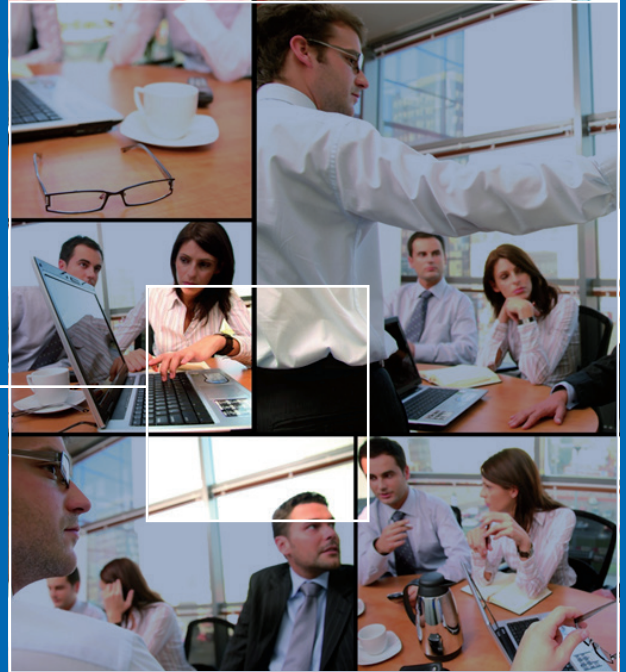


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Blue Papers



Managing Knowledge

Knowledge management: What do you know and who knows what you know?

Imagine the scenario where one of your most valued employees leaves your organisation. Maybe he's the only person in the office who has been able to fix a key database issue for the past 10 years or maybe she's the employee who's worked exclusively with a particular client for her entire career. When these key team members leave, they take valuable knowledge with them, the kind that can only be gained from experience and tenure. It's not something that is easily downloaded and transferred, because it's in their heads. And this is when Knowledge Management could be beneficial.



Knowledge management is about capturing and disseminating knowledge that is both explicit and tacit within your organisation. It's not just about data; it's about people and experiences and documenting how things really work. You might know the facts about something when it happens, but the critical knowledge isn't necessarily captured in data points and reports.

Truthfully, there's no universal definition of knowledge management (KM), probably because there's such intense debate on what constitutes knowledge in the first place. For this reason, it's best to think of KM in a broader context. Simply put, KM is the process by which organisations generate value from their intellectual and knowledge-based assets. Technology can be a facilitator of efforts, but KM is not about technology, databases or applications. It's about codifying what employees, partners and customers know and sharing it across the organisation to create added value.

Let's look at the concept of knowledge management in terms of something rather basic, like learning to drive a car. When you learnt to drive you probably booked a course of lessons and read the Highway Code. You discussed traffic regulations and learned how to read signs. This type of knowledge is explicit, it's captured, codified and can be referenced in many places. It's the necessary knowledge that tells you, literally, the rules of the road and how a task should be completed.

But, you probably didn't learn to drive a car by sitting in a classroom or reading about it. You learned how to drive by doing it. Remember when you had a provisional licence, and could only drive the car if you were accompanied by someone with a full licence? That's when you really learned how to drive. That's when you learned about the sensitivity in breaking, slowing the car down using the gears and exactly how much you need to turn the wheel to go left. In truth,

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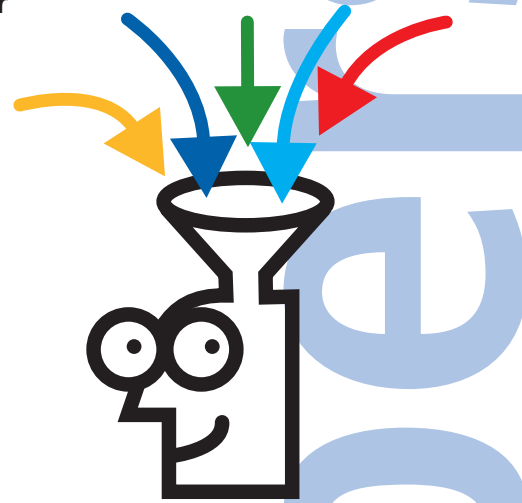
manuals were of little practical value: you learned how to drive a car through practice and experience. And if you have ever had to teach someone else to drive, you'd probably put the books aside the books and jump into the car with them, because it's easier to show someone how to do it. This is called 'tacit' knowledge; it's the knowledge we learn through experience and insight.

