

KNOWLEDGE MANAGEMENT THROUGH INTRANETS FOR ACCOUNTING FIRMS

The growth of the Internet, globalisation of trade, and rise of information economies have recast the role of information systems in business. In fact, three powerful changes have altered the business environment across the world. The

in an information economy, knowledge-based 'core' competencies are the key organisational assets. As knowledge becomes a central productive and strategic asset, organisational success increasingly depends on the firm's ability to produce, gather, store, and

the four system pillars of the digital firm: (a) supply chain management, (b) customer relationship management, (c) enterprise systems, and (d) knowledge management. This is especially true for service industries, such as, legal consultancy and accounting



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In an information economy, knowledge-based 'competencies' are key organizational 'assets'. Information Technology (IT) plays a very crucial role in Knowledge Management (KM) by supporting business processes for creating, identifying and leveraging knowledge throughout the organization. KM is already well established in many organizations: big city law and accountancy firms, closely followed by IT services companies. Corporate intranet is fastest growing technology. Through intranets, cross-functional processes can be coordinated electronically, both internally and externally, thereby increasing organizational efficiency and responsiveness. Many leading companies across the globe are pursuing KM to achieve and sustain world-class performance. In fact, the CAs, particularly those performing traditional assurance function, need to continuously upgrade their hi-tech skills. This article focuses on KM philosophy and experience of some leading accounting firms and highlights the criteria and list of measures for performance evaluation of KM through intranets.

first change is the emergence and strengthening of the global economy. The second change is the transformation of industrial economies and societies into knowledge- and information-based service economies. The third is the emergence of the digital firm. There is no doubt that IT is enabling accounting firms to move toward 'digital' environment, and hence, the amount of data and information is increasing dramatically. With the use of Intranet tools, such data and information can be converted to corporate knowledge for enhancing accounting business. Thus,

disseminate knowledge. With innovative knowledge, therefore, firms become more efficient and effective in their use of scarce resources.

The present knowledge economy is characterized by huge investments in both human capital and information technology. Businesses invest in information systems because they create business value. The major system investments being made today are enterprise applications that integrate information across the enterprise and create powerful new links to customers and suppliers. These enterprise applications are

firms, where the prime cost of operation is professional manpower. Firms that identify their strengths (or areas where they would like to develop competent knowledge) must begin by looking at their profitable business services and 'niche' practices where they have unique experience already garnering higher fees, when utilised.

Many service projects have similar operating procedures. On completion of every project, the firm personnel should be allocated time to analyze what they have learnt from the engagement, discuss how they can improve, and how

this information can be applied to other engagements or future opportunities. The results of these meetings should be documented and include supporting schedules, as well as remarks of threat and opportunity. These series of procedures are also referred to as knowledge management. British Petroleum (BP) is using KM as a means of drawing together talents from all over the organisation. BP emphasizes transfer of tacit knowledge rather than accumulation and transmission of raw data and has installed a communication network comprising video-conferencing, multi-media and email.

KM increases the ability of an organisation to learn from its environment and to integrate knowledge into its business processes. KM, simply stated, refers to the set of processes developed in an organization to create, gather, store, transfer, and apply knowledge. Information technology (IT) plays a very crucial role in KM by supporting these business processes for creating, identifying, and leveraging knowledge throughout the organization. Developing procedures and routines (business processes) to optimize the creation, flow, learning, protection, and sharing of knowledge in the firm is now a 'core' management responsibility. Some corporations have created 'explicit' KM programmes for protecting and distributing knowledge resources that they have identified and developed, and for discovering new sources of knowledge.

What is Knowledge Management?

Confusion arises over what the KM is, and what does it

involve. Some people view it as just an up-market label for information management, and therefore, something our Accountancy profession should naturally embrace. Others see KM as a useful term to signal the more complex work involved in organising access to networked information resources, and thus equate it with subject gateways. Cynics, however, dismiss KM as the latest management fad, yet another effort by management consultants and IT vendors to sell their 'solutions' to desperate business people, who ought to know better. These are all fair comments up to a point, not least, because there is still quite a gap between KM theory and KM practice.

