
# July 2017
# The state of Knowledge Management in the world today

In This Issue



As we announced in our last newsletter, we have recently conducted a global survey of Knowledge Management as a way to understand the sate of KM in the world today.

We received 417 replies to the survey, from organisations of all sizes, regions and industry sectors, which gives us a really valuable snapshot of KM as it is practiced around the globe. We can also compare the 2017 results with the survey we ran in 2014, to see how things are changing in the KM industry.

As readers of this newsletter, we would like to share some of the

Other News

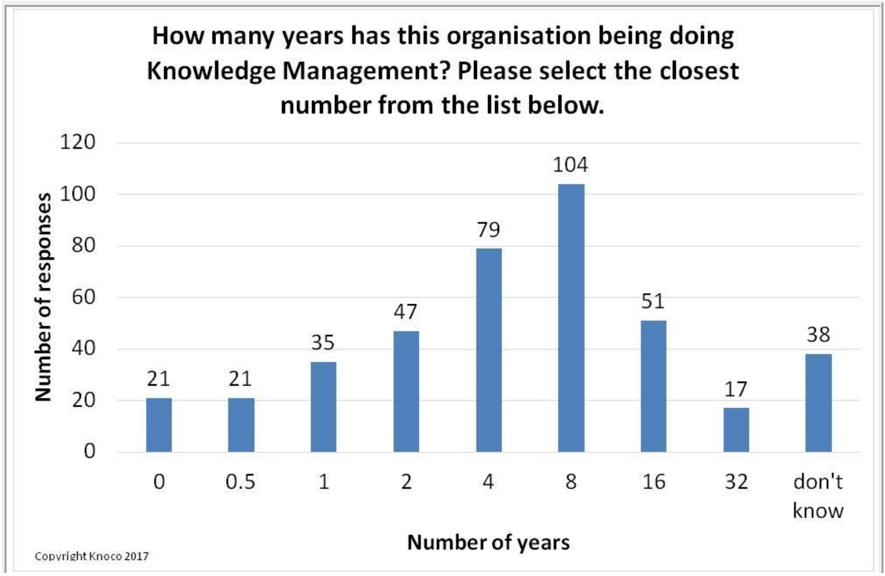

- News from Knoco




**findings with you.**

## Patterns of KM maturity

The level of maturity of KM in the organisations was measured in two ways - an estimate of the number of years that KM had been a focus, and a verbal description of maturity. The graph below shows a histogram of the number of years, and most organisations surveyed had been doing KM for about 8 years or so.



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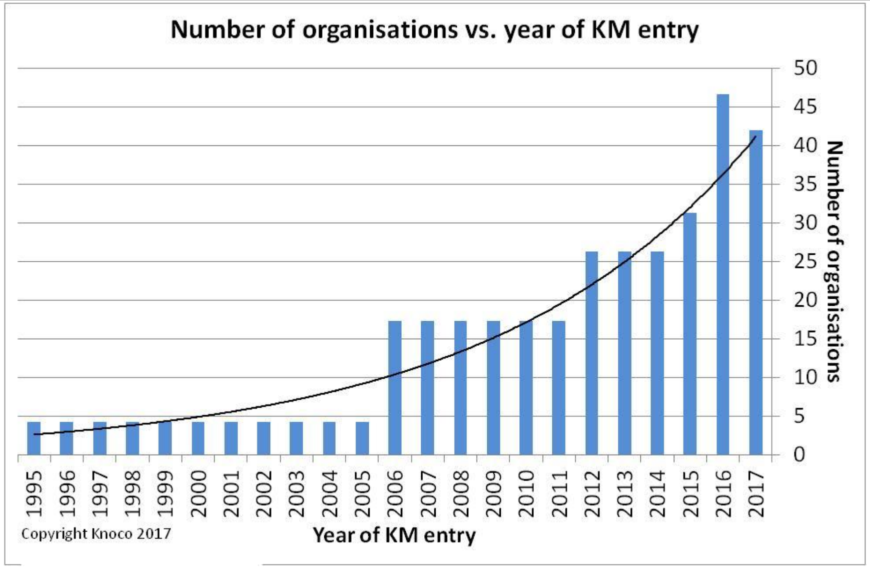
The number of years experience with KM from our survey respondents

