
Fad or Fundamental?

Making Knowledge Work for You.

Dr David J. Skyrme

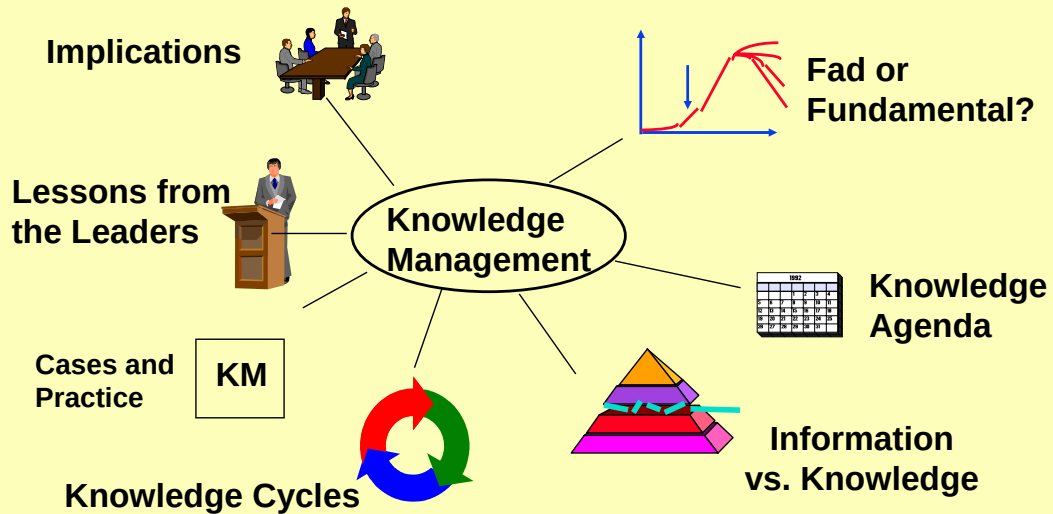
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A presentation looking at knowledge management in practice. Knowledge Management is a term that is gaining increasing exposure. This presentation attempts to sort out the business reality from the consultants' hype. It is based on the analysis of this topic over 10 years (before the term was widely used) and recent assignments, by David Skyrme and his colleague Debra Rogers of ENTOVATION International (for contact details see last slide).

Presentation Knowledge Map



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New Yet Not New

What's Not New

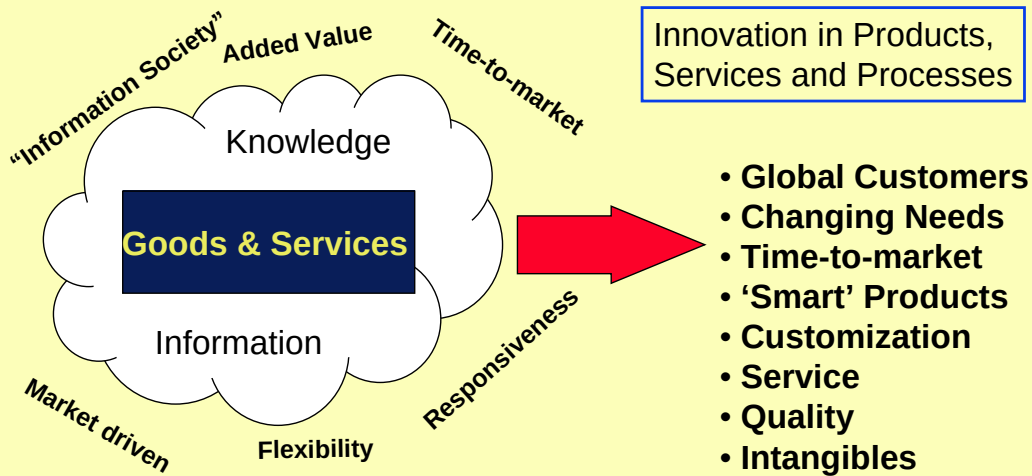
- ❑ Philosophic discussion
- ❑ Knowledge as factor
- ❑ Push for competitiveness /strategic advantage
- ❑ Search for the Holy Grail
- ❑ Holistic approach to management
- ❑ Management 'fads'

What's New

- ❑ Context - globalization, 'smart' products, Internet etc.
- ❑ Explicit interest in managing knowledge
 - CKOs etc.
- ❑ The Label - coverage
- ❑ Consultancy's next 'big thing'

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Fad or Fundamental?