Simply stated, KM is the explicit and systematic management of vital knowledge and its associated processes of creating, gathering, organising, diffusion, use and exploitation. It requires turning 'personal' knowledge into 'corporate' knowledge that can be widely 'shared' throughout an organisation and appropriately 'applied'. "Knowledge management is a discipline that promotes an integrated approach to identifying, managing and sharing all of an enterprise's information assets. These information assets may include databases, documents, policies and procedures, as well as, previously unarticulated expertise and experience resident in individual workers." (Gartner Group Inc, 1996)

According to Kocharekar (2001) "Knowledge management (KM) is about internal collaborative endeavours and the sharing of information and experience." In fact, KM is an emerging discipline that

KM involves connecting people-with-people as well as people-with-information. It is an evolving management philosophy, which combines good practice in purposeful information management with a culture of organizational learning, in order to improve business performance. Thus, KM can considerably enhance the success of accounting firms, if practised systematically.

stresses a formalized, integrated approach to managing an enterprise's tangible and intangible information assets. Effective performance and growth in a knowledge-intensive organisation requires integrating and sharing highly distributed knowledge (Zack, 1999). It is a coordinated attempt to tap the unrealised potential for sharing knowledge that lies in an enterprise's collective consciousness.

It should be noted here that KM involves taking a 'holistic' view of information by combining internal and external information; planning, coordinating and controlling (monitoring) information; and consolidating informal ('soft') and formal ('hard') information. KM also requires a 'strategic' focus on valuable knowledge, concentrating on knowledge that will contribute to the improvement of organisational performance. In addition to improving the 'visibility' of knowledge, another aim is to develop its 'intensity', by creating a climate to encourage generation of ideas within work groups, and eventually generalization to other areas. At the same time, KM objective is to give people just-in-time access to knowledge, allowing the need to know to be determined by the information 'user', not the 'owner'. However, KM is a people-and-process issue and should not be viewed as an expansion of the IT function. In addition, IT has the potential to change culture by cutting through traditional structures, inspiring an informal style and fostering the social networks, which underpin knowledge sharing.

KM is not new in that it has grown and developed from existing practices, and

it is already well established in many organisations— notably, the ‘know-how’ services in big city law and accountancy firms. KM can be presented as a convergence of ideas promulgated over the past decade, including ‘info-mapping’ and information resource management, the ‘balanced scorecard’, the ‘learning’ organisation, total quality management (TQM), business process re-engineering (BPR), the networked organisation, and the ‘boundary-less firm’.

Why Do People Share Knowledge?

‘Knowledge’ in this context is also a somewhat elusive concept, defined in various ways by the different writers. Davenport and Prusak (1998) offers the following pragmatic description of knowledge in organisations: “Knowledge is a fluid-mix of framed experience, values, contextual information, and expert insights that provides a framework for evaluating and incorporating new experiences and infor-

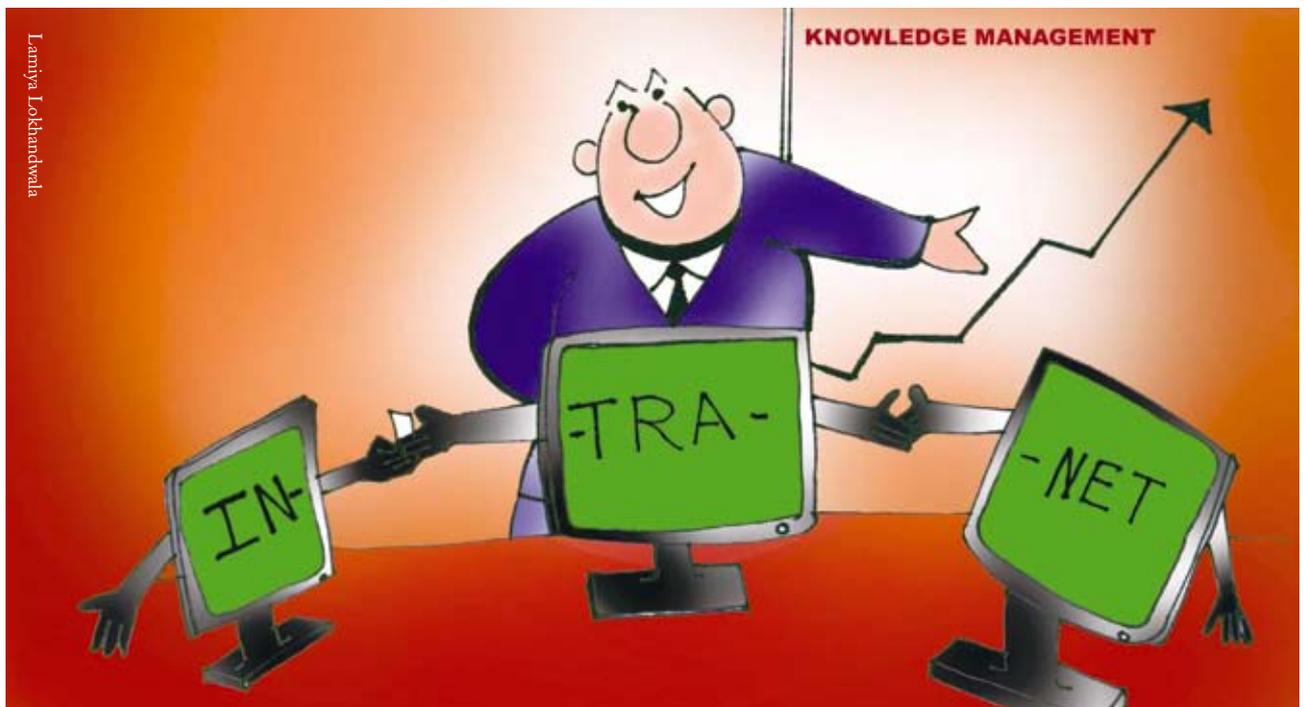
mation. In fact, it originates and is applied in the minds of ‘knower’. In organisations, it often becomes embedded not only in documents or repositories but also in organizational routines, processes, practices, and norms.” Further, they distinguish knowledge from information, and information from data, on the basis of value-adding processes, which transform raw material (for example, transaction records) into communicable messages (such as, documents) and then into knowledge and other higher-order concepts.

