

Before you invest in a knowledge management (KM) strategy for your organization, management may need some convincing. In this chapter from their forthcoming book, *Designing a Successful KM Strategy: A Guide for the Knowledge Management Professional*, Stephanie Barnes and Nick Milton explain the steps you can take to demonstrate that knowledge is a vital organizational asset, that it is currently being managed suboptimally, and that only a well-designed strategy will ensure a successful KM implementation.

Making the Case for a Knowledge Management Strategy

Stephanie Barnes and Nick Milton

Before you can consider drafting a Knowledge Management (KM) strategy, you may need to make a more general case for KM, and for actually having a strategy in the first place. Creation of a strategy is a small project in itself, and in order to embark on this work you may have to make a case to management that:

- a) Knowledge is an asset for your organization
- b) Knowledge is currently being managed sub-optimally, and
- c) The organization needs a KM strategy

Is Knowledge a Key Business Issue for You?

If knowledge is a key business driver in your organization, or if knowledge is one of your key products, then KM is likely to be important for you. Knowledge is defined by Peter Senge¹ as “the ability to take effective action,” and knowledge is the basis both of judgment and of good decision making; so to the extent that you need to make knowledgeable decisions as part of good business practice, knowledge is an asset for your business. This principle is expanded further in the following list:

- 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
- When crucial knowledge is at risk through retirement or redundancy of key staff, then retaining that knowledge is a significant business issue
- Where you are involved in repeat activity, then transfer of knowledge from the past to help improve future performance can be an important component of continuous cost reduction or quality improvement
- If dispersed parts of the business are performing the same process with varying results, this is evidence that some parts of the business know how to perform operations better than other parts, and that knowledge needs to be shared and reused
- Knowledge is a key business issue for you if your budget is being challenged and you have to contemplate delivering “more for less,” or, to use a business cliché, “working smarter, not harder.” Working smarter means making better use of your organizational knowledge

Is There Evidence That Management of Knowledge Might Be Sub-Optimal in Your Organization?

There may be many warning signs that KM needs to be improved in an organization. If you keep hearing any of the statements that follow, then the management of knowledge is not working well.

- ‘Why do we keep having to relearn 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/Susie—he/she 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 include:

- Repeated mistakes
- Wildly varying performance among different teams
- Poorly connected networks (see Figure 3.1)

You need to collect evidence, in the form of anecdotes, examples, and social network plots such as the ones previously mentioned, which show that KM could be improved.

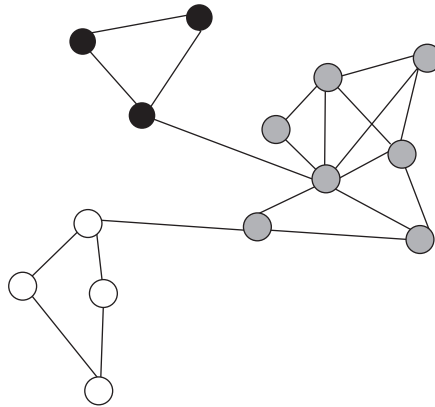


Figure 3.1 A poorly connected network

Is It Likely That Improved KM Might Add Real Value?

If you do improve KM, is it likely that this would lead to better performance? Better performance could come through eliminated mistakes, from 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 KM further. You are not making a full business case for KM implementation; 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 of investigating KM further.

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 organization
- Evidence, in the form of examples, case studies, anecdotes, Social Network Maps or other evidence, that there is a KM problem, and
- A list of likely positive business outcomes from better KM

Who Makes the Decision to Invest?

You are marshalling the evidence to allow an investment decision; the investment in further investigation of KM. This investigation may potentially include an assessment of current KM capability, and certainly will include the development of a KM strategy and implementation plan. Therefore, the person making the decision has to have budgetary authority for taking these steps and commissioning these actions. They also need to be senior enough in the organization 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-level executive, but could be a regional manager, the head of a division, or a senior manager of similar status.

However, you are going to need input from the C-level executives in order to craft your strategy. Therefore, it makes sense for these high-level people to be involved in the decision to invest in further investigation.

What Exactly Are You Asking Them to Decide?

The decision you are asking for is to commission a further investigation of KM, ideally including a current state assessment, potentially including a scan of existing knowledge topics, and definitely including development of a KM strategy, in order to see exactly what needs to be done to bring KM up to the required level of quality.

Basically, you are asking them to fund the development of your strategy.

Summary and Next Steps

Making the case to senior managers for investment in KM is an important step. If you can show that knowledge is an important business driver, that the firm's current management of knowledge is sub-optimal, and that KM will turn this around, then you should be able to make a credible case for investigating KM. Once you have this investment promise, it's time to start thinking about the principles behind the KM strategy itself.

Note

1. Peter Senge, Keynote speech at the KM Asia Conference, 2004.

About the Authors

Stephanie Barnes has over 20 years of successful experience in KM and accounting in the high technology, health care, and public accounting sectors. She is currently a Knowledge Management consultant at Missing Puzzle Piece Consulting, where she focuses on aligning people, process, and technology. She works with clients in financial and professional services, as well as in the high-tech industry and the non-profit sector, among others. She has been doing KM work for more than 14 years and is the Knoco Ltd. franchisee for Canada.

Stephanie graduated from Brock University with a BBA in Accounting and from McMaster University with an MBA in Information Technology. She is ITIL Masters certified as well as having a Business Systems Analysis certificate. In May 2011, Ark Group published Stephanie's report, "Aligning People, Process, and Technology in Knowledge Management."

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Dr. Nick Milton is director and co-founder of Knoco Ltd., with over 21 years working in Knowledge Management. At Knoco, Nick has helped develop and deliver KM strategies, implementation programs, and KM services in a wide range of different organizations around the globe. He has a particular interest in Lessons Learned programs, and has managed major lessons capture programs, particularly in the area of mergers & acquisitions and high technology engineering. He is the author of *The Lessons Learned Handbook* (Woodhead Publishing, 2010) and *Knowledge Management for Teams and Projects* (Chandos Publishing, 2005), and co-author of *Knowledge Management for Sales and Marketing* (Chandos Publishing, 2011) and *Performance Through Learning—Knowledge Management in Practice* (Elsevier, 2004).

Prior to founding Knoco, Nick spent two years at the center of the team that made BP the leading KM company in the world, acting as the team knowledge manager, developing and implementing BP's knowledge of "how to manage knowledge" and coordinating the BP KM Community of Practice.

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This chapter originally appeared in Designing a Successful KM Strategy: A Guide for the Knowledge Management Professional, by Stephanie Barnes and Nick Milton. For more information visit <http://books.infotoday.com>.