Best Practice Insight

Collaboration case study: Arla Foods

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This report examines dairy co-operative Arla Foods’ use of IBM Lotus Quickr to support better
document management and collaboration across its different regions.

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Company background

Headquartered in Denmark, Arla Foods is a global dairy company and cooperative which is owned by 7,600 Danish and Swedish milk producers. With a history dating back to 1881 when the first cooperative dairy was formed in Sweden, the company today employs over 16,000 people, and is now the seventh largest dairy company worldwide.

Arla has production facilities in 13 countries and sales offices in 20 countries, with its core markets being Sweden, Denmark, Finland, the UK, Germany, the Netherlands and Poland. The company’s key brands include Arla, Castello and Lurpak.

Company revenues for 2010 were 6.6 million Euros, which represents an increase of 6% over the previous year, demonstrating the organisation’s ambition and strategy for continued organic and inorganic growth.

Project background

Like many organisations working to balance a multi-national structure with the need to create a single identity for the organisation, Arla has defined a set of corporate values which are intended to provide a framework for ensuring a common culture and perspective is shared across the company – Lead, Sense and Create. Underpinning all of these values is an intrinsic focus on driving innovation within the business, in order to compete more effectively in the market place, provide a better service to customers, and create a better environment for employees.

In early 2009, Arla decided that in order to better enable this innovative culture there was a need to improve support for collaboration across the organisation. Although the company had had some collaboration tools in place for several years, these provided limited functionality (simple document sharing via SAP NetWeaver Collaboration Rooms), and had significant problems around usability. Despite relatively high usage levels of around 40% of all employees, feedback from users about the old tools was generally poor, with a commonly-held view that people only used the tools because there was no alternative. The company decided to replace the existing tools with a more modern solution which would not only add collaborative capabilities such as discussions in the context of documents, but would also introduce the concept of document management and version control to help overcome another growing issue around email storage costs.

As a predominantly HR-driven initiative, the responsibility for the project was taken by Arla’s Intranet team, which is part of the Corporate Communications department (until early 2011 it was under HR). In 2005 the team had launched (and continued to manage) a successful corporate intranet called My Workplace, which provides information about people and processes within Arla. With 9,000 users globally, the intranet already had significant brand awareness and management attention within the organisation, and this seemed an obvious launch pad for the new collaboration solution.

Implementation characteristics and status

The product decision for Arla was relatively simple; a corporate decision was made in 2007 to select IBM as the company’s strategic partner for any collaboration or online tools, and Lotus Quickr’s project-based workspaces with basic document management were selected as the best fit for the project from IBM’s portfolio. After a 12-month pilot, the on-premise solution went live in June 2010, branded as My Workplace CollaboratiONE and positioned as a collaborative extension of the Arla intranet, with everyone in the organisation given access. Arla has two Quickr environments in place, one for internal-only collaboration, and one for collaboration with partners and customers. The tools available in the Quickr places include document sharing, blogs, wikis, announcements, calendars, and contact lists.

Until now, the focus has been on replacing the previous solution which was mostly used in Denmark; going forward the project team plans to widen its usage in Arla’s offices in Sweden and the UK. The team is now also considering options for leveraging social software within Arla, and hopes to be able to connect this with Quickr in due course.
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The approach

Arla took a very measured approach to rolling out Quickr to its employees, with a substantial pilot phase that was designed to help refine the company’s requirements for the tool, enable the Intranet team to get to know the software in detail, and establish a foundation for developing training materials and rollout strategies. The pilot began in June 2009 and ran for 12 months. During this time, the project team regularly received feedback from the pilot users which was used to enhance and improve the solution. The pilot user group included 100 people from Arla’s research and development and IT departments; R&D was selected because of the ongoing focus on innovation and a need to create a base of participation from which future projects could run, and the IT team was viewed as an important user group for testing and challenging this type of tool.

The second phase of the project was focused on the launch of My Workplace CollaboratiONE within Arla, and the global rollout of the tool to all 9,000 office-based employees. After launch, the project team began the process of educating employees on how and why to use the system, as well as migrating existing ‘collaboration room’ content to the new platform, which was achieved with support from IBM’s consulting teams.

Strategy

Arla’s project was very much an enterprise-wide strategy from the start, driven by a central team and funded by a centrally-held budget. The company was keen to leverage technology to develop a more collaborative and innovative culture within the organisation, building on its existing experience with ‘collaboration rooms’, and the success of the My Workplace intranet.

