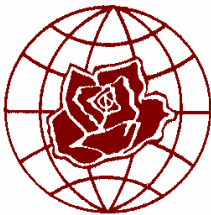


PREPARING FOR THE EXODUS



KNOWLEDGE MANAGEMENT WHITEPAPER



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THE BUSINESS CASE FOR KNOWLEDGE MANAGEMENT

WHAT IS KNOWLEDGE MANAGEMENT?

“Knowledge management is above else about people—about what they know, what they need to know and how they can help each other and their employees work well and prosper.”
(From **Knowledge Management**, July 2001 Issue Cover Story, “Movers and Shakers”)

WHAT IS THE DRIVING NEED?

Establishing knowledge management (KM) strategies is imperative for today’s successful organizations. People truly are the greatest internal asset and are one of the top strategic priorities for businesses across the nation and the world today. As such, remaining intent on traditional methods of knowledge acquisition and transfer is a mistake. While valuing the intellectual capital of the organization sounds like the right thing to do, actually building strategies and systems that actualize the rhetoric takes real commitment.

For those organizations that choose to move forward on this front, it can lead to consistent best practice and be a tremendous competitive weapon. This whitepaper describes Carla Carter & Associates’ “Quick Start” approach to implementing KM in organizations that accelerates the transfer of knowledge from valuable employees who are about to retire. It’s designed to identify and fill the gaps discovered when people with “mission critical” knowledge leave the organization.

IS THE BURNING PLATFORM THE “BRAIN DRAIN”?

There has been some talk about the impact, but too little action taken to save important intellectual capital resulting from the upcoming baby boom retirement era. Rehiring those leaving on a contract basis appears to be one of the only tactics that is already instilled in organizations that helps with the capture of the retiree’s knowledge. Yet the pain of the exodus will be felt between 2005-2015, according to the US General Accounting Office Study on Older Workers. Thus the reality for most organizations is they will experience a “brain drain” over the next several years that will have a significant impact on their capability. Thus, new strategies and systems are needed to meet this challenge before the critical knowledge they rely on leaves the organization.

Understanding this impending exodus, Carla Carter, principal of Carla Carter & Associates, Inc. (CC & A), began speaking about preparing well for the loss. A few visionary organizations did begin addressing this need, but found few aids to assist them. The Quick Start Knowledge Management System™ helps companies to identify the gurus and their successors, capture exiting knowledge and transfer it to those remaining. This paper will address the key elements of this “Quick Start” system as a way to implement a simple, time efficient, and resource effective approach to this need.

PREPARING FOR THE EXODUS

“All the knowledge in aerospace has left the building”

The quote above, from NASA, refers to the knowledge related to the United States moon missions. According to their records in 1986 there were 145,000 aerospace scientists living and working in the U.S. A mere ten years later, in 1996, that number had dropped to 77,000, a 47% decline. This example mirrors those of other organizations, large and small, public and private across the world. Some other facts:

- By 2010, most baby boomers will be eligible for retirement
- Between 2000 and 2010, the aged 55 and older workforce will increase 46%
- Key industries see less people in the “pipeline” even though their veterans are retiring
- Private industry predicts 20-30 % retirements over the next decade
- Public sector estimates range from 40% on up, with 65% of the senior executives eligible for retirement by 2004
- Total cost of replacement (e.g. replacing one middle manager) requires 247% of current salary and benefits

CC & A became vitally interested in the possibility that the loss of key knowledge workers, the ‘gurus’, would negatively impact our organizations’ ability to function well when conducting Human Resource Business Planning with the Bureau of Land Management in 2000. The organization was determined to avoid the same situation as NASA. The first action was to identify the guru and then develop the method to map the knowledge of this retiring water resources professional with mission critical know-how. Simultaneous to that effort, a close colleague, Dr. Barry Spiker of Miami University, began his research quest on the older worker in the United States. His hypothesis was that the labor shortage in the United States would become a national imperative and finally bring attention to the need to offer the baby boom generation a place at the business table.

