CHAPTER 11   **MANAGING KNOWLEDGE AND COLLABORATION**

CASE 3   ## L'Oréal: Knowledge Management Using Microsoft SharePoint

VIDEO CASE

Case Study: L'Oréal

SUMMARY   L'Oréal decided to use Microsoft SharePoint server to create a global knowledge management and collaboration platform. The system runs on a corporate intranet called M@sternet that spans the globe and coordinates the work of hundreds of teams in over 150 subsidiaries. L=2:57.

URL   http://www.youtube.com/watch?v=8MvWkDXFz0w&NR=1

CASE   The L'Oréal Group is the world's largest cosmetics and beauty company. It is headquartered in the Paris suburb of Clichy, Hauts-de-Seine, France. 96 percent of L'Oréal revenue is generated from cosmetics, from hair-color products to skin care, sun protection, makeup, perfumes, and hair care. L'Oréal also is active in the dermatological and pharmaceutical fields.

The company was founded in 1907 by Eugene Schueller, a young French chemist, who developed an innovative hair-color formula. In 1920, the small company employed three chemists. By 1950, the research teams were 100 strong; that number reached 1,000 by 1984, and is nearly 2,000 today.

While L'Oréal got its start in the hair-color business, the company soon branched out into other cleansing and beauty products. L'Oréal currently markets over 500 brands and many thousands of individual products in all sectors of the beauty business: hair color, permanents, styling aids, body and skin care, cleansers and fragrances. The company's products

are found in a wide variety of distribution channels, from hair salons and perfumeries to hyper- and supermarkets, health/beauty outlets, pharmacies and direct mail.

L'Oréal has five worldwide research and development centers: two in France: Aulnay and Chevilly; one in the United States: Clark, New Jersey; one in Japan: Kawasaki, Kanagawa Prefecture; and in 2005, one was established in Shanghai, China. A future facility in the US will be in Berkeley Heights, New Jersey.

L'Oréal global revenues were $3.5 billion in 2008. L'Oréal reported net income of $2.51 billion in 2008, down 27 percent from a year earlier. Sales rose 2.8 percent with Eastern Europe and Asian markets growing rapidly even as Europe stagnated and the United States shrunk.

Microsoft SharePoint products and technologies include browser-based collaboration and a documentmanagement platform. These can be used to host web sites that access shared workspaces and documents, as well as specialized applications like wikis and blogs from a browser. Users can manipulate proprietary controls or pieces of content called web parts to create or modify sites. SharePoint is not intended to replace a full file server. Instead, it is targeted as a collaborative workspace, a tool for the management and automation of business processes, and a platform for social networking. Microsoft markets this as "Collaboration, Processes, and People."

Collaborative technologies are tools that enable people to interact with other people within a group more efficiently and, in many cases, more effectively. This includes familiar tools like e-mail discussion lists and teleconferencing. Recently, a number of new collaborative tools have emerged that have much to offer groups of researchers looking for new ways to increase their productivity and overall effectiveness. They are particularly relevant to groups where individual members are not all geographically colocated. SharePoint is one such collaborative tool.

Microsoft SharePoint enables groups to configure portals and hierarchies of websites without specifically requiring web development. This allows groups of end users, as participants, to have much greater control in finding, creating, collecting, organizing, and collaborating on relevant information in a browser-based environment. It also allows views of the different collections of information to be easily filtered, grouped, and/or sorted by each consumer according to their current desire. It has a robust permissions structure, allowing organizations to target users' access and capabilities based on their organizational role, team membership, interest, security group, or any other membership criteria that can be defined.

Microsoft Search Server (MSS), an enterprise search platform from Microsoft, builds on the search capabilities of Microsoft Office SharePoint Server. MSS shares its architectural underpinnings with the Windows Search platform for both the querying engine as well as the indexer. MOSS search provides the ability to search metadata attached to documents.

SharePoint is often criticized for its lack of well integrated tools for developers and its complex customized software architecture that differs significantly from those of other ASP.NET-based web applications. Microsoft has announced significantly better support in the upcoming version of Microsoft's primary development environment Visual Studio to enhance the developer experience.

VIDEO CASE QUESTIONS

1. What are the challenges facing L'Oréal management?

2. Make a list of all the functionalities of M@sternet described in the video. What kind of a knowledge management system is M@sternet?

3. Why did L'Oréal say it chose the SharePoint platform?

4. What do you think are the ultimate benefits of M@sternet for L'Oréal?

5. What might be some limitations of SharePoint in this application?