Thomas Stewart (1997) dismisses the notion of a data-to-wisdom hierarchy as bogus and unhelpful in this context, on the grounds that “one man’s knowledge is another man’s data”. We have all heard that “knowledge is a power”. At the core of this knowledge lies the universe of information now available to people quite literally at their fingertips at any time throughout the year. High performers usually fear to share their knowledge with

others as they feel that others may take up some of their self-built ‘tacit’ knowledge of certain work practices. Asking employees to codify their experiences and to make this knowledge available to all other employees, therefore, is viewed as giving up power. To make knowledge management work, companies will require a major change in “culture” from the traditional corporate environment (Kepczyk, 2000). It leads us to pose a question: “Why do corporate employees share knowledge with each another?”

Yoemans (2000) has concluded that there are some positive as well as negative factors that enable or disable employees to share corporate knowledge. The critical success factors of KM are the provision of work environment and the mechanism for knowledge sharing. Some of these factors are outlined below.

1. **Work situation:** Team-based work creates the need to share work



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knowledge, while individual-oriented work situation leads to division amongst workers, and therefore, creates obstacles to knowledge sharing.

2. **Decision-making mechanism:** Local decision-making situations enable sharing of knowledge as communication is direct. Central, top-down decision-making situation has a substantially longer process of communication and hence, forms obstacles to knowledge sharing.
3. **Employee relationship:** High trust work atmosphere facilitates the sharing of knowledge, while fear and suspicion in a work relationship discourages knowledge sharing. The former is open to outside ideas and sharing is rewarded. The latter is self-protected and rejects external ideas. Thus, hoarding, but not sharing, is likely to be rewarded instead.
4. **Work environment:** Sufficient time, comparable information technology and a focused approach to work enable knowledge sharing. In sharp contrast to this, busy work schedules, incompatible information technology and function-focused work tasks disable knowledge sharing. Here, staff concentrates on their own work schedules and do not have the needs of knowledge sharing.

Need of Knowledge Management for Accountants

Examples of KM can be found in all sectors of business

and industry, especially among professional service organisations. The large accountancy and consultancy firms have led the way in launching formal KM initiatives, closely followed by IT companies. In some cases the project involves establishing a central physical presence, for example a leading US-based global accounting and consultancy firm has set up a “Center for Business Knowledge”. Two more leading global accounting firms have “Knowledge On-Line” “Knowledge View” respectively and both involve information specialists in managing ‘content’ and providing ‘services’ to consultants.