More specifically, tacit knowledge represents internalised knowledge that an individual may not be consciously aware of, such as how he or she accomplishes a particular task.¹ Some people argue that tacit knowledge is more valuable than explicit knowledge because it is a better reflection of how things actually work. In reality, tacit and explicit knowledge are equally important to an organisation, and knowledge management is about extracting both types to produce value for the organisation.

So, what's the value of knowledge, really? According to International Data Corp. (IDC), a US market intelligence and advisory firm, Fortune 500 companies lose roughly £20 billion a year by failing to share knowledge.² What does this mean in practical terms? Some experts point to the events of September the 11th as the greatest knowledge management failure of the century. For example, we know that the CIA and the FBI had information that might have thwarted the attacks, but the lack of communication between the two agencies prevented the information from being uncovered. If there had been a greater exchange of knowledge, who knows how events might have turned out that day.

At the very least, experts agree that actively managing knowledge improves decision-making, increases efficiency, promotes innovation, and ultimately, saves time and money. In short, you don't have to reinvent the wheel every time you start a project if you're using knowledge management to its fullest potential.

And it's big business, too. An article in Forbes magazine reported that the World Bank invests more than £360 million globally in knowledge services per annum. This figure includes data collection, research and technical assistance on a wide range of topics such as education, health, infrastructure, communications and government reforms. However, the total spending on knowledge services through partnerships, loans and budgets is estimated to be almost £2.5 billion per year.³



¹ "Knowledge Management." Wikipedia. Web. 25 Sept 2014. http://en.wikipedia.org/wiki/Knowledge_management

² Pamela Babcock. "Shedding Light on Knowledge Management." HR Magazine. Web. 25 Sept 2014. <http://www.shrm.org/Publications/hrmagazine/EditorialContent/Pages/0504covstory.aspx>

³ Steve Denning. "Ten Things You Need To Know About Managing Knowledge." Forbes Magazine Web. 25 Sept 2014. <http://www.forbes.com/sites/stevedenning/2012/05/31/ten-things-you-need-to-know-about-managing-knowledge>

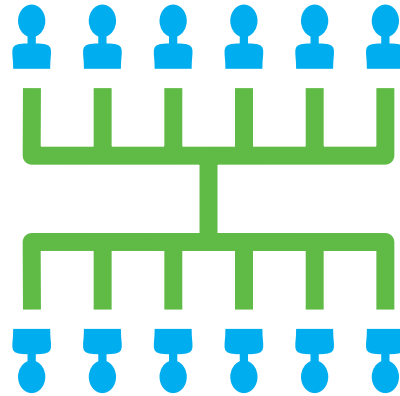
Clearly, knowledge management as a business strategy continues to gain momentum, but what can that mean for your organisation? How can you extract knowledge and translate it into a beneficial strategy? How can you identify what might be valuable, if the knowledge only exists in employees' heads and experiences? This is the crux of knowledge management and this Blue Paper looks at knowledge management strategies and how companies are using them to create value in their organisation.

A brief introduction

It's hard to say when knowledge management actually started, because in truth, companies have been managing internal knowledge forever. But the explosion of the Internet and technology added a new level to the task of managing intellectual capital and internal knowledge.

In the early 1990s a number of journal articles and books appeared that really propelled the idea of knowledge management. Leading publications such as Fortune, the Harvard Business Review and the MIT Sloan Management Review printed articles on organisational learning and the importance of knowledge capture and dissemination. During this time, there were two books that were published and helped launch KM efforts as well. The first, written by Peter Senge was called 'The Fifth Discipline: The Art and Practice of the Learning Organization.' Even today, Senge is credited for much of the KM theories used across knowledge organisations. The second book that had a profound impact on KM (and is still the most widely read work to date) is: 'The Knowledge-Creating Company: How Japanese Companies Create the Dynamics of Innovation' by Ikujiro Nonaka and Hirotaka Takeuchi. The book explained how Japanese companies became world leaders in the automotive and electronic industries by using organisational knowledge. The book introduced the concept of tacit versus explicit knowledge, and noted that Western managers focused primarily on explicit knowledge. According to the authors, the key to success was transforming tacit knowledge into explicit knowledge and that's something the Japanese had mastered.

