

## **PIANOO-DESK: A SUCCESSSTORY OF ONLINE SHARING OF KNOWLEDGE ON PUBLIC PROCUREMENT**

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**ABSTRACT.** PIANOo-desk is a virtual community dedicated to public procurement in the Netherlands. Right from the start it was a huge success. In this paper the reasons for the success are analysed. Plans for further improvement of the site are unfolded. It was concluded that the most important reasons for the success of PIANOo-desk as an information platform are based on the willingness of the participants to share their knowledge on a relatively new field of interest in a trusted environment which is moderated by people they can trust and who actively help them to get their answer.

### **INTRODUCTION**

Sharing knowledge is a natural part of everybody's work. For civil servants the concept of sharing knowledge is beyond question very important. We are paid by taxpayers and we have the duty to make the most out of this money. Especially when it comes to the public procurement of goods, services or works the taxpayer trusts us to spend his money in the most economic way.

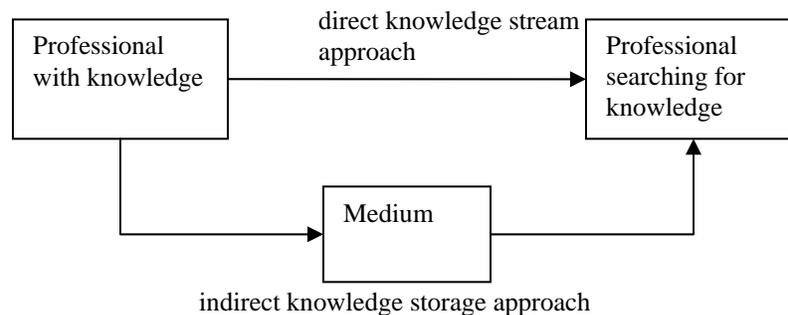
Public procurement is a relatively new area of interest. Information and knowledge is spread among different purchasers. Often it is not known who has which piece of information. In many cases the knowledge remains locked in the head of the professional who acquired the knowledge; knowledge which can be very useful for other professionals.

Knowledge can be shared in different ways. The direct way is the knowledge stream approach. Transfer of knowledge in this approach

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always takes place by direct communication between persons. Sharing knowledge thus is not the creation of a knowledge archive but the real time mobilisation of knowledge. In this way you always know with whom you share knowledge. For most people this is a trustworthy situation.

The second approach is the knowledge storage approach. In this indirect way knowledge is unchained from the bearer and stored into a system which can be used by others. In many cases this knowledge is not used directly and the person who gave the knowledge does not know when it is used, by whom and for what purpose. In this way people may feel they have to put in a lot and that they receive little in return and as a consequence they may lose the motivation to give more. The advantage is that knowledge is stored and can be used repeatedly. It is also useful when the group is too large to share knowledge directly or when distances are too large to meet face tot face.



### PIANOo

The Dutch government established a service called PIANOo as part of its efforts to professionalize public procurement. PIANOo is meant for everybody working in the public sector and is involved with the procurement of Works, Goods, and Services. Public officers can go to PIANOo for information, advice or practical tips. To this end, PIANOo collects information and experiences in the field of public procurement and facilitates the exchange of knowledge between procurement bodies.

PIANOo developed a successful online knowledge sharing tool for Dutch public procurement servants, called PIANOo-desk. It works

basically as a knowledge storage system, but it has many characteristics of the knowledge stream approach. In this paper attention will be given to PIANOO, a description of PIANOO-desk and its users, indicators and the reasons for its success, the benefits and risks we perceive, and our ideas to continue the success of the platform.

### **PIANOO-Desk**

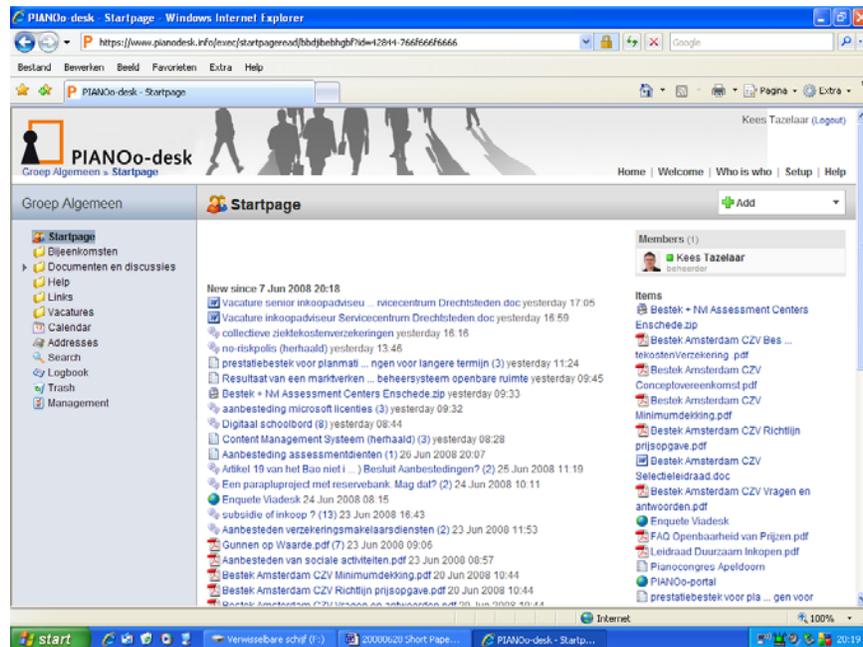
The most successful on-line service of PIANOO is PIANOO-desk. PIANOO-desk is a website primarily used for exchanging knowledge and information between public procurement professionals. It is a free service in a password protected environment. With some 2,000 hits a day and a penetration of about 75% among public procurement organisations it is a huge success.