So what does this all mean to you and your organization? The reality for most organizations is that they will experience a “brain drain” over the next several years that will have a significant impact on their capability to survive and flourish. If this is true for your organization, it is essential that you be prepared for the challenges ahead

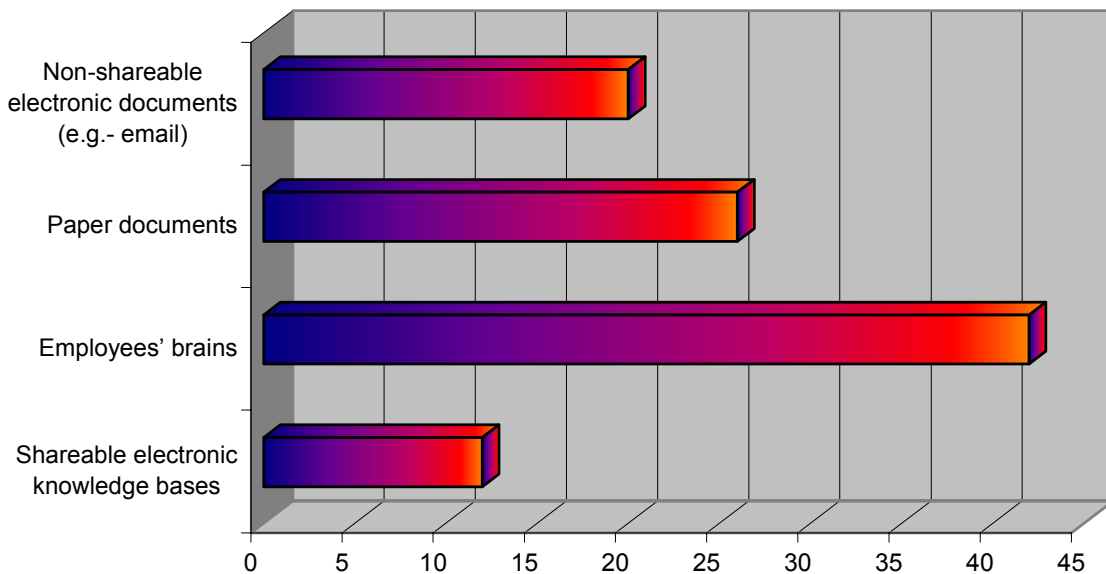
How will KM benefit your organization? A recent study by the American Productivity and Quality Center (APQC) has identified returns on investment in KM per person ranging from 150%-200%. In the same study APQC found their “Best Practice” partners experienced a median financial impact of \$15,000,000. These findings coupled with more subjective measures make investing in a formal strategy for Knowledge Management a positive strategic choice for organizations seeking high performance.

WHERE DOES THE KNOWLEDGE RESIDE?

‘Tacit’ knowledge resides in people’s brains and ‘explicit’ knowledge resides in the organizational systems and documents, both electronic and on paper. Both are common definitions in the KM field. Gamble and Blackwell, in their book Knowledge Management – State of the Art, identify yet a third type of knowledge, ‘implicit’ knowledge’, which is embedded within an organization’s processes and procedures, products or services. They state that this type is less known, but more closely linked to the business activity of the firm. All three types of knowledge – tacit, explicit and implicit – are addressed in this system and the related Quick Start toolkit.

Is there a significant amount of intellectual capital that will be lost in the upcoming exodus? Gamble and Blackwell suggest that a full 42% of knowledge resides in people's brains. An additional 20% exists in non-shareable documents such as email.

The following graphic displays how very much knowledge is tacit and in the minds of people.



THE "QUICK START" KNOWLEDGE MANAGEMENT SYSTEM™

The research tells us that the most successful organizations follow a structured, more formal and systemic approach to Knowledge Management. This strategy ensures that the right questions are asked and answered in all phases of implementation. The following model has four phases- workforce assessment, recruitment and retention, knowledge capture and transfer, and knowledge application and measurement.

The **Quick Start Knowledge Management System™** is designed to identify and fill the gaps discovered when people with “mission-critical” knowledge leave the organization. This system actually gives you a way to think differently and thus

DO SOMETHING ABOUT THE “BRAIN DRAIN”!



PHASE 1: WORKFORCE ASSESSMENT

Preparing for the exodus begins with workforce assessment. The planning effort should be systemic, organization-wide and aligned with the organization’s strategic plan

The key steps in workforce assessment are:

- Determine the current requirements for knowledge
- Create a future workforce profile
- Develop the current workforce profile
- Determine gaps and surpluses

Determine Current Requirements for Knowledge:

Competencies are a critical tool in Knowledge Management planning and implementation. A **competency** is a characteristic of an employee (or an organization) that contributes to successful job performance and the achievement of organizational results. They include knowledge, skills and abilities (KSA’s) plus characteristics such as values, attitudes, motivation and approach to work.