In the mid-1990s, KM as a business strategy flourished. Several well-known businesses implemented in-house KM programmes and created positions to handle the influx of knowledge management efforts. In 1994 the International Knowledge Management Network (IKMN) was launched and the market was flooded with KM conferences and seminars that focused on managing and leveraging explicit and tacit knowledge resources to achieve a competitive



advantage. This is also the period when the Swedish firm Skandia hired the world's first Chief Knowledge Officer (CKO).⁴ Knowledge management was a beneficial and thriving business strategy; some might say it became the poster child for corporate success.

In the last decade, KM efforts have expanded to include formal apprenticeships, discussion forums, corporate libraries, storytelling and on-the-job discussions. As technology expanded, so did the concept of KM. Knowledge bases, expert systems, knowledge repositories, group decision support systems, intranets and collaborative software began to incorporate knowledge management strategies as a means to capture and disseminate critical organisational knowledge.

Whilst the history is fascinating, you might still be wondering why you should worry about knowledge management. If you have three minutes, check out a YouTube [video](#) from the firm K3-Cubed Ltd.⁵ It succinctly summarises why knowledge management is important in today's immensely connected landscape, and what it can mean for your bottom line. It's a perfect elevator speech if you ever have to describe to your boss why KM might be a good idea.

People, process, technology and content: The building blocks of KM

Much of the latest literature focuses on the concept of KM as it relates to **people, process, technology, and content**. You need **people** to participate in your strategy and you need organisational 'buy-in' for KM to flourish. After all, capturing tacit knowledge relies on the active participation of employees and managers.

You also need a defined KM **process**. As Dr. Carla O'Dell, president of the American Productivity and Quality Center (APQC) and a well-known thought leader in KM said, "Knowledge is sticky. Without a systemic process and enablers, it won't flow."⁶ In other words, knowledge management doesn't just happen because someone says it will; you need a process that provides the opportunity for knowledge to flow to where it needs to be, otherwise, it might remain stuck on a server that's never accessed.

Technology can be an enabler of KM because it is used to capture and disseminate



⁴ "Knowledge Management as a Scientific Discipline." Knowledge Management. Web. 25 Sept <http://www.knowledgemanagement.nu/knowledge-management-history.html>

⁵ "Why Should You Be Interested in Knowledge Management Today?" YouTube. K3Cubed Ltd. Web. 25 Sept 2014. <http://www.youtube.com/watch?v=5iTPg5SrD2M>

⁶ Tim Stouffer and Reid Smith. "Making Knowledge Flow through Knowledge Connections." Web. 25 Sept 2014. <http://www.apqc.org/sites/default/files/files/Stouffer,%20Tim%20&%20Smith,%20Reid%20-%20Marathon%29.pdf>

critical knowledge. It's not the driver of KM activity, but most experts agree that some sort of technology solution is critical to an effective KM strategy.

Last, but not least, you have to pay attention to **content**. Simply put, content is a key ingredient to successful KM; unless you have valuable and rich content, how you collect and store knowledge is irrelevant. The content you capture must provide value to the enterprise, because if it doesn't, why would anyone support and use a knowledge infrastructure? Knowledge is only valuable if it can be widely used to make business improvements or to help a company make cost savings.

Of course, there's a framework that describes the key processes required for effective knowledge management. The following diagram displays APQC's Knowledge Flow Process Framework. As shown on the outside of the circle, the key knowledge management elements described above are highlighted: **people**, **process**, **content** and **technology**. Business value creation is at the heart of the framework, because ultimately, KM efforts strive to produce tangible commercial value. The seven-step process of knowledge capture (create, identify, collect, review, share, access and use) is an on-going effort that is supported by the outer core of factors to provide business value.

