Accelerating Innovation through Knowledge & Learning

“Transferring Knowledge Management using various ‘proof of concept’ models from the for-Profit sector to the not-for-Profit sector to drive multi-stakeholder cross-sector knowledge sharing practices”

“Knowledge Management Singapore 2014”
iKMS, October 3 2014
Be a Star

Be the first to step forward when others step back

Be friends with those you know, AND with those you don’t

Be quick to admit you were wrong, even when you thought you were right

Be “UP” when others are “DOWN”

Be passionate about things you believe in, and open-minded about things you don’t

Be a leader when others follow

Be who you are, not who they tell you to be

Be the best you can be, be a star!
1. In order to avoid shoddy mistakes, everything we do from now on will be part of a documented process.

2. What documented process did you use to decide what documented process to use?

3. Or is this one of those shoddy mistakes I keep hearing about?

Let's use our process to figure out why project Wolverine failed.

There was only one reason: management discourages employees from voicing opinions.

Wanagement duthcouragez uth. Boo hoo!

Patty is our new "process manager."

Patty doesn't know how to do anything.

She only knows how to do things better!

For example, this meeting is poorly managed because you have no process.

And this intern obviously had no process for deciding whether to attend.

Okay, Patty is annoying. All in favor of getting rid of her.

You lasted longer than Timmy the "facilitator."
KMPact - Management

An executive with more than 30 years experience providing leadership and inspiration to advance an organisation’s mission and vision. With a successful career in both the for-profit and not-for-profit sectors, Geoff has a record of proven success implementing a stakeholder-centric approach to creating sustainable growth and systemic change in various organizations across many functional areas.

Geoff is an impact-oriented leader skilled at leveraging talent to empower and inspire with the ability to grow businesses, organisations, clients, and people, particularly within challenging environments. Organisations that Geoff has worked with / for include:

<table>
<thead>
<tr>
<th>For-Profit Sector</th>
<th>Not-for-Profit Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Ernst &amp; Young Consulting</td>
<td>• Global Footprint Network</td>
</tr>
<tr>
<td>• Diageo / Guinness World Records</td>
<td>• Plastic Disclosure Project</td>
</tr>
<tr>
<td>• The Thomson Corporation / Derwent Information</td>
<td>• Project Kaisei</td>
</tr>
</tbody>
</table>
Capacity Building

Capacity Building typically focuses on developing the capabilities of an organization so they are better equipped to accomplish the mission it has set out to fulfil. Capacity building in not-for-profit organizations relates to almost any aspect of its work, including:

- Governance
- Leadership
- Mission Creation
- Strategy
- Program Development & Implementation
- Fundraising & Income Generation
- Administration (including human resources, financial management, and legal matters)
- Partnerships & Collaboration
- Impact Assessment & Evaluation
- Advocacy & Policy Change
- Marketing, Communications & Outreach

[Bold denotes areas where KMPact has worked with organization(s).]

It is an iterative process to help an organization continually reflect on its work, organizational (infra)structure, and leadership focus and to ensure that they are fulfilling the mission and goals they originally set out to do.
Focus Areas
- typical issues / challenges facing not-for-Profit organizations

Organizational Development
- Achieving Operational Excellence
- Leadership Development
- Organizational Transformation

Knowledge Management
- Sharing Mission- & Program-Related Content
- Ensuring integration across functions
- Measuring Mission- or Program-Related Impact

Strategy
- Mission- or Program-Related Formulation/Shift
- Strategic Process and/or Implementation
- Geographic Expansion

Business Development
- New Funding / Revenue Models
- Fundraising (using the ‘ICSS’ Model)
- Partnership Identification & Development

Stakeholder Engagement / Outreach
- Identification & Mapping Stakeholders
- Engagement Process (using ‘Edelman’ Model)
- Communication & Outreach Strategies
In a Knowledge-based economy, KM is the critical element of a business strategy that will enable your organisation to accelerate the rate at which it handles new & existing market challenges and opportunities. It does this by leveraging its most precious of resources – collective know-how, talent & experience.

But you should know that KM is not a simple issue. It is not a technology (although IT should be positioned as an enabler); it is not a directive (although strategic leadership is imperative); it is not a business strategy (although one aligned with the tenets of KM must exist). It is the sum of these AND also the building of a culture that promotes trust & faith in collectively sharing and thinking.

KM tells us that you should take stock of your greatest, most precious organisational asset –

**Intellectual Capital**
Some “Food for Thought”

“A popular government without popular information, or the means of acquiring it, is but a prologue to a farce or a tragedy, or perhaps both.” James Madison

“A little knowledge that acts is worth infinitely more than much knowledge that is idle.” Kahlil Gibran

“If you don't read the newspaper, you are uninformed; if you do read the newspaper, you are misinformed.” Mark Twain
Defining Knowledge Management

Knowledge Management (KM) is a systematic process of taking advantage of intellectual capital and knowledge assets for organisational success. It helps build the capacity of the organisation by developing, organising, retaining and utilising human and knowledge resources, which contribute directly to its survivability and profitability. (NTU, Singapore, 2009)

Knowledge Management (KM) is about building organisational intelligence by enabling people to improve the way they work in capturing, sharing and using knowledge. It involves using the ideas and experience of employees, customers and suppliers to improve the organisation’s performance. Building on what works well leads to better strategy, practice and decision making. (Improvement and Development Agency for Local Government [IDeA], 2009)
Definition - Simplified

“Getting the Right Information to the Right People at the Right Time”
(oh! – and in the Right Format!)
Knowledge Management – Why?

