

Making the case for investigating Knowledge management



Implementing Knowledge Management (KM) is best approached as a series of decisions, with each decision moving you on to the next stage

1. The decision to investigate what Knowledge Management would mean for us in our organisation
2. The decision that the organization needs improved Knowledge Management, and to find out how much investment is required.
3. The decision to set up a KM implementation program, with a full-time team and budget.
4. The decision to pilot KM in high profile areas
5. The decision to roll out KM as a required discipline to the whole organisation.
6. Once KM is embedded, the decision to stand down the implementation team and hand over to management within the business (with the support of a central KM team).

In each case, enough evidence has to be gathered to enable the company to make the decision. In this paper we investigate the data that needs to be gathered in order to make the first decision - the decision to investigate KM through, for example, setting up a gap assessment and strategy. This involves making the case for investigating KM.

Is knowledge a key business issue for you?

If knowledge is a key business driver in your organisation, or if knowledge is one of your key products, then knowledge management may well be important for you.

Knowledge is defined by Peter Senge as “the ability to take effective action”, and knowledge is the basis both of judgment, and of good decision making.

- If your organization requires good knowledge based decisions, then knowledge is one of your key assets.
- If you are a consulting firm, a contractor, or an educational or professional body that creates and deploys knowledge on behalf of customers and clients, then again knowledge is one of your key assets.
- Knowledge will also be a key business issue for you if your staff turnover is large, and you need to transfer knowledge into a new generation of workers.
- It is a key business issue for you, if much of your core operational knowledge is held by people approaching retirement age.
- It is a key business issue for you, if you are involved in repeat activity, where knowledge from the past can help improve future performance.
- It is a key business issue for you, if many dispersed parts of the business are performing the same process, with varying results.

- It is a key business issue for you if your budget is being challenged and you are having to contemplate delivering ‘more for less’

Is there evidence that management of knowledge might be sub-optimal in your organisation?

There may be many warning signs that knowledge management needs to be improved in an organisation. Some of the common ones are listed below

- ‘Why do we keep having to re-learn this?’
- ‘How do I know where to find this knowledge?’
- ‘I’m sure I heard someone mention that to me the other day, now who was it?’
- ‘Someone must have done this before - but who?’
- ‘When that guy left, he took all that knowledge with him.’
- ‘It was pure luck that I met Freddy – he had just the answer I was looking for’
- ‘That went very well – how do we repeat that success?’
- ‘We made this mistake in our other office too’

Comments like this are all warning signs. Others are

- Repeated mistakes
- Wildly varying performance among different teams
- Poorly connected networks

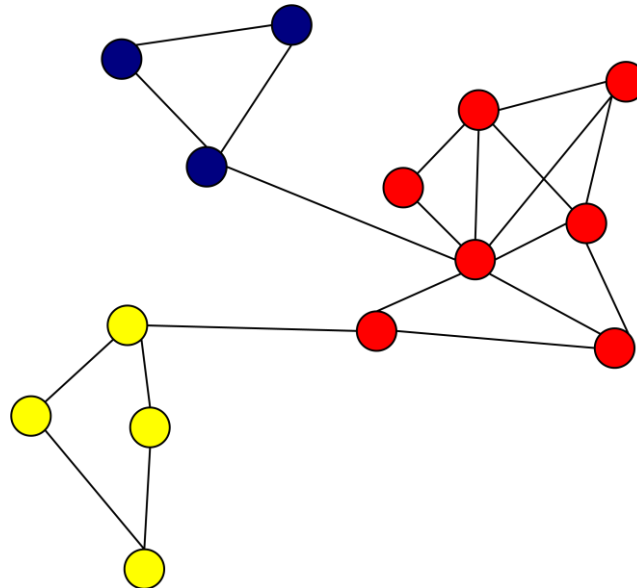


Figure 1 Poorly connected social network

You need to collect evidence, in the form of anecdotes, examples and social network plots such as the above, which show that knowledge management could be improved.

Is it likely that improved knowledge management might add real value?

If you do improve knowledge management, is it likely that this would lead to better performance? Better performance could come through eliminated mistakes, more consistent performance with poor performing teams learning from high performing teams, from faster transfer of knowledge to young staff, and from better retention of knowledge from departing staff.

You need to be able to make a good case that there is potential value here; enough value to investigate knowledge management further. You are not making a full business case; this business case will be made in the next stage. You are however marshalling the anecdotal evidence that performance improvement is possible, and that this is potentially significant enough to take the next step.

What evidence do you need to collect?

To make the case for further investment, it is good to have the following evidence.

- A first-pass list of critical knowledge issues for the organisation
- Evidence, in the form of examples, case studies, anecdotes, Social Network Maps or other evidence, that there is a knowledge management problem, and
- A list of likely positive business outcomes from better knowledge management.

Who makes the decision?

You are marshalling the evidence to allow an investment decision; the investment in further investigation of knowledge management. Therefore the person making the decision has to have budgetary authority for a knowledge management assessment programme. They also need to be senior enough in the organisation that they can influence the decision that comes after the assessment program, which is the piloting decision. They don't need to be a C-grade executive, but could be a regional manager, the head of the division, or a similar status of senior manager.

What exactly are you asking them to decide?

The decision is therefore to commission a knowledge management gap assessment, to see exactly what needs to be done to bring knowledge management up to speed.

If you can make the case for further investigation of knowledge management, then further work is needed to scope out the scale of the implementation, to set strategic direction, and to do a first-pass costing of what the implementation exercise might cost. More assessment may be needed to fully map out the scale of the interventions needed, to cost the investment, and to come up with a better estimate of the value delivery and so to develop a robust business case.

Summary

The Knowledge Management journey is a journey of investment, and the wisest way to invest is in a series of incremental steps. As you take each step, you can decide whether you have enough evidence of value to proceed to the next stage, or whether you decide that Knowledge Management is not the best way to spend your money at the moment. This white paper describes the very first step on the journey, the decision to make the first investment in a Knowledge Management assessment, and the evidence you need to gather to make that decision.