

# Inside Knowledge



## No illusions

How a KM reality check helped make Cisco work smarter

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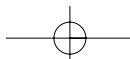
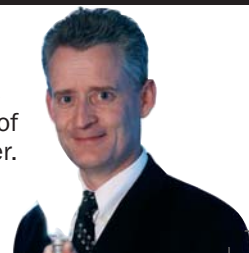
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## Cover story

# Cisco's KM magic

There was always an undercurrent of KM at Cisco, even if the company did not formally recognise it. But that's all changed now.

By Jerry Ash

It was the Autumn of 2004 and Jim Keyes was concerned. The programme director of Cisco Knowledge Connection (CKC), part of Cisco Systems' customer advocacy division, Keyes was coming to the conclusion that nurturing a culture where knowledge is created, codified and transferred was not going to come as easily as he'd hoped.

CKC had been established a year earlier to serve as a means of extending the many informal knowledge-sharing programmes and initiatives in place at the company, but something had clearly gone wrong. Keyes' early ventures into knowledge management (KM) had involved the implementation of content-management software and the sponsorship of forums in a bid to encourage more people from across the company to collaborate.

It was a sense of the business imperative and strategic importance of KM that had led Keyes to take on formal responsibility for the KM effort.

But with all the emphasis on tools and software, Keyes realised that the programme was missing a subtle, more human, element. Previous KM approaches at Cisco had been unstructured and undisciplined and, as a result, little knowledge sharing was actually occurring outside of immediate peer groups – the way knowledge sharing is typically done when an organisation has no strategy at all.

Nothing short of the business's productivity, profitability and customer service were at stake – and Keyes needed fresh ideas and inspiration.

#### Early KM

Working in Cisco's favour was its history of a KM-like human resources philosophy that went all the way back to the company's earliest days.

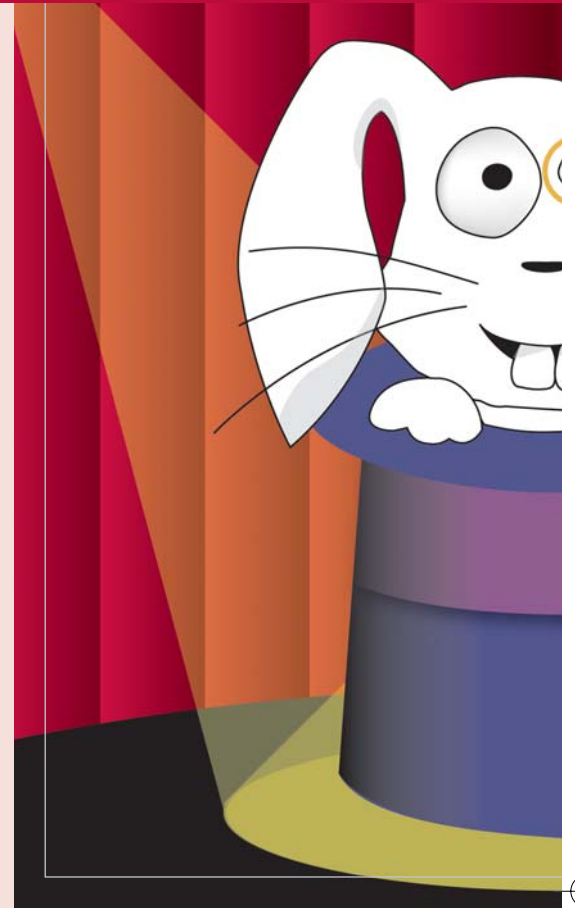
After all, Cisco Systems' core business is the hardware version of knowledge sharing – the company was started because two people simply wanted to be able to exchange

information between computers located in different buildings.

Cisco's first CEO, John Morgridge, grew the company through a KM-like instinct to democratise the organisational structure and, thereby, to motivate employees.