• Sharing Lessons Learned / Best Practice
• Knowledge Assessment
  – Understanding the “Art of the Possible”
    • An Audit of prevailing Strategy / People / Process / Technology/ Content
• Knowledge Capture Frameworks
  – Cross-Stakeholder Processes
  – Retention / On-Boarding
• Integration
  – Internally & Externally
• Measuring Impact
  – ...and reporting on it!
• Innovation
Knowledge Management

[Some] Methodologies or Approaches
Core KM Model
“Art of the Possible” – Enablers

**Strategy**
- Identify critical factors / decisions that will drive impact
- Etc.

**Processes**
- Create policies and procedures
- Etc.

**People [Organisation]**
- Define measurements & incentives
- Etc.

**Technology [Infrastructure]**
- Establish basic connectivity
- Etc.

**Content**
- Identify strategic knowledge needs and sources
- Etc.
“Art of the Possible” – Enablers

**Strategy**
- Identify critical factors / decisions that will drive impact
- Establish case for business support
- Develop Board-level sponsorship

**People [Organisation]**
- Define measurements & incentives
- Define knowledge competencies & behaviours
- Develop knowledge processes for education / training
- Deploy communities / networks that meet strategic needs
- Anticipate and manage changes in work habits and behaviours
- Establish shared services

**Technology [Infrastructure]**
- Establish basic connectivity
- Establish robust content management capability
- Establish community enablement
- Establish project enablement
- Establish shared infrastructure for search/navigation, collaboration, content management, content delivery

**Processes**
- Create policies and procedures
- Identify knowledge leaders, resources and roles
- Develop and deploy knowledge processes to acquire, filter, develop, maintain, update and deploy necessary content

**Content**
- Identify strategic knowledge needs and sources
- Develop classification scheme that meets organization’s needs
- Reorganise existing content
- Establish connectivity to external content
- Establish shared services for knowledge where needed
"Art of the Probable" – Barriers

**Strategy**
- No clearly established business case
- No Executive sponsorship
- FEAR

**People / Organisation**
- No knowledge competencies & behaviours defined
- No knowledge process education / training in place
- Departmental / Functional teams operating in silos
- Shared services / Matrix Management systems not established
- FEAR

**Processes**
- No policies and procedures
- No knowledge leaders, resources and roles identified
- FEAR

**Content**
- No responsibility for identifying strategic knowledge needs and sources
- Taxonomy scheme that meets Government’s needs not in place
- FEAR

**Technology Infrastructure**
- No basic connectivity
- No centralised content management capability
- No community enablement
- Legacy systems
- FEAR
Identifying Knowledge Gaps

“The first step towards knowledge is to know that we are ignorant.” Richard Cecil

“Real knowledge is to know the extent of one's ignorance.” Confucius
A Knowledge Audit – example

A “Knowledge Audit” Process (questionnaire based on the Key Success Factors of KM) Responses are ranked on a scale of 1 (Don’t Agree) – 5 (Agree Totally)

• Strategy, e.g.
  – In our organisation, it is common practice to exchange knowledge with clients, suppliers and other organisations in order to maintain our high level of service.
  – We are actively spreading important information and experiences throughout our organisation.

• People, e.g.
  – It is common practice that employees re-use each others work (presentations, quotations etc.)
  – Every individual in the organisation is prepared to share knowledge.
A Knowledge Audit – example (cont/d)

• Process, e.g.
  – Sampling of experiences and capturing these in best practices is an important part of our work.
  – A project is only finished once the lessons learned are captured.

• Technology, e.g.
  – Employees find it easy to search for information and knowledge with the tools available, such as intranet, etc.
  – Within the organisation there are sufficient channels via which one can search for knowledge.

• Content, e.g.
  – We check regularly what information and experience are needed by people to do their jobs.
  – All our employees are continuously updated on the newest development in their specialisation.
The mission of the Center for Business Knowledge (CBK) was to initiate, facilitate and maintain EY’s award-winning knowledge management processes. The CBK consisted of three sub-departments that enabled EY’s people to win more business, increase work efficiency and enhance client relationships.

- The **Knowledge Services** team excelled in the provision of specialist business research and analysis delivered through reports, presentations, financial models and Thought Leadership.

- The **Knowledge Networks** team organised, facilitated and enabled communities of practice by implementing knowledge solutions that helped them find and develop appropriate content.

- The **Knowledge Operations** team marketed, communicated and developed training for EY’s people to effectively use EY’s knowledge resources. They also measured and helped incentivise knowledge sharing activities and coordinated the deployment process of knowledge tools. The Knowledge Operations team also maintained and continuously improved EY’s eChannel knowledge infrastructure (i.e. Internet, Intranet and Extranet) to connect users to relevant internal and external content.
A Vision of “Success”
- Making Informed Decisions

• Ernst & Young’s Business Development Team
  — Front-Office Support Group assisting -
    • Audit
    • Tax
    • Transaction Advisory
    • Advisory / Consulting

• Problem / Challenge
  — Planned to target PRC’s Top 200 Corporations to increase Sales & Build Stronger Relationship
  — Required a “Dashboard” of each to provide -
    • Link to public website
    • Links to Financial-, Market- & Industry-Research Reports
    • High level identification of and response to “Issues keeping the CEO awake”
    • “One-pager” highlighting “EY Services that can help”
    • White-Papers / Thought Leadership
    • Connectivity to Sales Contact Management System

• Response / Solution
  — EY’s Center for Business Knowledge [CBK] with three sub-departments -
    • Knowledge Services – [Analysts] creation of Reports / Content
    • Knowledge Networks – [Consultants] implementation of “Change Management” program
    • Knowledge Operations – [Technologists] deployment of “Account-Centric” knowledgebases
Knowledge Roles

Roles & Responsibilities

The CBK

Knowledge Services
- Generate Content for use by Professional Staff
- Conduct Research & Analysis searches for colleagues
- Maintain physical Libraries

Knowledge Workers
- Utilise Knowledge Objects
- Enhance & contribute knowledge Objects
- Promote Knowledge Sharing

Chief Knowledge Officer
- Champion KM initiatives
- Lead KM Organisation
- Ensure alignment of KM with business needs
- Improve awareness and acceptance of KM

Network Coordinators
- Oversee KM process in assigned Service Line / Industry Group
- Promote involvement of Knowledge Champions and SMSs from Networks
- Support KM in the Networks
- Monitor compliance with the KM process
- Communicate the value of KM

KWeb Services
- Design and maintain the KM System & Architecture
- Maintain and manage the data structure within the KM environment
- Configure, maintain and optimise KWeb Search Engine
- Support and maintain system infrastructure

Network Chair (Partner)
- Monitor and support the KM process from within the Service Line / Industry Group
- Coordinate SMSs
- Act as a role model to promote a knowledge sharing culture

Knowledge Champion & Subject Matter Specialists
- Proactively contribute and validate knowledgebase content for a Service Line / Industry Group
- Provide technical expertise to approve standards
- Review and update best practices