However the graph above is misleading. Although there is a peak at 8 years, the organisations who choose "8 years" as the time they have been doing KM may have been doing it for between 6 and 12 years, which represents a 6 year time interval. Compare that to the 35 that started KM a year ago, and you can see that the rate of take-up of KM is accelerating, as shown in the graph below which translates the "number of years" figures into a "year of KM entry".

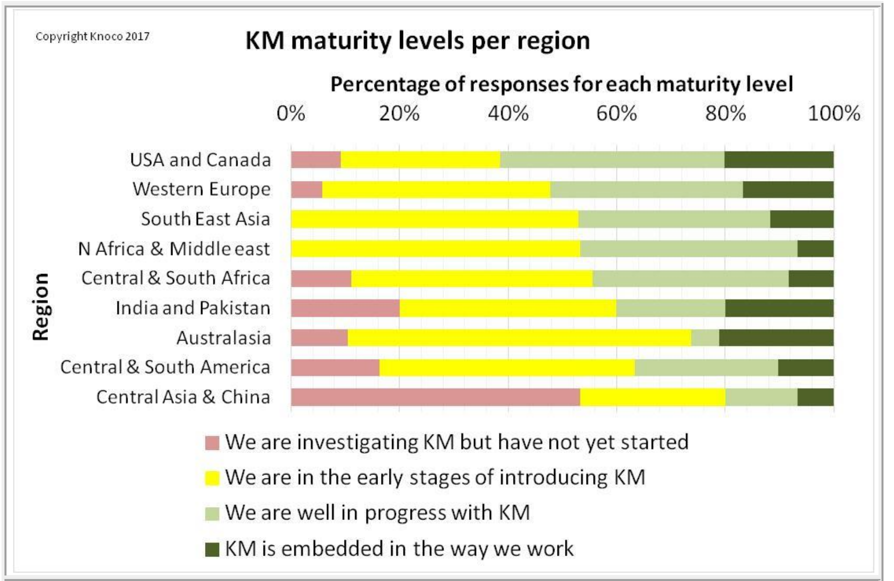



The survey respondents arranged by their year of KM entry, calculated from the previous graph.

This graph makes it obvious that Knowledge Management is a topic which is increasing in activity, as an accelerating number of organisations take it on board. A very similar pattern was seen in 2014, and in both years about 70% of participants answered a resounding "Yes" to the question "Is interest in KM increasing at your organisation?"

Not all parts of the world are equally mature in KM terms. Our third maturity graph below shows the maturity levels for several of the major regions of the world (one or two were omitted because of low numbers). For each of these regions, it shows the percentage of respondents who identified their KM maturity level as one of these categories:

- We are investigating KM but have not started
- We are in the early stages of KM
- We are well in progress with KM
- KM is embedded in the way we work




