



Managing Knowledge Without Tears.

By Sultan Kermally.

"...the truly revolutionary impact of the Information Revolution is not artificial intelligence, information, or the effect of computers and data processing on decision-making, policy-making or strategy. The key to continued growth and leadership in the New Economy is not electronics of computers but the cognitive skills of the 'knowledge workers'.

Peter Drucker.

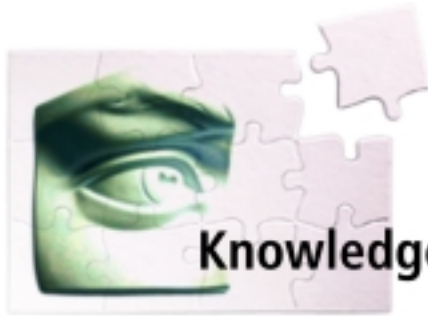
Before exploring the importance of managing knowledge and knowledge workers it is important to dispel the following myths about managing knowledge:

☞ **Myth No 1. Knowledge management is about technology.**

Wrong. Knowledge as such has nothing to do with technology. Technology is merely an enabler. Knowledge is about PEOPLE and how they are managed to collaborate and share their experiences and trust one another in exchanging knowledge gained.

☞ **Myth No. 2. Managing knowledge requires appointment of knowledge specialists and acquisition of knowledge systems.**

Wrong. Employees are 'knowledge workers' and what is needed is not the appointment of specialists but enthusiasts or knowledge champions. One does not require to purchase specialists systems to manage knowledge. It is possible to manage knowledge without spending an additional dollar on computers or so-called knowledge management systems.



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☛ **Myth No. 3. Knowledge management is a fad and something very new advocated by consultants.**

Wrong. Knowledge management is not a fad; it is here to stay. It is also not new or it is as new as Egyptian pyramids. Some countries and organisations have been managing knowledge for a number of years. For example 3M and Skandia have been managing knowledge for a number of years. 3M since they have started doing business have managed to sustain innovation by encouraging employees to share their knowledge and Skandia, as a result of their experience in managing knowledge, have highlighted the importance of human capital in assessing the performance of their organisation. It has become imperative now for all organisations including SMEs because of globalisation and internetisation of businesses and markets. We now do business in market space as opposed to market place.

❖ **Why managing knowledge has become important for all organisations now?**

Organisations now face the following challenges:

- ◆ Increasing value of the intellectual capital is embedded in end products and services.
- ◆ There has been and is increasing convergence of technologies that is enabling organisation to globalise at the press of the button.
- ◆ There is a rapid growth of Internet.

In summary "Economies are increasingly based on knowledge...What is new is that a growing chunk of production in the modern economy is in the form of intangibles, based on the exploitation of ideas rather than material things..."

Economist Newspaper. September, 23, 2000.

Many organisations are resisting adopting of knowledge management because most of them have gone through the traumas of re-engineering, de-layering and restructuring. Some of the employees have gone through very bad times over the past two decades. They do not want or are not ready to jump through yet another hoop.



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However, the way business is structured nowadays and with the advent of the New Economy (which is here to stay in spite of bombing of dot-coms) managing knowledge has become business imperative if the organisations have to gain and sustain competitive advantage.

Given that, it is imperative what is meant by managing knowledge. There are as many definitions of knowledge management as there are experts in this area. In basic terms managing knowledge is about creating an environment where people within the organisation trust one another and trust leadership to share and create knowledge so that organisations can win new businesses and compete efficiently. Creating such an environment involves changing the culture of the organisation and putting processes in place to enable knowledge creation and transfer.

❖ **Differences between data, information and knowledge.**

Data is unorganised word, numbers and images. It has no meaning and context. The name Sultan Kermally in a database is merely data.

Sultan Kermally is a regular customer of our products is information. Information is organised or categorised data. It has meaning or value added to data.

Knowledge is *use* of information. An organisation using information that Sultan Kermally is a regular customer of our products take initiatives to establish special relationships with Sultan Kermally is using the information and thus creating customer knowledge - in this case knowledge about its customer Sultan Kermally. If information gained is not used then knowledge remains passive. It cannot be considered as an active intangible asset. Similarly if employees have skills but he/she does not *use* them then such skills remain passive and of no benefit to the organisation.

Organisations, therefore, can gather/capture information about their customers about their employees about their competitors and so on can become knowledge-driven organisation if they have the culture and processes to use the information. This is what knowledge management is all about.



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Information and experiences of specific individuals are tacit knowledge. If the organisation puts processes in place to make this knowledge explicit so that other employees acquire this knowledge and USE it then that organisation is facilitating knowledge creation and transfer.

