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A KM Initiative is Unlikely to Succeed Without a Knowledge Audit

Abstract
The failure of knowledge management initiatives to achieve targets over the past five to six years has been the focus of much discussion amongst knowledge management professionals and business analysts. This has intensified during the past couple of years. Indications from a number of sources suggest that many recent and newly planned knowledge management initiatives and programmes are doomed to similar failure. Industry analysts predict that by next year, 2003, Fortune 500 companies alone would have lost 31.5 billion USD. Every business strategist will attest to the sense of implementing good knowledge management in this modern information and knowledge age. It simply has to be done. The question then arises as to what has gone wrong, and will continue to go wrong? Why is it that something that makes good business sense does not seem to work? Why are knowledge management initiatives failing? Much of the mistakes of both the early and more recent adopters of knowledge management can be traced to the serious oversight of not including the knowledge audit in their overall knowledge management strategy and initiatives. The **knowledge audit** is the indisputable first step in a knowledge management initiative yet it has not been sufficiently recognised as being of paramount importance to any and every knowledge management undertaking.

The Development of Knowledge Management
The uptake of organisational or corporate knowledge management is still relatively slow amongst even major companies and organisations. The top echelons aside, knowledge management is in the main an unknown quantity.

However, and most unfortunately, amongst those relatively few leading companies that have embraced and implemented knowledge management, the significantly larger proportion of knowledge management initiatives have failed dismally, or at best have not been as successful as expected. It is widely held that more than 80% of KM initiatives fail, and that the greater proportion of them will be cut back within three years of the start of the initiative. Leading industry analysts, IDC, have famously reported that Fortune 500 companies lost 12 billion USD in 1999 because of inefficiencies resulting primarily from intellectual rework, substandard performance and inability to find knowledge resources. IDC has further predicted that by next year, 2003, Fortune 500 companies will lose a total of 31.5 billion USD in revenue due to cumbersome knowledge management systems. One of IDC's Vice Presidents, Dan Anderson, pointed out that many organizations have had a difficult time delivering the KM promise in a timely and convincing fashion. Indications from a number of sources suggest that most of the recent knowledge management programmes and newly planned knowledge management initiatives are also doomed to failure or at best will fall significantly short of targets. This gives knowledge management the perception, and indeed reality as currently implemented, of being a high risk venture, by any standard.

Every business strategist will attest to the good sense of implementing effective knowledge management in this modern global, highly competitive knowledge driven economic era. It simply has to be done. Everyone in the know agrees that the KM disappointments and losses have been significantly greater than the delivered results. The fact that the vast majority of

KM initiatives have failed to achieve targets has been the focus of much discussion amongst knowledge management professionals and business analysts for the past couple of years. The question then arises as to what has gone wrong, and will continue to go wrong? Why does this core business strategy, which makes absolutely business sense, run into such difficulties during application? In short, why are knowledge management initiatives failing?

Of the plethora of reason or even excuses given from a wide range of sources, the ones that are most striking are the following:

- More often than not the knowledge management initiative was not properly or clearly scoped and the objectives, even the short term ones were not clear
- Poor communication between the parties of interest, and those who were most affected by the changes brought on by the implementation of knowledge management
- Lack of commitment and lack of support across the enterprise: more lip service that real commitment
- The knowledge management change process and implementation was too long winded and actual or measurable benefits were hard to pin down in the short term
- The knowledge management was too technology-centric and the people element was all too often ignored of side-stepped
- The absolute link between knowledge and business processes where it is created and used has not been clearly understood or appreciated

Thomas A Stewart in his paper “The Case Against Knowledge Management” (2002), pointed out that Companies waste billions on knowledge management because they fail to figure out what knowledge they need, or how to manage it.

The Knowledge Audit Has been Side-Stepped

The explanations given above, and many others not here included, are sound. However, the underlying cause of much, if not all, of the mistakes of both the early and most recent adopters of knowledge management is the serious oversight of not including the **knowledge audit** in their overall knowledge management plans and initiatives. If we examine closely the reasons outlined above, it becomes evident that a knowledge audit would have minimised, and perhaps even completely avoided, the pitfalls which precipitated failure.

The knowledge audit, or K-Audit, is the indisputable first step in a knowledge management initiative. Yet it has not been sufficiently recognised as being of paramount importance to any and every knowledge management undertaking. The fact that knowledge management initiatives have been embarked on without first undergoing the K-Audit is indeed a travesty of justice to knowledge management.