APQC's Knowledge Flow Process Framework⁷



In theory, KM sounds like something every organisation should embrace. In practice, it can be more difficult than you'd expect. The following sections provide some tips on how to identify if you need a KM strategy and the steps you might take to get started.

⁷ APQC's Knowledge Flow Process Framework. APQC. Web. 25 Sept 2014. <http://www.apqc.org/knowledge-base/documents/apqcs-knowledge-flow-process-framework>

Business Papers

Do you need a KM strategy?

How do you know if your organisation can benefit from implementing a knowledge management strategy? Generally, if you regularly hear employees say any of the following, then it might be time to undertake a KM initiative:

- Haven't we done something like this before? It feels like we're reinventing the wheel
- I don't know where to find it, but I know someone used to do that before
- Ah yes, Sue knows all about that but she's on maternity leave
- We used to have someone who knew how to do that but he left last year

These could be warning signs that you are losing valuable knowledge or that it's not being properly captured. It means that you aren't documenting how things really work or, that critical knowledge exists only in the heads of certain employees. Also, if you're reinventing the wheel every time you start a project or releasing a new product, you're losing both time and money unnecessarily.

Companies who are likely to lose a significant amount of employees due to retirement, downsizing or a major acquisition are well placed to implement a KM strategy. Let's take the thought regarding the knowledge gap that can occur due to an aging workforce. According to a POSTNOTE newsletter issued by the Houses of Parliament, a third of the UK workforce will be over the age of 50 by 2020 and by 2035 nearly a quarter of the UK will be aged 65 or over.⁸ When these employees retire they'll take years of corporate knowledge with them. The impact of the knowledge drain would be mitigated by a KM strategy as knowledge retention strategies will help to mitigate against employee turnover by capturing critical knowledge before they leave.

Downsizing the workforce is another issue that often creates a knowledge gap. Research shows that downsizing initiatives, based purely on financial grounds,

often fail to retain critical skills, capabilities, experience and knowledge.⁹

⁸ "An Aging Workforce" Parliamentary Office of Science & Technology. Web 25 Sept 2014. <http://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=2&cad=rja&uact=8&ved=0CCgQFjAB&url=http%3A%2F%2Fwww.parliament.uk%2Fbriefing-papers%2Fpost-pn-391.pdf&ei=ltavU93PKZTs8AX52ILQAw&usq=AFQjCNHJzpRuFVHQBKtEtlu8jDjLxvC9mQ&bvm=bv.69837884,d.dGc>

⁹ Achim Schmitt. "Don't Let Knowledge Walk Away: Knowledge Retention during Employee Downsizing." Nantes School of Management. Web. 25 Sept 2014. http://www.skgroup.ch/files/6813/5039/0067/IDont_let_knowledge_walk_away_12032012.pdf



Parliamentary Papers

Downsizing can therefore lead to decreases in quality, productivity and effectiveness. Research shows that it's cheaper and more effective to introduce a knowledge retention strategy before there's a significant change in your employee base. By proactively building a knowledge management strategy before downsizing, you'll improve the ability to retain that knowledge and benefit from cost savings by not having to re-create it.¹⁰

Mergers and acquisitions present another challenge. This is a time when your knowledge of customers, processes and products needs to be up to date and accessible so it can be effectively merged and shared. With mergers, employees are more likely to resist knowledge transfer if they perceive their personal knowledge as a competitive advantage. For this reason you should have a KM strategy in place before major corporate disruption.¹¹

It's worth noting KM is a viable business approach whether such challenges are present in your business or not. It can lead to cost savings, process and performance improvements, increased collaboration and innovation. It can also improve employee satisfaction and performance and lower their stress when they know where they can find critical knowledge to do their jobs. The list of possible benefits is endless and the payoff can be huge. Just ask companies like Schlumberger that reported savings of \$200 million globally through its KM initiatives.¹² The company also reported that KM helped improve service response time for resolving technical queries by 95% and by 75% for deploying engineering modifications globally. These reductions translated into improved operational performance and customer service.