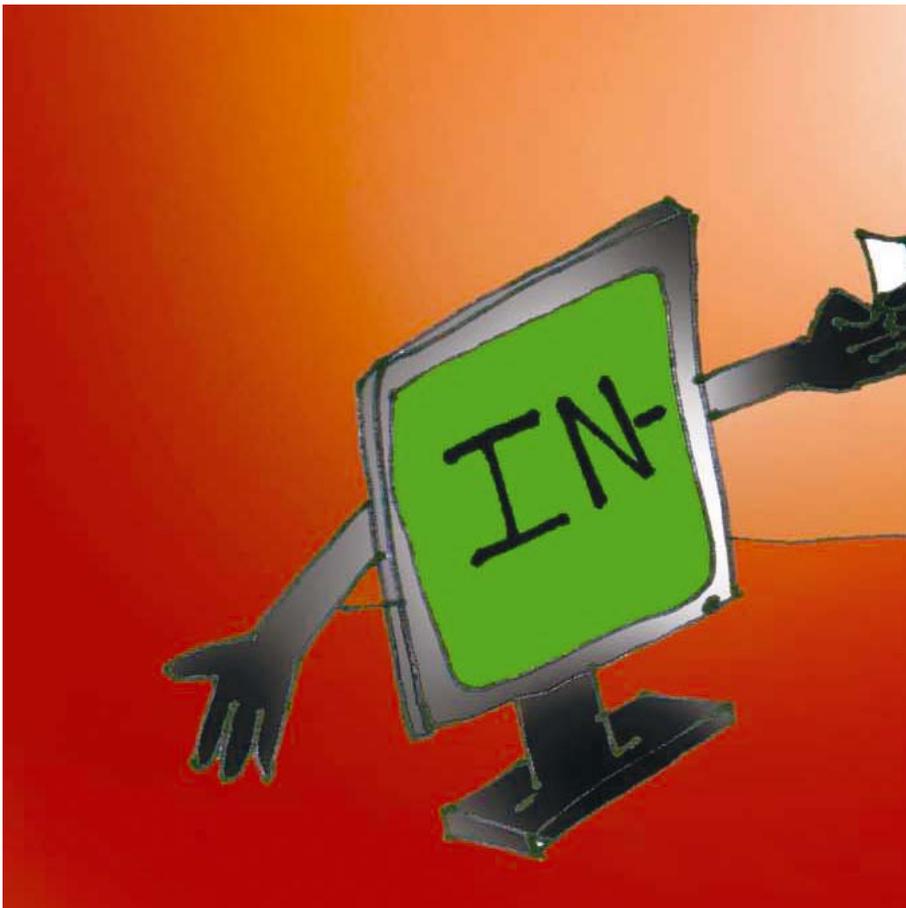
No doubt, these efforts must be supported by building a KM infrastructure, including both technical and organizational aspects—systems and processes for capturing, structuring, diffusing and re-using knowledge; roles and responsibilities for making things happen; and a culture and style that promotes communication and sharing. Although a culture of ‘teamwork’ and ‘trust’ is more important than the ‘technological’ infrastructure, a consistent and reliable organisation-wide communications and IT infrastructure is essential (incorporating security, standards and support for users). IT, thus, provides the network for sharing at a technical level; it is a necessary condition, but not sufficient in itself to ensure successful KM.

KM experts perceive the technical issues as relatively straightforward and mostly utilising established technologies. The key technologies are on-line databases, document management systems and groupware, with corporate ‘intranets’ the fastest growing area. The typical approach is

a suite of tools based around groupware (Lotus Notes) and/or an Intranet-based Web, with Lotus Notes favoured for discussion-based applications (e.g. lessons learned) and database management (especially where there is a need for database replication for remote disconnected use) and the Web for hypertext-linked knowledge (publishing across multiple platforms and multimedia databases) generally supported by a specialised search engine and online company thesaurus. More sophisticated systems use intelligent search agents, case-based reasoning (notably for customer service/help desk applications) and neural networks (for data mining). KM requires a mix of technical, organisational and interpersonal skills. However, the skill-mix and emphasis varies according to responsibilities, but everyone involved needs to be able to understand the business, communicate effectively and have basic competence in handling information and using IT.

