

# Knowledge Management

# Knowledge Management

- Definitions
- Do you really need KM?
- Do you need a CKO?
- What's the strategy?
- Types of knowledge management systems
- Organizational changes to expect
- KM software tools

# Two Kinds of Knowledge

Knowledge is intangible, dynamic, and difficult to measure, but without it no organization can survive.

- Tacit: or unarticulated knowledge is more personal, experiential, context specific, and hard to formalize; is difficult to communicate or share with others; and is generally in the heads of individuals and teams.
- Explicit: explicit knowledge can easily be written down and codified.

# Knowledge Management

The move from an industrially-based economy to a knowledge or information-based one in the 21st Century demands a top-notch knowledge management system to secure a competitive edge and a capacity for learning.

# Knowledge Management

- The new source of wealth is knowledge, and not labor, land, or financial capital. It is the intangible, intellectual assets that must be managed.
- The key challenge of the knowledge-based economy is to foster innovation.

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# The Knowledge Economy

*For several decades the world's best-known forecasters of societal change have predicted the emergence of a new economy in which brainpower, not machine power, is the critical resource. But the future has already turned into the present, and the era of knowledge has arrived.*

--"The Learning Organization," Economist Intelligence Unit

# The Knowledge Economy

The knowledge economy rests on three pillars:

- The role that knowledge plays in transactions: it is what is being bought and sold; both the raw materials and the finished goods
- The concurrent rise in importance of knowledge assets, which transform and add value to knowledge products
- The emergence of ways to manage these materials and assets, or KM

# Definitions

- Designing and installing techniques and processes to create, protect, and use known knowledge.
- Designing and creating environments and activities to discover and release knowledge that is not known, or tacit knowledge.
- Articulating the purpose and nature of managing knowledge as a resource and embodying it in other initiatives and programs.

# Do You Really Need KM?

- Competitive success will be based on how strategically intellectual capital is managed
- Capturing the knowledge residing in the minds of employees so that it can be easily shared across the enterprise
- Leveraging organizational knowledge is emerging as the solution to an increasingly fragmented and globally-dispersed workplace

# Do You Really Need KM?

- If your department wants to stop constantly reengineering and downsizing: talented people are assets to be developed for a global 21st Century
- If you are interested in the Knowledge Grid
- If you understand that reuse of knowledge saves work, reduces communication costs, and allows a company to take on more projects

# Organizational Knowledge: Why Is It Important?

- Knowledge can be embedded in processes, products, systems, and controls
- Knowledge can be accessed as it is needed from sources inside or outside the firm
- It is versatile and can be transferred formally, through training, or informally, by way of workplace socialization
- It is the essence of the competitive edge!

# Does a KM System Need a Chief Knowledge Officer?

- Only if your organization is serious about implementing a knowledge management program
- Economic realities and and competitive edge factors play a large role

# What's the Strategy?

There are two very different knowledge management strategies:

- Codification Strategy
- Personalization Strategy

# Knowledge Management Types

- Competency Management
- Knowledge Sharing
- Competitive Knowledge Management

# For Successful Managing of Knowledge

Focus on five tasks:

- Generating knowledge
- Accessing knowledge
- Representing and embedding knowledge
- Facilitating knowledge
- Transferring knowledge

It is a process of instilling the culture and helping people find ways to share and utilize their collective knowledge.

# Knowledge Management Enablers

- Leadership
- Knowledge champions, such as CKOs
- Culture
- Access
- Technology
- Learning Culture

# More on the Importance of Corporate Culture

- Changing the culture is imperative.
- To create a climate in which employees volunteer their creativity and expertise, managers need to look beyond the traditional tools at their disposal: finding ways to build trust and develop fair process.
- That means getting the gatekeepers to facilitate the flow of information rather than hoard it.
- And offering rewards and incentives.