Defining a KM strategy

Starting a knowledge strategy can be a daunting task for companies that have a limited background or experience about the topic. There is an plenty of literature available on how to begin a KM strategy, in fact, it's overwhelming. There's not one widely accepted approach, but there is some general agreement on the tasks that should be addressed before you get started. These steps are summarised below, but don't necessarily need to be completed in order. However, the final step (developing a plan) can't be accomplished until other steps are completed.



¹⁰ "Retaining Valuable Knowledge: Proactive Strategies to Deal with a Shifting Work Force (Best Practices Report)." APQC. Web. 25 Sept 2014. <http://www.apqc.org/knowledge-base/documents/retaining-valuable-knowledge-proactive-strategies-deal-shifting-work-force->

¹¹ Laura Empson. "Fear of Exploitation and Fear of Contamination: Impediments to Knowledge Transfer in Mergers between Professional Service Firms." Sage Journals. Web. 25 Sept 2014. <http://hum.sagepub.com/content/54/7/839.short>.

¹² 'Knowledge Management Saves USD 200 Million'. Schlumberger Information Solutions. Web. 25 Sept 2014. <http://60.21.141.241/accdownload/1c414103-947f-4cfe-b21c-d0a8d618416f.pdf>

1. Identify senior leadership support and team leaders
2. Establish knowledge management strategy and business case
3. Conduct a knowledge assessment or audit
4. Conduct a technology assessment
5. Develop a project plan and measurement approach

Step 1. Identify senior leadership support and key stakeholders. Almost all experts agree that the success of a knowledge management strategy hinges on the support, both financial and otherwise, of senior leaders and key stakeholders. People create the real power of knowledge management. At the core of any successful KM solution is a strong workforce which allows the pillars of knowledge management to be built.

Ideally, it's a best practice to identify someone at director level as 'knowledge champion' to advocate the effort. You also need to identify a project leader (or KM manager) who will be responsible for developing the strategy and business case. In the perfect world, these individuals will have some KM training or experience, although it is not required. It's more important to find people that are passionate about the effort, and have a good mix of business and technical knowledge.

Step 2. Establish a knowledge management strategy and business case.

A knowledge management strategy is simply a plan that describes how an organisation will manage its knowledge for the benefit of that organisation and its stakeholders. To do this, KM needs to be closely aligned with the overall organisational strategy and objectives.

To create a KM strategy, you need to answer some basic questions. For example, what kind of knowledge do you want to capture, and for what purpose? Are you planning to use knowledge to improve a product or process? Or maybe you need a KM strategy to seamlessly transition knowledge to a new workforce. You can even use KM for innovation to help capture knowledge on product design and creation. But first, you need to have a clear idea of what you want to capture and how it will be used. To do this, you might consider asking a set of basic questions, such as:

- What kind of corporate knowledge do we need?
- What do we plan to do with the knowledge?
- Are there any knowledge gaps in the organisation?



- What systems and tools are currently in place to capture knowledge?

For example, is your goal to help people find existing information faster? Or, are you seeking to create lessons learned and identify best practices for a particular business unit? Maybe you want to find experts or establish a community of best practice around a given topic. You need to identify the expected outcomes you hope to achieve and be as specific as possible in what you want to capture.

After developing a basic strategy, you should develop a business case. The business case should clearly articulate the business value that knowledge management will provide to the organisation. It should outline the current state of knowledge sharing and provide details on how the organisational culture, processes, and systems are currently acting as enablers or barriers. It should also describe the future vision of where you expect the organisation to be and how success will be measured. It provides a basic road map on how you will use people, process, content and technology to achieve your goals.

Step 3. Conduct a knowledge audit or assessment. Once you've established a strategic and business case, it's a good idea to conduct a knowledge management assessment (also known as a knowledge audit). This helps the organisation to gain a better understanding of its knowledge needs in relation to the current state of knowledge sharing and collaboration.

Specifically, a knowledge audit identifies what, where, and how existing knowledge assets are used. It gives an organisation a complete understanding of the current methods and processes across business units and service lines. It might ask questions like:

- What information and content currently exists?
- How is content stored, used and coded?
- Who is responsible for content and its coordination?
- How is content validated?
- How do we use content to produce organisational value?