Global regions arranged by KM maturity

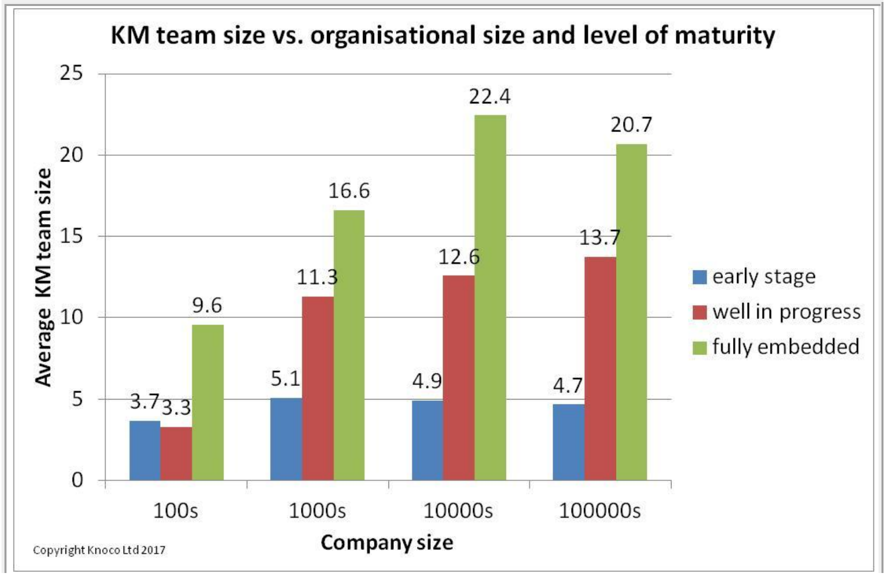
The most mature regions in KM terms are USA and Canada and Western Europe - the regions where KM first started. The least mature regions are Central and South America, and Central Asia and China.

[Contact Knoco](#) if you are interested in [understanding your KM maturity and how to improve it](#)

## The KM team

One of the most important decisions to get right early on in your KM program is the appointment of the KM team. We asked participants to tell us the size of the team that runs KM, giving them the options of 0, 1, 2, 4, 8, 12, 20, 30 or 50 people.

We found that the size of the KM team obviously depends on the size of the organisation, but also on the maturity level of KM, with more mature KM having larger teams.  we combine these two factors in the graph below, which shows the average KM team size for a range of sizes and maturities. So an organisations with hundreds of employees which are in the early stages of KM have an average KM team size of 3.7 people, while  organisations with hundreds of thousands of staff and fully embedded KM have an average KM team size of 20.7.



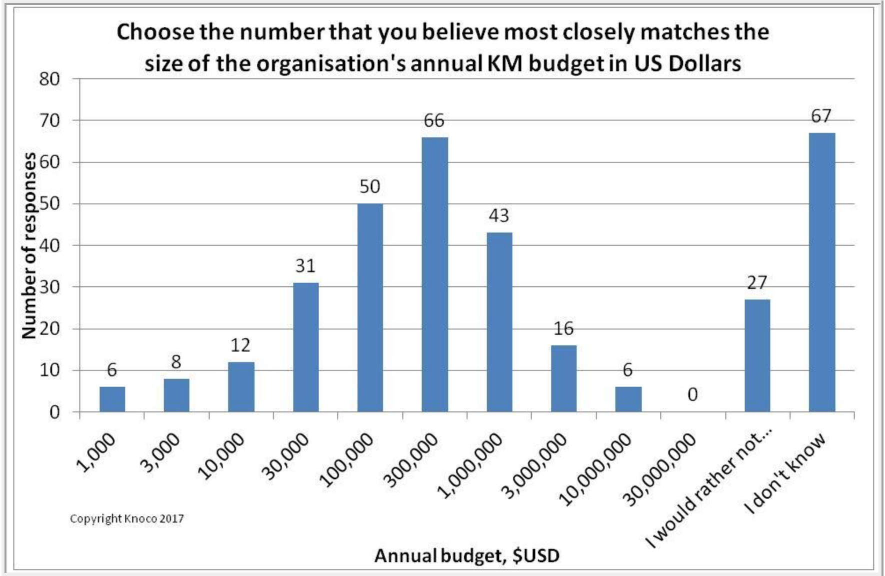
Average KM team size by organisational size and KM maturity

The link between organisational size and KM team size shows an "economy of scale" effect. The size of KM start-up teams seems relatively consistent for all organisational sizes at 4 or 5 people, and this is the initial KM task force. But even when KM is mature, the team in the largest organisations is only double the size of the team in the smallest. That's because the KM team has a certain number of jobs to do, whatever the size of the organisation. The link with maturity is a little more surprising. Intuitively you might expect that a KM team would be biggest during the implementation phase, but would slim down once KM was embedded. This is not what the data show. Instead the KM teams are largest where KM is fully embedded.