Organisation and people

Adoption

Driving adoption of the Lotus Quickr technology within Arla has been a major part of the overall project, with significant investment in training and education, as well as the provision of a variety of support mechanisms. At launch, the new solution was announced via the My Workplace intranet, with individual collaboration room owners notified directly about their migration to the new platform. The launch was generally well-received within Arla, particularly by the 40% of Arla’s employees who were users of the old environment with its many issues. Eighteen months on, the greatest adoption has been among those employees who regularly work with colleagues in other offices, or with partners or customers. Co-located teams have been less embracing of Quickr’s benefits as they feel less of a need for an online tool for collaboration, but the team does not see this as an issue: instead they focus on ensuring that people know the tool is there if they do have a need for it.

Training is provided either online via a one-hour web conference or in-person at regional offices, and is voluntary for employees. The Intranet team offers two levels of training:

- **Familiarisation.** This introductory course is focused not just on how to use the tool, but on highlighting its benefits in terms of enabling collaboration both internally and externally.

- **Super-users.** This is a more advanced course which is designed to create a network of super-users across the organisation who can in-turn provide training and support to other employees. The course is much more hands-on than the familiarisation course, with attendees required to prepare tasks in advance of the training session and share their work with the rest of the group. While the super-user training is also voluntary, business groups within Arla are asked to nominate individuals who would be most appropriate. Once they have received super-user training, individuals are added to a central super-user list which can be viewed across the organisation.

Going forward, the Intranet team hopes to be able to extend its training provision by offering recorded webcasts, which will enable more people to receive the familiarisation more quickly, and by providing training to employees at dairies and different office locations.
Support is provided in three ways: via email, via telephone, and via a Support place within Quickr. The Support place includes a library of user guides and other relevant documents, as well as discussion forums and a training course calendar.

Roles and resources

The primary resources with responsibility for the implementation as well as the ongoing operational support, training and administration for My Workplace CollaboratiONE are the Intranet team within Arla Corporate Communications. This includes two full-time employees who are also responsible for managing, maintaining and supporting the HR intranet (My Workplace), and an additional part-time IT resource. Arla also employs a third party, Valtech, to provide software level support, and can refer to IBM for backup technical support.

Governance

The key areas of governance for Arla relate to the support environment; with two additional companies involved in providing support for the system, it is important to specify how changes should be documented. From a usage perspective, the Intranet team have developed guidelines for when to use either the internal or external Quickr environments, and for when to use Quickr and when to use the company’s document management system (based on Centuri and ADAM). These are published in the Support place within Quickr. Going forward, the team plans to create a set of best practices for using Quickr, for example demonstrating beneficial uses of particular tools, and examples of how others are using them. The team has also created a set of nine Quickr templates (five for general use and four for different project types) to help people create new places, but these can easily be customised as needed.

To enable lifecycle management of the Quickr places, Arla has created some monitoring policies which alert the project team when places become inactive, as well as a process for how to handle such warnings (which involves contacting owners and requesting permission to archive their place), but as yet there has been no need to test these out.

Technology and infrastructure

Three areas of integration that have proved very valuable to Arla in improving adoption and highlighting benefits of Quickr over the previous solution are its integration with Microsoft Office, Windows Explorer and Lotus Notes email. The Microsoft Office integration is particularly useful, and has had the result that some users within Arla think that Quickr is actually part of Microsoft Office because this is the only place they access Quickr content. Similarly, the integration with Windows Explorer has proved an important adoption catalyst, as it enables people to continue working in the same way as before but accessing Quickr content. A key limitation with the Lotus Notes integration is that not everyone has the right version of Lotus Notes to support the Quickr integration.

In future, Arla hopes to be able to integrate its existing document management (DM) system with Quickr to enable archiving content from Quickr to the DM tool once the team place is no longer active. This would also help resolve the issue of when to use Quickr vs. when to use the document management system.

The results

Eight months after launch, My Workplace CollaboratiONE is starting to gain traction within Arla. While the company has not yet measured general usage levels across the organisation, it has around 1,100 active Quickr places, of which 400 were migrated from the previous system.

The most heavily-used features of the solution to date are the document sharing and document management capabilities (which are a natural progression from the previous system Arla had in place) and discussions. There is also increasing use of the wiki tool, for example to support a large IT project to enable all employees to suggest changes to their IT environments.
Typical usage scenarios for the collaboration environment vary, with some places created for use in a particular department and focused on carrying out a specific task, while others are more of an intranet. However, most involve cross-border collaboration between team members located in Denmark and Sweden. This is perhaps the greatest benefit of the new platform for Arla, since there was previously no file sharing facility spanning the two regions.