Knowledge Management is Multi-Faceted & Not Just About Technology

Knowledge Management is about people, using technology to enable more efficient processes so that they are better able to capture, store, retrieve, use, re-use, and share knowledge for the financial and general business benefit of the company. Knowledge management is essentially about the security and management of corporate knowledge, both *explicit* and *tacit*. It encompasses the core elements of the knowledge people – primarily tacit knowledge, the knowledge content – the knowledge housed in documents and knowledge systems, the knowledge management processes – how knowledge flows through the company, and the knowledge management technology – the IT software and hardware systems that enables knowledge to be stored, accessed and transferred.

Research evidence repeatedly points to the fact that of the core elements of knowledge management, highlighted above, early adopters have focused their interest on *explicit* knowledge, i.e., documented or codified knowledge, which is housed in and inextricably linked to knowledge management technology systems. To a lesser extent there has also been a focus on knowledge management processes, as this is closely aligned to knowledge management technology. But what has been largely ignored, or given low level attention is the *tacit know-how* found only in knowledge people. For example: A survey by Mckinsey in 2001, of 40 European companies, found that many executives believed that knowledge management begins and ends with building sophisticated information systems. KPMG's Knowledge Management Research 2000 reported that companies still see knowledge management as a purely technological solution, while IDC's estimates that this year, 2002, knowledge management software and services will be a $6 billion industry. Xerox PARC (2001) estimated that one trillion dollars has been invested in KM technology over the last twenty years. Despite the heavy investment in KM technology, it is widely accepted that there has only been miniscule improvement in efficiency and productivity of knowledge workers and that by-and-large, companies that have spent heavily on KM technology are not leveraging knowledge to any significant degree.

The Technology Bias is the Root Cause of the Quick Fix Approach
The technology-centred approach to knowledge management solutions and implementation has been, arguably, the single most damaging element of knowledge management in practice. It is, perhaps, the single most important reason that the proper approach to knowledge management has not been used by most of those who have so ventured.

The reasons for the technology focus are simple. Implementing technology is more-often-than-not viewed as a quick and easy fix. Technology is savvy; technology is easy to quantify; technology is easy to buy and install; technology is easy to justify in terms of investment and spend; technology is easy to demonstrate in terms of having something to show; technology largely captures explicit, tangible, documented knowledge, which is easy to see, touch, and use. It is easy to demonstrate that one has embraced knowledge management by '*showing-off*'the latest piece of corporate or departmental 'knowledge management technology software asset'.

On the other hand, leveraging tacit or people knowledge is not a quick and easy process. It is not savvy; it is not easy to quantify; it is not easy to buy and install; it is not easy to justify in terms of investment and spend; it is not easy to demonstrate that it exists and to show where exactly it is; it cannot be seen, touched, and used easily. It is not easy to demonstrate that one has embraced knowledge management by '*showing-off*' the latest piece of tacit knowledge asset i.e. the knowledge and expertise in a person's head.

How Could Initiators of Knowledge Management Have Got It So Wrong?
Focusing on technology rather than the knowledge people in the company has left a bitter taste in the mouths of early knowledge management adopters, not to mention the huge financial losses that have been incurred. This is because knowledge management should be heavily weighted on people and culture: I have heard it said that knowledge management is 95% culture and 5% technology. Because knowledge management is essentially about people and culture, technology alone, or even as the central focus of a knowledge management programme, cannot meet the challenges of initiating and implementing truly effective knowledge management.

Just as importantly, even if the technology-centred model is taken out of the equation, existing and new adopters of knowledge management must sit back and think rationally about the right way to approach knowledge management. This rational thought process will inevitably lead them to 'demand' that their new approach be much more systematic and logical. They will then begin to look for ways and means to properly examine, assess, review and report on the real needs of the company or organisation with respect to getting the most out of corporate knowledge assets. They will inevitably place a substantial equity value on their valuable knowledge assets.

It is because knowledge management initiators have rushed head-long into technology-focused solutions, without first thoroughly, and therefore properly, assessing their current and future use of knowledge, that failures have been so high. This is some what incredible, as it is doubtful that most companies of any worth would undertake other major new business initiatives without first gaining a thorough understanding of its current status or health with regards to those ventures. Knowledge management technology is not cheap; it costs thousands, and indeed hundreds-of-thousands, to implement knowledge management technology, and a lot of that cost revolves around the necessary consultancy relating to the technology. Unfortunately, those consultants that have encouraged or recommended knowledge management solutions without ensuring that the company or organisation undergoes a complete and thorough knowledge audit have short-changed their clients and customers, shamefully. The question that comes to mind is: Were they selling business results or were they only or primarily interested in selling technology?