Audits and assessments can be collected by a variety of means, including questionnaires, surveys, interviews or workshops. To be successful, it's important that audits are clear on the objectives and are introduced purposefully. It should focus on business needs, gaps and challenges, and the knowledge that is required to fill those gaps.

A knowledge management assessment will also help you assess where your organisation is in terms of leveraging explicit and tacit knowledge. You'll find



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numerous assessment tools online, for example look up Knoco Ltd's website.¹³ Within their site, you'll find free KM resources and tools that can help at various stages of development.

Step 4: Conduct a technology audit. While technology isn't a driver of KM strategy, it is an enabler and a critical piece. You need to understand what applications and functionality currently exist to support your business, and whether or not the current technology infrastructure will work for your KM efforts.

In this step, it's time to examine KM tools that are already in place. Any tool that is used for content management, collaboration or business intelligence should be evaluated. This includes a full exploration of content management applications such as authoring tools, expertise profiling, knowledge maps, metadata tagging and personalisation of content. Collaborative tools might include networking technologies, chat rooms, video-conferencing, discussion forums, Wikis and groupware. Some examples of business intelligence tools include e-learning technologies, expert systems, decision support systems and intelligent agents. The assessment determines any gaps in the existing technological capabilities and whether changes will be required to support a KM strategy.

Step 5: Develop a project plan and measurement strategy.

Finally, you're ready to incorporate the results from the strategy, business case and audits to create a detailed project plan for KM. This is where you define your specific objectives, determine deliverables, define roles and responsibilities, and define resource requirements. Like any good project management plan, you also need to draft a timeline and identify key milestones.



Measures will help you know if you are making tangible gains. They don't have to be complicated to be effective. For example, you could capture the number of knowledge submissions or the number of workshop sharing sessions. You could also capture anecdotal success stories as a measure for success. Ideally, it's a good idea to link KM strategies to a direct financial goal, although this can be difficult in the early phases. Nonetheless, it is important to have a measure that ties to organisational value so that the benefit of KM is immediately understood by all employees throughout the organisation.

Without doubt, this simplified summary makes starting a KM strategy seem easy. This couldn't be farther from the truth, and for this reason, there's a lot of literature dedicated solely to the principles and methods organisations use to

¹³ Knoco. Web. 25 Sept 2014. <http://www.knoco.com/Knowledge-management-downloads.htm>

develop a KM strategy. If the task seems insurmountable, it might be helpful to contact a consulting firm that specialises in KM. There's no shortage of firms that can help. According to KM World, consulting firms can also help organisations break down barriers and provide a level of expertise not available in-house.¹⁴ A quick search online will produce many consulting companies that offer services for knowledge audits, strategies or implementation.

What are some KM methods?

Knowledge management applies different methods to extract knowledge. Storytelling and communities of practice (CoPs) are two of the most common methods used by large organisations to exchange knowledge. Some companies also create collaborative workspaces specifically designed to promote knowledge sharing or create 'knowledge cafés' to share information.



Storytelling is a powerful way to share tacit and explicit knowledge. It's exactly as it sounds, you gather people together to share stories and experiences. The World Bank is one of the first companies that engaged in storytelling. Paul Corney, an expert in the field, advocates storytelling as a way to share experiences and knowledge that otherwise remains uncovered. In an online interview, he talks about a company that ran a storytelling competition, and it ultimately uncovered knowledge that might have been lost. He said: "We learn best when we communicate with each other and exchange ideas. You have to have ways of provoking and promoting discussion."¹⁵ Corney and others believe that the kind of data that can be gathered from storytelling is far more valuable than any statistical analysis.

Communities of Practice (CoPs) are groups of people that share a common interest. It can evolve organically or be created for a specific purpose. The idea is to share information and experiences within the group so that ultimately, the community learns from each other. CoPs can exist online in the form of discussion boards, forums and newsgroups, they can operate via teleconferencing, or be supported by real life learning opportunities like internal workshop sessions. You might create a CoP for a specific purpose, like best practices in client delivery or product introduction. It provides a place for experts in the field to share ideas, concerns, lessons learned or troubleshoot specific issues.