Contact Knoco to learn more about setting up and selecting a Knowledge Management team.

## KM budget and value delivery

The second big decision is to determine your organisational budget for KM. We asked the survey participants to tell us the order-of-magnitude size of their KM budget in US dollars, and the result is shown below. The most common budget is around $300,000 per year, with 6 organisations spending more than $10 million per year on KM.  The budget will be larger for larger organisations, and looking at the dataset as a whole, the mean "KM spend per employee" is $1900 per year, slightly up from the $1600 quoted in 2014.




Typical industry cultural audit profiles

The other side of the coin is the value delivered through KM, and again we asked survey participants to estimate the value delivered through KM. Here the value is very closely linked to organisational size, and the average values are quoted below. The numbers increase in proportion to organisational size, but are lower than the values quoted in 2014. We think this represents a different group of organisations, with much greater representation in the 2017 from public sector organisations which cannot measure KM delivery in commercial terms.

| Company size | Average value delivered through KM 2017 | 2014 figures |
| --- | --- | --- |
| Tens of staff | No value quoted | $1.2 million |
| Hundreds of staff | .8 million | $1 million |
| Thousands of staff | 5.7 million | $20 million |
| Tens of thousands of staff | 55 million | $240 million |

Typical industry cultural audit profiles

Contact Knoco to learn about how we can help you with KM Valuation.

## Business drivers and strategic approaches

In this part of the survey, we were seeking to understand what drives KM programs, and how this affects the approach taken. So we asked participants to rank both a set of business drivers in order of importance (from 1 to 7, with 7 being high importance) and a set of KM approaches in order of the attention given to this approach in their KM strategy (from 1 to 12, with 12 being a high degree of focus).

| Business Driver | Average priority (high numbers represent high importance) | **2014 figures** |
|---|---|---|
| Operational effectiveness | 5.2 | 5.1 |
| Internal efficiency | 5.2 | 5.0 |
| Provide a better service | 4.8 | 4.5 |
| Retain knowledge at risk of loss | 4.5 | 4.1 |
| Improve innovation | 3.8 | 3.9 |
| Enable company growth | 3.4 | 3.8 |
| Safety/ environment | 2.3 | 2.4 |

Ranked KM business drivers, 2017 and 2014 surveys

The main business drivers for KM have not changed in the past 3 years, and the order of importance is just the same. Operational effectiveness and efficiency are the two most important drivers, followed by Service Provision and Knowledge Retention.

| Strategic approach | Average priority 2017 | 2014 priority |
|---|---|---|
| Improved access to documents (including search and portals) | 7 | 6.5 |
| Creation and provision of Best Practices | 6.4 | 6.4 |
| Connecting people through communities or networks | 6.3 | 6.9 |
| Knowledge Retention | 6.0 | 6.2 |
| Learning from Experience | 5.9 | 6.8 |
| Improved management of documents | 5.2 | 5.3 |
| Providing knowledge to customer-facing staff (support or sales) | 4.6 | n/a |
| Innovation | 4.5 | 4.9 |
| Training and development | 4.4 | 4.9 |
| Accessing External Knowledge and Intelligence | 4.1 | 4.0 |
| Knowledge-based engineering | 3.3 | 3.9 |
| Big Data | 1.9 | 2.0 |

Ranked KM strategic approaches, 2017 and 2014 surveys (differences highlighted in yellow)

Where we do see big changes between the two surveys is in the KM strategic approaches. While in 2014 the two most popular approaches for KM were connecting people through communities of practice, and learning from experience, these have been replaced in the 2017 dataset by improved access to documents and creation of best practices.

Why the change? Partly it is because different industry sectors favour different approaches:

- Access to documents is a higher priority approach for legal services and the public sector
- Best Practices is a higher priority approach for the Public sector
- Connecting people is a higher priority approach for Oil and Gas and Aid and Development
- Learning from Experience is a higher priority approach for the Military and for Aid and Development.