A knowledge management initiator or practitioner should always seek to assess the company's current knowledge management health, before proceeding to implement knowledge management. In doing so, the strategy for the knowledge management initiative would be based on solid evidence of the current knowledge status or 'knowledge health' of the company or organisation and how best to implement effective knowledge management. There would then be a solid basis for determining exactly why, how and where results and associated benefits should be delivered.

So What Is A Knowledge Audit: What Will it Investigate and Evaluate?

The knowledge audit is the all important first major phase or step of a knowledge management initiative, and is used to provide a sound investigation into the company or organisation's knowledge 'health'. The audit is a fact-finding, analysis, interpretation, and reporting activity which includes a study of the company's information and knowledge policies, its knowledge structure and knowledge flow.

The knowledge audit serves to help the audited unit to determine if it 'knows what it knows' and 'knows what it doesn't know' about its existing knowledge state. It will also help it to unearth what it should know to better leverage knowledge for business and competitive advantage. This enlightenment sets the agenda for the knowledge management initiative, programme, and implementation.

A complete knowledge audit will evaluate the company's knowledge environment, its knowledge ecology, its knowledge use and sharing: in essence the knowledge enhancing social and behavioural culture of the people within the company. Most importantly, the knowledge audit investigates the perceptions of knowledge management effectiveness by the knowledge people.

It offers a *detailed examination, review, assessment and evaluation of a company's* knowledge abilities, its existing knowledge assets and resources*, and of its knowledge management activities*. A knowledge audit will help the audited company to determine what knowledge is being managed and how well it is being managed. The audit helps to make the knowledge in the company visible.

At the most detailed level, the knowledge audit investigates and evaluates the company's information systems, its processes and its knowledge enabling technology. It will examine how well current processes support knowledge capture, dissemination, use and sharing. Ultimately, the knowledge audit will reveal the company's knowledge management strengths, weaknesses, opportunities and threats and risks, using scientific knowledge auditing methods and tools such as knowledge inventory, knowledge mapping, knowledge flow and gap analysis.

Some of the Key Questions Addressed in the Knowledge Audit
Below are just a few examples of questions that are addressed in a knowledge audit:

- Do we know the wealth of knowledge that exists in the company, both existing and potential?
- What are we doing to tap into existing and potential knowledge sources?
- Do we know how knowledge flows through the company?
- Do we have knowledge maps? If not why not? If yes are they used effectively?
- Who do you go to when there is a problem?
- Have we ensured that our corporate knowledge is as secure as it possible can be?
- How do we manage the threat of the loss of key people and their know-how?
- Do we have a meaningful knowledge management and knowledge security policy?
- Is there standardisation of knowledge documentation in the company?
- Do people get the knowledge they need, when they need it?
- How do people get the information and knowledge they need?
- With whom do people collaborate and share information and knowledge?
- What are the barriers to knowledge sharing? Are these barriers entrenched?
- Do we reward people for sharing knowledge? If yes, are the rewards appropriate?
- Do we know what we should know but don't in fact know.
- Do we know how to reduce our knowledge deficiencies?
- Do we really know what knowledge is useful and critical to the business?
- Do people feel empowered? Do people feel that their knowledge is valued?
- Do people routinely document their own knowledge for repeated use
- What do we do with knowledge accrued from completed tasks or projects?
- Are we constantly re-inventing the wheel and duplicating effort?
- Has our knowledge processes developed as the business expanded?
- Are we deriving value from our knowledge systems? If not, why not?
- Where is knowledge hiding and waiting to be unleashed in the company?
- Who are the providers of our most critical knowledge and how do we get it?

… And much more…

Thus, the knowledge audit will seek to give qualified insight as to whether the company or organisation is ready [especially socially] to become a knowledge-based or knowledge-centred organization

The Knowledge Audit is not Merely an Assessment
There are a number of different approaches to the knowledge audit. In thinking of how to conduct a knowledge audit one must be aware that some companies that offer so called knowledge audits are not in fact offering knowledge audits in the true sense of the term and practice. They are more likely to be tagging the name knowledge audit on to what is at best a quick assessment, in much the same way that vendors have been re-branding existing software as a knowledge management tool overnight.