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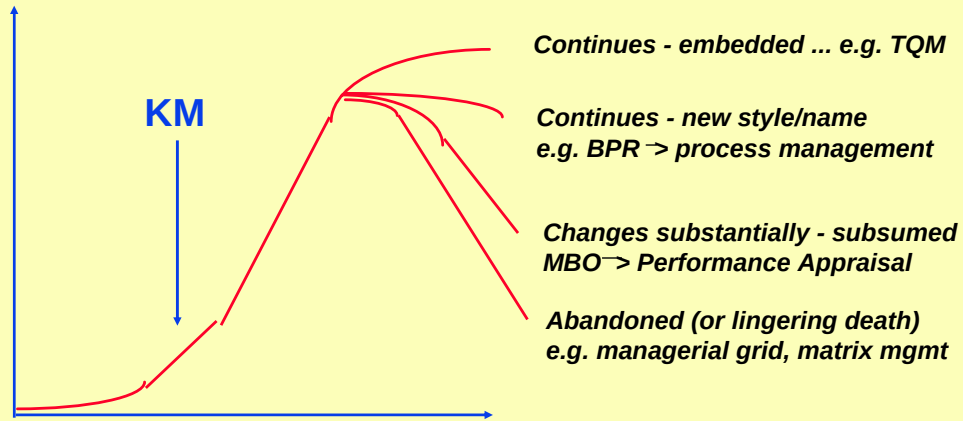
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We now accept BPR and TQM as 'fundamental', but at one time they were fads. As products and services carry more information and knowledge content e.g. ICI says it sells 'effects' not chemicals, this core resource needs to be systematically managed. Also standard products and services lend themselves to a high degree of automation in their production. Knowledge based services are less pre-programmable, requiring intellect to respond to different customer situations.

The ultimate knowledge based business is the consultancy whose only assets are their people, their process and intellectual capital. Not surprisingly many of them are focusing a lot of attention on managing their crucial asset - knowledge.

Life Cycle of a Fad



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Knowledge Agenda ... in Practice

- Knowledge Teams - multi-disciplinary, cross-functional
- Knowledge (*Data*)bases - experts, best practice
- Knowledge Centres - hubs of knowledge
- Learning Organization - personal/team/org development
- Communities of Practice - peers in execution of work
- Technology Infrastructure - Intranets, Domino, doc mgt
- Corporate Initiatives - CKOs, IAM, IC accounting

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Some Key Drivers and Triggers

- The Value of Intellectual Capital
 - what you can measure you can manage
- Performance; cost avoidance
 - knowing what you know, don't reinvent
- Knowledge as key success factor
 - customer service, best practice process
- Know-How as Value Driver
 - innovation, knowledge-based products

Poor share price
Raising Capital
Bad Results
Losing to Competition
Strategic Review
New CEO
Downsizing aftermath
Mature markets
New technology
e.g. Internet

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Working Definition

Knowledge Management is the explicit and systematic management of vital knowledge - and its associated processes of creation, organisation, diffusion, use and exploitation.

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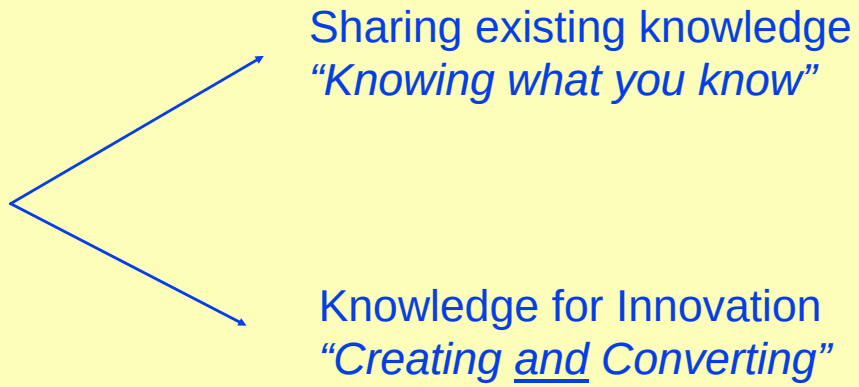
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Definitions are many and varied. Four main elements