# The Technological Divide

- Generating organizational knowledge invariably means converting the tacit knowledge of the individual into explicit knowledge accessible by all. Information technology is most effective when it enables this social process.
- Companies must think through their technological systems.
- Technology such as Intranets and advanced collaborative software have made Knowledge Management possible.

# Organizational Changes

- Lines between departments and operating divisions blur
- Knowledge management efforts can completely collapse boundaries
- A knowledge management system cannot work through hierarchies
- Individual and team learning processes must become the true driver of organizational learning

# Why KM? What's the Big Deal?

- By instituting a learning organization (KM-intensive), there is an increase in employee satisfaction due to greater personal development and empowerment.
- Keeps your employees longer and thereby, reduces the loss of intellectual capital from people leaving the company.
- Saves money by not reinventing the wheel for each new project.

# Why KM? What's the Big Deal?

- Reduces costs by decreasing and achieving economies of scale in obtaining information from external providers.
- Increases productivity by making knowledge available more quickly and easily.
- Provides workers with a more democratic place to work by allowing everyone access to knowledge.

# Why KM? What's the Big Deal?

- Learning faster with KM
- Learning faster to stay competitive
- KM software and technological infrastructures allow for global access to an organization's knowledge, at a keystroke

# In Successful KM Programs

- Information is widely disseminated throughout the organization. Wherever it is needed, it is accessible.
- Accessible at a fast rate of speed.
- Virtual communities of practice share what is known in a global fashion, independent of time zones and other geographic limitations.
- Business boundaries are broad, and often virtual in nature.
- Collaboration to support continuous innovation and new knowledge creation.

# Symptoms of KM Diffusion Challenges

- No internal learning communities
- Lack of psychological safety
- Lack of workplace trust
- Arrogance of people who believe they know everything, so why try?
- Lack of communication within an organization made evident by continually reinventing the same wheel
- Negativity and unrealistic expectations

# KM and Future Planning

- Where are we going? What are we here for?
- People need awareness of the whole: in what direction is the organization going?
- To have a goal to reach in the future can provide great incentive for a KM initiative.
- Effective leveraging lies within an organization's capacity for rethinking and recreating. Scenario thinking can help us to see the blind spots, and help to create the future we want.

# Sustainability of a KM Endeavor

**There** are three fundamental processes that sustain profound changes such as the introduction of a KM system:

- developing networks of committed people
- improving business results
- enhancing personal results

**To** achieve sustainability, there must be a focus on learning, and learning how to harness the learning capabilities that lead to innovation.

# Sustainability of a KM Endeavor

- For significant change to lead to sustainability, hierarchical control must be put aside.
- The emergence and development of informal networks must be supported so that people can share their tacit knowledge and help one another.
- Managers need to surrender control.
- And mental models need to be examined.

# KM Software Tools

- Globalserve
- Knowcorp
- Hyperknowledge
- MicroStrategy
- The Molloy Group
- KnowledgeX Inc.
- WebFarming.com
- Softlab Enabling Tools
- Imagination
- Excalibur Technologies
- Imaging Solutions
- Grapevine Technologies
- Intraspect Software
- Milagro: The Power of Imagination

# Knowledge Management?

- The essence of knowledge management is understanding and valuing intangible assets over tangible
- Understanding that human and intellectual capital are the greatest resources
- Managing the skills and competencies that lie within an organization, and allowing them to blossom
- Allowing people to be the best that they can be; optimizing performance

# Commentary

Confusion >>>>> Disappointment >>>> and  
Concern over Knowledge Management

# Acknowledgements

- Peter Senge
- Art Kleiner
- Blaise Zerega
- Charlotte Roberts
- Richard Ross
- George Roth
- Bryan Smith
- James Brian Quinn
- William Truran
- J Michael Pemberton
- Sarah Cliffe
- David A. Nadler
- Rick Mullin
- Ellen M. Lapp
- Thomas Stewart
- Peter Feltham
- Howard Rheingold
- Nick Bontis
- Morten T. Hansen
- Jim Bair
- Henry Mintzberg
- James Cortada