

# **Deutsche Bank: Leveraging Human Capital with the Knowledge Management System HRBase**

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## **EXECUTIVE SUMMARY**

The case study describes the issues surrounding the development and global rollout of the Intranet-based Knowledge Management System (KMS) HRbase at Deutsche Bank. It sets the stage for a decision situation that Deutsche Bank's Global Head of Human Resources (HR), Heinz Fischer, faced in 2001. Based on low usage rates and ambiguous feedback from his 15 most senior HR executives, he had to decide about HRbase's future: it would either be funded from an earmarked budget in 2001, changed significantly, or discontinued. Meanwhile, the responsible project manager Hilger Pothmann and the HRbase project team understood the necessity to turn the project around and to come up with a proposal for technical improvements and a sound change in management strategy. The case description provides a chronological account of the planning, development, and global rollout of HRbase, paying specific attention to project

management issues, change management interventions, and the global cross-cultural challenges that emerged.

## ORGANIZATION BACKGROUND

Deutsche Bank, headquartered in Frankfurt, Germany, was among the leading financial service providers in the world. With total assets under management of EUR 840 billion and a net income of EUR 2.6 billion in 1999, it was Europe's industry leader with a significant market presence in the United States, as well as a presence in most other parts of the world. *Exhibit 1* shows Deutsche Bank's financial performance from 1997 to 1999. In 1999, over 93,000 staff were employed, some 42,000 of those outside Germany.

However, even in the bright light of the financial results, the competition within the global banking industry had become fierce. The Internet and the advent of E-Business presented Deutsche Bank with severe challenges, but also with many opportunities: its markets were becoming more transparent, information and transaction costs continued to fall, and the number of distribution channels increased. Deutsche Bank accepted E-Business as a key to its future and an integral part of its strategy. In 1999, Deutsche Bank was in the process of changing its technical infrastructure to supplement or even replace the bank's traditional access to the customers. The corporation started to partially transform traditional marketplaces into electronic marketplaces and planned to increase its global reach by adding direct selling capabilities.

Aiming to become the best financial services provider in the world and to benefit from the diversity of its employees with multiple cultural backgrounds, Deutsche Bank started the internal communications campaign "Our Identity" in 1999 with the goal to embed a common set of values into the corporate culture: customer focus, teamwork,

*Exhibit 1. Deutsche Bank's Financial Performance from 1997 to 1999 (EUR in millions)*

	1999	1998	1997
Net interest income	6,619	5,539	5,689
Provision for losses on loans and advances	616	835	1,102
Net interest income after provision for losses on loans and advances	6,003	4,704	4,587
Net commission income	8,084	5,311	4,569
Trading profit	4,761	1,774	1,841
Net income from insurance business	385	336	311
Net income from investments	2,007	1,182	469
General administrative expenses	15,746	10,121	9,347
Profit before expenses for restructuring and taxes	4,971	4,032	2,315
Restructuring expenses	884	-	1,271
Income taxes	1,516	2,306	523
Net income	2,571	1,726	521

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