Competencies help in identifying capabilities needed to meet both current and future challenges as the organization begins to lose key people. They also help to focus the development efforts for those individuals identified to move into the roles vacated.

Organizational competencies are usually the result of collective individual competencies evident throughout the organization. For example, individual competencies related to collaboration and interpersonal skills could translate into an organizational competency of

'teamwork'. Core competencies are those deeply imbedded capabilities that enable you to provide quality programs and services to your customers. A key goal of the Quick Start Knowledge Management System™ is to preserve those capabilities within the organization as the exodus proceeds.

Create Future Work force Profile and Determine Gaps and Surpluses:

Identification and clear communication of organizational competencies can have a significant impact on results. In a Knowledge Management context, they serve as a framework for focusing selection and development efforts that will facilitate knowledge transfer to the right people at the right time.

The questions, or criteria, to consider are:

- Will this position be **needed in the future**?
- Is the knowledge needed for this position **mission-critical**?
- Is the position currently filled by an incumbent who has tacit knowledge or skills that **cannot be easily replaced**?
- Is the position currently filled by an incumbent who plans to **retire in the next 12-24 months**?

The next step is to identify the individuals who occupy the positions that meet the criteria. Once those individuals have been identified - the "goers" - the next step is to analyze and document their knowledge, skills and abilities (KSA's). The documented KSA's of the incumbent are used as the basis for recruiting and selecting individuals – the "comers" - who will replace the exiting incumbents.

PHASE 2: RECRUITMENT AND RETENTION

Recruitment:

The search for talent to replace those individuals with mission critical knowledge involves looking at the environment in which they contribute. The first step is to know:

- Who are the successful people in the position?
- What do they do that makes them successful?
- What are the hiring manager's expectations (cost, time, quality, etc.)?
- What are the metrics that measure business impact of a great hire vs. a bad hire?

One of the key sources for finding talent is internal recruiting. Some questions to ask:

- Are there "obvious" candidates (i.e. someone working closely with the incumbent)?
- Can candidates be found among those positions identified as surplus in the future?

If internal candidates are identified through this process, a development plan is created to fill any gaps in skills and knowledge so the "comer" can begin the knowledge transfer process with the "goer", or with the "goer's" knowledge. If you must go outside to find talent, are there potential candidates among your suppliers or competitors? Referrals from customers, suppliers and employees often result in excellent candidates that come highly recommended.

Recruiting, either internally or externally, for a replacement for the "goer" can be a challenging process. In order for successful knowledge transfer to take place, the organization must have the right person identified as the "comer".

Interviewing is still the most frequently used of all hiring practices. The technique CC & A recommends correlates most highly with quality hires and is based on the foundation of competency-based behavioral interviewing. The concept behind this approach is that past performance is the best predictor of future performance. Interviewers ask for specific examples of specific, often critical incidents (both positive and negative outcomes) in order to draw conclusions about how a candidate would perform in the position.

This approach to selection also makes the organization's "core competencies" a visible part of the hiring process because they determine the question categories. Specific questions are then created to elicit actual behaviors the candidate has used in previous, related situations. **The bottom line for your organization is that you are far more likely to hire the best person for the position!**

Retention

Retaining the talent from within the organization to be the potential "comers" is one of the most cost-effective strategies used by best practice organizations. According to numerous surveys throughout several industries, the number one reason why employees remain at an organization is the presence of good career growth and development opportunities. In the same surveys, fair pay and benefits do not rank in the top ten!

For most organizations the Human Resources department can support leaders with a variety of retention policies and practices. Some questions to ask about your organization's capability to retain key staff are:

- How can the quality of work life be improved to make the organization a better place to work?
- How can work assignments be made more interesting and challenging?
- To what extent are employees at all levels recognized and rewarded for their contributions?
- What types of career development pathways and other support are available?
- What messages do we send to employees that they are a valued and valuable investment?