Most people use Quickr as the project team had originally intended, that is to say for team work and project work within a clearly defined user group and within a limited time frame. However, there is increasing evidence that some people are finding new ways to take advantage of the tool in more creative scenarios, for example for distributing images and videos, or collectively assembling a list of reference web page links. This is seen as a positive development by the project team, and a great way to stimulate adoption across the organisation.

While no formal return on investment is due to be carried out on the implementation, Arla is able to measure the effectiveness of the new solution using the company’s annual user survey, which will be carried out in mid-2011. This will be benchmarked against a comparable survey which was taken in early 2010 to analyse employee perspectives on whether the new platform has delivered the desired improvements in collaboration practices.

**Recommendations for adopters**

In our conversation with Arla for this case study, the team offered a number of recommendations and lessons learned for organisations embarking on a similar initiative.

- **Don’t assume that new technology will change company culture.** While there was a clear demand within Arla for more effective and modern collaboration tools, the project team quickly discovered that better technology does not necessarily inspire the workforce to collaborate more, it simply means that those people who are already collaborating (whether using technology or not) are able to do so better. In an organisation like Arla where there was already a relatively established collaboration software strategy in place, the challenge was not in encouraging those users who already used the previous tools to adopt Quickr, but in convincing those who remained. The implementation of new technology changed little in this situation, although it served to highlight the issue and drive the organisation to look at alternative approaches.

- **Not all collaboration tools serve the same purpose.** Arla’s choice of Lotus Quickr to support its document collaboration requirements made sense, and has successfully improved the support for cross-border collaboration within the organisation. However, because of the relatively closed nature of the document- or project-based collaborative “places” within Quickr, it does not provide as open a knowledge sharing environment as the company had hoped.

- **Make sure you resolve any technical issues during the pilot phase.** With a 12-month pilot project, Arla had hoped that the solution would be stable and bug-free, but they continue to encounter significant technical problems which are hampering the adoption process. This is also raising concerns that these types of problems will impact the success and internal perceptions of the project overall. The project team at Arla believes this situation may have been improved by reducing the number of external third parties that have been involved in the project.

- **Invest well in training and familiarisation.** An important aspect of Arla’s implementation and adoption strategy was the creation of a multi-level training program, which provided basic familiarisation of the tool as well as creating a network of super-users who are able to provide local support and assistance to others in their region. A key benefit of developing this training was that the project team had to invest a lot of time in understanding and capturing the things that could go wrong when using the tool as well as understanding how you should use it, and this resulted in a great deal of expertise which is valuable not only for the training, but also for user support processes.
Best practice insights

Arla’s is an interesting example as it highlights some of the key challenges that organisations encounter when looking to improve collaboration, particularly in internal scenarios. Two of the most common issues relate to culture and expectations.

- **Improving the collaborative culture of the organisation.** One of the key pitfalls in collaboration software initiatives occurs when organisations mistakenly address the need to improve collaboration as a technology problem, rather than a cultural problem. Although the increasingly global nature of business means that organisations are keen to leverage the expertise of their employees across the breadth of the organisation, gaining the efficiencies and flexibility to allow them to differentiate them more clearly in the marketplace, for many employees the years of hierarchical organisation structures and traditional management styles mean that – even if the employee themselves can see the benefit of collaborating with others, and has the tools at their disposal to enable this – the organisation’s processes limit the practicality of this happening. Added to this the strength of habit, and people’s natural resistance to change, and it is easy to see why simply implementing technology will never make an organisation’s culture more collaborative in isolation. Improving collaboration is far more about change management – evolving the company’s processes and mindset to enable it to create a flatter organisational structure and to enable individuals to be rewarded for collaborating.

- **Management and employee expectations about what the software will deliver.** As we discussed in our 2007 report *Ideals and reality: understanding the context for your enterprise collaboration strategy* (http://www.mwdadvisors.com/library/detail.php?id=50), a major challenge with the term “collaboration” is that different people have entirely different views on what it means. Partly as a result of this, the software market for collaboration tools is equally broad and confused, with many vendors offering different approaches to improving collaboration within an organisation. With such variation in available solutions and their goals and capabilities, it becomes extremely important for organisations to gain a clear understanding of their own requirements as well as the capabilities of their chosen solution(s), and to clearly set expectations throughout the organisation as to what the tools will enable. Furthermore, given the challenge of changing the organisation’s culture (as we discussed earlier) it is also vital to ensure that both managers’ and employees’ expectations for how long it will take for adoption of the technology to reach critical mass are carefully managed to avoid early adopters losing interest before the majority are on board.