Deployment Team
- Help users navigate knowledgebases and quickly locate knowledge
- Provide helpdesk support for the KM process
- Measure User Satisfaction of the KM content and the KM process
- Promote and facilitate the KM process throughout the firm
- Coordinate and conduct KM training

Executive Sponsor
- Sponsor CBK
- Guide firm-wide knowledge strategy
- Promote continuous improvement of KM process
- Champion Knowledge sharing culture

Service Lines & Industry Groups

User Community

User Community

The CBK
7 Categories of KM (Best) Practice

1. Leadership (Behaviours & Actions)
2. Linking K to the Business Strategy (Why incl. Measure)
3. K of Individuals & Groups (Internal Content)
4. K about the External Environment (Stakeholder’s Content [& Strategy])
5. K Transfer, Diffusion & Absorption (Process)
6. Work Environment (Technology incl. Roles)
7. Organisation & Resource Allocation (People)
7 Categories of KM Practices

• 1. Leadership Behaviors and Actions
  – 1.1 Senior managers legitimize knowledge management by discussing the importance of knowledge creation, sharing and use in public forums
  – 1.2 Senior managers publicly recognize individuals and/or teams who effectively manage knowledge

• 2. Linking Knowledge and Business Strategy
  – 2.1 Senior managers articulate the importance of knowledge and its relationship to the department's business strategy and achieving business results
  – 2.2 The department has developed a knowledge management strategy that is linked to the department's business strategy
  – 2.3 The department understands how its knowledge could be used to develop new value-added products and services
  – 2.4 The department has identified how knowledge can be built into the design and execution of core business processes
  – 2.5 The department has developed a set of quantitative proxies and qualitative indicators that measure knowledge outcomes

• 3. Knowledge of Individuals and Groups
  – 3.1 The department identifies individuals and groups with relevant knowledge and makes that knowledge visible to the rest of the department
  – 3.2 The department understands and exploits the relevant knowledge used by high performing groups and individuals
7 Categories of KM Practices (cont'd)

4. Knowledge About the Outside Environment
   - 4.1 The department identifies and employs customer knowledge across decision making processes
   - 4.2 The department identifies and employs supplier knowledge across decision making processes
   - 4.3 The department identifies knowledge from the competitive environment and incorporates that knowledge into strategic and tactical decisions
   - 4.4 The department identifies and incorporates relevant knowledge regarding its joint venture, alliances and acquisitions

5. Knowledge Transfer, Diffusion and Absorption
   - 5.1 The department collects, disseminates and classifies explicit knowledge to reduce the time and effort to find knowledge artifacts
   - 5.2 The department enables face-to-face conversations and other types of interactions necessary to transfer tacit knowledge
   - 5.3 The department identifies and shares lessons learned
   - 5.4 The department has mentoring/apprenticeship programs designed to transfer tacit knowledge

6. Work Environment
   - 6.1 Individuals and groups are measured and rewarded for knowledge creation, sharing and use
   - 6.2 The department actively promotes an environment that builds trust and "social capital" among individuals
   - 6.3 Knowledge management is an integral part of the work environment
7 Categories of KM Practices
(cont'd)

• 7. Organization and Resource Allocation
  – 7.1 The department has developed formal roles and responsibilities and dedicated resources to facilitate knowledge creation, sharing and reuse
  – 7.2 The department formally allocates money, time and space to enable individuals to create, share and access knowledge
  – 7.3 The department identifies, creates and maintains communities of practice that drive the business strategy
  – 7.4 The department identifies and uses knowledge intermediaries or "brokers" to support its operations
1. Leadership Behaviors and Actions
1.1 Senior managers legitimise knowledge management by discussing the importance of knowledge creation, sharing and use in public forums

• Description
  – Knowledge management, like other forms of management that involve behavior change, requires consistent messages from leaders. For individuals to believe that managing knowledge is a credible, valuable activity that requires the attention of each individual in the department, senior managers must incorporate these knowledge management messages into public forums that can be referenced by others. Senior managers also need to be cognizant of their own behaviors and actions with respect to knowledge and demonstrate appropriate knowledge behaviors.

• Examples
  – Louis Gerstner, chairman and chief executive officer of IBM, wrote in the 1997 annual report, "We believe very strongly that the age-old levers of competition labor, capital and land are being supplemented by knowledge, and that the most successful companies in the future will be those that learn how to exploit knowledge - knowledge about customer behavior, markets, economies, technology faster and more effectively than their competitors. They will use knowledge to adapt quickly seizing opportunities and improving products and services, of course, but just as important, renewing the way they define themselves, think and operate."

  – James Wolfensohn, the president of the World Bank, repeatedly addressed the importance of managing knowledge in a variety of forums, ranging from employee meetings to discussions with global finance ministers.
1.2 Senior managers publicly recognise individuals and/or teams who effectively manage knowledge

- **Description**
  - Highlighting the accomplishments of individuals and teams who have added value to the department by creating, sharing and reusing knowledge is a critical component of any demonstration of senior management support. Recognition is a powerful tool in encouraging and shaping behaviors related to knowledge management. If individuals see that others are acknowledged for appropriate knowledge creation, sharing and reuse, it sets an important precedent that can be woven into the department's culture. Similarly, senior managers must be cognizant of knowledge-inhibiting behaviors, and to publicly acknowledge these behaviors as being inhibitors to departmental success. Further, they need to ensure that they are not inadvertently reinforcing knowledge-inhibiting behaviors.

- **Examples**
  - At Texas Instruments, an annual reward known as the "Not Invented Here But I Did It Anyway" highlights the value of reusing corporate knowledge.
  
  - Amoco has publicized and promoted communities of interest--informal groups formed by people who share common work practices, interests and skills--in key functional areas. They recognize and reward individuals and teams that exemplify shared learning concepts, such as capturing and transferring best practices across the department.
  