PIANOO-desk is basically a virtual office. Sometimes users have similar jobs but work in different departments. In such cases colleagues are often not simply 'around the corner'. PIANOO-desk reduces the distance between such users. Questions can be asked as naturally as if the users were sitting at the desk opposite. Communication also becomes much easier and better structured (Figure 1). Many communities use PIANOO-desk as a knowledge platform, a place where they can exchange information, knowledge, experiences, and best practices simply and quickly.

At the moment we have about forty communities or subgroups. Each subgroup has its own moderator who is responsible for the acceptance of new members and the content within that group. Ten are related to the background of the organization (e.g. central government, municipality, water board), which is the first cluster of groups. The second cluster of fifteen groups concerns co-operation between organisations. Mostly geographically clustered municipalities use PIANOO-desk as their virtual office. They inform each other of tenders to come and invite others to participate. Information about ongoing tenders is shared. The third cluster of fifteen communities is thematically of nature. Examples are e-procurement, jurisdiction, Works, ICT, and so on

PIANOO-desk makes exchanging experiences and information easy to prevent re-invention of the wheel, time and again. This is a substantial cost-saver as it takes less time for the employees to find solutions - by using and benefiting from each other's experiences, the best solutions are always close at hand.

**FIGURE 1**  
**Screenshot of Activity on PIANOo-Desk**



PIANOo-desk was founded in the end of 2002. It started as a low cost discussion tool for central governmental bodies. As the success was instant, more organizations became interested and it was decided to allow all contracting authorities' access to PIANOo-desk. At the end of 2005 PIANOo-desk was handed over to PIANOo. More attention was given to technical and functional maintenance. But more important: more attention was given to the content of the website and the community feeling. These actions contributed to an even more impressive growth.

### Analysis of Users

At the end of 2006 1,700 members were registered. At the end of May 2008 2,590 active users were registered i.e. users who have visited PIANOo-desk at least once in the preceding four months (Table 1).

The largest part of the users stems from municipalities (38%) and central government (26%). About 30 percent of the users are female. Everybody in public organizations who has something to do with

purchasing is welcome at PIANOO-desk. An analysis learned that about 180 different functions were filled in. Aggregation of these functions shows that about half of the total population is directly related to procurement. Other large groups are management (about 10%), policymaking (5%) and juridical (5%).

### INDICATORS FOR THE SUCCESS OF PIANOO-DESK

We already stated that PIANOO-desk is a successful tool. In this chapter we elaborate on several tangible and intangible performance indicators.

#### Tangible indicators

The first indicator for the success of PIANOO-desk is the penetration rate (organisations with at least one participant on PIANOO-desk divided by total amount of organisations) among governmental organisations. In Table 1 this penetration rate is shown for the different type of organisations.

Results from the PIANOO evaluation showed that larger public authorities have less need for PIANOO (-desk) than smaller ones. They have enough knowledge of their own and their own networks.

**TABLE 1**  
**Background of Users**

Category	Users	Penetration (%)
Municipalities	974	62
Education	231	83
Police	46	100
Provinces	104	100
Central government	693	100
Water boards	137	100
Corporations	52	?
Health care	260	?
Others	93	
Total	2,590	

We also found out that the smaller the municipality is, the smaller the chance is it has someone on the platform (Table 2). These municipalities are too small to employ a buyer, so they participate in buying combinations, or employ temporarily external buyers.

The second indicator is the frequency of visits per user. We may be proud if we say that we have 2,500 users, but if they never visit the site the number is meaningless. On average PIANOo-desk is visited by 190 unique users per working day. About half of the community visits PIANOo-desk at least once a month. So, there is not only a high penetration rate, the users also visit the platform regularly.

The third indicator is the way in which users collaborate in different subgroups or communities. The amount of subgroups as discussed before and the frequent usage of the subgroups are a good indicator of the interest for public procurement.

The fourth indicator is the amount of questions and answers. In our common group (all users can access this group) on average 30 questions a month are presented and 120 answers are given. Mostly the first answer is given the same day or the day after. Users are content with this service which is underlined by the fifth indicator.

