

Knowledge Management: A 2001 Perspective

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1997. KM was the star of emerging technologies, a burning issue for business and technology leaders alike. Two short years later, technology media lost interest. The next new thing, B2B mania, supplanted it with new killer applications.

Km did not die, it has been quietly smoldering within corporations. In practice, knowledge management is rising like the phoenix, with great velocity. It has morphed into a series of killer applications including portals, e-learning, e-analysis, and content management. Corporations such as Northrop Grumman, Hallmark, Pillsbury, Pfizer, and Buckman Labs have successful KM practices -- and these are the companies that are willing to talk about their efforts. From Delphi Group's own client base, I can add (namelessly) a major worldwide/US-based pharmaceutical company, a pharmaceutical company based in Japan, 2 branches of the Australian government, a major US lobby group, and a worldwide metals company. Add to this group the scores of enterprises that have implemented KM under the umbrella of a portal or an e-learning initiative and the number is easily quadrupled.

Call it KM, call it an Executive Information Portal, call it Content Management - it is still Knowledge Management: *leveraging collective wisdom and experience to expedite innovation and responsiveness*. KM enables taking informed action in previously un-encountered/unknown circumstances. We speak of KM in terms of the practices and technologies which facilitate the efficient creation and exchange of knowledge on an organization-wide level. When you extend this definition to include partners, suppliers and customers as well, you extend the KM practice into the Collaborative Commerce space. In the current economic climate, although companies are careful about undertaking new technology initiatives, they are realizing that leveraging the *already* accumulated corporate intellectual property is by far the lowest cost way available to increase their competitive stature.

Knowledge, however, is both powerful and dangerous. In their rush to implement these new killer applications, many organizations often do not take the time to fully understand the complexities that belie successful knowledge management. Without this due diligence, a KM strategy can leave the organization burning in this phoenix's ashes. I caution companies that a knowledge management implementation, under any name, is, at best, only partially about technology. A technology focus --such as a portal or content management can provide a focus. But, it is critical to first define the business imperative behind your KM initiative. Who benefits and how will they benefit?

What are the business goals for the initiative and can they be measured? I never cease to be amazed at the number of KM projects that fail because these issues are not addressed. Indeed, a recent client, a major financial institution in New York, had put in place an excellent KM team and program over a year ago. Despite the good intentions of the business and technical staff, the program never came to fruition. It took me less than a day to realize the root of this failure. There was no consensus on what KM meant to this bank, the direction in which it would take them, its primary benefactors, and the goals it would achieve -- *beyond "make us smarter and more competitive"*. A little back peddling and a refocus on key issues and direction put this KM initiative back on a successful track that brought immediate and positive impact.

Your biggest challenge is ensuring that, before ANY MONEY is invested in technology or change management, that the organization has a clear and succinct mission statement for its KM initiative. This includes an assessment or knowledge audit that uncovers the inventory of knowledge, its perceived value, and the overall effect of current culture, process, leadership style, communication practices and technology on that knowledge base and the inclination of the staff to leverage and exploit that knowledge. It is imperative that virtually everyone in the organization understands the KM initiative and rallies behind it. KM after all is about people and sharing, and therefore cannot be dictated or provided through technology. Technology is only a facilitator.

Indeed, selecting the right mix of technology is the simplest of dilemmas. It is not at all like the automation of a structured and predictable application, (e.g., a document management system). Knowledge management forces the designer, developer and knowledge participants to delve into processes that almost defy formal procedure and rules. Until a valid assessment is made of each of these factors within the organization, attempts to initiate a knowledge-focused strategy is futile.

The Organizational Knowledge Benchmark

The first step to any knowledge management initiative should be execution of a knowledge audit. The audit should tell you:

- current levels of knowledge usage and communication,
- the current state of corporate knowledge management,
- identification and clarification of knowledge management opportunities,
- identification and clarification of potential problem areas, and
- the perceived value in knowledge within the organization.

Lesson One: Clearly define the intended knowledge practice community. Know who the intended community of the knowledge practice includes. Is this for a particular work team, a department, the collective enterprise, or all members

of your extended value chain? Become intimate with the individual and collective needs and attitudes of this community regarding knowledge sharing and innovation. Will the knowledge initiative allow users to function in a personalized manner, or be the foundation to building common practices? Will knowledge production be viewed as a universal obligation or the domain of a few?

Lesson Two: Take inventory of the knowledge sources the community uses, and those they do not use. Determine why they do not use these knowledge sources and challenge that decision. Identify each knowledge source as explicit or tacit. Determine the best means to organize the collection of explicit knowledge and make it assessable.

Lesson Three: Where tacit knowledge exists, determine if its sources can be dynamically tracked and leveraged. Determine if a cost justification exists for harvesting all or parts of the tacit collection, transforming it into implicit knowledge resources. The bottom line is to be sure that content provided in your knowledge initiative, holds significance and value to its audience right from the start, or the initiative will clearly crash and burn.

KM is not passe. Perhaps the term is no longer in vogue, but the practices and promises of KM permeate into organizations as elements of more tactical solutions. KM will become an integral part of all successful e-commerce sites. Increases will be seen in the functionality of brokering tacit knowledge resources (also known as intermediation), not only within the organization, but amongst a pool of partners and suppliers. User profiles will be used to expedite the building of online communities of practice. This will be the foundation to a demand-side economy. Intelligent handing of content will provide proactive e-commerce sites that provide front-line sales services tailored to each individual consumer.

Despite the lack of press of late, the level of interest in KM among large global organization is stronger than it has ever been. Today, as the global economy re-sets itself in the wake of stock market euphoria, these companies have learned the valuable lesson of KM: knowledge is a powerful asset. It is the past and future of the organization. And it must be carefully cultivated and shared wisely.

For more information about the knowledge audit process, contact the author.

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