# Addressing the Challenges of Knowledge Management

As organizations strive to innovate, adapt, and respond to constantly changing business conditions, there is a critical need for people within organizations to share and acquire ideas and information with each other and with others externally. From small businesses to larger enterprises, effective knowledge management enables organizations to reduce response time to business challenges, improve productivity, and accelerate innovation. The knowledge of an organization is a critical proprietary resource and the more effectively people can tap into each other's knowledge and expertise, the more effectively the organization can operate. While the business case for knowledge management can be made clear, organizations still face several challenges in implementing a sustainable and effective process for knowledge management. These challenges can be categorized into three groups: the people within an organization, the surrounding and supporting processes of the enterprise, and the associated leveraged technologies.

**Strategy, Approach and Planning**

Measuring the benefits of knowledge management can be an arduous task. Many organizations fail to articulate the value of the vast amounts of readily available information and documented experiences. Corporate priorities and resources tend to shift to initiatives where the short and long term benefits to the organization can be quantified, resulting in moving knowledge management initiatives to the back of a very long line of projects. However, the long-term effects of discontinuing or failing to start a knowledge management initiative can be devastating as Sony, HP, and Dell discovered. Because it is hard to quantify the benefits, it becomes challenging to justify the significant implementation costs associated with any knowledge management initiative. One well known global professional services company spent more than $500 million to support its overall knowledge management strategy and continues to spend $250 million per year.

# Kenny & Company
## Management Consulting

# About Us

**Kenny & Company is a management consulting firm offering Strategy, Operations and Technology services to our clients.**

We exist because we love to do the work. After management consulting for 20+ years at some of the largest consulting companies globally, our partners realized that when it comes to consulting, bigger doesn't always mean better.

Instead, we've created a place where our ideas and opinions are grounded in experience, analysis and facts, leading to real problem solving and real solutions – a truly collaborative experience with our clients making their business our business.

We focus on getting the work done and prefer to let our work speak for itself. When we do speak, we don't talk about ourselves, but rather about what we do for our clients. We're proud of the strong character our entire team brings, the high intensity in which we thrive, and above all, doing great work.

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However, as corporations begin to feel the pain of inadequate knowledge management, we are now seeing methods to help with the quantitative analysis. At the very least, organizations should identify what knowledge is valuable to them and formulate a value proposition for knowledge management. For an organization to formulate a knowledge management business case and/or value proposition, it needs to consider the following actions:

- Audit current knowledge management capabilities – this includes identifying current knowledge sources, key contributors, and uses of knowledge within the organization. Stakeholders should be interviewed to better understand what knowledge is needed and to help identify gaps in knowledge and how those gaps impact the capabilities of the organization. An analysis of current assets will allow for a baseline approach to estimating the costs of future needed capabilities.

- Assess the organization's externalities and internal capabilities in order to better understand the real immediacy of a knowledge management initiative. Corporate investment now versus later can be measured as opportunity gains or costs. The time value of money will give additional context to any estimates and forecasts made.

- Align knowledge management initiatives to key strategic goals of the organization and determine its strategic role in achieving the corporate vision – increase current market share, create a new product or line of business, or improve productivity and efficiency within the organization, for example. This will also serve to identify key business benefits that can later be measured.

**A Knowledge Management Initiative Framework**

To address these complex challenges, we have developed a framework to help executives initiate and manage a successful knowledge management campaign. Our framework focuses on three key phases of a knowledge management program: Plan, Deploy and Maintain, and defines key activities within four categories: Strategy, People, Process, and Technology.