The initiatives that can be put in place include, coaching, shadowing, training workshops, after-action reviews, building skills directory and so on. The focus of attention in designing and introducing any initiative is to ask "does that initiative promote knowledge sharing - does it facilitate transformation of knowledge from being tacit or implicit to being explicit"?

Knowledge is the source of innovation. The application of knowledge enhances the capability of the organisation and the outcome brings about innovation.

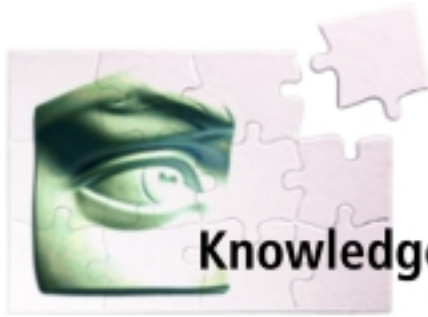
❖ Making a start. Some examples/initiatives.

Begin to build an experience directory. If, for example, you are a project management company then do ask each of your employees to answer some key questions, say about ten questions after they have experienced completion of the project. The questions should draw out the nature of the project, the challenges involved and the way these challenges were attended to and the person/persons involved in the project. The result will be the creation of the experience directory.

The information should be made available to all project leaders. Such an initiative will stop reinventing a wheel, save cost and encourage exchange of information and creation of organisational knowledge.

The other initiative would be to capture information on what employees currently do, what they could do given the opportunity and what they would like to do (their aspirations) given the opportunity to acquire new skills.

The organisation can transform this information in formulating stretch objectives for their employees and for preparing developmental objectives that could be used for new business development.



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❖ **Knowledge is also power. Why should employees share this power?**

Knowledge is an appreciating asset. The more it is shared the more it is enhanced. If an organisation has an effective leadership and if the culture of organisation is conducive to people trusting one another then employees or 'knowledge-workers' will be glad to 'empower' their colleagues by sharing their knowledge.

At the end of the day whether the organisation becomes the knowledge-driven organisation depends on leadership, culture and *trust*.

There are many examples in practice of some organisations and teams creating initiatives to share and create knowledge without individual or organisational tears. Such organisations include Sun Microsystems, Microsoft, Chevron, Xerox, Bankers Trust, and Shell. Employees have come together to create knowledge for their organisations.

According to Brazilian proverb *"When we dream alone it is a dream. When we dream together, it is the beginning of reality"*.

❖ **What is an incentive for your organisation to manage knowledge?**

Think about a big chunk of your intangible asset in a form of human capital walking out of the door every evening. This is your most valuable asset which you have to nurture and motivate.

❖ **Final thought.**

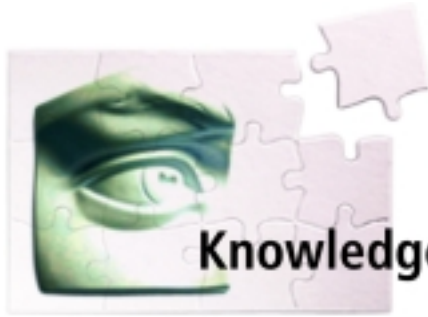
Remember...

Organisations are perfectly designed for the result they achieve. "

Paul Gustavson.

Please Note:

In this article several statements are made about some companies taking initiatives to motivate their staff to share and transfer knowledge. In my book 'New Economy Energy: Unleashing knowledge



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for competitive advantage' (2001) published by John Wiley, UK, I give case studies of the following companies who have taken several initiatives to become knowledge-driven organisations:

- Microsoft
- ICL
- Becton Dickson
- Apple Japan
- Chevron
- Sun Microsystems

In my forthcoming book 'Effective Knowledge Management: A Best Practice Blueprint' to be published by John Wiley in April, 2002, I provide case studies of Xerox as well as of small and medium-sized British companies to encourage SMEs in the UK to create and use knowledge as a key intangible asset.



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The author of this article holds degrees in Geography, Economics, Sociology and Law and Diplomas in Finance & Accounting, Marketing and Further Education.

For several years he held senior academic positions in Scotland and senior management positions with Management Centre Europe in Brussels, London Business School and the Economist Intelligence Unit where he was a Senior Vice President of the Economist Conferences.

Currently he is teaching 'Strategy' and 'Managing Knowledge' MBA modules for the Open University Business School and works as a freelance management development consultant and a coach. His current assignment involves one-to-one coaching with senior and newly-appointed managers at Volkswagen Group based in Milton Keynes.

He has authored seven books including his recent book 'The New Economy Energy - Unleashing Knowledge for Competitive Advantage' published by John Wiley in July, 2001. Currently he is writing a book entitled 'Effective Knowledge Management: A Best Practice Blueprint' to be published by John Wiley in April, 2002. The book is designed to promote 'Fit for the future' campaign sponsored by Confederation of British Industry.

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