Morgridge pursued a democratic 'We're all equal and here for the shareholders' corporate philosophy that combined a zeal to exceed customer and market expectations with the highest levels of integrity in order to keep the company growing and, after 1990 when the company went public, to keep the stock moving up, too. A trusting environment was therefore built, which included no special offices for executives and buildings designed with broad equality in mind.

John Chambers, who joined in 1991 as a senior vice president of sales and was appointed CEO in January 1995, maintained the quality teams, empowerment at all levels, continuous improvement and open communication



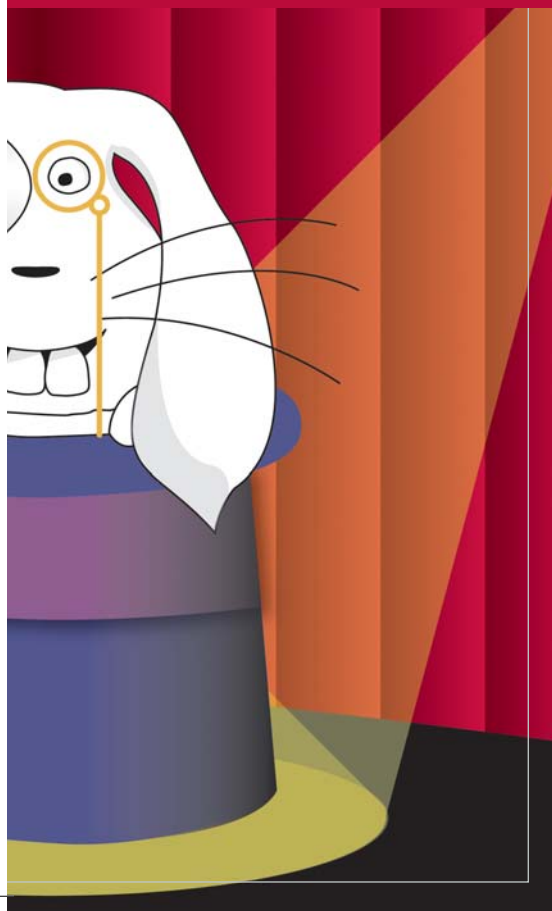


Illustration: Emma Palfreyman

that had characterised the Cisco culture. This was not formally 'KM', but elements of a common sense, people-oriented leadership strategy necessary to the successful management of a knowledge-driven organisation such as Cisco.

Chambers' commitment was not skin deep. He had implemented a 'teamwork and collaboration' process earlier in his Cisco career, an initiative that involved assessing managers and senior executives on how they teamed and partnered with others. Even when acquiring a company, Cisco was mindful of the people facet and nearly all its acquisition and assimilation efforts resulted in no layoffs.

Cisco's corporate culture was, in a sense, primed for any KM initiatives that might come its way. It wouldn't be the human-resources department, although that would provide the impetus. A comprehensive KM strategy would need to be developed due to the bursting of the dot-com bubble, the

wider economic downturn of 2001 and intensifying competition from rivals.

#### The drive for KM

Despite its stratospheric success, Cisco had developed areas of redundancy during the dot-com-fuelled hyper-growth years. This led to significant levels of re-work in all areas of the company.

The economic slowdown of 2001 forced the need for a stronger level of discipline, including process discipline, across the company. KM programmes that had been driven at an organisational level by the need to simply store and then retrieve documents – a basic enough requirement – were taken to the level of KM with the launch of CKC in 2003.

Joining from the human-resources department at Cisco, where he was director of technology and operations within that unit, Bob Lavin provided the initial thought leadership and sponsorship for CKC.

A former colleague of Lavin's, Gary Borella, joined as a solutions architect for CKC, to handle the technical side. He explains that CKC was originally given the task of driving productivity gains without increasing headcount in Cisco's Advanced Services organisation. "The initial goal was to capture intellectual capital from the network

wanted to boil the KM ocean and in the end only had enough wood to boil the KM goldfish pond," says Borella.

