



Welcome to the May 2011 issue of our newsletter.

The main theme this issue is Business-Driven Knowledge Management - the strategic approach to KM driven by business needs and business strategy.

Are you putting a man on the moon? Or just trying out a new mop?

The story is told of how President John Kennedy once visited NASA. He came across a cleaner and asked him what his job was. The cleaner replied: 'My job is to help to put a man on the moon.'

There is some discussion of whether this story is true or not, but what it illustrates is the cleaner's complete alignment with the aims of NASA, and the collective mission and strategy.

What if it had been the Knowledge Management lead that Kennedy had spoken to? What sort of answer would he have received?

Knoco believes it is vital that KM efforts are linked to business outcome, and we are not the only ones who believes this. The quote in the text box on this page is from a survey of successful KM programs, and highlights the need for business focus.

Similarly [Tom Davenport and co-authors](#) conclude that "Link to economic performance or industry

value" is the number one success factor for successful KM.

If we look at KM success stories, we generally see a clear business focus. Mars, with their focus on growth, De Beers focusing on Block Caving, BP on cutting the cost of gas station construction, and Conoco Phillips, where every community of practice reports the impact it has made on oil production.

In each case, this was their "man on the moon" - their business imperative that KM was serving, their "life and death" business issue. KM was being directed at solving real issues, and therefore gained a seat at the strategy table, and so delivered successful programs. However a lot of KM professionals don't seem to

"Most **successful** knowledge management applications addressed a 'life or death' business situation or addressed an existing business issue

Successful cases answered two questions at the outset -

- What business objective am I trying to achieve?
- How can I apply existing knowledge?"

Teltech Survey results

have made this link with business value and business imperatives in their [KM strategy](#). If you ask them what they are doing, they say "We're rolling out SharePoint", or "We are trialling MediaWiki". This would be the equivalent of the NASA cleaner saying "I'm trying out a new mop head". It doesn't have the same impact somehow!



So if you were asked "What's your KM focus this year" - what would you answer? Could you point to a crucial business issue or "life and death situation" you were helping to solve through application of KM? Could you say "We're helping put a man on the moon?" Or are you just mopping the floor?

The link between business strategy and knowledge management

The link between business strategy and knowledge management can be identified using three questions.

First, you ask "What do we need to be able to **do** (i.e. what activities do we need to conduct) in order to deliver our business strategy?"

Then you ask "what do we need to **know**, to be competent at these activities?" The answer to this second question will be a list of strategic knowledge areas for your organisation. It will tell you **what knowledge** you need to manage, to deliver your business strategy. It will identify the **knowledge hotspots** for your company.

Then finally you ask "how do we acquire, develop, protect and deploy that knowledge?" The answer to this third question will be the basis for your KM strategy and your KM framework, and will be a direct and logical outcome of your business strategy.

Ask these questions before you start your KM strategy. Ask them at a workshop where you have gathered the most senior people you can find. Then listen carefully to the answers!

KM for senior managers

Lots of managers assume that knowledge management is "something my staff need". They therefore set up KM initiatives to cover routine tasks at low levels in the organisation. They might set up a KM program to improve call centre response, or to improve shift handover, or to improve productivity on the assembly line.

This misses the point.

Knowledge Management is something that is of value at **all levels**. Knowledge supports decisions, and decisions are made at all levels. In fact the most valuable and risky decisions are made at senior level. The default approach to supporting these senior management decisions is to hire a big-5 consultant firm to supply the knowledge, but there is no reason why KM can't help as well.

So when you are proposing KM pilots, look for pilots at senior level, to support the big decisions. Here are some examples from the past.

Knowledge Management to support mergers and acquisitions. There's a massive, high level task, which requires big decisions. Learning from past mergers can materially improve future mergers.

Knowledge management to support new business.

Companies may open new offices, or start up in new countries. With knowledge, this start-up may be quick and effective. Without KM, the start-up may hit snags, be delayed, or fail to deliver the required business results.

Knowledge of leadership. That's a massive issue! One company uses a detailed 6-monthly staff survey to measure morale, and gathers insights and learning from the managers of high-morale teams to help develop leaders in the organisation. Another has build an entire [knowledge asset](#) providing knowledge for plant managers.

Delivering a high level KM pilot on these areas has three benefits.

- It delivers massive value to the business
- It engages senior managers in KM, and helps them understand the value KM can bring
- It gets senior managers on-side, by solving their problems for them

KM is something that is needed at all levels, and the sooner you involve the senior managers, the faster and smoother your implementation will become.



What KM can do for the business

Once you have identified your critical knowledge areas, or knowledge hotspots, you need to think about how KM can help with that knowledge, and you need to be able to turn KM-speak into normal language, so your business audience can understand what you are offering.