In traditional business model, the accounting professionals (or accountants) have been highly regarded as ‘independent’ and ‘objective’ third-parties, who make honest assessments and evaluations of certain business functions. Accountants are also best known for expressing opinions on the accuracy and “true and fair” view of the financial statements. In addition, they also play a crucial role in assessing various risks and reporting on the system of internal controls surrounding business systems and processes. The challenge before the accounting professionals is how to perform these functions efficiently and effectively in the ‘new’ e-commerce and e-business

On account of global competition, the accounting profession must convince the market place that it has the “best-equipped” professionals to perform services. In fact KM requires a proper mix of technical, organisational and interpersonal skills.



environment.

The 'CPA Vision Statement' observes: "The CPAs are trusted professionals who enable people and organizations to shape their future. Combining insight with integrity, CPAs deliver value by: (a) communicating the total picture with clarity and objectivity, (b) translating complex information into critical knowledge, (c) anticipating and creating opportunities, and (d) developing pathways that transform vision into reality." It reflects the trend towards providing a broader range of services. The top five 'core' services provided by the CPA professions are:

- Assurance and information integrity;
- Management consulting and performance measurement;
- Technology services;

- Financial planning; and
- International services.

Business practices, transaction processing integrity, information protection and supporting internal controls are just some of the areas of expertise demonstrated by accountants historically. Besides, electronic business environment is offering many new opportunities for both accounting and other technology professionals. The accounting profession, in the present era, is affected in many ways:

- It must incorporate electronic commerce/business technology skills in the performance of traditional assurance engagements;
- It has the opportunity to perform additional assurance functions, such as, systems reliability, risk as-

assessment, and other Web-related assurance; and

- It has the opportunity to provide electronic commerce & business solutions that help firms compete aggressively in international markets.

On account of global competition, the accounting profession all over the globe must convince the marketplace that it has the "best-equipped" candidates to perform such services. Hence, accounting professionals need to: (a) increase their knowledge and ability as technology specialists, and (b) continue to maintain their existing roles as independent, trusted third parties. However, the 'technology' skills set bar needs to be continuously upgraded for accountants that perform traditional assurance functions. Therefore, traditional accounting profession's programmes need to enhance their technology skill components. Curriculum change will most likely occur if the written exams and practical industry training are revamped to more accurately reflect the "new knowledge base and skill set" required by the accounting profession in the new era. The hiring practices of some leading accounting firms had already reflected this trend towards less hiring of individuals with accounting majors, and increased hiring of individuals with computer and engineering technology skill sets.

In a nutshell, KM has become more important to service industries, especially accounting firms. Unless the professional is aware of someone else who has access to information in some managed format, an accountant must start researching and documenting information from a scratch. This format may con-

sist of 'standardised' forms, documented processes, captured research, engagement letters, etc. The crucial importance of KM in accounting is two-fold. First, it helps that internal information is in a standardised format that is easy to access, modify and append. Numerous audit and accounting work sheets can be centralised in database in templates. Second, KM enables the internal flow of accounting and auditing work information among company staff on real-time basis.

What is Intranet and Why to Use Intranets for KM?

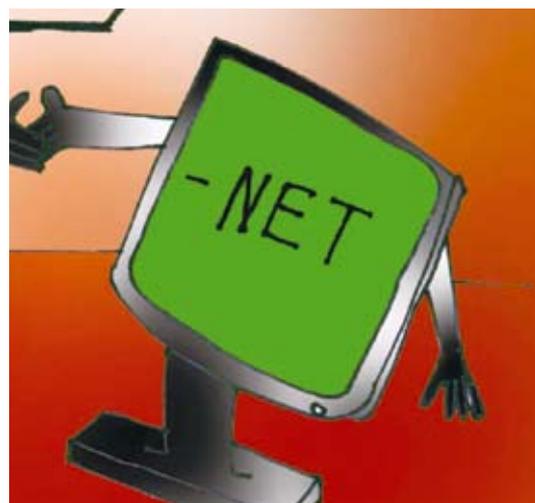
By using the 'Internet' connectivity standards, we can create 'private' corporate networks known as "intranets". "A network that utilized Internet and Web protocols, but is located inside the organization and is intended for exclusive use by organizational members is called Intranet," observes Slyke and Belanger (2003). Organisations, however, can use intranets to create 'collaborative' environments for coordinating work and information sharing. Also, they can use intranets to make information flow across different functional areas of the firm. Computers can connect their intranets to internal company transaction systems, enabling employees to take actions central to a company's operations. No doubt, intranets are inexpensive, scalable to expand or contract as needs change, and accessible from most computing platforms. Whereas most companies, particularly the larger ones, must support a multiplicity of computer platforms that cannot communicate with each other, intranets provide instant connectivity,

uniting all computers into a single, virtual seamless, network systems. Web software presents a uniform interface, which can be used to integrate many different processes and systems throughout the company.