In short, the KM programme became heavily tools-focused and the bigger KM picture was lost. "There are hundreds of KM solutions for a company to use," Borella notes, "but all are worthless without developing and instilling the basic principles of contributing, sharing and re-using knowledge within an organisation."

#### KM culture change

CKC programme director Jim Keyes knew intuitively that KM involves a delicate balance between people, processes and technology; by early 2005 he knew he needed to hire someone with the skills to change organisational behaviour and instill more deeply the values of knowledge sharing.

If the time and money spent on 'KM solutions' were not to be wasted, nothing short of a KM cultural sea change was going to have to occur.

The-then human resources manager, Doug Madgic, had studied KM and was familiar with the theory. Madgic learned of the opening in Keyes' organisation and went for an interview. Insisting that people respond to a meaningful cause such as knowledge sharing, as opposed to a piece of technology, Madgic

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consulting engineers (NCEs), to disseminate/share with other NCEs for customer deliverables, and finally to re-use in training," says Borella.

Borella readily acknowledges, however, that "our initial plans for CKC were huge and unrealistic". A year of research resulted in a 'KM monster' in terms of tool development. "We

successfully convinced Keyes of his ability to implement organisational behaviour change and Keyes hired him for the role.

Madgic observed early on that what they had done so far did not look much like a KM strategy that a KM practitioner would recognise, but more like 'software release management' on a

repository that not many people were using. His view was that adoption of KM requires a more subtle, inclusive approach that balances the needs of staff with the technology, which ought to play a supporting role. People had to have the right incentives to participate. Expectations had to be set and executive support would be mandatory because high-level recognition was a must.

“With the establishment of people structures,” says Madgic, “the tool could be the vehicle for people to share and re-use knowledge to do what they are motivated and keen to do. But without the structures and alignment of systems, the tool by itself would be unsuccessful.” Madgic, now a knowledge manager in CKC, was charged with the following: no more KM driven exclusively by tools; no more KM by serendipity; no more haphazard KM.

“Without a formal KM programme, our services group has both advantages and disadvantages. It has a smart group of consultants who generally want to do the right thing for the company, to share their knowledge if given the right environment, the right set of incentives and the time necessary. The company

operating – that means that they endure a lot of stress, work long hours and are under pressure to keep clients happy and staying focused on their current customer accounts. Until now, contributing to and leveraging the organisational knowledge base has seemed like a distraction to them instead of being an integral part of everyday corporate life, helping to increase employee productivity, as well as customer loyalty.

A January 2006 organisation-wide KM survey measured the satisfaction of these users:

- Seventy per cent said they receive strong manager support for KM;
- Fifty per cent agreed they could find what they needed in the knowledge base;
- More than 70 per cent said their current level of collaboration is optimal;
- More than 50 per cent said they got at least a one-tenth improvement in productivity.

Madgic says the team is surprised at the high marks in the areas of manager support and collaboration, but regards the lower marks as opportunities to

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culture is, and has always been, one where collaboration is highly encouraged and where conditions for KM success have always been favourable,” recalls Madgic.

The network consulting engineers in the advanced services unit are highly intelligent and highly technical engineers who support multiple global, big-name accounts. They keep customer networks humming and businesses

improve. There are several other processes to monitor value and areas for improvement. “We still need to better understand where KM impacts the business,” Madgic says. “We need to know our value and be able to articulate it. If we can’t speak to it, how can we sell it? We expect, in between six and nine months time, that we’ll be more effective in leveraging our organisation’s knowledge.”

### **A new standard**

Business is all about the bottom line and Keyes, a former executive in Cisco’s services business, knew this better than anyone in CKC. New strategic endeavours, such as Cisco’s Lifecycle Services initiative, were coming into focus with more and more attention on documenting best practices and proven methodologies based on Cisco experience and sharing that knowledge with partners and customers.