PHASE 3: KNOWLEDGE CAPTURE AND TRANSFER

Successful organizations develop a knowledge intensive culture by encouraging behaviors that facilitate knowledge sharing and knowledge seeking. The specific strategies an organization uses to capture and transfer knowledge should be determined by the intended outcome and the type of knowledge to be transferred. As previously discussed the two primary types of knowledge to be transferred are:

Tacit Knowledge...That which is learned and held in the mind of experienced people- is more difficult to surface and is the primary focus of knowledge capture efforts

Explicit Knowledge...That which is more formal and known- often resides in process documentation, procedures or documented work instructions

Knowledge Management practitioners have devised many creative and effective strategies to both capture and transfer knowledge critical to the organization's success. They include Communities of Practice (CoPs), Knowledge Mapping, Knowledge Cafes, Conferences and Forums, Coaching/Mentoring Processes, Best Practice Repositories and many others. Some of the Best Practice examples are described below.

Document Mining for Knowledge Capture

Mining existing documentation for “pearls of wisdom”, explicit and tacit knowledge, takes time, but yields positive results in terms of finding mission critical, but little known knowledge. The goal of Document Mining is to empower and support the knowledge worker. It has the potential to help an organization identify patterns and relationships that are currently buried (and usually unnoticed) inside voluminous amounts of written documentation or even email. Surfacing these significant and useful patterns and successfully transferring this information into knowledge can give our organizations a competitive edge.

Document mining, which developed independently during the emergence of information technologies, is most suited for capturing knowledge that already exists within existing databases or texts. Incorporating other collaborative tools is essential to capturing the unwritten (tacit) knowledge in peoples' heads.

Storytelling for Knowledge Management:

Storytelling has been part of our lives since our earliest memories. Stories help us learn about the world around us in interesting and creative ways. Storytelling as an art and a skill has moved into our business lives as an essential and highly effective way of sharing knowledge. Storytelling has been redefined and retooled as a competitive weapon for organizations.

Steve Denning, consultant and formally with the KM leader World Bank, identified seven reasons organizations use storytelling to enhance their business. Steve believes storytelling:

| | |
|---|--|
| Persuades people to change | Communicates who a person is |
| Gets people to work together | Transmits values-personal and organizational |
| Shares knowledge (critical to the organization) | Leads people into the future! |
| Tames the “Grapevine” | |

For a practical guide designed to teach storytelling to a group in less than an hour see “Jump Start Storytelling” adapted from Seth Kahan “*Every Professional has Stories to Tell*”. The Quick Start Knowledge Management System™ Toolkit also includes Kahan's process. See www.CenterforChangeExcellence.com under Knowledge Management.

Knowledge Mapping:

A Knowledge Map is an active, visual representation of the firm's intellectual capital. Generally deployed on the Intranet or Internet, the Knowledge Map is the means to design or set out a business or organization body of knowledge and then communicate it to its people. It may provide:

- The organization and structures (architecture)
- People's roles and responsibilities
- The business processes and the associated knowledge people will need in carrying out their day-to-day jobs
- The access to the information needed to perform, both the explicit and tacit knowledge
- The existing subject matter experts in the firm and how to contact them.

The Knowledge Map provides the context that links the appropriate explicit knowledge resources with the relevant tacit knowledge within the minds of the people. It does this by embedding or codifying the tacit knowledge in the minds of the relevant people from senior management downward into contexts, capabilities and processes. It then links these to the repositories of knowledge resources to directly access only that knowledge which is necessary for the completion of the identified tasks. At all times, knowledge resources and processes can be linked back directly to the business needs.

The goals of your knowledge mapping effort should be made clear from the start to guide you toward both efficiency and effectiveness. The Quick Start Knowledge Management System™ encourages a goal of setting out how jobs (as they link to core processes) are performed for training, reference, business improvement or broad deployment to new employees.

An example of a knowledge map that identifies the exiting gurus was offered by the American Productivity & Quality Center in their recent Knowledge Management Symposiums held around the United States in 2003.

| | | Business Process Steps | | | | | | | | | | |
|----------------------|--|------------------------|--------------|----------|------------------------|-------------|------------|----------|-----------|--------------|------------|----------|
| | | Business Process | Requirements | Planning | Development activities | Integration | Deployment | Test Ev. | Home Test | T. Rehearsal | Operations | Training |
| TECHNOLOGY | | | | | | | | | | | | |
| Infrastructure | Hardware Venue layout Telecom | | | | | | | | | | | |
| Facilities | Test lab Venues PC factory Data center | | | | | | | | | | | |
| Systems | Unix NT Networks Cots Security | | | | | | | | | | | |
| Applications | GMS Info Diffusion OVR Website/ISP Photography Interfaces Middleware SLOC Utilities | | | | | | | | | | | |
| IOC | | | | | | | | | | | | |
| Partners & suppliers | Kodak Xerox Seiko Gateway Ikanoo Sun Oracle | | | | | | | | | | | |

