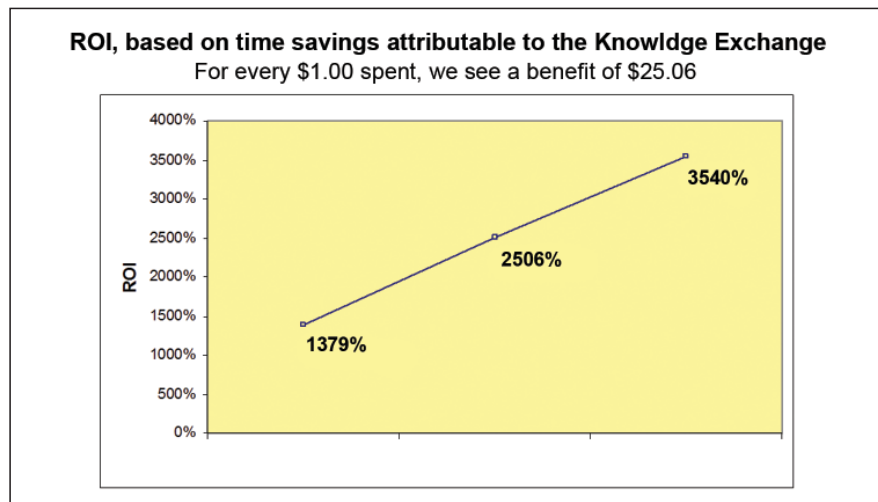
## A conservative estimate of a 25:1 ROI

Accenture's subsequent calculations, based on the survey results, were deliberately restrained. For example, of the 3,294 people who were sampled for the survey, 1,904 did not respond; for statistical purposes, they were placed in the "no benefit" category along with the 626 people who said they had never accessed the Knowledge Exchange, during the survey time period and the 387 who said they had accessed the Knowledge Exchange but indicated "no time savings."

Given the almost exactly 50-50 split among those who had accessed the Knowledge Exchange and said they found time savings (388) and those who had accessed it but did not find time savings (387), Accenture could have applied an assumption of benefit to 50% of the 1,904 who accessed the Knowledge Exchange but did not complete the survey. When they extrapolated the survey results to the total Accenture population, they could have used the 50% estimate to increase the percentage of employees who may be assumed to have received a time-savings benefit. "But," Stephen says, "we wanted to take as conservative an approach as possible."

The 388 who indicated a favorable time savings represented 11.7% of the overall sample population; applied to the targeted Accenture employee population as a whole, the statistics suggested that 14,841 employees can be reasonably expected to save time by using the Knowledge Exchange.

Further, Stephen and Bruce based their assumption on the amount of time saved as the "average" of what participants indicated as the least and the most amounts of time they estimated they had saved. At minimum, Accenture received an ROI of 1379% when measured from the least time saved; at maximum, the estimate reflecting the most time savings showed an ROI of 3540%.



*\*Overall ROI for the Knowledge Exchange: Knowledge Exchange ROI, based on time savings, attributable to the Knowledge Exchange*

*\*Accenture - "Measuring the Impact of Knowledge Management" (KM)*





“The Impact Study,” Stephen says, “was an extraordinary validation of the real value knowledge management brings to a knowledge-intensive organization like Accenture.”

Even though Accenture had deliberately applied conservative analyses to both the number of employees who had realized a benefit and the amount of time they saved, they found an extraordinarily high return on investment: when working from an averaged time savings estimate, the calculated return for every dollar Accenture spent on the Knowledge Exchange was at least \$25. Again, the estimate was for time savings alone; while other benefits—such as increased sales and improved quality—may be real, they were excluded from the study’s calculations.

“The Impact Study,” Stephen says, “was an extraordinary validation of the real value knowledge management brings to a knowledge-intensive organization like Accenture.”

