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Knoco news

Welcome to the Management Framework issue of the Knoco newsletter. In this issue we explore the Management Framework that needs to be in place to enable and support Knowledge Management.

Evolution in KM thinking, and the need for a management framework.

As Knowledge Management has evolved over the last two decades, the need for an integrated Knowledge Management framework has become apparent.

Step 1; individual tools

At the beginning of the knowledge age (1990's), the initial focus was frequently on individual tools and technologies. When Nick was working in Norway in the early to mid 90s, for example, his KM approach focused on one or two KM processes - the Retrospect, and a Lessons Database, under the care of a Knowledge Manager (Nick himself). In hindsight, it was

an approach based on one or two tools, and missing large chunks of KM.

There are quite a few organisations still at this stage. They have bought SharePoint, and think that this will deliver KM. Or they embed lesson-learning in their process, and expect that this will deliver results. Or they have Collaboration forums, or Wikis, or blogs. But one tool alone will not deliver Knowledge Management.

Step 2; KM subsystems

The second stage in the evolution was to create a Toolbox, often supporting a KM sub-element. For example, when Tom and Nick were working in the BP KM team in the late 90s, we created the Learning Before,

During and After model for project learning, supported by a KM toolbox of After Action Reviews, Peer Assist, Knowledge Assets. This toolbox supported the Project Learning subsystem, and gave us a little more in the way of success, but the success was largely down to the intervention of the KM team. When the KM team withdrew, knowledge-sharing died away. There are many organisations at this stage. We meet many of them in our consultancy practice. They have defined a KM toolbox - in some cases a very extensive toolbox. But KM remains optional, and it remains separate from the

Step 3; KM framework
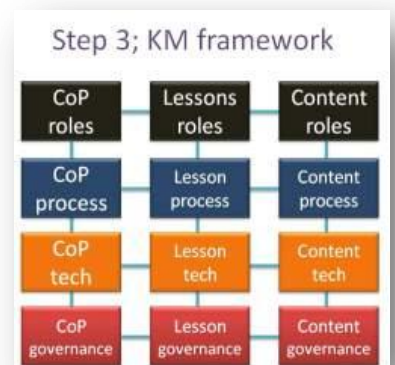
normal work process.
The final evolution in KM thinking is to create a Management Framework for KM. This is a small defined

set of tools, embedded into business process, and a small defined set of roles embedded into the organisational structure, all under an umbrella of Governance. With a Management Framework, KM can take on the aspects of other management systems, and be made part of normal

business. Just as Financial Management is not a single tool or a toolbox of optional approaches, but is a complete framework embedded into the business process, so Knowledge Management needs a framework. It took BP 14 years to move from a tool-based view to a framework-

based view of KM, Increasingly we are beginning to see this shift happening in industry, as organisations realise they have to evolve beyond steps 1 and 2, in order to build a robust sustainable approach to KM which can be embedded into "business as usual".

What is a management framework?

The best way to understand a management framework, is to look at examples. One of the easiest to understand, because everyone is involved with it, is **financial management**. I know knowledge and money are not the same, but both require a company-wide management framework of interconnected elements of people, process, technology and governance if they are to flow round the company in an effective and systematic way.

If you Google "Financial Management Framework", this will give you many examples, most of which contain common elements, and most of which contain a mix of people, process, and governance

People
Financial management frameworks contain defined roles and responsibilities, such as

- Budget holders - the people accountable for money within projects and operations
- Accountants and Cost engineers - the people doing the nuts and bolts of money-tracking
- Central finance team - the people who shuffle money between the projects and operations
- CFOs and Finance Directors - the people accountable for the financial management system itself

Processes
The frameworks all contain certain processes, such as

- Financial planning and forecasting
- Budgeting
- Invoicing
- Expenditure management
- Cost tracking
- Timewriting
- Reporting

Governance
All the frameworks mention governance, which typically includes

- Financial policies
- Monitoring
- Auditing

If there were mention of **technology**, this would include

- Technology for logging and tracking transactions, such as SAP
- Technology for reporting of figures, such as Excel
- Technology for counting, such as a calculator or an abacus

A Management Framework

A skeleton of interlinked items which supports a particular approach to a specific management objective, or to management of a specific resource (example, Risk Management Framework, Content Management Framework, Knowledge Management Framework)

All of these fit together into a **financial management framework,** and the complexity and completeness of that framework needs to fit the scale of the operation. The framework listed above has 18 elements; large companies can easily have more elements within their financial management system.

A Management Framework for KM

When building a management framework for knowledge management, we have to make sure that we cover all of the components – all of the interlinked items – which need to be in place for knowledge management to work.

The way that we approach this now at Knoco is to build the framework as a matrix, and to take a well established knowledge management model for each axis of the matrix. That way, we know that we are being objective when it comes to populating the framework.

For the vertical axis, we choose the four key enablers of knowledge management

- People (Roles and accountabilities)
- Processes
- Technologies, and
- Governance.