  - At Dow Chemical, managers who are particularly effective at obtaining value from their intellectual assets are highlighted and celebrated.
2. Linking Knowledge and Business Strategy
2.1 Senior managers articulate the importance of knowledge and its relationship to the department's business strategy and achieving business results

• Description
  – To be effective, knowledge management can not be an end onto itself. Rather, it must be closely aligned to the department's business mission and goals. Senior managers, who have an enterprise-wide view of the department, need to be able to help others make the link between knowledge activities and the department's objectives. By tying the concepts of knowledge creation, sharing and use to achieving business results, executing strategic initiatives and serving customers, senior managers can help employees internalize the value of knowledge management and prevent individuals from perceiving knowledge management as another corporate or administrative initiative.

• Examples
  – In a Harvard Business School article, John Browne, the then chairman of British Petroleum, stated that, "Learning is at the heart of a company's ability to adapt to a rapidly changing environment. It is the key to being able both to identify opportunities that others might not see and to exploit these opportunities rapidly and fully...Our challenge has been getting people to systematically capture the information the company needs in order to be able to use both explicit and implicit knowledge repeatedly. In the case of explicit knowledge, that means recording the actual data. In the case of implicit knowledge, it means keeping a record of the people who have the know-how so that others can find them when the need arises. The trouble is that both tasks are boring. So we've got to figure out how to make them exiting and enjoyable."

  – James Wolfensohn of the World Bank clearly articulated the importance of knowledge management when, in 1996, he announced that knowledge management would be a key strategy in addressing future bank issues. He wanted the World Bank to become a "knowledge bank"--focusing on developing relationships, creating systems and gathering information to enhance knowledge sharing.
2.2 The department has developed a knowledge management strategy that is linked to the department's business strategy

• Description
  – Organizations that have been successful with knowledge management have started with a clear strategy for addressing knowledge issues. These knowledge management "roadmaps" identify the key business issues faced by the department, the role that knowledge can play in addressing the business issues, the knowledge resources at the department's disposal and the "levers" that the department can use to close knowledge gaps. This knowledge management strategy is needed to ensure that knowledge management initiatives address the right problems, obtain the appropriate resources and sponsorship, and have achievable timeframes, milestones, deliverables and measurements.

• Examples
  – For Arthur Andersen, knowledge was part of their business strategy. This could be seen in their day-to-day operations and activities, for example, people participate in sharing networks, create publications around knowledge management and rewarded with financial incentives that promote sharing. People were dedicated to gathering, maintaining and ensuring reuse of knowledge, which was the firm's most valuable asset.

  – Several IBM Consulting clients, including General Motors, the World Bank, Cargill, DC Government Office of Tax and Revenue, Lutheran Brotherhood, Smith Kline Beecham and General Accident have all developed knowledge management strategies. Similarly, the IBM Software Group has also gone through the process of defining its knowledge management strategy.
2.3 The department understands how its knowledge could be used to develop new value-added services

• Description
  – Knowledge management is typically thought of as a tool to increase individual and departmental efficiency. However, an department's knowledge can also improve the department’s overall effectiveness and ability to innovate. Many IA departments have found ways of leveraging the department's knowledge to deliver value added services. This involves identifying, collecting, and packaging the knowledge in a way that the business units can understand and value. This is relevant not only for "knowledge intensive" businesses such as professional services, but for many departments looking to leverage IA to improve the business as well as manage risk.

• Examples
  – The World Bank migrated towards becoming a "knowledge bank," a hub for knowledge about economic development. Rather than focusing exclusively on providing financial assistance to developing nations, the bank migrated towards a strategy of providing "know-how" to other departments interested in developing countries, including commercial and investment banks, non-governmental departments and other similar entities.

  – Dow instituted an intellectual asset management system to change their approach to managing the patent process. By differentiating which patents were being used to generate license income from those that were not generating revenue, they were able to maintain a patent portfolio which saved over $1 million in patent maintenance costs, and increased license income from $25 million to $125 million in the system's first 18 months.
2.4 The department has identified how knowledge can be built into the design and execution of core business processes

• Description
  – During the past decade, many departments have spent a significant amount of time, energy and money redefining and codifying their core business processes. However, as these departments streamlined their processes and reduced staffing levels, much of the tacit knowledge (i.e., knowledge in people's heads) that was used to tailor the process to local environments and share lessons learned was lost. Leading-edge IA departments recognize that knowledge about business units, industry trends, and the process itself is critical to the successful design, implementation, and maintenance of core processes. These firms use knowledge to improve decision making and reduce the loss of experience from head count reduction. They also find that when knowledge is integrated into the core processes it increases the success of the KM program.

• Examples
  – Hartness International, a manufacturer of case packing equipment, analyzed its repair process and recognized that they were spending a significant amount of time and money flying repair personnel to various customer sites. Further, they recognized that they could differentiate their products by providing rapid response to customer breakdowns. As part of the process redesign, they installed video-conferencing links with their customer sites and guided customers to make their own routine repairs. These repairs were videotaped and used for reference by the customer in making future repairs. Both the customer and Hartness benefited from this arrangement--customers achieved greater equipment utilization while Hartness was able to reduce travel and repair costs and increase customer satisfaction.
2.5 The department has developed a set of quantitative and qualitative indicators that measure knowledge outcomes

- **Description**
  - While departmental knowledge itself cannot be measured, the impact that knowledge has on business performance can be observed. Quantitative proxies can be used to estimate the impact of knowledge on efficiency measures such as cycle time and costs. Also, knowledge is a key component in developing effectiveness and innovation measures, such as the development of new products and services, publications and patents. More importantly, qualitative and anecdotal evidence can also provide powerful support for the impact of improved knowledge management practices within the department.

- **Examples**
  - IBM Global Services has developed a "report card" that addresses how its Intellectual Capital management system helps IGS achieve its strategic goals. Produced quarterly, this report card addresses both quantitative indicators, such as the estimated time saved from asset reuse, and qualitative indicators that document recent success stories about how sharing and reuse have benefited individual project teams.
  
  - British Petroleum was able to measure the impact of better utilizing knowledge in terms of key business measures such as travel, repair expenses and rig utilization.