- explicit: knowledge is explicitly recognised (language, documents etc.)
- systematic: it is too important to be left to chance
- selective: there's lots of knowledge; focus on that which is important
- content and process perspective (nouns and verbs)

By adopting a systematic vs. an ad-hoc approach, management consultancies believe they can offer better global solutions, and reduced competitive price pressures (e.g. see Booz Hamilton Allen)

2 Key Thrusts



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Seven Levers

- Customer Knowledge - *the most vital knowledge*
- Knowledge in Products - *'smarts' add value*
- Knowledge in People - *but people 'walk'*
- Knowledge in Processes - *know-how when needed*
- Organizational Memory - *do we know what we know?*
- Knowledge in Relationships - *richness and depth*
- Knowledge Assets - *intellectual capital*

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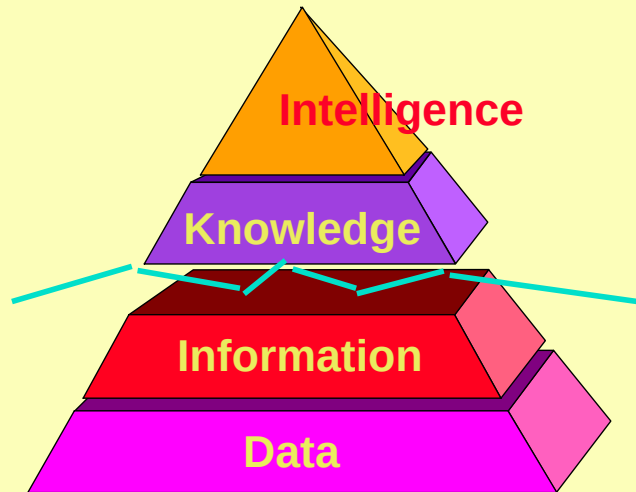
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Extensive = externally (in product or service); internally is in processes etc.

Knowledge (in) products (the 'knowledgeburger') - consumer information, applications, internal awareness e.g. cars about to break-down. Some fastest growing sectors - education, health, software etc. are knowledge businesses.

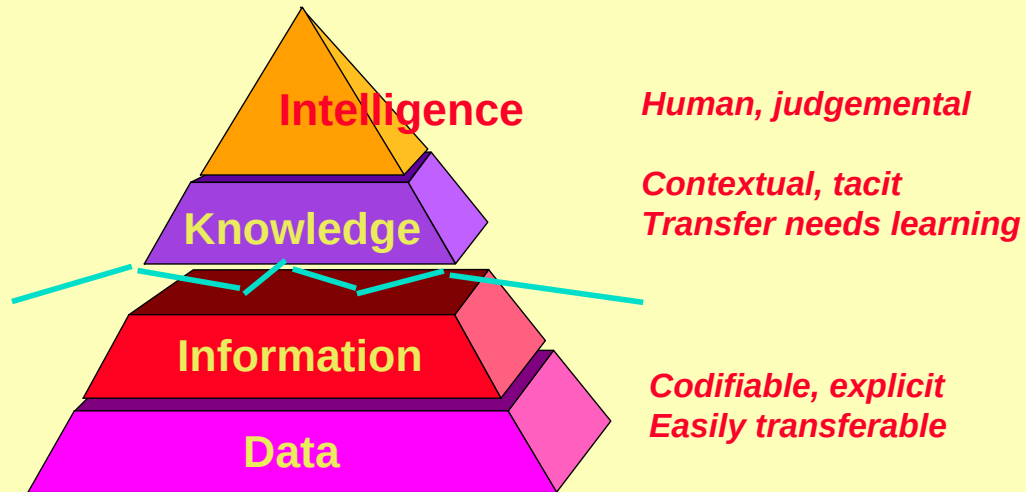
In processes - that which is NOT in the procedure manual! (e.g. emergency procedures in practice). What procedures fall down when a someone crucial is away? Microsoft is a good example of a company worth much more than its physical assets. It has knowledge capital, encapsulated in its software.