The 2017 respondents contain a much larger representation from the Public and Legal sectors and a much lower representation from Oil and Gas and from Aid and Development when compared to the 2014 survey. That's the reason for the overall shift in priority for these approaches - its not a change in the industry, but a change in sector representation in the dataset.

Contact Knoco for advice on your strategic priorities.

## KM technology use and value

What are the technologies in use in KM, and how valuable are they? We asked participants to rank the value delivered by a range of technology types from high to low, including the options "too soon to tell" and "we do not use this type of technology". The answers allow us to judge the usage of technologies, and the value they deliver when used. The left column in the table below orders these technologies in terms of use, and the right column in terms of value.

| Technology type in order of usage (most common at the top) | Technology type in order of value delivered when used (most valuable at the top) |
|---|---|
| Best practice repository<br>Document collaboration<br>eLearning<br>People and expertise search<br>Enterprise search<br>Enterprise content management<br>Portals (non-wiki)<br>Video publication<br>Question and answer forums<br>Blogs<br>Lessons Management<br>Microblogs<br>Brainstorming/ideation/crowdsourcing<br>Wikis<br>Social media other than microblogs<br>Expert systems<br>Data mining<br>Innovation funnel<br>Semantic search | Enterprise search<br>Best practice repository<br>Document collaboration<br>Enterprise content management<br>eLearning<br>Portals (non-wiki)<br>People and expertise search<br>Question and answer forums<br>Lessons Management<br>Expert systems<br>Brainstorming/ideation/crowdsourcing<br>Microblogs<br>Video publication<br>Social media other than microblogs<br>Wikis<br>Semantic search<br>Data mining<br>Innovation funnel<br>Blogs |

There is an overall link between the two columns, and generally the most valuable technologies get the most use. However it is also instructive to look at the technologies which give higher value than their usage might predict. The best performing technologies in terms of value over usage are Expert Systems and Enterprise search (6 places and 4 places higher in the Value list than the Usage list) and the worst performing technologies in terms of value per use are Blogs, which is 9 places lower for Value than Usage. We saw very similar results in the 2014 survey, again with Blogs being the poorest performing technology given their usage figures, and again with the best performing technologies in terms of value vs use being Enterprise Search and Expert Systems.

Those technologies which have most increased in use between 2014 and 2017 are Microblogs and video publication, and not surprisingly these have also seen the greatest increase in value delivery as well. The technology which has decreased in use the most over the last 3 years is the innovation funnel technology.

Contact Knoco for advice on selecting Knowledge Management Technology.

## KM process use and value

What are the processes in use in KM, and how valuable are they? We asked participants to rank the value delivered by a range of KM processes from high to low, including the options "too soon to tell" and "we do not use this process". The answers allow us to judge the usage of KM processes, and the value they deliver when used. The left column in the table below orders these processes in terms of use, and the right column in terms of value.

| KM Process in order of usage (most common at the top) | KM process in order of value delivered when used (most valuable at the top) |
|---|---|
| 1. coaching and mentoring<br>2. project lessons capture (large scale)<br>3. after action review (small scale)<br>4. knowledge roundtables<br>5. Peer Assist<br>6. retention interviews<br>7. storytelling<br>8. action learning<br>9. knowledge cafe<br>10. crowdsourcing<br>11. open space<br>12. appreciative enquiry<br>13. Innovation deepdive<br>14. wikithon<br>15. positive deviance | 1. knowledge roundtables<br>2. coaching and mentoring<br>3. project lessons capture (large scale)<br>4. after action review (small scale)<br>5. action learning<br>6. Peer Assist<br>7. retention interviews<br>8. knowledge cafe<br>9. Innovation deepdive<br>10. storytelling<br>11. appreciative enquiry<br>12. open space<br>13. crowdsourcing<br>14. positive deviance<br>15. wikithon |