Expertise or knowledge lacking or leaving

Expertise exists but does not fill all needs

Experts and content exist and cataloged for easy retrieval

Communities of Practice

Communities of Practice are now validated as one of the most successful techniques a firm can install as part of its Knowledge Management System. A "soft" but powerful approach, these communities have added value not only in lifting the level of knowledge in a given expertise area, but also in building a culture which sustains learning and sharing of that learning. A Community of Practice is not a business unit, a team or a network but can exist within and across all of these structures. They are not a new kind of organizational structure; rather they have a different emphasis- one that focuses on shared learning rather than the delivery of work products/services. Communities of Practice support a number of important requirements for the collecting and distribution of knowledge across the organization or industry. Specifically they:

- Serve as a forum for the exchange of relevant information (best practices, feedback, resources) ...a "just in time" knowledge transfer
- Help to retain the tacit knowledge through their practical and useful discussion of current issues, processes, etc.
- Help to build individual and organization competencies through discussion, collaborative problem solving and exploration of leading edge technologies

Many of the world's pioneers in Knowledge Management have CoPs. According to findings from APQC a best practice example is Halliburton, which now has 17,000 collaboration hits with 3,100 unique users per month involved in their community project. Their ROI for 2002 was 50% or \$1.6 million! This information was shared at the 2003 APQC Symposium mentioned earlier with Halliburton's permission.

PHASE 4: KNOWLEDGE APPLICATION & MEASUREMENT

There are a number of strategies used by organizations to ensure knowledge application. The truly successful application strategies are a mix of pull and push tactics that support transfer and involve both the "comer" and the "goer" with learning and leaving a legacy. This approach creates a culture that values and rewards learning...a prerequisite for an effective knowledge management initiative. Many great examples of successful KM applications exist in the literature. Below is a diverse sample list of best practice strategies from several well known business publications or conferences with the organizations that have successfully applied them:

- Knowledge management repositories/library database (CIGNA)
- Employee Best Practice Identification Process (Wells Fargo)
- Annual KM summit/symposium (Intel)
- Floating coaches (Charles Schwab)
- Communities of Practice (The World Bank)
- Formal transfer process using knowledge experts as facilitators (Shell Oil)
- Enterprise portals (Air Products and Chemicals, Inc.)

Two of these strategies are described briefly below:

Knowledge Repository

Once the critical knowledge is captured...what do we do with it...where does it reside so that it can be accessible and usable on a day-to-day basis? Knowledge repositories are one answer to this question. A knowledge repository consists of databases that gather and organize knowledge, both explicit and tacit, and make it available to those who need this information. It provides a comprehensive and current source of information and guidance that is accessible to anyone in the organization that needs it.

There are a number of different purposes served by a well developed knowledge repository. They include serving as a centralized place to keep “Best Practices”, a directory of “experts” available for consultation and to preserve historical information. A well developed knowledge repository reduces duplication and preserves knowledge that would “leave the building” during the exodus.

The first step in building a knowledge repository requires the organization to determine:

1. What information to share and with whom?
2. What is the best way to store knowledge for easy retrieval?
3. How to keep knowledge stored current and relevant?

When considering the first question, it is important to focus on what kinds of information employees frequently need to locate, but often can not find easily. CC&A also believes, of course, that it is essential to define information and knowledge is in danger of walking out the door.

Using the Goers as “Coaches”:

One of the most effective ways to transfer knowledge from the subject matter experts (the goers) to the comers is through coaching and mentoring. Although this is a highly effective strategy, not all goers’ have the skills required. This is especially true when the individual leaving has been an “individual contributor” with little or no management experience. CC & A’s Quick Start Knowledge Management System™ Toolkit provides the information needed to be that effective coach.

So, what does it mean to be a KM Coach? Coaching for Knowledge Management is an active and collaborative process between the subject matter expert and those individuals (learners) identified to gain the critical knowledge the organization needs.