  - Skandia measured the impact of knowledge management through its F-LINK index measure, which consisted of customer satisfaction, sales force satisfaction, employee motivation and competence, and quality.
3. Knowledge of Individuals and Groups
3.1 The department identifies individuals and groups with relevant knowledge and makes that knowledge visible to the rest of the department

• Description
  – One of the common challenges facing modern companies is identifying relevant expertise within a given department. Many companies that have experienced high growth rates, either through incremental growth or acquisition, often do not have an effective way of determining "who knows what" within the department. Similarly, IA departments suffering from significant attrition or head count reduction often do not know what critical skills or competencies require updating or replacing. Firms that are adept at managing growth have developed processes, resources and supporting technologies that enable individuals within the firm to quickly locate others with relevant knowledge and experience. By helping individuals locate others, the costs associated with identifying and transferring knowledge are reduced and the benefits realized are increased.

• Examples
  – Hoffman LaRoche put a knowledge management process in place that directly supported their strategy of getting new drugs to market quickly. By creating prototyping teams and knowledge maps, they were able to identify individuals with critical knowledge, simulate the drug application process and enable the sharing of lessons learned among cross-functional teams. This process brought out knowledge that was previously held by a few select individuals, and applied it across the business. This knowledge enabled them to shorten the FDA approval time required for new drugs, reducing their drug approval cycle time from 3 years to nine months. This amounted to as much as $90 million in savings per drug.
3.2 The department understands and exploits the relevant knowledge used by high performing groups and individuals

• **Description**
  
  High performing employees within departments have developed significant amounts of tacit knowledge regarding their jobs. That is, they have knowledge about their jobs that they typically do not (or cannot) express to others. Organizations that leverage this expertise effectively differentiate high vs. average performers within specific jobs and understand the knowledge content used by these high performers. Further, these departments develop approaches that enable high performers to share their knowledge with others. This is done through improved communication and/or meaningful documentation of high performing practices and the knowledge that supports them.

• **Examples**
  
  General Electric's Mortgage Insurance division identified a critical decision made by their customer representatives—"When should GE Mortgage begin foreclosure proceedings on a customer who has missed mortgage payments." After analyzing the decisions made by its representatives, the department found that certain individuals were able to make better, more cost-effective decisions than others. After these high performers were identified, a project team was formed to help identify the tacit knowledge used by these performers to make their decisions. This tacit knowledge was codified and then shared with the larger group of customer representatives. Within the first year of this knowledge sharing, GE was able to avoid 1600 foreclosures, save $8 million dollars in unnecessary legal fees and improved customer satisfaction from 61% to 76%.
4. Knowledge about the Outside Environment
4.1 The department identifies and employs business unit knowledge across decision making processes

• Description
  – Interactions with business units generate significant amounts of data, information and knowledge. While many IA departments have begun to focus on data and information, often the knowledge about the business units and their processes and objectives has not been fully understood, communicated and exploited. Identifying business unit needs and expectations, and developing approaches to meet these expectations often requires a detailed understanding of the value the business unit derives from a particular service. While information is valuable for spotting trends and developing patterns, often a richer knowledge of business unit objectives and processes is needed to interpret those patterns to make intelligent decisions.

• Examples
  – A medical instrumentation company was in the process of designing a portable operating room for the military. Looking to simulate battlefield conditions, they approached a local paramedic unit and asked if they could film their interaction with patients. The paramedics were initially skeptical, indicating that they could explain their set of procedures without actual patients present. However, when filmed it became clear that, under pressure, the paramedics took a number of critical shortcuts that were not addressed in their standard operating procedures. By studying these shortcuts, the product designers were able to develop a product that more accurately served the actual customer needs.
4.2 The department identifies and employs partner knowledge across decision making processes

• Description
  – As departments focus more on their core competencies, their reliance on partners and contractors for non-core activities increases. Therefore, a detailed understanding of what partners exist in a given market, and the capabilities, processes, products and services of individual partners can have a significant impact on the decisions of a department. By working with partners to better understand their business models and requirements, both departments are likely to identify potential synergies, improve quality of execution, reduce redundancies and inefficiencies and create "win-win" situations.

• Examples
  – British Petroleum and Schlumberger did significant joint product development on developing tools for new drilling techniques. Scientists from both departments worked together to develop prototypes and leverage BP's existing wells to test and modify new devices. Similarly, BP regularly brought in suppliers and subcontractors early in the new oil field development process to ensure that standards, specifications and joint simulations occurred early in the development process. By leveraging supplier expertise early in the process, BP realized significant savings in the amount of money and person-hours associated with developing new oil fields.
4.3 The department identifies knowledge from the competitive environment and incorporates that knowledge into strategic and tactical decisions

• Description
  – Effective knowledge management techniques add the context necessary to make competitive information "come alive" and incorporates both tacit (in people's heads) and explicit (documented) knowledge of the outside environment. Leading edge IA departments have processes that identify relevant, and often weak, messages coming from the outside environment. They provide easy and consistent access to sources of competitive knowledge. Further, they have mechanisms for filtering and adding context to various pieces of information to prevent information overload. Finally, these departments have formal mechanisms for integrating these signals into the way decisions are actually made within IA.

• Examples
  – Dow Chemical used a systematic approach for assessing their competitors and incorporating the knowledge into their decision making process. Through this approach, they were able to determine what technology and intellectual assets their competitors have that impact Dow's business strategy. This knowledge was then used to influence their investment decisions and portfolio management.
4.4 The department identifies and incorporates relevant knowledge regarding its joint ventures, alliances and acquisitions

• Description
  – Joint ventures, alliances and acquisitions pose several interesting challenges with respect to knowledge. Organizations that are successful with partnerships understand the explicit and tacit knowledge of a potential partner, understand the value of the knowledge, and identify potential mechanisms to share relevant knowledge from one IA department to another. Once the partnership is agreed upon, successful departments make the knowledge of both sides of the partnership visible to individuals in both departments. Further, approaches are developed to start the knowledge sharing process across the firms. These departments also capture the lessons learned from identifying, selecting and integrating partners so that the partnership process can be conducted more efficiently and effectively in the future.

• Examples
  – Glaxo-Wellcome's merger heightened awareness of the value of knowledge, because of loss of people (who left with tacit knowledge) and increased global dispersion. To improve their knowledge management, they held workshops to encourage network building, and to define and raise awareness of knowledge sharing issues.
5. Knowledge Transfer, Diffusion and Absorption
5.1 The department collects, disseminates and classifies explicit knowledge to reduce the time and effort to find knowledge objects

• Description
  – Individuals use knowledge objects (explicit knowledge) on a day-to-day basis to perform their jobs. In distributed departments, it is often difficult to identify relevant knowledge objects, categorize them in a manner that makes it easy to locate them, provide access to these objects, and eventually reuse them to generate business value. Successful companies have approaches for collecting, categorizing and disseminating codified knowledge. In knowledge-intensive environments, managing explicit knowledge is helpful in improving service delivery quality, improving individual productivity, reducing search costs and improving customer responsiveness.