An assessment is not an audit; an audit by default must offer an independent and thorough examination, verification, and validation. It is also for this reason that a knowledge audit cannot be deemed authentic or valid if it is carried out internally, using only people employed within the company, who work side-by-side with the knowledge people and processes they are supposedly auditing. A knowledge audit must be carried out or at least led by independent external auditors, otherwise it is at best a 'pseudo-knowledge audit'.

Indications are that ‘pseudo-knowledge audits’ are more often than not deemed attractive and totally acceptable by the potential customer, for at least one or more of the following reasons:

- *They are quick and easy to complete, and give quick and easy results.* To this I state categorically that no knowledge audit can be a quick and easy process. If it is quick and easy it is not a proper audit, it is at most an assessment or ‘overview-review’, and this will not get to the heart of real knowledge opportunities and indeed threats.

- *They are significantly less expensive than a full-proper knowledge audit.* My retort is that knowledge is the most expensive and most valuable asset that any company holds, and it does not make sense to offer cheap ‘solutions’ to determining the quantity, quality and state of this highly valuable capital asset. For example, most organisations understand that their property and other physical assets are valuable assets and would not, for instance, even contemplate entrusting a full property portfolio to an inappropriately trained member of staff, and make them also do it in an abbreviated format as well. This is in effect what they are doing with their knowledge assets, and it makes absolutely no sense..

- *They are less revealing of the truth, and many companies are not really ready for the truth*. Quite simply, good luck to any company that chooses to pretend it is trying to place a true value on knowledge by undergoing a ‘toy knowledge audit’. Such companies have already paid the price with failure, and more are coming behind them. This is the age where knowledge is the acknowledged ‘new’ currency. This new millennium will be all about the effective use of knowledge. Companies and organisations, private and public, that are not afraid knowing their true knowledge ‘health’ and of acting on this knowledge, will be the only ones to prosper in the near future.

  … And more….

As a knowledge auditing consultant I have found that, one of the biggest and most frequent stumbling blocks to business is the thoroughness of my company’s knowledge audit. I make no apologies for this, because what we offer is a knowledge audit, not a quick roughshod, pseudo-assessment. As shown earlier, it is my firm belief that a company or organisation cannot effectively plan, initiate and implement knowledge management without a proper knowledge audit. A proper knowledge audit is a relatively long and expensive exercise, but one cannot take a ‘cheap-&-cheerful’ approach to knowledge management and still succeed. As one of the stalwarts of knowledge management, Thomas H. Davenport, PhD, commented “Knowledge management is expensive (but so is stupidity!)”.

An Example of a Good Knowledge Audit Model – People Focused

In order to give a flavour of the knowledge audit process, below is brief summary of the knowledge audit model developed and practiced by the author’s knowledge auditing company, Hylton Associates. Our knowledge audit is very people-centred as our basic tenet is that people are the centre of knowledge management in any enterprise, in any geographical location, large or small, private or public. This knowledge audit model is suitable for an enterprise-wide audit, a single department or a business process within the company.

Hylton Associates begins its knowledge audit with background research of the company in order to be able to properly design the audit. The background research will give the auditors valuable insight into where the company is starting from, what it has already done, how it did it, what were the results, and so on. It provides the essential and valuable insight needed to plan and scope the knowledge audit. The background research is essential for the appropriate and effective design of the questionnaire-survey which must be relevant and specific to the company.

Knowledge Audit Level 1: KAL-1

We call the questionnaire-survey and all that it entails Knowledge Audit Level 1: KAL-1, which is the first level of the complete-comprehensive the knowledge audit. The participants of the questionnaire-survey are employees in the company or organisation. It is highly recommended that as many employees as possible participate in the knowledge audit questionnaire-survey. The results of the survey are then analysed and a report of the results is generated based on the findings up to this point. Initial and well considered recommendations are made based on the findings.

Should the audited company/unit feel that it has gained sufficient insight into its current knowledge management status to begin to implement some priority knowledge management solutions, it may decide to postpone any further auditing at this stage. It is most likely that such priority solutions, resulting from the level one audit will be centred on cultural development and this is indeed encouraging from our point of view. The audited company/unit may also choose to begin to implement some aspects of its knowledge management solution based on the findings of the level one audit, while it continues the knowledge audit process to the next phase, which we call Knowledge Audit Level 2: KAL-2

Knowledge Audit Level 2: KAL-2

The report from Knowledge Audit Level 1 sets the tone for the next level of the comprehensive knowledge audit. It is focused on face-to-face interviews with employees, most especially those employees who had participated in the questionnaire-survey. This aspect of the knowledge audit is essential to gain a deeper and more qualified insight into the true and objective knowledge management position of the company. Again, the end product is a report, this time more detailed with explicit recommendations concerning the way forward, and includes broad-based financial calculations.