## For every dollar Accenture spent on the Knowledge Exchange, they enjoyed \$25 in saved time alone

Accenture honored for quality of study

As a testament to the integrity of its methodology, the Accenture Knowledge Management Team’s KM Impact Study was named the 2007 Best Impact Study by the ROI Institute at the 2007 Global ROI Conference. According to the ROI Institute, the award recognizes the study that “best exemplifies successful use and application of ROI methodology.”



# Caterpillar Constructs Competitive Intelligence

Needed: deep content, fast

Caterpillar Inc. found itself in a situation all too familiar to large, multinational corporations: it was flooded with too much information, yet thirsty for actionable intelligence. Lea McCall, manager of Caterpillar's business resource center, was under pressure to collect, organize and distribute news and analysis that would provide meaningful, competitive insights to executives in the Asia-Pacific and other key regions.

"We had been compiling newsletters by hand," Lea says. Without access to full copyrights, content was restricted to hand-typed summaries. The process was not only staff-intensive, it was slow. Information requests were fulfilled by photocopies that were then distributed by mail. "It took as long as two weeks," says Lea, "to get the information to China."

Lea and Caterpillar needed access to complete articles that could be rapidly screened for relevance, then distributed electronically for instant access anywhere in the world. At stake? Competitor and market intelligence that could help Caterpillar manage its operations more effectively in a wider net of marketplaces.

## A new use for premium content

Fortunately, the answer was close at hand: a premium content service with newsletter capabilities. "We formed a 6 Sigma team to find the best way to provide current, high-quality information on a regular basis, in an electronic format, across our global units," Lea says.

Caterpillar maintained a subscription that allowed publication access within their license. By adding these newsletter features, Lea found an efficient way to compile multiple newsletters without imposing heavy burdens on herself or her staff.

She draws on more than 25,000 publications, including thousands of international sources not printed in English. "We get vetted information from credible sources—not just material pulled from someone's blog. Plus we get historic information on larger questions, such as 'How did the current economic crisis develop?'" said Lea.

Selecting content is the most time-consuming part of the process, so using customizable alerts that automatically search for relevant news by business issue, company name and other parameters makes the process more efficient and provides the ability to sort the knowledge gold from the information noise.

It also allows readers to get immediate access to complete articles while remaining compliant with copyright and licensing laws, eliminating exposure challenges.



"...makes the process more efficient and provides the ability to sort the knowledge gold from the information noise."



## More knowledge to more places — in a lot less time

Today, Lea's business resource center manages seven newsletters that are published weekly, biweekly and monthly. Rapid access to full newsletter text has been especially appreciated in Caterpillar's international units. "For our managers in China, Singapore, Moscow, Geneva—this has really fulfilled a service they had requested for several years; but until now, we had no way of providing it. It dramatically increased the number of sources we could search and deliver to our internal audiences. It has opened up many more international sources than we could, or would, have subscribed to in print."

In terms of staff time, newsletter capabilities offered within the service have "saved at least eight hours a week" at the resource center, Lea says." Results of a recent reader survey show that the newsletters "have saved our competitor analysts and market watchers a significant amount of time. Overwhelmingly the response has been positive—colleagues outside the United States are very pleased to have the access they've always wanted."

## Reality Check: Business Professionals Assess the Real Value of Media Intelligence

In December 2008, the Dow Jones Market Research team conducted a multi-industry, multinational survey of its Dow Jones Factiva clients to obtain their perspectives on the service's value. Via a browser-based platform, Dow Jones Factiva collects and distributes news and information from more than 25,000 authoritative sources worldwide. The survey was intended to measure:

- Productivity benefits
- Time saved
- Impact on business decision making
- Impact on other business activities
- Overall significance of content

More than 12,000 survey invitations were sent to a random sample of Dow Jones Factiva customers in more than 30 countries in industries such as banking/credit/mortgages, government, advertising/public relations, pharmaceutical, media, insurance, accounting/consulting and more.