• Examples
  – IBM implemented a process and supporting systems referred to as "intellectual capital management." IBM's approach began with a vision, strategy and value system that support sharing and reuse of intellectual capital. Processes were in place for efficiently gathering, evaluating, structuring and distributing information. Communities of professionals were in place, with defined roles and responsibilities, and supporting technology to enable global sharing. Incentives encouraged people to contribute and reuse information, and the system was monitored for usage and value to the department.
5.2 The department enables face-to-face conversations and other types of interactions necessary to transfer tacit knowledge

- **Description**
  - Often, it is difficult for an department to write down its most valuable information without losing a significant amount of supporting context. Sharing this type of tacit knowledge requires the ability to conduct, or closely simulate, face-to-face conversations. Approaches for holding these conversations could include training sessions, knowledge "fairs", networking events, etc. While personal contact might be a preferred vehicle for conducting these dialogues, often time and distance make this prohibitive. High bandwidth technologies, such as videoconferencing, synchronous collaborative tools (e.g. electronic whiteboards) and other forms of multimedia can help facilitate conversations and support the background and context needed to more effectively share tacit knowledge.

- **Examples**
  - Skandia established "Future Centers" where employees came together informally to interact and think towards the company's future, exploring beyond the realms of current business. The centers consisted of a work environment that could be physically reconfigured to create different arrangements. This gave employees flexible space to explore new ideas and innovative concepts.
5.3 The department identifies and shares lessons learned

• Description
  – Recent knowledge of past events can play an important part in ensuring that the department learns from its previous efforts and prevents "reinventing the wheel" on new endeavors. Many departments have achieved significant value in identifying key learnings from projects, processes, and other critical events that, when presented in a relevant context, can help individuals undertaking these efforts in the future. Critical to the capturing and sharing of lessons learned are: an environment where honesty is valued, appropriate context is provided to ensure that individuals understand the "why" in addition to the "what", a method for categorizing and accessing these lessons, and people who are skilled in developing learning "histories." Both successes and failures need to be taken into account to provide a realistic picture of what has occurred and how to avoid problems in the future.

• Examples
  – The US Army has implemented an "After Action Review" process which is designed to rapidly capture lessons learned from field missions. The exercise involves an examination of what was supposed to happen during the mission, what actually happened, why there was a difference between the two, and what can be learned from the differences. In addition to applying these lessons learned on a daily basis, the Army also develops training scenarios based on the knowledge gathered during After Action Reviews. These training scenarios play a key role in ensuring that troops are prepared for new environments. This technique has been adapted by other departments, including British Petroleum.
5.4 The department has mentoring/apprenticeship programs designed to transfer tacit knowledge

- **Description**
  - Mentoring and apprenticeship programs play a key role in how departments manage their tacit knowledge. Often times, knowledge that cannot be articulated can be passed on through direct participation. Close contact with formal and informal mentors can help create the situations where participation occurs. Also, in situations where knowledge can be articulated, mentorship and apprenticeship programs can help build the trust and context needed to facilitate the flow of tacit knowledge and build a sense of identity among individuals. Further, more experienced individuals can provide access to networks of individuals that less experienced practitioners may not be able to quickly develop. The mentors serve as qualifiers, enabling the network to accept the new practitioner and reduce the barriers associated with membership. Mentoring is also a valuable tool for ensuring that the departmental memory is transferred as more experienced members exit the department. Mentoring and apprenticeship programs need to be validated by the department to ensure that members are appropriately rewarded and recognized and the programs are functioning effectively.

- **Examples**
  - Roger Enrico (then PepsiCo CEO) launched an executive development/coaching initiative at Pepsi in early 1996. At these "war college" sessions, groups of 8-10 executives would meet at an off-site location for five days of action-learning. The course work was developed directly by Enrico based on his knowledge, experience, and "teachable point of view" of business. Each participant was coached on his/her personal operating styles and each worked directly with Enrico to develop their own "points of view" so they could teach others in the company. Each participant then chose a business project that would have significant dollar impact to the company and worked with Enrico to develop targets for the project. The participants spent the following 10 week period executing their projects before returning to share stories, lessons learned, etc. During an 18 month period, Enrico developed almost one hundred leaders throughout the company. He spent over 120 days of his time doing this. Over the next few years, the projects planned in the sessions are projected to generate over $2 billion in additional revenue for the company.
6. Work Environment
6.1 Individuals and groups are measured and rewarded for knowledge creation, sharing and use

• Description
  – "What gets measured gets done!" This age-old saying often reflects the environment that many individuals operate within every day. Unless individuals can clearly see the link between what they do, how they are measured and how they are recognized and rewarded, it is unlikely that any change effort can be successful. Knowledge management is no different. If individuals are expected to create, share and reuse knowledge, there needs to be a set of formal and informal mechanisms in which they are evaluated against these activities. While rewards and recognition do not necessarily have to be financial, they do need to be closely linked with the measurement systems used to evaluate overall job performance. Further, these measurements do not necessarily have to be individually based; team-based evaluation may be appropriate when the knowledge activities require individuals to collaborate and leverage their collective knowledge.

• Examples
  – Within IBM Global Services, knowledge creation, sharing and reuse measurements were built into Personal Business Commitments, required for consultant certification, and incorporated into promotion decisions.

  – At British Petroleum, the seventy top managers in the department were evaluated by their knowledge contribution by the managing directors of BP's three major businesses.

  – Glaxo-Wellcome incorporated knowledge sharing into their performance measures, and included the following in their core skills definition: sharing, networking, mentoring.