Knowledge is Different (1)



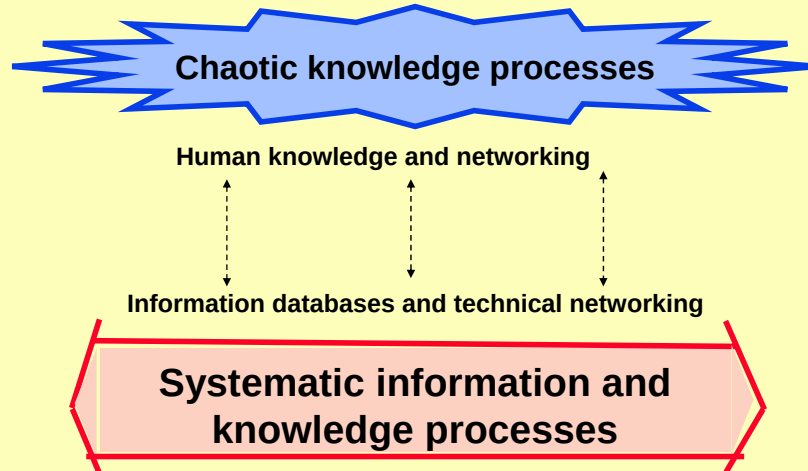
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Knowledge is Different (1)



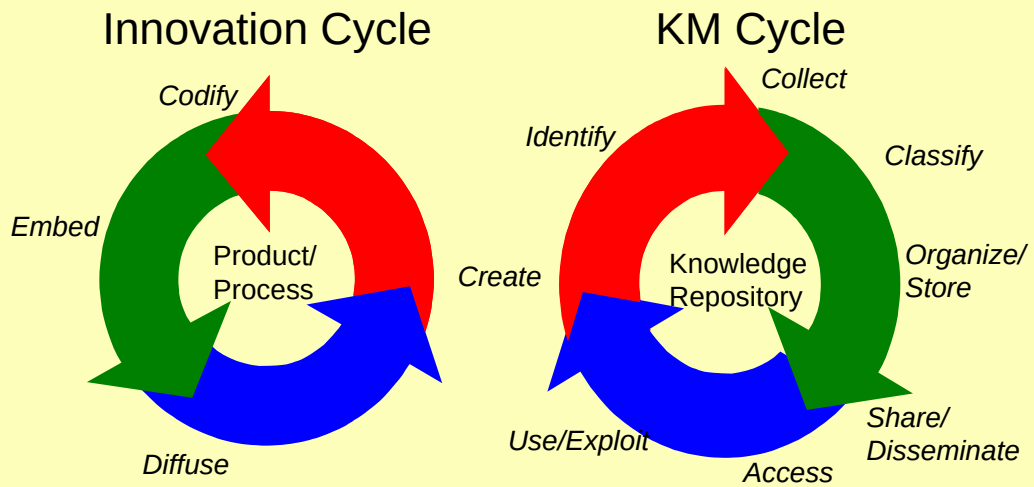
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Knowledge is Different (2)



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Knowledge Cycles



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Knowledge Repositories

- More contextual information - why, where, how etc.
- Pointers to experts/expertise - useful directories
- Multimedia - video, sound clips, desk-top conferencing
- Author(ity)/expert access - click for conversation
- Build Knowledge Communities - discussion groups, forums
- Add the human interface - people-to-people as well as people-to-computer

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Examples are

Best practices database - E&Y

Yellow Pages at Standard Life - Info Base

BP - Virtual Teaming

TechNet - Expert Network

ETD - Own Examples

Price Waterhouse - KnowledgeView AND Knowledge Centres

Knowledge Centres

- ☐ Updated flavour of corporate library
- ☐ Hubs of knowledge - in and out
- ☐ Knows sources/experts - internal and external
- ☐ Catalogues and indexes for efficient retrieval
- ☐ Maintains and sustains the knowledge bank
- ☐ One stop shop for multiple needs
- ☐ Advisory service - knows relevance to business
- ☐ Librarians and secondees

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Benefits of Knowledge Centres