Forty thousand partners were already accessing internal knowledge on CKC’s partner portal, called Steps to Success. For CKC to remain viable and relevant, it would have to stay in front of, and help shape, the over-arching lifecycle services strategic initiative and continue driving partner enablement. Above all, CKC would need to contribute measurably to improved organisational productivity at Cisco.

But CKC’s programme was shifting. From the initial ‘all tool, all the time’ approach, the move towards a more balanced programme became apparent. Solutions architect Borella became the lead for aligning tool development with content, intellectual capital and codified best practice creation.

Madgic drove the cultural strategy and ensured that KM adoption would involve better integration into employee-performance measures, regular executive involvement, recognition and more frequent organisational engagement.

The knowledge portal, which remains a major part of the KM strategy, now houses about 80,000 documents and about 1,000 officially recognised leading practices. People are more consistently drawing from and contributing to content creation. The programme continues to support the business by making knowledge capture a part of job expectations. It seems contrary to the gentler approaches of KM, but the truth is some things will not happen without a corporate push.

“We are putting in measures that will actually tell managers who is and

who is not uploading content; who is and is not a part of a community; who is and is not creating leading practices,” Madgic says, recalling the old management mantra, “What gets measured gets done, especially in our competitive environment.” But, he adds,

proven methodologies and make them available to both partners and customers. CKC needs to help enable Cisco Services’ mission to ‘ensure customer’s success with Cisco technology’ and support its impact with data.

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“as the culture shifts, this will become more and more a natural part of their jobs.”

CKC is now at a stage of development where it needs to clearly define what KM is and where it belongs. Programmes previously included under CKC relating to service automation, for example, have been very successful and have generated lots of cash for Cisco’s Advanced Services division, but are they KM? With a couple of exceptions, probably not. CKC needs to determine the programmes that will drive knowledge worker productivity among employees and partners.

Perhaps most critically, CKC needs to define and expand its role in Cisco’s strategic programmes, such as its Lifecycle Services initiative, which exists to help capture the company’s intellectual property, best practices and

Regardless of all the top-down KM initiatives, CKC aims to provide channels for bottom-up knowledge flow. CKC strives to create the kind of human environment everyone talks about. The drive for consistency, and the realisation that knowledge is a significant competitive differentiator, are powerful motivators to build strong corporate-level KM strategies.

“Our consultants have intimate knowledge of the world’s largest networks,” Madgic says. “Who better to leverage that knowledge than the folks who sit behind our firewall? But there are still many cases of ‘if only we knew what we know’ that make it evident that we are on a journey. We’re getting a lot more traction on the idea that Cisco is a knowledge organisation that needs everyone’s contribution, but we still have plenty of room to grow.”

## Conclusion

CKC is on a fast track reminiscent of the journey Cisco Systems itself began 20 years ago. But these days, Jim Keyes is a more relaxed figure, with Cisco now enjoying a more balanced KM programme and having folks like Gary Borella and Doug Madgic leading the codification efforts and driving the KM culture. CKC is sorting out what it was, is and should be, and is blending the approaches that work for the organisation and its people – an up/down KM strategy.

Like every other KM programme, it is similar yet one of a kind. At this stage of rapid development, it looks like the big bang – starting from disorder and expanding methodically towards a new universe. It could only happen in a company so rich in knowledge work, yet so informal in its knowledge management – until now.

It will be interesting to see the outcome. It may teach whether centralised KM is or is not necessary once knowledge sharing becomes fully embedded in the fabric of an organisation. Either way, don’t bet against Cisco.

*Doug Madgic will lead an interactive discussion during the 22 May-2 June session of the e-mail/online STAR Series Dialogues, which are open to members of the Association of Knowledgework only. Join AOK at: [http://www.kwork.org/explain\\_join.html](http://www.kwork.org/explain_join.html) ■*

*Jerry Ash is founder of AOK and special correspondent to Inside Knowledge. He can be reached at [jash@kwork.org](mailto:jash@kwork.org)*

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