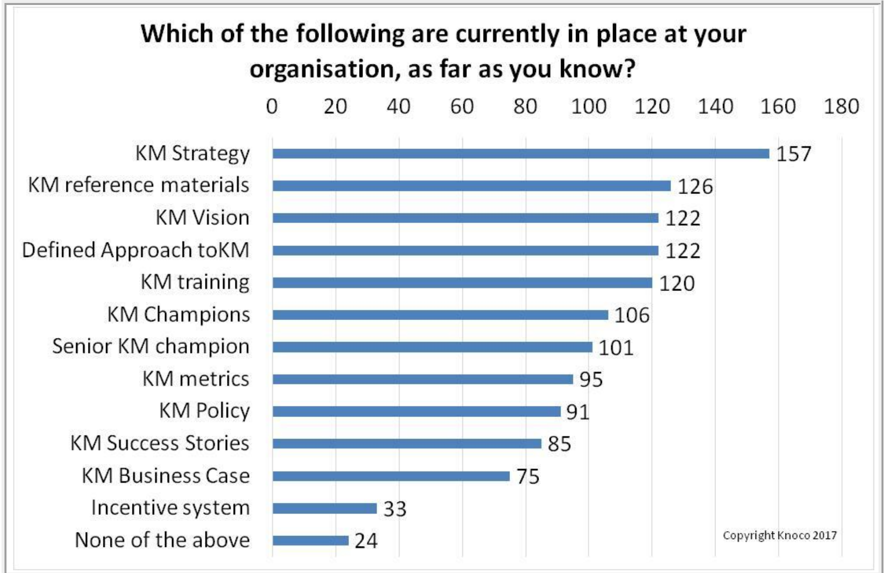
As with the Technology results, there is a strong correlation between usage and value. Processes at the top of the lists are mainstream processes, used frequently, and delivering high value. Processes towards the bottom are less mainstream, and deliver less value to the companies that use them. The best performing KM processes in terms of value against usage are Innovation Deep-dive, Knowledge Roundtable meetings and Action Learning (each of them 3 or 4 places higher in the Value list than the Usage list) and the poorest performing processes in terms of value per use are Crowdsourcing and Storytelling.

Those processes which have seen the greatest increase in use between the two surveys in 2014 and 2017 are Project Lesson Capture, with a rise in usage of 5 places and in value of 6 places, and Storytelling (+7 in usage, +4 in value). There have been some big fallers as well. Positive Deviance has dropped 9 places in usage and 8 places in value, and Crowdsourcing has dropped 6 places in usage and 9 places on the value list.

Contact Knoco for advice on selecting Knowledge Management Process.

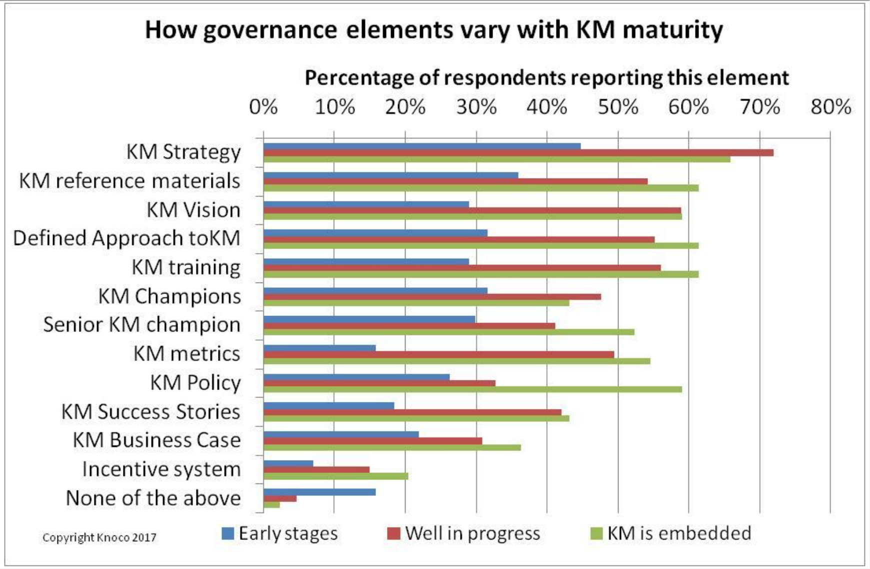
## KM governance

Roles, Processes and technology - the fourth of the main KM enablers is Governance. We were very interested to see which governance elements are in place in organisations worldwide, and how these differ with KM maturity.