Internal corporate applications, based on the Web page model, can be made interactive by using a variety of media, text, audio and video. However, a principal use of intranets has been to create online repositories of information that can be updated as often as required. For example, product catalogues, employees' handbooks, telephone directories, or employees' benefits related information can be revised immediately as and when changes occur. This type of event-driven publishing allows organisations to respond more rapidly to changing conditions than traditional paper-based publishing, which requires a rigid production schedule. Usually made available via intranets, documents always can be up-to-date, thus, eliminating paper, printing and distribution costs. Recent conservative studies of returns on investment (ROIs) from intranets show ROIs of 23 to 85 per cent, and some companies have reported ROIs of more than 1,000 per cent.

The Intranet applications are typically protected by "firewalls" from outside access, and are being used extensively in today's businesses and organisations for a variety of applications. Examples of popular intranet applications, as outlined by Slyke and Belanger in their book titled as "E-Business Technologies" include:

- **Dissemination of corporate documents:** Organi-



sations usually maintain a large number of corporate documents, such as, annual reports, employee benefit guides, emergency procedures manual, and so on. Rather than print a large number of copies, these documents can be made available to all employees online.

- **Searchable directories:** Many organisations are so large enough that it would be difficult for a single employee to know all others. Especially, when organisations are global (worldwide) this problem becomes more serious. Searchable directories are like the old phone book corporations used to publish. By making these directories available online, organisations can keep them more up-to-date, and include additional information, such as, electronic mail addresses and Web page links.
- **Unit or individual pages:** Professional individuals might have the opportunity to create their own Web pages as a mechanism to share their knowledge. Sometime prominent work units,



such as departments or divisions, can also create pages, providing common information to all individuals within the corporation needing access to information about their divisions.

- **Software distribution:** The intranet can be used to provide software to the organisation's employees. When various software applications need to be upgraded, the organisation can acquire the proper number of licenses and make the software available for download on the intranet. This reduces the number of CD-ROMs or disks that must be trans-

ferred between individuals, thus, avoiding the risk of losing, damaging, or destroying them.

- **Collaborative applications:** A large number of collaborative tools, such as, electronic mail, chat facilities, conferencing software, or groupware (such as, Lotus Notes) can be loaded on the intranet. Individuals within the organization can then use them to perform tasks with their colleagues.

Why do Accounting Firms Use Intranets for KM?

Compared with knowledge repositories and other decision-support tools, in-

tranets are good at supporting platform-independent information access and update, communication-intensive business functions, and interpersonal communications. Besides, intranets provide a rich set of tools for creating collaborative environments in which members of an organisation can exchange ideas, share information, and work together on common projects and assignments regardless of their physical location. Several companies all over the world, therefore, are using intranets to create enterprise collaborative environments linking diverse groups, projects and activities throughout the organisation. Intranets are also springing up in all the major functional areas of business, thereby allowing organizations to manage more business processes electronically.

Over the last decade, there has been a dramatic change in the services offered by accounting firms. Undoubtedly, Intranets can be very valuable for accounting and finance because they can provide 'integrated' view of financial and accounting information online in an easy-to-use format. We are providing some examples of intranet applications in accounting and finance, as reported by Kenneth Laudon in his book, from the leading organisations.

- **J. P. Morgan Chase:** A Web-based system, based on software from Hyperion Solutions, manages how corporate units charge each other for services provided inside the organisation. This software consolidates information from a series of business and accounting systems, and presents users with customisa-

tion pages that show the amounts their departments are being 'billed' for services, such as, information processing or use of conference rooms. Users can then compare actual bills with the amounts they budgeted and drill down to obtain additional information.

- **Cisco Systems:** Here, sales and related financial data are updated three times daily and net income, margin, order, and expense numbers are made instantly available to managers over an intranet. The company can close its books within 24 hours after the end of each quarter.
- **British Standards Institution (BSI):** A Web-based reporting system, using software from Crystal Decisions, allows the finance department to monitor un-invoiced income or outstanding debt each day.
- **Charles Schwab:** SMART reporting and analysis application provides managers with a comprehensive view of Schwab's financial activities, including a risk-evaluation template, which helps managers' assess nine categories of risk. Schwab's intranet also delivers the FinWeb "General Ledger" reporting system online in an easy-to-digest format.