Coaching Values and Assumptions

These core values underlie the coaching process

- Learning occurs best in a one-to-one or small group setting dealing with “real world issues and experiences
- Learners need a safe and supportive environment in which to test and “try out” new learning/skills
- Individual attention makes a positive difference-people and the organization's needs are worth the investment!
- Trust (two-way) as it is an essential ingredient for the sharing and learning to really occur
- Coaching the “comers” is important work and a valuable legacy

Benefits of KM Coaching

There are many benefits to individuals and the organization when coaching is used as a strategy for knowledge transfer. Some of these are:

- Critical knowledge is transferred to others in a setting that encourages sharing of stories and critical incidents
- Knowledge is applied and skills are honed while the “expert” is still available
- Allows the “comers” to discover and test their own solutions to problems/challenges while getting feedback from the “expert” coach
- Validates the knowledge, expertise and contributions of the person leaving the organization...a perfect “ending”

These are a number of criteria essential for the success of the coaching process. They include:

- Ownership by both parties of the work and the opportunities presented through the coaching process
- Willingness to participate actively in the process... to consider it “important work”
- Excellent skills (communication, feedback, etc) skills for both the “goer” (coach) and the “comer”
- Support from others as needed throughout the relationship (provide adequate time and resources to accomplish goals)

The Sticky Subject of Measurement

The lagging competency in KM has been with measuring its effects in the organization. But the KM field is getting smarter about measuring its benefits and results

Measurement is the area of Knowledge Management most important to the bottom line. Thus, in those firms where Knowledge Management has found its value, the following types of measures act as a guide to those starting the journey. Measurement of KM efforts typically falls into these two categories, although overall results measures are increasing:

| | |
|--|---|
| <p>Process Based Measures typically include:</p> <ul style="list-style-type: none">▪ Cost▪ Productivity▪ Cycle time▪ Defects or errors▪ Safety▪ Environmental compliance | <p>Usage Based Measures include:</p> <ul style="list-style-type: none">▪ Participation rates▪ Number of hits on a data base▪ Frequency of contribution▪ Frequency of use▪ User effectiveness ratings |
|--|---|

Examples of what some successful KM organizations measure include:

- a. Accessibility of the firm's people to KM resources
- b. Rate of contribution of knowledge to the firm's repositories/libraries
- c. Rate of re-use of knowledge from the repositories
- d. Customer satisfaction/retention ratings
- e. Recognition of the firm by the outside world in KM awards
- f. Recruitment improvement metrics due to KM commitment
- g. Quantifiable results stemming from transfer of knowledge
- h. Market valuation/competitive position
- i. Operational/process metrics (e.g.- productivity and yields, cycle time)

- j. Financial metrics (e.g.- increased revenue from existing customers)
- k. Increases in innovations
- l. Percent of successful product launches
- m. Enhanced employee capability/learning

Today, according to the American Productivity & Quality Center, best practice KM partners are able to demonstrate the financial impact of KM. In their 2003 Symposium on Knowledge Management, the annual impact of KM programs ranged from as little as \$7,000,000 to as much as \$200,000,000. How many organizations have that much money to spend?! Yet the median annual cost per participant in a KM program was cited as \$152, with the median impact at \$337. That is a 150-200% ROI. Who could ask for better?! In a recent best practice study shared at the Symposium, the following matrix shows how best practice partners link the purpose of KM to the its measures(or results).