  – Amoco recognized and rewarded individuals and teams who demonstrated shared learning concepts.
6.2 The department actively promotes an environment that builds trust and "social capital" among individuals

• Description
  – When deciding whether to share knowledge with another individual, employees often consider a multitude of factors, including whether the knowledge is of value, how the knowledge will be used, whether s/he will receive credit for the knowledge, and whether the recipient will be willing to reciprocate in the future. All of these factors are built upon a sense of trust and obligation within the department. Trust can take many forms within an department. However, it is primarily built through a series of interactions between individuals. Without the ability for individuals to make the personal connections, it is unlikely that the necessary trust can be developed. Organizations can foster social capital (the building of valuable relationships) through a number of mechanisms, including helping individuals make connections, providing rules and guidelines that facilitate exchange between individuals, and promoting a culture that values integrity.

• Examples
  – 3M created a number of opportunities for individuals in their research community to make connections and build trust. Regular meetings and knowledge fairs gave researchers time and space to make connections and share knowledge, leading to reciprocity and greater shared context. It held meetings for individuals with common interests and fostered a culture that technology belonged to the company, not the individual or group who developed it.
6.3 Knowledge management is an integral part of the work environment

• Description
  – In departments that have been successful in leveraging knowledge, knowledge management activities have been incorporated directly into the day-to-day tasks that individuals perform. Individuals do not view managing knowledge as a "separate exercise," but rather view knowledge creation, sharing and use as value-added activities normally associated with their jobs. This perspective needs to be reinforced not only through standard measurement techniques, but also through the culture held at the departmental and work unit levels. At the same time, employees need to see the value of managing knowledge within the framework of their own activities--it can not be an abstraction that impacts only the departmental level.

• Examples
  – World Bank has a knowledge management system which involves the creation, department and application of knowledge, integrated into the work environment (i.e., it's part of people's jobs).

  – Skandia's focus on the future was a driving force behind its knowledge management activities, and the notion of intellectual capital is integral to the department. Their focus was on creating financial value out of their capabilities and intangible assets, and increasing shareholder value through continuous reuse of shared knowledge and experiences.
7. Organization and Resource Allocation
7.1 The department has developed formal roles and responsibilities and dedicated resources to facilitate knowledge creation, sharing and reuse

- **Description**
  - Much as companies have finance departments to coordinate and analyze financial assets, companies often need resources dedicated to managing their intellectual assets. Dedicated resources can play a valuable role in a number of areas including: facilitating the transfer of relevant practices across divisions, setting guidelines and policies regarding knowledge use, assisting in the integration of knowledge-based activities in day-to-day activities, developing and maintaining "communities of practice" (i.e., informal groups of people with a common expertise or working on common issues), and providing supporting tools and techniques to line managers. While managing knowledge must be the primary responsibility of individuals at the heart of the business, focused resources can play a valuable role in ensuring that knowledge appropriately flows to the areas where it is most needed within departments.

- **Examples**
  - IBM Global Services maintained a group of approximately thirty professionals dedicated to supporting over 50 network knowledge networks (communities of practice) within IGS. This group was responsible for assisting in the identification, launch and maintenance of these knowledge networks, developing and maintaining the Assetweb system used by all of IBM Global Services to share explicit knowledge, and identifying and communicating the value of knowledge management across the department.

  - The US Army has created a Center for Army Lessons Learned (CALL) which is responsible for supporting the identification, collection and dissemination of lessons learned from field units around the world. CALL deploys collection consultants out into the field to support facilitators from field divisions, identify trends from different sources of knowledge, repackages the knowledge to meet the needs of field personnel and develops training scenarios based on collected experience.
7.2 The department formally allocates money, time and space to enable individuals to create, share and access knowledge

- **Description**
  - Time is a resource that plays a critical role in knowledge generation and sharing. Without explicitly providing time for individuals to reflect on what they know, synthesize it into forms that can be easily absorbed by others, share experiences and provide advice and feedback, knowledge creation and transfer does not occur. While in the short run, this time allocation might appear to decrease individual productivity, experience has shown that in the long run, group productivity increases as knowledge becomes easier to disseminate and incorporate into day-to-day work.

- **Examples**
  - The launching of knowledge networks in IBM Global Services demonstrated that effective networks gave utilization credit to individuals as a proxy for allocating time to managing knowledge. This enabled individuals to review, evaluate and maintain the network's explicit knowledge, such as proposals, presentations, and reports. It also supported the tacit knowledge transfer necessary to build cohesion among key thought leaders within the department.

  - 3M was well known for giving its research scientists up to 15% of their time to work on projects that are of personal interest. They were also able to tap others with similar interests to work on their individual research efforts.
7.3 The department identifies, creates and maintains "communities of practice" that drive the business strategy

• Description
  – Communities of practice (informal groups of individuals with a common expertise or working on a common issue) provide a useful way for understanding issues of knowledge creation, transfer, dissemination and incorporation. These communities are usually defined as informal collections of personal or situational relationships that are organized around a specific work or task, knowledge domain and/or professional identity. Usually consisting of 30-200 people, these groups exist parallel to the formal department structure, and are often formed out of an emergent need to seek out others working on the same or similar types of business problems. While they are often created spontaneously through the informal relationship of individuals, their structure and membership can be influenced, supported, funded and directed by the larger department. Communities of practice can benefit departments by making it easier for individuals seeking knowledge to find one another, reducing the transaction costs associated with seeking and evaluating new knowledge and building employee loyalty through creating a shared sense of identity within the department.

• Examples
  – IBM Global Services had significant success in launching and maintaining over 50 communities of practice to create, share and reuse tacit and explicit knowledge. These communities, which had been defined by senior Global Services leaders, were used to manage the explicit knowledge of practitioners and help members identify relevant expertise within the department. Similarly, the IBM Software Group identified and launched several communities within their own department.

  – Other examples of companies that have successfully leveraged communities of practice include British Petroleum, Johnson and Johnson, Amoco, Arthur Andersen, Ernst and Young, Deloitte and Touche and the World Bank.
7.4 The department identifies and uses knowledge intermediaries or "brokers" to support its operations

• Description
  – Two of the major challenges faced by departments are the need to quickly identify knowledge sources and to package multiple sources of information in a way that can be easily transformed into knowledge. While technological tools can provide support to these types of activities, often it is valuable for a human intermediary to assist in the activities. These knowledge "brokers" (individuals who find, package and distribute knowledge) serve as a value-added interface between the individual and the departmental knowledge base. They can quickly identify individuals with valuable knowledge, identify forms of explicit knowledge that are most relevant to users, and proactively address knowledge needs of a larger community. While in the past these type of roles were often performed informally, many knowledge intensive companies have found that formal roles can significantly increase the productivity of individuals while at the same time build core capability within the department.