It is pertinent to mention here that a leading US-based global accounting and consultancy firm reports that among the seven KM initiatives used by 431 US and European Union companies, the creation of intranets is the first priority above the creation of data

warehousing or knowledge repositories, implementation of decision-making tools, implementation of groupware to support collaboration, creation of networks of knowledge workers, mapping sources of internal expertise and the establishment of new knowledge roles.

From the above analysis, we can infer that intranets support numerous Web-based tools for information management. For small-to-medium sized accounting firms, the intranet can be set as an internal Web page for the provision of information on accounting transactions, sales, purchases, inventories, suppliers and customers. Kepczyk in his article (2000) derives a detailed list of intranet tools in accounting firms for KM:

- **Technical Logs:** It consists of the core issues, such as, tax and audit guidelines created and then stored in a key word searchable database.
- **Technical Bulletins:** It delivers regular updates on tax and audit findings electronically and enable firms to store these bulletins in a searchable format.
- **Forms:** They are stored in a standardised format in Microsoft Word or Excel formats accessible from staff PCs.
- **Policies Manuals:** It maintains most recent updated copies of personnel, human resource policies, training and audit guidelines, etc., in an electronic format.
- **Web Site Links:** It maintains a list of favourite and useful Internet websites for finding frequently required information.

- **Personnel Address Book:** It allows for easy and online updates of various personnel items (like phone numbers, e-mail IDs, postal addresses, etc.) and thereby eliminates the need for paper-printed copies.

Regarding the financial benefits of KM through intranets, a study by the Microsoft TechNet reports that "80 per cent of 41 companies surveyed generated a possible return on investments, with an average return of 38 per cent. Possible return on investments indicates that the quantitative benefits of an intranet application are more than the cost of its implementation."

Accounting Firms Knowledge Management Practices

We are going to have a cursory look at the most concentrated sector of KM expertise—the so-called big three accounting firms, each of which also has substantial offerings in technology consulting. According to Andrew Parker, an analyst at Forrester Research, this sector is undergoing a significant shift in its business model. "The Big Five firms have been wedded to the financial partnership model since the 19th century, but now regulatory pressures and commercial imperatives are causing them to reorganize. Reinvention of the consulting groups will give large businesses the support to move forward aggressively on e-business."

While there is some commonality among the services offered, each firm has developed its own spin on KM. Some firms started implementing KM, at least on an internal basis, during the

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early 1990s while others are relatively new to the practice. Some firms target KM as a specific practice area, while others include it in broader services focused on e-business, or another strategic approach. Nearly all of the firms reviewed here have both internal and external KM practices. Project costs for a KM engagement can range from \$50,000 for a simple one-to-two-week diagnostic to a multi-year effort costing more than \$5 million. The typical assignment cost is pegged at \$1 million to \$1.5 million. What follows is a brief overview of each firm, including representative projects and experience with KM. The big-four and small-to-medium sized accounting firms have been increasingly active in KM. The explosion of information provided by the maturing of information technology has created a booming marketplace demand for 'IT-based services' across the globe.

While the online "KnowledgeSpace" creates Internet communities of interest for industry segments such as energy and utilities, the knowledge management project called "KWorld" includes messaging, collaboration, and knowledge-sharing components. The "Kworld" is being built entirely on Microsoft Windows NT Server components like Microsoft Exchange, Site Server, Office, Outlook and Internet Explorer.

Another oft-quoted accounting related KM platform is "Center for Business Knowledge" (CBK), which has been developed by over 100 cross-functional professionals. There are over 22 CBK networks in US alone,

which have different categories of classification. The classification is done by industries, such as, energy; by particular consulting approach, such as, business process reengineering (BPE); by key areas of technology, such as, enterprise resources planning (ERP) tools, and finally, by knowledge focus groups, such as, activity based costing (ABC) and shared corporate services.

Each network meets occasionally, has online discussions, and a document database in Lotus Notes. Moreover, the key to success is 'job rotation' between facilitators and consultants, to add to its own learning, and to edit the discussion and document databases. For human resource management, employee's skills are updated into a system from PeopleSoft, Power Packs. The KM philosophy of the firm that has developed this platform is to "let 1000 flowers bloom." The strategy is to allow multiple technologies to proliferate in the early days of KM; it encourages individual offices to develop appropriate KM tools.