PARTNER'S BLENDED APPROACHES AND RESULTS

| Firm | Purpose | Approach | Technology | Results |
|---------------------|--|--|--|--|
| Ford | <ul style="list-style-type: none"> ▪ Productivity ▪ Quality ▪ Knowledge sharing culture | <ul style="list-style-type: none"> ▪ Best practice replication ▪ Process deployed through CoP's | <ul style="list-style-type: none"> ▪ Enterprise portal, databases ▪ Collaborative sites | <ul style="list-style-type: none"> ▪ Less than 6 years – 15,000 ideas submitted ▪ \$1.6B projected value from ideas with \$1B+ realized |
| IBM | <ul style="list-style-type: none"> ▪ Collaboration for speed, productivity, and revenue | <ul style="list-style-type: none"> ▪ Communities of Practice ▪ Work flow enablement, expert location | <ul style="list-style-type: none"> ▪ Common portal and collaboration tools ▪ Expertise locator | <ul style="list-style-type: none"> ▪ Varies by category but reaching \$100,000,000 at impact |
| Halliburton | <ul style="list-style-type: none"> ▪ Productivity ▪ Quality | <ul style="list-style-type: none"> ▪ Communities of Practice ▪ Extensive design and support for k. mapping | <ul style="list-style-type: none"> ▪ Collaboration tool ▪ Content management ▪ Employee enterprise portal | <ul style="list-style-type: none"> ▪ 150% ROI the first year, including all costs |
| Caterpillar | <ul style="list-style-type: none"> ▪ Productivity ▪ Reduce time wasted ▪ Connect with dealers | <ul style="list-style-type: none"> ▪ Simple application tools made available to business units ▪ Communities of practice | <ul style="list-style-type: none"> ▪ Databases ▪ Collaborative sites | <ul style="list-style-type: none"> ▪ 200% for internally focused and 700% ROI for externally focused CoP's (latter are customer and dealer facing CoP's) |
| Schlumberger | <ul style="list-style-type: none"> ▪ Operational excellence ▪ Knowledge and Best Practice (BP) in the hands of employees and customers | <ul style="list-style-type: none"> ▪ Technical CoP's ▪ Knowledge interchange ▪ Validation of BP's ▪ Connecting experts | <ul style="list-style-type: none"> ▪ InTouch Web enabled – the Knowledge Hub ▪ Bulletin boards ▪ Eureka ▪ Community Web Pages and Collaboration spaces | <ul style="list-style-type: none"> ▪ \$150M cost savings / year ▪ \$100M customer savings (projected) ▪ 95% reduction in time to solve technical problems |

Source: APQC Knowledge Management Symposium, 2003.

Thus, **the key appears to be to link the KM methods and their outcomes as tightly to the business as possible.**

After establishing baseline performance levels to measure the impact of the KM method or strategy, it is important to tie the results to the performance of the business process, product or service outcomes, or other business operations that are being energized by increased KM capabilities.

Implementing KM in Your Organization:

CC& A has drawn from the research to identify the steps for building a case for implementing KM as well as ensuring that the initiative is successful. Following these steps is essential to achieving results as the organization takes the journey to establish a KM culture.

1. Start with a real business problem- CRUCIAL!
2. Find an executive sponsor/champion
3. Create a compelling picture and tell success stories
4. Capitalize on technology, but remember that people connections are part of strong KM system
5. Form a steering group to help select strategy and shepherd the effort
6. Select approaches that match your organization culture and capability
7. Start small in one area (pilot approach); win big; broadly share the results
8. Capture lessons learned
9. Compare to metrics set as initial target expectation
10. Now ,deploy the broader effort (see # 11-16 below)
11. Establish timelines
12. Assign roles and create a KM infrastructure
13. Develop an implementation plan
14. Communicate and market the effort
15. Align rewards and performance plans
16. Ensure funding for software, staff, staff time, consulting support

Mistakes in Start-up Phase:

The research tells us that there are five conditions that can “derail” a KM initiative in the early stages. They are:

Lack of a Champion

The absence of an executive sponsor to support the KM initiative is a set-up for failure. This role is essential for success!

Lack of a Pilot Program

Little learning and course correction can occur if organizations do not “start small” and use the pilot for learning.

Lack of a Clear Strategy

The KM initiative needs to be grounded in a clear strategic goal with approaches that will produce desired results.

Picking the Wrong Place or the Wrong Problem

The choices made early on, in the pilot phase, are extremely important. Select the problem with the most potential and the place with the most supportive culture and fewest barriers. Set yourself up for success!

Picking the Wrong Goer

Selection, as managers all over the world know, is 50% of the solution to high performance. This is true in implementing the Quick Start Knowledge Management System™ also. Thus, it is important to find the departing subject matter experts who will be honored and dedicated to leaving a legacy for your firm.

Conclusion

It is critical to look now at the mission critical competencies needed to flourish in the long-run and to accept that specific action must be taken to harvest the benefit of the intellectual capital developed over the past decades. As the baby boomers reach retirement age, some may desire to work on a part-time basis, thus ensuring more time to capture and transfer their knowledge. But many boomers will be venturing into new challenges, leaving the organization to fumble around trying to recoup the knowledge lost.

Knowledge is not a football. It cannot be fumbled if the firm is to win the game. A systematic initiative to identify, capture and transfer the knowledge of those exiting needs to be developed so that the organization, and those coming behind, can bridge the exodus successfully.

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