• Examples
  – The World Bank has developed "Help Desks" for several of its knowledge networks. These Help Desks, which are staffed by full-time employees, are designed to help connect individuals within the network identify individuals with expertise, locate knowledge artifacts across the department, and proactively address frequently asked questions. These Help Desk personnel also serve as boundary spanners, making connections between different disciplines.

  – General Motors International designed a "knowledge center" to support the knowledge needs of twelve general managers. The center, supported twenty four hours a day by "concierges," were designed to identify and gather relevant knowledge from GM worldwide operations and connected senior executives with relevant experts on a timely basis.
Benefits of a Successfully Implemented KM System

• Optimal Management Decision-Making
• Improved Stakeholder Relationship / Loyalty
• Smoother Collaboration Across Teams & Departments
• Improved Organisational Governance
  • Better Visibility of Internal Processes & Performance
• Improved Employee Satisfaction / Morale
  • Improved Employee Skills / Competencies
• Enhanced Innovation
• Increased Profitability/ Revenue
  • Demonstrate Greater “Value for Money”
• Improved Public Engagement*
  • Better Understanding of Community Needs & Aspirations
Stakeholder Engagement

[Some] Methodologies or Approach
Identifying Stakeholders

No Generic list – not even for a single entity; variables include industry, geography, issue at-hand and are multi-dimensional –

- **Responsibility**
  - e.g. legal, financial or operational via contracts, policies or codes of practice

- **Influence**
  - e.g. informal or with formal decision making power to impede or drive success

- **Proximity**
  - e.g. most interaction with, usually key supplier(s) or those living next to your plant / office

- **Dependency**
  - e.g. employees and their families or suppliers with whom you are a dominant customer

- **Representation**
  - e.g. persons entrusted to act on behalf of others, i.e. Councillors, etc.
# Stakeholder Groups

- Investors
- Customers / Clients
- Suppliers
- Employees (& families)
- Host Communities
- Media / Trade Associations
- Trade Unions
- Institutions (e.g. Agencies)

- NGOs
- Pressure Groups
- Government(s) / Regulators
- Competitors / Peers
- Opinion Leaders / Commentators
- Academia

*Sources: UN & AccountAbility*
Engaging Stakeholders

WHY engage?

• Obligation – Not Legal (yet!)
  “Although primarily the responsibility of national governments, businesses nevertheless have a responsibility to play a part in ensuring the protection and promotion of human rights within their own operations and within the sphere of influence” – UN Global Compact

• Increasing expectation on businesses, e.g. GRI, AA1000, ISO26000

• Risk Reduction – Good Corporate Governance

• Sustainable Competitive Advantage – Enhanced Brand / Image Reputation

The process of Engagement is NOT only via “Communication” (two-way preferably), but should include Consultation, Dialogue and Partnerships too.
Mapping your Stakeholders

Source: BEC
Mapping your Stakeholders

I. Respond to request

II. Keep informed

III. Keep satisfied

IV. Focus efforts

Source: BEC
Engaging Stakeholders

Consultation
- Ad-hoc stakeholder advisory meetings
- Questionnaire surveys
- Online feedback and discussion forums
- Workplace assessments
- Focus Groups

Partnerships
- Joint Ventures
- Multi-Stakeholder initiatives
- Local sustainable development projects
- Alliances

Communication
- Newsletters – Internal & External
- Website / Social Media Platforms
- Company Reports & Collateral
- Thought Leadership / White Papers
- Press Releases / Conferences
- Employee Training

Dialogue
- Multi-Stakeholder Forums
- Leadership Summits, e.g. Davos etc.
- “Clouding” on Social Media Platforms
- Advisory Panels
GFN - Stakeholder Groups

1. Funders (Foundations)
2. Individual Donors
3. Data Suppliers (e.g. UN)
4. Employees (& families)
5. Media / Trade Associations
6. Development Agencies
7. NGOs
8. Government(s) / Regulators
9. Competitors / Peers
10. Opinion Leaders / Commentators
11. Academia / Science-based Community

Sources: UN & AccountAbility
Stakeholder Map - Communications

GFN - Power/Interest Grid

- KEEP INFORMED
- ENGAGE/CO-CREATE
- MONITOR
- KEEP SATISFIED

Level of power to influence

Level of interest in collaboration
Stakeholder Engagement - Summary

Effective and strategically aligned stakeholder engagement can –

• Lead to more equitable and sustainable social development by “giving voice” to those who have a right to be heard the opportunity to be considered in decision-making processes

• Enable better management of risk and reputation

• Allow resource-pooling for more efficient problem solving

• Enable understanding of complex business environments to drive strategic opportunities

• Enable organisations to learn from stakeholders, resulting in process improvements

• Build trust between a company and its stakeholders

  – Maria Sillanpää, The Stakeholder Corporation: a blueprint for maximizing stakeholder value.
Summary

Contact KMPact if you are interested in learning more about engaging to work with your Leadership team to develop and implement programs around Strategy, Business Development, multi-platform Stakeholder Engagement, Organizational Development and / or Knowledge Management.

For example –

• As an *interim CEO / Executive Director / COO* (e.g. to drive Capacity Building internally & externally);

• As a **Business Development Advisor** (e.g. to build capacity through partnering, specifically with the Corporate Sector); or

• As an **Organizational Change Management Consultant** (e.g. either in a Foundation or in a small- to medium-sized NGO / not-for-profit organization) etc....
Success

To laugh often and much,
To win the respect of intelligent people -
and the affection of small children.
To earn the appreciation of honest critics,
and endure the betrayal of false friends.
To appreciate beauty, to find the best in others;
to leave the world a bit better, whether by a healthy child,
a garden patch or a redeemed social condition.
To know even one life has breathed easier because you have lived –
This is to have succeeded.
Questions?

KMPact
Geoff Trotter

HK : +852 6103 7720
TH : +66 9 3019 1492
US : +1 415 565 9382
e : geoffreytrotter@gmail.com
w : www.kmpact.org
t : @KMPact