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Knowledge Culture

To enact a corporate strategy you have to tell your employees what it is

By Don Tapscott

Employees today must be infused with a corporation's values and philosophy if they are to contribute fully to the company's aspirations. If workers are to know how and why to do their jobs, corporate procedures must be transparent to a previously unthinkable extent.

In the old industrial economy, the vast majority of those who worked for the large, vertically integrated companies contributed their brawn, not their brains. Management invested in big factories with production processes and sophisticated machinery that required little decision-making or skill from the operator. Employees were treated as extensions of the machine. Management was based on mistrust, command, and control — and decisions were totally opaque.

Things weren't much better in the office environment. The goal was to climb the ladder and have more direct reports. Salary was your incentive. Your work goals were established many levels above you and you were allowed little or no input. Office politics dominated much of your time, and you were credited for the good work of those below you. You stayed with the company until you retired or were fired. You were the "organization man."

In contrast, modern companies are fluid. Many workers change their processes often and must continuously learn and adapt as they work. They may be assigned to interdisciplinary teams. Their work objectives may span multiple parts and levels of the organization, enabling faster response to changes in the business environment and customer demands. This corporate structure is more agile, but it expands the decision-making roles of managers and employees. To do their jobs effectively, modern workers require much more information, knowledge, and context.

The Open Enterprise

Open enterprises provide employees with technology, tools, and quality knowledge-enabled processes to deliver results. If, for example, one of the key performance drivers is "the customer is everything," then employees must view their jobs as solving the customer's problem, rather than managing or protecting the firm's procedures. So a worker in customer support needs the processes, knowledge, and tools to help solve customer problems — not to recite policy or procedures. Giving employees the proper tools dramatically reduces employee frustration. Cisco's chairman, John Chambers, was asked which comes first, the customer or the employee. He chose the employee, saying that satisfied employees lead to satisfied customers.

The soaring volume of information flowing within corporations reflects the growing complexity of modern jobs. For example, an employee in business development needs sophisticated tools to:

- Help build sales plans and forecasts
- Access marketing information
- Identify and understand targets
- Manage accounts and relationships
- Find resources, such as experts
- Access product, service, and pricing information
- Develop proposals and presentations that win customers
- Create contracts and manage the negotiations internally and externally
- Track and manage interactions
- Learn what works and what doesn't from experienced peers and colleagues.

Knowledge Liberation

What I'm discussing is much more than knowledge management — it's knowledge *liberation*, the release of previously secret information by executives to all employees. Consider something as seemingly finite as product knowledge. The IBM mainframe salesperson circa 1970 knew about the features and functions of IBM's products in great detail, but almost nothing about the firm's product strategy. IBM never "pre-announced" products. The job of the IBM account representation was to sell existing products — the more the better — and keep the competition out. The salesperson didn't know more about the company's technology plans than his customer. Nor did he need to. Technology was stable, and deep changes to product strategy were rare. Customer requirements were generally straightforward. The salesperson made 85-percent gross margins on mainframe sales, enabling IBM to bundle extensive service and support into the product.

Today, the salesperson is working in a volatile environment where customers have access to information about any competitor. Technology is changing daily, as is the customer organization. The account manager needs to thoroughly understand IBM's business strategy, future directions, and views on emerging technology architectures to help customers plan and implement sophisticated technology applications. IBM now releases previously secret information to employees, thus to the marketplace. Although competitors now see more of the company's strategy, empowering employees with strategic knowledge benefits IBM, in terms of both employee and customer trust and relationships.

Salespeople need more than product information, too. Because they won't have answers to every question, they need a deep comprehension of IBM's architectural directions, philosophy, and principles for ensuring customer value. Tricky issues can arise regarding partnering with competitors, politics within the customer firm, or recent corporate disclosures, for example. No policy manual can cover every contingency. Rather, the company's philosophy and values must become second nature to the salesperson. The only course of action is to equip employees with the knowledge and values to make the correct decisions.

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