A total of 519 surveys were completed. Approximately two-thirds of the participants identified themselves as "knowledge workers" (people who search and use business information as part of their jobs), while the remaining third said they conduct research as their primary job function (i.e., information management, corporate library services).

"In terms of staff time, newsletter capabilities offered within the service have "saved at least eight hours a week" at the resource center."

Survey participants were asked to reflect on the benefits they received at various levels of value to themselves and their organizations. The following results have been matched to the value scale of Accenture's KM Measurement Framework (page 4):

### Levels 0-2: Accessibility of Knowledge

- 69% of current customers are either "very" or "completely" satisfied with Dow Jones Factiva
- 53% of survey participants access the service daily or several times a day
- 47% of them access it weekly or several times a week

### Level 3: Application of Knowledge to Business Objectives

- 80% say Dow Jones Factiva **provides insight** on competitors and/or client businesses
- 85% say it gives them confidence that they won't miss **important business information**

### Level 4: Achievement of Business Results

- 87% say Dow Jones Factiva helps them better **meet client needs**
- 78% say it helps them make **better business decisions**
- 73% say Dow Jones Factiva is either "**very**" or "**extremely**" **important** to their jobs

### Level 5: Demonstrable ROI for Organization

- 94% of customers agree that using Dow Jones Factiva helps them be more productive
- 92% of customers say using Dow Jones Factiva saves time
  - 64% of customers say that Dow Jones Factiva saves 1 - 2 hours per week
  - 26% say it saves 3 - 4 hours per week
  - 10% say it saves 5 hours or more per week



"94% of customers agree that using Dow Jones Factiva helps them be more productive"





## In their own words: Why Users Value Dow Jones Factiva

“By setting up alerts, updated news about particular customers is delivered to my email account as it’s available...I don’t have to hit their websites one-by-one.”

“Can do a search in one effort. No need to search different websites for different info.”

“I can get market and company news in English for all of the Western and Eastern European countries in which we are interested, all in one source. It would take me hours to find alternative English language sources providing the same or similar information.”

“More relevant results than would be obtained with Google searching.”

“Saves time when certain companies have foreign-based entities. I’m able to access all financial data and latest news updates quickly...if it is listed on a particular stock exchange, Factiva is able to disclose this information at the same time.”



## Getting Better Returns

Whether you're moving earth at Caterpillar or circling the globe to move consulting services at Accenture, your knowledge has real power. In order to realize its full potential, you need to identify the gaps between your internal data and the sea of relevant external information. If you can bridge those gaps and you have a platform to turn this newly combined reserve of information into knowledge, you can realize the true return on intelligence of information.

But that knowledge must be harnessed, it must be complete, and it must be aligned with how your organization needs to make use of it. As the stories above suggest, the keys to information ROI are content quality, relevance to the consumer, ease of access and the integration of internal and external resources.

Information-intensive organizations can use the appropriate tools and technology to develop efficiencies, leverage existing assets to the fullest and optimize intelligence. These companies can organize, utilize and distribute their critical information where it's needed—whether directly into workflow applications or to mobile users—to connect to opportunities and understand what matters most to their business.

Dow Jones works with companies at all stages of exploring and developing knowledge resources that deliver a return on intelligence. Consider the following questions as a quick check on the status of your knowledge resources and their ability to contribute meaningful returns to your organization. Please rate your organization on a score of 1 to 5 for each question, choosing the number corresponding to the statement below that most closely describes your organization:

### SCORING SYSTEM:

- |   |
|---|
| 1: We haven't even begun to consider this issue.  |
| 2: We're aware of this issue, but haven't established policies for addressing it yet.                         |
| 3: We have policies for this issue, but haven't found a way to execute them effectively.                      |
| 4: We have policies and procedures, but no means of measuring their success.                                  |
| 5: Everything is in place to successfully monitor our approach to this issue and make improvements as needed. |