Basically there are 4 areas of benefit, as shown on the picture to the right; innovation, collaboration, standardisation and retention

Innovation is about creating new knowledge, and learning new things, to fill the critical knowledge gaps needed to deliver business strategy. This is the area where you need to create innovation communities and

learning communities, where you put in place [action learning](#) programs and knowledge acquisition programs.

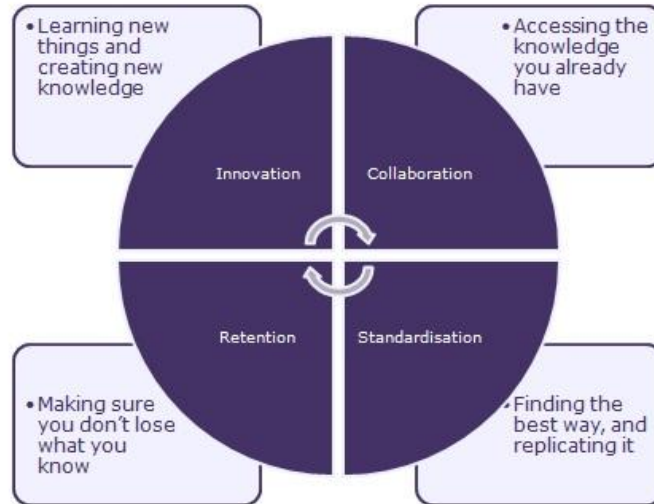
Collaboration is about

but in this case the purpose is to find a best standard approach for a strategic business area. Of course you would only do this with a very mature knowledge area, but the [value of standardisation](#) is well known.

Retention is about holding onto the knowledge you have, through a systematic approach to knowledge retention and harvesting.

The business can understand all these, and can clearly grasp the benefits. Knowledge Management then needs to support the business, and to deliver the benefits, so that the business strategy can be achieved, and the life and death business problems solved.

Generic Business Drivers



pulling together the strategic knowledge you already have in order to solve critical business issues, through [communities of practice](#), and through [project-based learning processes](#).

Standardisation is also about pulling together the knowledge you already have,

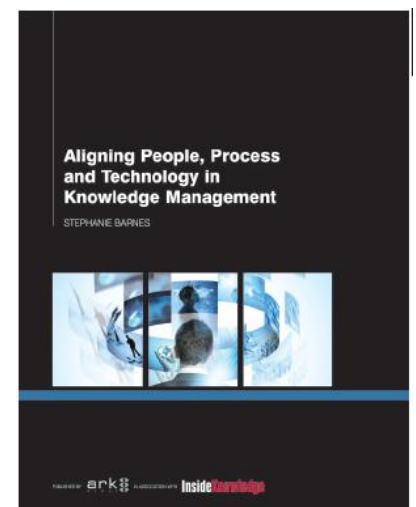
Report from Stephanie now available

Stephanie's new report, "aligning People, Process and Technology in Knowledge management" is now [available from Ark Group](#).

Key topics covered include:

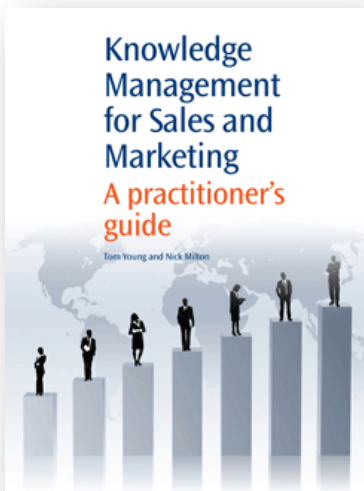
- Integrating people, process and technology for successful KM;
- Recent trends in KM and KM technology;
- The key benefits of specific types of KM technology;

- The key risks associated with KM;
- Aligning KM with organisational processes and business objectives;
- A knowledge management roadmap – the eight phases of the KM program process;
- Key requirements for KM success and ROI;
- How to prepare a change management plan for effective implementation of new KM projects; and
- Establishing KM Governance.



Tom and Nick's new Book

Tom and Nick's new book, "Knowledge management for Sales and Marketing" has now been published, [click here to order a copy](#).



This book develops a generic model for managing knowledge in sales and marketing environments, and provides a handbook for line managers wishing to introduce KM into their sales and marketing activities. It provides practical and realistic solutions to real-world problems via case studies from leading companies such as BT and Mars

Topics covered provide managers and practitioners with the necessary principles, approaches and tools to be able to design their approach from scratch or to be able to compare their existing practices against world class examples. Several models and methodologies are explained which can be applied or replicated in a wide variety of industries.

Three in a café

The picture below was taken recently in a café in Abu Dhabi, and shows a rare meeting of three Knoco Leaders working on the same project.



Left to right; Stephanie Barnes (Canada), Tom Young (UK) and Dr Abdulhameed Al-Hosani (UAE).

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