Measures For Knowledge Management

It is universally agreed that financial and human resources are limited for all types of businesses, including accounting firms. To obtain optimum benefits of KM by adoption of an intranet, the accounting firms should develop some specific 'objective' criteria for performance evaluation. Cost, revenue, efficiency, effectiveness and quality are the main concerns for adoption of KM in corporate system. The Working Council of Chief Executive

Information Officers (2000) has developed "eight criteria" and a list of measures for business case preparation and performance evaluation of the Knowledge Management intranets. They are:

1. Revenue Generation

- Percentage of total revenues spent on KM initiatives
- Ratio of knowledge-generated savings to knowledge-maintenance costs
- New revenue generated by knowledge or knowledge-enabled products
- Increase in revenue per knowledge-enabled employee

2. Opportunity Cost

- Time spent by employees looking for relevant information
- Staff time to reinvent material previously created (designs, proposals, reports, presentations, etc.)
- Customers lost as a result of incorrect or insufficient information

3. Knowledge Efficiency

- Time saved in new product development or regulatory process
- Time taken to implement a best practice
- Number of mistakes made twice

4. Data Quality

- Percentage of company knowledge codified on the Intranet
- Percentage of codified knowledge that is searchable
- Percentage of information needed that employees can find on the intranet
- Percentage of information on the intranet that is less than one year old

- Percentage of material that is more than one year that has been revalidated
- Number of resources deleted in the past month
- Number of resources with electronic attachments
- Complete/incomplete status of individual's skills profile
- Data skills profile last edited
- Resume attached to skills profile
- Configuration of customisable portal

5. Corporate Intranet Usage

- Total number of intranet hits per time period
- Total number of unique users per time period
- Total number of contributions per time period
- Total number of unique contributions per time period
- Total number of downloads per time period
- Total number of intranet resources, subdivided by document type
- Resources most often downloaded

6. Unit Level Intranet Usage

- Total number of resources contributed by a specific user community per time period
- Number of downloads per community per time period
- Ranking among top contributing units for the last time period

7. Individual Knowledge-Sharing Behaviour

- Number of resources contributed per time period
- Ranking among top contributors for the last time period
- Usage and peer-rating of resources contributed for the last time period
- Number of citations of contributed resources in other employees' work

8. Intranet Technical Performance

- Intranet availability (up-time)
- Search response time
- Percentage of returned hits that are relevant
- Internal staff satisfaction rating

This list is supposed to be endless as the functions and capabilities of individual intranet tools significantly vary from company to company, but, at least, it captures the basic requirements of company information systems. However, it seeks to provide a set of 'objective' measures, as a start-up checklist, with wide coverage to measure the suitability of an intranet-based knowledge management system.

Conclusion

In modern era, information technology enables accounting firms to move towards 'digital' environment, and therefore, the amount of data and information is certainly going to increase dramatically. With the use of intranet tools, however, such data and information can be converted to corporate knowledge for enhancing accounting business. KM involves connecting people-with-people, as well as people-with-information. It is an evolving management philosophy, which combines good practice in purposeful information management with a culture of organizational learning, in order to improve

business performance. Thus, KM can considerably enhance the success of accounting firms, if practised systematically.

Applications of KM can be found in all sectors of business and industry, especially among professional 'service' organisations. The large accountancy and consultancy firms have led the way in launching formal KM initiatives, closely followed by some leading IT companies. These efforts must be supported by building a knowledge management infrastructure: systems and processes for capturing, structuring, diffusing and re-using knowledge; roles and responsibilities for making things happen; and a culture and style that promotes communication and sharing. The key technologies, however, are on-line databases, document management systems and groupware, with corporate intranets the fastest growing area. Organisations are using intranets to create 'collaborative' environments for coordinating and information sharing across functional areas of the firm since intranets are inexpensive, scalable to expand or contract as needs change, and accessible from most computing platforms. Several companies all over the world, therefore, are using intranets to create enterprise collaborative environments linking diverse groups, projects and activities throughout the organisation.

On account of global competition, the accounting profession must convince the marketplace that it has the "best-equipped" professionals to perform services. In fact, KM requires a proper mix of technical, organisational and interpersonal skills. □