KNOWLEDGE MANAGEMENT, A PRIMER

What is it?

Knowledge Management is the strategic integration of all knowledge inside the organization leading to the improved effectiveness of other processes, e.g. Business Planning; Policy Development, operational decision making, IM/IT, etc.

What does it include?

Knowledge Management includes all information inside the organization, from **data**, to **information**, to **intelligence** to **wisdom**. As an integrated approach, KM organizes the information in increasing order of importance from raw data, to useful information, to intelligence aimed at informing business strategy, to wisdom, allowing for the most effective decisions.

Why bother?

Most (i.e. up to 60%, according to Chris Argyris at Harvard) of the information inside an organization is:

- Distorted: some parts of information are given more importance than others due to a person's championing a cause;
- Anecdotal: some information is based on "stories" which justify its accuracy and most decision are made from oral, or anecdotal information;
- Inaccurate: some information is not reliable, either due to its source or how the information was collected;
- Inaccessible: some information is not readily available;
- Out of date: some information does not reflect current realities, much less allow for future projection;

This unfortunate picture of the quality of information can be traced back to such factors as:

- Win-lose dynamics ("My information is better than your information");
- Group think ("We're all operating under the same point of view: too bad it's wrong.");
- Miscommunication ("What do you mean, you didn't know that!");
- Mistrust: ("There's no way we can believe their figures");
- Defensiveness: ("I'm absolutely sure that I'm right on this one");
- Escalating error: ("Based on what we said last November, then it should follow that…);
- Distancing accountability ("I don't really know where that information came from…")

How do you set up Knowledge Management?

The top level of Knowledge Management is set up through the 4 P's: Philosophy, Policy, Procedures and Practices:

Philosophy:

The organization adopts a philosophy aimed at ensuring the quality of knowledge circulating inside and outside of the organization.

Policy:

The organization establishes a policy relating to how it manages its knowledge.

Procedures:

The organization builds – over time – a Body of Knowledge that is subjected to strategic and operational management.

Practices:

The organization makes Knowledge Management operational into the every day work of its people.

What does KM imply for organizations, practically?

Setting up Knowledge Management implies such activities as:

1. **Integration of all information relating to all of its processes, e.g.:**

   - Strategic Information, e.g. what are the trends in the industry?
   - Operational Information, e.g. what is the organization doing?
   - Financial Information, e.g. how are monies being spent?
   - Performance Information, e.g. how is the organization performing?
   - Policy Information, e.g. what are the standards by which we operate?
   - Etc. etc.

2. **Definition of the roles of the process owners related to Information Management and Information Technology, e.g.: what information does each player manage and how from the top level downwards.**

3. **Establishment of a working team whose members can slowly and carefully bring up the organization's capacity to manage knowledge.**

4. *Definition of the differing kinds of knowledge at play within the organization, e.g. marketing information; policy information; political information; financial information, safety information, etc.*

5. *Setting of the objectives and goals to achieve in Knowledge Management such as:*

- Determination of information needs;
- Setting of standards for accuracy and timeliness;
- Training in Knowledge Management;
- Improving the flow of knowledge throughout the organization;
- Setting controls on Knowledge Management;
- Establishing the boundaries of the organization's Body of Knowledge;
- Defining the systems support needed for knowledge integration.

What's the pay-off?

If you accept that up to 60% of information may be distorted, anecdotal, inaccurate, inaccessible or out-of-date, then the pay-off should be fairly dramatic. What if, for example, the organization saved a modest 10% in resource time and this marginal gain is compounded yearly for the next 3-5 years? This will mean a fundamental change in how the organization manages its knowledge: its information, its technology, its policies, its strategies, its Intellectual Property, etc. etc.

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