For the horizontal axis, we generally choose four elements based on the SECI model. We know there is some dispute as to how reliable the SECI model is, but it is certainly reliable enough to identify four major steps in the flow of knowledge;

- Communication of knowledge from person to person (through discussion and dialogue)
- Capture of knowledge from teams and individuals
- Collation and synthesis of the recorded knowledge base, and
- Access and re-use of documented knowledge

Together the four steps and four enablers create a 4x4 matrix defining 16 components to a Knowledge Management Framework. All of these need to be in place and to work together for Knowledge to flow effectively and efficiently around the organisation, just as the 18 elements of a financial management are needed if financial management is to work smoothly

One of the benefits of looking at KM through the lens of a framework and not a toolbox is that it makes it easier to see "what's missing".

Generally, what we find missing is - lots of things! By which I mean, very rarely do we find a KM framework with only one item missing. Usually there are several holes.

There are common holes - the common ones being related to elements of governance, several of the roles and accountabilities, and the issues of knowledge re-use and reapplication. And then there are company-specific holes - blindspots, or gaps in the technology system. The other week we visited a company whose KM approach was a toolbox-based approach, and they had many tools for knowledge collection and generation of content, but the entire side of the framework looking at knowledge synthesis and collation was missing. Already they were running into issues of what to do with contradictory or out-of-date content.

If there are lots of holes in the framework, then of course there is no "silver bullet" or (to avoid mixed metaphors) no simple patch. If you close one hole, then the framework still won't be effective, as many other holes stay open. Like a leaky bucket, closing one hole does not seal the bucket.

How to get started with KM?

By Javier Martinez, Knoco Chile

Any organization that operates in a market has to serve customers to whom they provide services or deliver products. In order to do so, it requires valuable knowledge (be it in the area of production, sales, customer service, innovative product development, etc) and somehow, that knowledge gets managed because otherwise, the company would have disappeared long ago.

However, the vast majority of companies lack a clear strategy to manage their most valuable asset: the knowledge of its members. Since they do not have detailed information about the stock of knowledge available within the organization, knowledge management in most enterprises occurs unconsciously, intuitively, in an unplanned manner, almost by accident which causes them to be less

productive and efficient than they could be and to obtain lower results than expected. This situation has a simple explanation: the management tools that managers work with (Strategic Plan, Balanced Scorecard, Process Map, etc.) were designed to manage physical assets but were never meant to measure and manage intangibles assets. We live in a world dominated by engineers, but knowledge is not an object and it behaves differently from physical "things". For that reason, the company's radar generally does not detect its own knowledge and that explains why it goes unnoticed and is not properly managed.

In reality, for both human beings and organizations, it is impossible to survive and even be successful without managing knowledge. So it seems smarter and much more profitable to have a planned strategy rather than to remain at the mercy of circumstances.

So how should a company start managing their knowledge strategically? There are 2 questions that every organization should necessarily be able to answer sooner than later:
1. Of all the knowledge accumulated in the organization, that is the result of many years of experience, what is the most important knowledge (critical knowledge) and therefore should be the first one to be managed? Generally, we shouldn't have problems to find the critical knowledge of a company because it's the one that maintains/supports its competitive advantage.

2. If we recognize that the organization has arrived to where it is today thanks to its knowledge, how have we been managing it until now? What activities, practices, technologies, roles, etc. already exist on which we could build a strategy?

To start a conscious process of knowledge management in a company has many parallels with what happens when we go to the doctor. Generally, there are 2 reasons why you decide to go to the doctor. The first is when you suffer a health problem that prevents you from living a normal life and you cannot solve it by yourself. This can be a trauma issue, a condition, illness, an emergency ... A second reason to go is when doing a regular check-up. As you are not able to determine by yourself what condition the main organs of your body are in, and even less, what you should do about it, you put yourself in the hands of someone with a knowledge that you don't have (doctor) so that he/she will perform the appropriate examinations using also specialized knowledge (technology).

There are also 2 ways to begin implementing knowledge management in the company:

The first path, the equivalent to the condition that affects your everyday life, is to choose a relevant business problem that is often caused by poor knowledge management and whose solution also usually requires knowledge. For example low productivity / increased

errors / decrease in the quality / longer development cycles or loss of expertise.

The second path, the equivalent to the regular checkup, guides you to build your own Critical Knowledge Map in order to establish which is the most strategic knowledge within the organization, what is the current status (risk), who has it and who needs it and finally, what you should be doing with it (action plans).

New faces at Knoco West Australia

This month we welcome some new faces at Knoco W Australia, where our franchise is now held by The Futures Group.

In particular we welcome Kerry Neill. Kerry is an experienced manager and consultant with a comprehensive practical and theoretical understanding of business and HR management. She has an impressive record of success as a change agent in competitive business environments to improve performance and profitability.

Visit our website

at www.knoco.com for ideas, resources, publications and **free downloads** such as newsletters, slide sets, white papers, self-assessment tools, and video

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