

Successful Knowledge Management Strategies

*A Report based on an analysis of the outcomes from a Screening
Survey designed to Identify Good Practice in
Knowledge Management*



Executive Summary

What do we mean by Knowledge Management?

In the context of this study, we described ‘Knowledge Management’ as all the necessary activities to orchestrate an environment in which people are invited and facilitated to apply, develop, share, combine and consolidate relevant knowledge.

The ultimate goal of Knowledge Management (KM) is to improve an organisation’s effectiveness by leveraging the knowledge it has and needs to use to compete. Knowledge Management is seen as one aspect of the total focus of management in organisations and not as a goal in itself.

Depending on the type of business and strategy, important knowledge can range from the intellectual assets that underlie products and services; through knowledge *about* customers, markets and common practices, knowledge *from* customers and partners; to the individual expertise of employees.

Highlights from each Section of the Screening Survey

General information

- 27 companies responded to the survey and they originated from the majority of Industry Sectors with a relatively strong contribution from Telecommunications, Software / IT-services, Fast Moving Consumer Goods, Consulting and Automotive sectors.
- Respondents were a good mixture of large and middle-scale companies with 41 % of the respondents employing more than 10.000 people and another 40 % employing less than 10.000 staff.
- Respondents hold titles such as Chief Knowledge Officer, Project Manager Knowledge Management and Head of Knowledge Management group.

Knowledge Management in organisations

- A majority of the respondents has a formal KM-initiative (77 %) while 55.5% of companies report that they have a Chief Knowledge Officer (CKO) and 53.3% of these report that this CKO-role has been in place between 2-4 years.
- 63% of the respondents’ report that Knowledge Management is still hot on the strategic agenda and 14.8% of companies’ report that it has become a natural way of doing business.
- Respondents report a relative high level of maturity of their Knowledge Management activities. Companies who are now expanding their KM activities work with core teams which are multi-disciplinary, networked within the company and strongly business oriented

Strategies for Knowledge

- The leaders in the field of Knowledge Management have created structured approaches to identify crucial knowledge areas, strengths and gaps and to formulate actions to deal with these aligned with the business strategy. Integration of these approaches within existing business planning and strategy formulation processes is considered to be key to sustainable success.
- The most important objectives for KM-activities are seen as:
 - Facilitation of re-use and consolidation of knowledge across operations
 - Development of new knowledge to innovate products and services in the future
 - Learning from customers to innovate products and services
- Companies report clearly that they operate both codification (focused on creating tangible resources from knowledge in the heads of employees) and communication strategies (focused on collaboration and communication between employees) depending on the situation.

Enablers for Knowledge Management

- Respondents are satisfied with the way they organise learning from customers, training and development, external and internal benchmarking and the development of new knowledge.
- Respondents are dissatisfied with the way they organise learning from suppliers and partners, content management for intranets / documents / databases, sharing of knowledge across operations, Good Practice sharing and Just-In-Time learning of employees.
- Communities of Practice are clearly a major tool for companies to create knowledge sharing platforms between people. 74 % of all respondents use Communities of Practice in order to share knowledge and Good Practices, solve problems and create new knowledge
- Respondents assess the use of instruments such as peer assists, after-action-reviews and coaching as of high impact and quality.
- Respondents are dissatisfied with the quality of resources such as Yellow Pages / personal home pages, corporate universities, libraries and Centres of Excellence.
- Though many respondents argue that IT is not the most important enabler for KM, all but one respondent reports that they use IT as an enabler. When the best efforts are taken into account it shows that the majority of best efforts make strong usage of IT.
- Good IT-tools are no less than expected but not enough. Commitment and culture determine whether good IT-tools will provide optimal results, but it is much easier to deliver good results with passionate and committed people and sub-optimal IT-tools than the other way around.

Cultural and Motivational Issues

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- Common aspects of the organisational culture which support Knowledge Management initiatives are:
 - Interpersonal exchanges, respect and trust
 - Lack of hierarchy
 - Perceived urgency to change because of market environment
 - Focus on quality and customers
 - The main cultural and motivational barriers are:
 - Not enough time to think about the future and pressure on billability
 - Decentralized and federative structure which emphasises focus on local results instead of company-wide benefits
 - KM is perceived as additional to the workload of employees
 - The turn-over of employees which generates knowledge erosion
 - The “Not-Invented-Here” syndrome
 - Internal competition
 - ‘Knowledge is power’
 - Respondents report several tactics to deal with these barriers including the demonstration of practical results, good tools and clear added value, repeated communication on what the company would like to achieve and involvement of employees.
 - 63% of respondents’ report that the culture has changed because of KM-initiatives in favour of a better understanding of how business operations can be improved by explicit attention for knowledge related issues.

Leadership and Involvement of Management

- Respondents report that leaders are involved in KM-initiatives in several ways. Most common are:
 - They fund and support KM-activities
 - They recognise and appreciate people efforts and achievements in the area of KM
 - They are active and personally involved in KM-activities
- Leaders are less involved with regard to the following issues:
 - They act as role models when it comes to optimal creation, sharing and use of knowledge
 - They formulate a knowledge strategy for their activities
 - They define priorities for KM-activities
- The support of middle management is surprisingly high. 51.9% of respondents claim that middle management do in general support KM-activities within their company nowadays. However in several other organisations respondents report that middle management thinks that KM is a buzzword and doubt whether it will add value for their daily business.

Competency building in Knowledge Management

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- 50 % of the respondents organise stand-alone programmes to create awareness and to educate in the usage of tools and instruments. They consider these training programmes as crucial in their campaigns.
 - 37% of respondents address KM-issues in general training programmes for managers, executives and employees

Communication about Knowledge Management

- Repetitive and consistent communications via a broad set of channels is perceived as crucial for the success of KM-activities. In this communication, theories about KM should be limited, focus should be on the success stories, anecdotes and personal impressions of managers and employees.

Results and Metrics

- A minority of respondents measures the impact of their KM-initiatives. Of those who do not measure, 50 % are planning to do so in the future.
- Those companies who do measure the impact of their KM-initiatives report outcomes in the following result areas or enablers:
 - Practice and process improvements
 - Enhanced employee capabilities and satisfaction
 - Increased customer satisfaction
- 40.7% of respondents connect their KM-initiatives to their performance measurement system with the Balanced Scorecard being the most commonly used tool.
- A vast majority of respondents review their KM-initiatives in terms of progress and output. These reviews involve internal clients, stakeholders, steering committee members and relevant disciplines.
- Only 7.4% of respondents' measure their intellectual capital and only a limited group of companies plan to do that in the future.