**Knowledge Management Initiative Framework**

| | Plan | Deploy | Maintain |
|---|---|---|---|
| **Strategy** | Identify the business requirements and benefits of knowledge management and ensure these are addressed by the initiative | Gain buy in and alignment from stakeholders on the execution of the knowledge management campaign – demonstrate clearly the value proposition | Foster a culture of knowledge sharing and collaboration by growing communities of knowledge organically |
| **People** | 1) Identify key contributors and guardians of knowledge. 2) Identify key consumers of knowledge. 3) Identify a knowledge management evangelist to manage content and lead knowledge communities as facilitators and guides. | 1) Encourage contributors to create and share knowledge through corporate wide recognition. 2) Train users on adopting a collaborative approach to locating, updating, and using shared knowledge. 3) Train knowledge management leaders on the technologies and then let them lead training for the rest of their functional communities. | 1) Ensure knowledge management leads continue to review, approve, and organize submitted content. 2) Collect feedback from users of knowledge management process and technology for future improvements. 3) Reward key contributors and consumers of knowledge. |
| **Process** | 1) Review all sources of knowledge within the organization and create a process for migrating to the identified locations. 2) Identify gaps and develop plan to create missing knowledge. 3) Design and develop taxonomy to organize knowledge | 1) Design a process architecture to guide creating, capturing and managing knowledge. 2) Validate process design with KKHs and other key knowledge management SMEs 3) Identify communities of knowledge specific processes | 1) Conduct regular reviews of the repository to maintain relevancy and quality – alternatively use a rating system 2) Use a card catalog system to track in-process documents 3) Track key metrics around knowledge management objectives to track ongoing performance |
| **Technology** | 1) Identify where knowledge is currently stored and accessed including shared drives, web applications platforms, and cloud products. 2) Evaluate existing solutions used as well as other hosted and on premise solutions (RFI/RFP) 3) Align requested features and functions with the business requirements. | 1) Plan and migrate knowledge and content to the new platform 2) Implement the taxonomy structure and metadata properties to allow for improved navigation and relevant search results 3) Implement various tools and mediums for knowledge sharing such as Blogs, Forums, Document Libraries, Wikis, and Intranet Portals | 1) Customize the platform as new features such as wikis and blogs become available – community needs 2) Refine taxonomy and tags as needed to reflect company vocabulary and industry terminology updates 3) Continue to improve and optimize the user experience through surveys and rapid platform releases |

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Once the organization has defined and articulated the business benefits, it will need to begin planning the implementation, ensuring that the program's objectives clearly align to the defined benefits and overall corporate objectives. As you move into implementation planning, there are additional considerations that will help drive and shape the tasks and activities of the initiative.

**People**

In many cases, knowledge hoarding is a common practice within an organization, as people believe that knowledge holding legitimizes their role within the corporate body, and sharing knowledge with others is, while selfless and good for the company, not a worthwhile endeavor. In this environment, key knowledge holders (KKH) are in constant competition within one another for raises, bonuses and promotions. They fail to recognize that sharing knowledge is beneficial to all within an organization – again the value of knowledge sharing has not been clearly demonstrated or defined. How many of us have encountered information bottlenecks in our own organizations? In theory, sharing knowledge and ideas allows others to challenge, comment, and provide meaningful feedback in a multi-directional and collaborative communication process. These constrained information flows can also be exacerbated by institutional or organizational knowledge silos. If people work and operate in these environments, any initiative of knowledge sharing will need to mitigate and solve for these barriers to implementation and adoption.

Organizations continue to struggle with how to motivate employees to share knowledge – creating and fostering a knowledge sharing culture. While guidelines and directions can move top down, we recommend a better way to manage this significant change:

- Identify and Elevate the KKHs in each of the functional areas of the organization – in some instances these could be guardians or custodians of systems that contain the information, and in some cases the knowledge may reside on a PC or in his/her head. A corporate wide recognition of these KKHs will provide enough incentive to facilitate the beginning of knowledge dissemination.

- Create and Design a knowledge management solution based on KKH feedback and participation. A conscious "buy in" to the solution facilitates a greater acceptance rate. This will also serve to create a grass roots community building movement.

- Train and Develop KKHs to become knowledge management experts, so that they may train others and lead knowledge community building within the organization.