- Economies of scale - sourcing discounts
- Saves time of professionals (8:1 faster searches)
- Avoids duplication - source once, use many times
- Critical mass of library expertise
- Resilience - continuity of service
- Connects people - user/supplier; peer groups
- Selective dissemination - focused distribution

Challenges - user vs. centre; automated vs. human

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Communities of Practice

- ❑ “Peers in the execution of real work”
- ❑ Informal network - common interests/goals
- ❑ Use bulletin boards, FTF
- ❑ Need for good conference moderation
- ❑ Knowledge Ecology - social + psychological
- ❑ Personal mentoring/mutual support
- ❑ Hands-off management: nurture and support
- ❑ Trust is fundamental

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Some Cases

- ❑ Create/discover - 3M, Glaxo Wellcome
- ❑ Codify - BHA, Standard Life, PcW, Teltech
- ❑ Diffuse - H-P, Thos. Miller, Rover, BP, TI
- ❑ Use - Buckman, Steelcase, PW, Andersen etc.
- ❑ Process/culture - Cigna, Analog
- ❑ Conversion - Monsanto
- ❑ Measure/exploit - Skandia, Dow

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These are a selection from over 30 cases known to me. They illustrate particularly good practice at some aspect of knowledge management. However, most of them cover several aspects of knowledge management, while a few, such as Dow and Monsanto claim to have in place a comprehensive Knowledge Management Architecture. However, like the early days of BPR, at the moment Knowledge Management is usually deployed in pilots or pockets of organisations and is not widespread.

Teltech Resources

- “Experts for Hire” - 3000 plus; many fields
- Services - assisted database, vendors, technical alert
- KnowledgeScope™ - a taxonomy; 1000 new terms/mth
- Knowledge Analysts - client/user bridging
- Reorient client’s ‘information behaviour’
- Monthly service summaries

Bottom Line - successful KM consulting service

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Texas Instruments

- Quality Leadership - define excellence
- TI-BEST (1995) - 15 person core team
- Best Practice Definition - per process
- Sharing via Database; OBP; visits
- Facilitator Network (138) - culture change
- ShareFair (1996) - 500 attended - awards
- Biggest challenge - trusting, sharing culture

Bottom Line - One Free Fab Plant

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Buckman Laboratories

- “Solutions lie in minds, not databases”
- Corporate network (V1 - CIS) - up in 30 days
- Knowledge Transfer department and VP
- CEO monitors and uses the network
- FAQs, virtual conferences, forums
- K'Netix (sm) - knowledge sharing Intranet
- Metrics - direct customer engagement

Bottom line - open, unrestricted communication

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Critical Factors

- ❑ Strong link to business imperative
- ❑ Compelling vision and architecture
- ❑ Knowledge leadership
- ❑ Knowledge creating and sharing culture
- ❑ Continuous Learning
- ❑ Well developed ICT infrastructure
- ❑ Systematic knowledge processes

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Not a lot new to those familiar with innovative change. Some of the highest benefits from knowledge management have been in organisations where the chief executive has just believed in it and got on with it, worrying about return on investment later (e.g. Analog, Buckman)

Knowledge Leadership

- Clear vision and value proposition e.g.
 - share best practice - faster innovation
 - reusable knowledge - developing competency
 - intellectual assets - know-how businesses
- Frameworks for action - simple models
- Find champions in the business - change agents
- Facilitate networking - tap into expertise
- Excellent communicators - internal and external

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Implications - Info Scientists

- ❑ Don't get hi-jacked - articulate the value of good info mgmt
- ❑ Develop partnerships with your CKO and users
- ❑ Build the links from info to knowledge e.g. interactivity
- ❑ Automate information flows - help users help themselves
- ❑ Add the human element to information - know your business, personalise, nurture CoPs, build your networks!
- ❑ Use knowledge management yourself - benchmark; apply best practice, learn continuously, add value to your Intranet

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You know what they say - if you can't beat 'em join them!

Hawley KPMG/IMPACT work can help

Contact Details

Dr David J. Skyrme
David Skyrme Associates Limited
Cherry Gate, Tubbs Lane
Highclere, NEWBURY
RG20 9PR

Tel/Fax: +44 1635 25 35 45

email: david@skyrme.com

WWW - <http://www.skyrme.com>

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