The last indicator is the general satisfaction. An impressive 7,4 was given to PIANOo-desk.

**TABLE 2**  
**Participation within Municipalities**

Class (inhabitants per municipality)	Number of municipalities	Percentage with users
<5,000	7	0
5,000 – 10,000	46	30
10,000 – 20,000	136	53
20,000 – 50,000	188	82
50,000 – 100,000	41	98
100,000 – 150,000	13	100
150,000 – 250,000	8	100
>250,000	4	100
Total	443	69

### **Intangible Indicators**

In many organisations knowledge management is primarily focused on making knowledge explicit and promoting sharing knowledge by means of ICT tools. Many projects start energetically but most projects die in an early stage. In this chapter we try to explain the reasons for the success of PIANOO-desk.

In our opinion there are six intangible indicators that contribute to the success of PIANOO-desk.

The first factor is the growing interest in management for public procurement. PIANOO was founded as a direct result of the detection of fraud in the building sector. At the same time the Ministry of Economic Affairs published an in-depth research on the compliance of contracting authorities with the directives on European tenders. Results were such that it was concluded that professionalisation was needed. Also accountability, the necessity to obtain an auditor's approval (which included public procurement) raised attention. The other managerial aspect is savings. More and more managers have discovered that you can save money (reduce costs) with professional public procurement.

Secondly, we must not forget that public procurement is a relatively new area of interest. Up to some years ago public procurement was mostly given to a junior employer of the facilities department as an additional task. Fortunately, public procurement is more and more seen as a full time professional job and as a profession in itself. As little information is currently available people tend to cluster together to gather and share information. In this situation sharing knowledge is a natural process because it leads to keeping up or improving their situation or position.

Both the growing interest of management and the development of the work field create the common necessity to share knowledge.

Thirdly, we are very strict to keep PIANOO-desk an enclosed and trusted society. Only users with an e-mail address that relates to a contracting authority are accepted. This creates an environment where users dare to freely give their opinions and views on the different topics. As all the users are known by their real names and not by aliases you know to whom you transfer your knowledge and the receiver knows who you are. You know why you transfer knowledge and what the other will do with it. At the same time you use knowledge from others. In this way

a social network from users who work together and share knowledge has been created.

Fourthly, PIANOo monitors if answers to questions are given.

If within a week there is no contribution to a discussion or question we bring the discussion again under the attention of all users. If there is still no answer PIANOo actively searches for someone who can give an answer. If even that fails we respond ourselves.

As part of the moderation users are called by phone to inquire if the given answers were satisfactorily. If not the whole process is repeated.

Fifthly; the possibility to start an enclosed subgroup to discuss matters with a selected group of users also contributes to the success. In these groups users are even more willing to share their information because they personally know and trust the other users

And lastly: all users receive a daily mail with a notification of newly added or modified items. Many times we hear that users refer to this mail as their morning paper, which we see as a compliment.

### **THE FUTURE OF PIANOo-DESK**

Recently, our Minister decided that PIANOo has to change from a network to expertise centre. This decision has several implications for PIANOo-desk.

Firstly, we will actively moderate the discussions. All legal questions will be moderated by a lawyer who breaks into a discussion if answers are not correct, according to law. Extensive discussions will be summarized or translated to Frequently Asked Questions or best practises.

Secondly, PIANOo-desk has developed itself to a social network with a strong community feeling. To improve the community feeling even more, we plan to personalize PIANOo-desk. The first step is, besides the usual name and address data the possibility to add a photo. The second step is that users could introduce themselves and fill in their fields of expertise in procurement. The next step is to provide information according to the level of expertise. We distinguish six types of users, each with their own set of information. These views as we call them relate to the tools we provide, the type of questions and documents,

the different work groups but also PIANOO intends to provide information rated as: suggestions by PIANOO. This type of information is validated by experts.

Thirdly, we are going to integrate the knowledge storage approach and the knowledge stream approach in what is called collaboration management. This will be the most challenging action.

Based on the profile of users we want to bring certain users together in temporary work groups or project spaces. The goal is to work out a certain question or problem in an enclosed group, moderated by PIANOO, present the result in the form of a best practise or frequently asked question and provide the result to the rest of the community. In this way users are rewarded for their expertise. Functionalities as mail and agenda integration, chat, video conference, and on-line discussions support the real time exchange of knowledge. We hope this new approach will stimulate users to continue to share their knowledge. If this is successful a next step can be the introduction of another approach of knowledge management, namely the learning process approach in the form of e-learning.

## **CONCLUSION**

External factors like accountability, savings and compliance to the rules stimulated the need for sharing knowledge on public procurement in the Netherlands. However it is the opinion of the authors that the most important reasons for the success of PIANOO-desk as an information platform are based on the willingness of the participants to share their knowledge on a relatively new field of interest in a trusted environment which is moderated by people they can trust and who actively help them to get their answer.

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