**Process**

Knowledge management requires a defined process architecture for capturing, storing, reviewing, and organizing knowledge and content. Without defined processes in place, employees will inevitably rely on outdated or inaccurate information and knowledge, will spend time recreating information that already exists, and will expend too much energy searching for the relevant needed information. Knowledge submitted should be reviewed periodically and scored based on its usage and value to the organization. A knowledge management system that is not filtered for quality and up-to-date content is likely to fail. However, implementing knowledge management processes to address these problems can be a significant investment of time and resources. In planning and executing on a new process infrastructure consider that process adoption rate is directly related to the value and usability of any given process. Within an organization, many old and inadequate knowledge management processes that exist today are informal, undocumented ones – many times circumventing a corporate mandated process. Replacing old unused corporate processes with new ones will not address the informal behavior of knowledge exchange and sharing. We believe that, in this case, specific processes should grow organically within a community of knowledge. Therefore, it is the corporation's directive to create a high level process architecture that provides guidelines and a set of controls rather than a more prescriptive set of mandates and rules.

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## Technology

While the technologies available today for knowledge management have improved significantly, implementing the right technology is always a challenge. Failing to invest in the right technology will result in a number of problems including cumbersome information access, unpredictable search relevance, and failure to use features and functionality given the desired business requirements.

In implementing a new technology, organizations also face challenges as a result of a decentralized infrastructure. Sources of knowledge and content include email, shared network drives, web application platforms, and cloud applications and databases. Determining where to go to search for the desired knowledge can be a frustrating experience and even once the user finds the right location, a poor user experience can add to the frustration.

Earlier we discussed the need for a gap assessment of the current v. future capabilities of an organization's knowledge management system. In choosing the right technology, these documented requirements need to be matched against the capabilities of any system evaluated. At the very least, the organization must invest some time in developing a request for information from technology vendors, so that the requirements and capabilities can be evaluated in an objective and qualitative manner.

### Case Study: Knowledge Management

Our client is an enterprise software company that develops products and services that leverage third party industry standards data through direct systems integration. The product is designed to offer customers flexibility in configuration and implementation of their business strategies.

**Business Challenge**

- Our client's rapid growth has resulted in an increasing need to integrate and communicate knowledge and information across the enterprise.
- Knowledge and content was managed and stored in multiple locations and communicated in a variety of non-streamline methods and processes.

**Our Solution**

- Evaluated cloud based collaboration and content management technologies, hosting vendors, migration partners, and migration tools and submitted an RFP to top candidates.
- Conducted requirements gathering sessions to identify key sources, contributors, and consumers of knowledge.
- Designed processes and workflows to improve knowledge creation, capture, and ongoing management.
- Implemented knowledge management tools including a scalable document repository with an organized taxonomy, KPI dashboards, and an intranet portal.

**Business Benefits**

The single enterprise knowledge exchange platform developed enabled our client to:

- Improve workforce productivity by reducing replicated efforts and time spent searching for knowledge
- Strengthen customer relations by improving responsiveness to changes in business conditions
- Drive innovation in new products and lines of business by increasing idea generation and refinement

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## Conclusion

Knowledge management is essential in today's competitive business landscape. Organizations today are competing less on the basis of tangible assets and more on the basis of intangible assets. More importantly, organizations are innovating at a faster pace and thus sustaining a competitive advantage has become increasingly more difficult. Intellectual capital is a key factor in differentiation as it gives organizations a competitive advantage with target customers, creates unique core competencies, and leads to superior results. Furthermore, knowledge management can be exploited for the financial gains associated with gaining market share, introducing new products or lines of business, selling or licensing intellectual property, and cost savings realized from improvements in productivity. The commitment and investment organizations make in knowledge management will dictate how well they can gain and sustain a competitive advantage.

**About the Authors**

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**Notes:**

1. Ten Things You Need To Know About Managing Knowledge, Steve Denning, May 31, 2012, Forbes

2. The amount to date is expected to be substantially larger. The $500 million is based on Hansen, Morten T., Nitin Nohria, and Thomas Tierney, 1999. What's your strategy for managing knowledge? Harvard Business Review, March-April 77(2): 106-117

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Our Partners are personally committed to our clients and lead every engagement.

### Experience, Perspective and Passion

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### Focused, Collaborative, High-Impact

We work side-by-side with our clients in highly focused teams to solve complex business problems.

### Client First

Our highest priority is our client's professional and personal success. We believe clients should expect more.

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We guarantee our clients complete satisfaction every engagement every time.