Again, following Knowledge Audit Level 2, the audited company may choose to postpone any further auditing at this point, if it feels that it has gained sufficient insight into its current knowledge management status to begin or continue implementation of its priority knowledge management initiatives. And also again, the company may choose to begin to implement some or further aspects of its knowledge management solution based on the report coming out of the face-to-face interviews while it continues the knowledge audit process on to Audit Three, which is an in-depth more scientific and technical audit.

Knowledge Audit Level 3: KAL-3

Knowledge Audit Level 3 is the final stage of the complete knowledge audit process. Here the objective is to identify, locate, chart and map the main sources of *explicit* and *tacit* knowledge within the audited unit. This stage of the knowledge audit fully incorporates the core science of knowledge auditing, which involves conducting a knowledge inventory, building a knowledge map, charting the flow of knowledge and conducting knowledge gap analysis. The deliverable is the documentation defining the explicit and quantifiable benefits to be derived from a knowledge initiative that is recommended and implemented based on the findings of the comprehensive knowledge audit. This will include cost development proposals, including Return-On-Investment. The chief decision makers within the audited unit or company will be able to take evidence based action with respect to immediate, short-term and medium-term investments in knowledge management.

The Scope of the Knowledge Audit

So how does a company decide the scope of its knowledge audit? Some obvious questions are: Where and what should be audited and why? When should we carry out a knowledge audit, is there a perfect time? How long should the knowledge audit take, and how much disruption can one expect? Who should be involved? I will give some very quick answers to the above.

Where and What Should Be Audited and Why?

Ideally, the knowledge audit should be enterprise wide. Knowledge exists in every corner and crevice of the company or organisation, and none should be ignored. However, practicalities will more-often-than-not dictate that a limited knowledge audit be carried out. The audit may therefore involve the entire company or just one or more departments and the people that interface with it. It is also possible that the audit may initially involve just a single business process. The results of a non-enterprise-wide audit may be used to gauge further participation by other departments in the company or organisation. A knowledge audit will also prove useful for a company that has already initiated or implemented knowledge management, as a means of check listing or benchmarking its progress. The rule of thumb, however, should be to scope the audit as wide as possible, even if participation is on a phased or sample basis.

When Should We Carry Out a Knowledge Audit, Is There a Perfect Time?

Quite simply, any company or organisation contemplating a knowledge management initiative should embark on a knowledge audit almost immediately, certainly before purchasing any technology or building any costly models. However, it must be emphasised that a company should not even contemplate beginning a knowledge audit if it is not really ready to embrace knowledge management, if it is not ready to become a knowledge-driven enterprise. If a company is not ready or willing to address the truth of what is revealed as a result of the knowledge audit, then it is not ready to be knowledge-audited. If that is indeed the case, a knowledge audit is likely to be a waste of time, money and effort and extremely frustrating to both the participants and the knowledge auditors. It is also likely that it will involve half hearted efforts by all concerned. The background research will very often help to determine the level of commitment that the company has with respect to becoming more knowledge enabled, and the research findings/report can be used as a determinant as to whether a company should proceed on to even the first stage of a knowledge audit.

How Long Should the Knowledge Audit Take?

The question as to how long the knowledge audit should take is a difficult one to answer as there are many variables that help to determine the duration of a knowledge audit. A knowledge audit can take anything from 1 week to 6 months or longer. Some of the major determining factors are:

- company size and structure
- the current knowledge management level/status
- scope of the audit and level of detail of the audit
- the knowledge audit model/methodology to be used
- the budgetary constraint
- the commitment and co-operation of the key players
- the general logistics

and more …

I recommend that a company or organisation that is contemplating a knowledge initiative view the knowledge audit as a necessary element of that initiative and factor the knowledge audit in accordingly. The knowledge audit is in effect a vital 'feasibility study'. Every company or organisation understands the importance of carrying out feasibility studies when embarking on a new initiative or venture, most especially when the new venture will require the investing of large sums of money, human resources and time.

How Much Disruption Should One Expect During a Knowledge Audit?