¹⁴ Judith Lamont. "Consulting Firms Play a Key Role in Context of KM." *KM World Magazine*. Web. 25 Sept 2014. <http://www.kmworld.com/Articles/News/News-Analysis/Consulting-firms-play-a-key-role-in-context-of-KM-14825.aspx>

¹⁵ Paul Corney. "How to Create Innovative Knowledge Management Solutions Using Stories - Part 1." Video. *Find The Edge*. Web. 25 Sept 2014. <http://www.findtheedge.co.uk/interviews/how-to-create-innovative-knowledge-management-solutions-using-stories>

Some companies create **physical workspaces** that are designed to promote collaboration and knowledge sharing. The idea is to 'think outside of the box' when it comes to creating a meeting space. Generally, meeting rooms feature a long conference table with multiple chairs and a white board at the end. This traditional setting would not be considered a dynamic and creative model. Of course, the needs of meeting spaces vary by culture and business goals, but if you want to promote creative thinking, several smaller tables would provide more interaction. Also, open spaces for ad-hoc and informal interactions are preferred. Anything that contributes to a relaxed atmosphere, like coffee, biscuits, magazines or books, helps stimulate thinking and conversation. A good collaborative space has a lot of small but well placed devices and tools throughout the room for employees to use. Think white boards, sticky notes and flip charts to capture ideas and insights.



A '**knowledge café**' is another popular KM method. A knowledge café brings a group of people together to have an open, creative conversation on a topic of mutual interest to share ideas, insights and collective knowledge. The idea is not new, but one highly regarded advocate is David Gurteen, a well-known thought leader in KM. His website (www.gurteen.com) gives free access to research and videos on a variety of KM topics. A knowledge café may sound informal, but it actually follows a formal process. It begins with participants seated in a circle of chairs and is led by a facilitator who begins by explaining the purpose of the café and the role of conversation in business life. The facilitator then introduces the topic and poses open-ended questions to the group. For example, if the topic is about knowledge sharing, the group might be asked to discuss some of the barriers to knowledge sharing. The participants break into smaller groups to discuss the topic in greater detail. After a set period of time, the group reconvenes and shares some of the insights that were captured in smaller groups. Periodic knowledge cafés provide the opportunity for people to better discuss and reflect critical topics and often, participants leave motivated and inspired. Halifax Theatre held a knowledge café to share ideas and future projects and posted a video¹⁶ of the interactions that occurred. It's really not rocket science, it's simply about giving people a time and space to collaborate on a particular topic with defined parameters.

What about technology?

KM is not about technology, it's about people, process and content. Still, technology is a critical enabler of KM. After all, you can't really get to where you

¹⁶ 'Knowledge Cafe' Halifax Theatre. YouTube. Web 25 Sept 2015. <http://www.youtube.com/watch?v=NTZ0vf0Tmi4>

need to be without a tool to get you there. Think of technology as the vehicle that can bring your vision to life, or at the very least, provides the ability to store knowledge for use and re-use. It can also be a focal point for discussions and communities of practice.

There are a number of software tools that offer knowledge management systems to help you communicate and catalogue information. In fact, the market is flooded with software suppliers who can help organise everything from instant messaging to threaded forums, to comprehensive databases and Wikis. Most of the applications can be used anywhere, anytime.

There's a company called Business-Software that helps organisations sort through the maze of applications associated with knowledge management and other strategies. You can browse their site and narrow down options based on your goals. In 2013, the company published a free report that summarised the Top 5 KM Software Vendors.¹⁷ It provides a comprehensive analysis and comparison of the tools and features that are used in leading applications. Numerous applications are highlighted in the report so explore these with an open mind. Ultimately, knowledge management is not about software, it's about people. The 'build it and they will come' mentality doesn't necessarily apply; technology should be selected only after you've put together your strategy.

Creating a knowledge sharing culture

By now, you might be sold on the concept of knowledge management and the benefits it can provide. However, there are some barriers to effective knowledge management. Most of these have to do with changing cultural norms and behaviours that can be engrained in organisations. You've probably heard the expression 'You can't teach an old dog new tricks' and the same idea applies to implementing KM. The difference is, you have to teach an old dog new tricks if you want to be successful in knowledge sharing, and that's often the most difficult part.