### DETERMINE YOUR ROI:

- |  |
|--|
| 1: Do you have a consistent method of collecting feedback from internal users and non-users of your Information Management Solution? |
| 2: Do you have an idea of how your Information Management Solutions correlate to overall company strategic initiatives and goals?    |
| 3: Do you have an understanding of the awareness of your information solution throughout the organization?                           |
| 4: Do you have a business champion aligned in each area of your organization for users the information solution?                     |
| 5: Do you understand what your top unmet needs of your solution are?   |
| 6: Do you have a strategy to fulfill those needs?  |





## Interpreting your score

Any organization that depends on its intellectual capital for growth needs high returns on its knowledge. Use your score as an opportunity to take the next step toward higher knowledge returns.

Combine your ratings for each of the six questions to arrive at a total score. If you scored:

### SCORE 1–10

You're probably at an early stage in the information management process. Begin the move toward ROI by using our free [Dow Jones Return On Intelligence Survey](#). With this survey, you can gather your colleagues' input and establish a baseline against which further progress may be measured.

### SCORE 11–20

Your organization is moving forward on various initiatives but may need to look at overall strategy in order to integrate the process. To learn more about the significance of strategy for knowledge management ROI, download the free [Microsoft Case Study](#). In it, you'll see how this vast and complex organization dramatically improved its work space application through integration with enriched news content.

### SCORE 21–30

Congratulations! Your organization demonstrates genuine leadership on knowledge ROI. Maintain the momentum by joining other leading knowledge professionals at [www.letstalkknowledge.com](http://www.letstalkknowledge.com), where Ken Sickles, solutions strategist at Dow Jones, discusses the latest developments in information management and ROI.

## About Brigitte Ricou-Bellan

Brigitte Ricou-Bellan is an accomplished executive and business unit leader with a strong portfolio of successes orchestrating the start-up, growth and optimization of various global businesses within online services, media, IT and telecoms. Brigitte has held senior-level positions in international groups such as Vivendi/SFR, One Tel, Netcom Consultants and Prosodie. Brigitte joined Dow Jones in November 2006 and has been driving the development and success of the Factiva core product line, including Factiva.com, an award-winning service with powerful tools to monitor competitors, customers and industries. In January 2009, Brigitte was named vice president and managing director of the Dow Jones EMG Researcher & Knowledge Worker market segment.

Brigitte is a graduate of ESCP-EAP/European Graduate School of Management and holds postgraduate degrees from PARIS DAUPHINE and PARIS SORBONNE Universities. She lives in Princeton with her husband Laurent and their two children, Thomas and Alice.

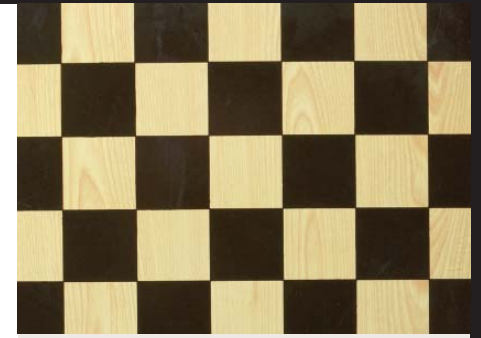
## About Dow Jones Enterprise Media Group

Dow Jones Enterprise Media Group creates and collects news and information, enriched by insight and technology, to make business and financial services professionals more productive and successful.

## About Dow Jones Client Solutions

Dow Jones Client Solutions enables you to get the most out of your knowledge investments by delivering comprehensive, technology-enabled information solutions and consulting services that transform your information assets into competitive advantage. With expertise in user experience design, role-based integration and access to the most trusted, reliable content, we help companies optimize their sales process, streamline marketing intelligence, improve workflow and increase online financial business.

Stay tuned for Part II of this eBook Series, Which focuses on other ways to measure the value of your content investment. Visit our blog, [www.letstalkknowledge.com](http://www.letstalkknowledge.com) to download this eBook to be released in May 2009.



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