Usage of KM governance elements

The most common KM governance element is the KM strategy, applied by nearly two thirds of respondents. Incentive systems and business cases are at the bottom of the list.




How KM governance elements vary with KM maturity

These governance elements are progressively applied as KM matures, as shown above. The most common governance element in the early stages is the KM Strategy, while the latest to be adopted (greatest difference between the red and green bars in the figure) is the KM policy.

Contact Knoco for advice on setting up a Knowledge Management Governance System

## KM barriers and enablers

Finally let's look at some of the barriers and enablers for KM. These are shown in the tables below, in order of ranked importance, and compared with the 2014 figures.

| Barrier | Ranking | 2014 ranking |
|---|---|---|
| Cultural issues | 5.7 | 5.8 |
| Lack of prioritisation and support from leadership | 5.1 | 6.0 |
| Lack of KM incentives | 5.0 | 4.7 |
| Lack of KM roles and accountabilities | 4.7 | 4.9 |
| Lack of a defined KM approach | 4.7 | 4.6 |
| Incentives for the wrong behaviours (inability to time-write KM, rewards for internal competition etc) | 4.4 | 4.2 |
| Lack of support from departments such as IT, HR etc | 4.3 | 4.1 |
| Insufficient technology | 4.2 | 3.8 |

Ranked KM barriers, 2017 and 2014 surveys

| Enabler | Ranking 2017 | Ranking 2014 |
|---|---|---|
| Championship and support from KM team/champions | 6.4 | 5.8 |
| Support from senior management | 6.2 | 6.3 |
| Evidence of value from KM | 6.0 | 5.8 |
| Easy to use technology | 5.7 | 5.2 |
| A supportive company culture | 5.7 | 5.0 |
| Effective KM processes | 5.6 | 5.7 |
| Clear KM accountabilities and roles | 5.5 | 4.7 |
| Personal benefit for staff from KM | 4.7 | 5.6 |
| Incentive systems for KM | 4.4 | 3.2 |

Ranked KM enablers, 2017 and 2014 surveys

The second biggest barrier and second biggest enabler (as well as the biggest incentive for KM, assessed in a different question) are the same - clear senior management support and endorsement. That makes it perhaps surprising that relatively few companies have created a business case for KM in order to gain that support, and that "A senior KM champion" was so far down the list of governance elements (see previous section).

Also note that "evidence of KM value" is the third highest enabler, yet "KM success stories" is near the bottom of the popularity list for governance elements.

Contact Knoco for support in developing a KM business case, and gaining senior management support.

## News from Knoco

Some updates from across the Knoco family are listed here.

- Cory (Knoco Kansas) has just been invited to present at KM World in November, on his paper entitled "Knowledge Management in a Combined/Joint Environment".
- Don't forget the 2nd Indonesia KM Summit in Yogyakarta, Central Java - Indonesia on 8-9 August 2017. Contact Sapta for details.
- Joaquim (Knoco Spain) is about to start a KM assessment for: http://www.cpnl.cat/. Its aim is to promote the use of the Catalan language among the non Catalan

speakers.

- Rupert (Knoco UK) is about to set off for a few weeks in Dubai with one of the government agencies, reviewing their KM framework and strategy.
- Javier (Knoco Chile) has a number of activities coming up, including the following:
    - On July 5th and 7th we will be giving a course on Critical Knowledge Maps for the Barcelona City Town Hall.
    - On July 6 we will participate in the seminar on Metrics for Knowledge Management organized by Cefje
    - On July 11 in Santander we will give the conference "Knowledge Management in the SXXI, lessons learned and challenges" within the framework of the course "The challenge of generational takeover in our organizations: designing knowledge transfer programs" organized by the Menéndez Pelayo International University.