What makes it so hard? Knowledge is power, after all, and too often people see knowledge hoarding as a way to personal power.¹⁸ Employees may withhold valuable knowledge because they feel it provides job security or makes them invaluable to a company. This is why it's important to demonstrate the value of knowledge sharing so it can be communicated to employees at every level of the



¹⁷ 'Top 5 Knowledge Management Software Vendors'. Business-Software.com. Web 25 Sept 2014. <http://landing.business-software.com/top-5-knowledge-management-software-vendors-confirmation-v4.php>

¹⁸ "What Is Knowledge Management?" Knowledge Management FAQ. Knoco. Web. 25 Sept 2014. <http://www.knoco.com/knowledge-management-FAQ.htm>

organisation in a positive, non-threatening way.

The 'not invented here' mentality is also a barrier to knowledge sharing; it's part of human nature to resist things that are new or different to existing processes. Again, communicating the value and providing demonstrated success will help foster a culture that is conducive to knowledge sharing.

Time, trust and collaboration are also required for successful KM implementation, but these can also be significant obstacles. You might hear employees say that don't have time to participate in knowledge efforts, and that it isn't part of their job description. By engraining knowledge activities into daily habits and processes, you can alleviate this concern. Likewise, the idea of collaboration is often a challenge. It requires a shift in mindset and organisations that have a silo mentality will find it more difficult to move to a collaborative environment. Finally, you have to build trust. If people don't know why you want to capture information and what you plan to do with it, they are unlikely to participate. You need to define the 'what's in it for me' for each employee and communicate how knowledge sharing is a two-way process that will ultimately make their jobs easier.



The bottom line

Experts caution that it can take years to reap tangible benefits from KM, but when you do, it's worth it. Some benefits of knowledge management correlate directly to bottom-line savings, while others are more difficult to quantify.

Still, there's proof in the numbers, and when done correctly, KM provides value. The Venezuelan oil company PDVSA, for example, reported saving over £100 million in areas such as planning, technology, operations and business processes when it first launched a KM strategy back in 2000.¹⁹ In addition, the US firm Computer Sciences Corporation (CSC) reported that it saved a company £123 million, after an investment of around £7 million. Specifically, CSC initiated a process and supporting technology for logging and cataloging enquiries after they were answered by experts.²⁰

Naturally, every company wants to save money with business improvements, but it

¹⁹ Madanmohan Rao. "KM Industry Reaches Maturity; Metrics, Organization, Culture, Portal Tools Identified as Success Factors." *TechSparks*. Web. 25 Sept 2014. <http://www.techsparks.com/KM-industry-reaches-maturity-Metrics-organization-culture-portal-tools.html>.

²⁰ Judith Lamont. "Consulting Firms Play a Key Role in Context of KM." *KM World Magazine*. Web. 25 Sept 2014. <http://www.kmworld.com/Articles/News/News-Analysis/Consulting-firms-play-a-key-role-in-context-of-KM-14825.aspx>

should be emphasised that a number of the benefits from KM are intangible. That is, you can't always associate a bottom-line benefit to doing it, but you inherently know it saves you money. According to research, on average, a single employee spends a shocking 76 hours per year looking for things in the workplace, including files and emails.²¹ This will run to £millions if taken across businesses throughout the UK. Imagine the cost savings you might achieve if you simply made it easier for employees to find what they need!

Finally, ask how much time your company wastes reinventing the wheel for new projects or duplicating efforts. How much in savings would you associate with that? Questions like these make it difficult to measure the value of KM, because while you know it's improving the way you work, it may not necessarily have a direct financial link to your bottom line. But these are the types of organisational improvements that can save time, money and your sanity. So, why not stop reinventing the wheel, and get behind it and watch KM can drive your organisation to a new level?



Currency conversions from US \$ to GBP at 0.62. Web 25 Sept. 2014.

²¹ "P-touch Means Business' Survey Reveals Offices Waste More Than \$177 Billion Per Year Looking for Lost Items." Web. 25 Sept 2014. <http://www.prnewswire.com/news-releases/p-touch-means-business-survey-reveals-offices-waste-more-than-177-billion-per-year-looking-for-lost-items-101465149.html>

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