Any well thought out knowledge audit will be designed to have the minimum of disruption of normal day-to-day business. We like to say that the knowledge auditors should be unobtrusive, both in their comings and goings. And when they are visible, they should offer an air of excitement among the people of the company, who should have been well briefed and duly prepared for their presence. In the early stages much of the work should be done in the background. Each participating employee should normally only need to invest a maximum of three hours in the knowledge audit: a maximum of 1 hour for the questionnaire and a maximum of 1 hour for the face-to-face interview. An additional 30 to 60 minutes may be factored in for briefings and preparation. The company's representatives that work with the external auditors will need to devote much more time, as they will essentially be part of the unified auditing team.

Who Should be Involved in a Knowledge Audit?

The simple answer is: all of the people within the company. Everyone in the company is a knowledge worker, and everyone has some intrinsic knowledge-capital value to the company. These are the people who are guardians of the company's *explicit* and *tacit* knowledge. These are the people who also take much of the knowledge they guard home with them every evening, and sadly, some never bring it back. Very often the 'people knowledge-assets' are hidden or untapped. The knowledge audit helps to unearth hidden knowledge as well as much of the potential human capital existing in the company. However, once more, practicalities are likely to dictate that only some people can participate in the knowledge audit, and the rule of thumb here is to ensure that the sample of people that participate in the knowledge audit is truly representative of the total population of employees in the company. Knowledge by its very nature moves around the company, from top-to-bottom, bottom-to-top, vertically and horizontally, and in every conceivable diagonal direction. This makes it of vital importance for the knowledge audit to be multi-directional, thus involving everyone in the department or enterprise. Consideration also needs to be given to those people outside of the company who contribute knowledge within the audited company's overall processes. These are likely to be suppliers and partners.

A special note re the employees who participate in the knowledge audit

The people in the company or organisation have high expectation of the knowledge audit; they expect that it will give them the opportunity confidentially share their knowledge with everyone; they expect to be able to tell it as they see it and experience it day-by-day; they expect to be listened to, they expect that the findings will be acted on. Make no mistake, the people in the company or organisation really do care, or at the very least they want to care, and given the opportunity along with proper briefing and preparation, they will demonstrate that they do welcome a knowledge audit and take it seriously.

Pre-Requisites to Undertaking ©HyA-K-Audit

Much as I extol the value and virtues of a knowledge audit, I always forewarn any company that it should not take the knowledge audit lightly and should not embark on one until the company is truly ready, both for knowledge management and for the knowledge audit process. Before committing to undertaking I would like to suggest that the prospective company give due consideration to <u>at least</u> the following:

- The company should already have accepted that knowledge carries a high corporate equity value
- The company's senior executives should already have accepted that the management of corporate knowledge is of priority importance and forms part of the core business strategy
- The company should have a realistic and potentially sizeable budget for the implementation of knowledge management, which should include the cost of the knowledge audit. Recognition of the corporate value of the knowledge audit will help to determine the necessary budget allocation
- The company should have firmly recognised and acknowledged that a knowledge management initiative and the implementation of knowledge management is not cheap, and can in fact be relatively costly in the short to medium term. But so can the effects of not doing it.
- The company should have firmly accepted that the return on investment or return on knowledge investment arising from knowledge management can only be fully realised if corporate knowledge has been properly and thoroughly audited
- The company should have accepted that the equity value of its knowledge is such that significant but quality time must be spent to properly account for that most precious of corporate asset. It should not expect 'quick-fix' knowledge solutions.
- The company should be ready, wholeheartedly, to prepare itself and it's people to undergo a thorough and comprehensive knowledge audit
- The company should be prepared to quickly act on the evidence-based findings of the knowledge audit

In Conclusion

Many knowledge management initiatives have failed and will continue to fail. Knowledge management is multifaceted and highly complex, with the greater elements of the complexities arising from the fact that knowledge and its management is about people and organisational culture. I have argued that the root causes of knowledge management initiatives failures could be vastly reduced if knowledge management initiators ensured that the knowledge audit was embedded within their initiatives. If senior management have accepted high financial value of corporate knowledge, both *tacit* and *explicit*, then they must by necessity understand the importance of the knowledge audit in much the same way as they understand the business sense of any other traditional corporate audit, such as the financial audit. Thus, the *Knowledge Audit* is the natural and logical starting point to a complete knowledge management solution. The audited unit can then proceed towards planning and building an evidence based knowledge management initiative, which is much more likely to be successful than if it had not first carried out the knowledge audit.

The business case for the knowledge audit should now be clear and needs no defending.

Your comments will be welcomed. Dr Hylton can be reached at ann@hyltonassociates.com
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