

## Viewpoint

### Five Mistakes CKOs Must Avoid

*Too many companies take the wrong approach when implementing KM technologies*

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Playing a role that is increasingly becoming critical, CKOs are the driving force behind knowledge management (KM) initiatives within today's organization. Charged with ensuring that a company maximizes the value it achieves through what has become its most important asset -- employee knowledge, CKOs rely on new technologies to leverage employee's explicit and tacit knowledge in ways that positively impact the company's bottom line.

A blistering problem in today's KM environment however, is that the strategic approach taken in the implementation of new technologies is often the wrong strategy. More often than not, CKOs make recommendations to implement specific KM technologies, and for a number of reasons, those technologies are not well received across the user-base and fail to deliver reasonable value to users and the business, subsequently failing over the long-term.

What does this mean for the CKO and his/her organization? Over a short period of time, the company fails to recognize the business value of its KM investments and places less and less faith in the guidance of the CKO. Ultimately, the meager business value and erosion of faith is the kiss of death for the KM organization.

Why does this happen and how does the smart CKO avoid the KM kiss of death? It is not that KM is inherently a faulty business practice, but rather a result of the flawed approach many CKOs take when executing their KM strategies. There are five critical mistakes that CKOs must avoid in order to keep their organizations alive and thriving and, to ultimately, avoid the KM kiss of death. The following is a brief summary of these mistakes, the telltale symptoms and solutions for avoiding them:

#### **Mistake #1) Ready - Fire - Aim**

This is the cardinal sin of every non-strategic CKO. Your KM initiatives will go nowhere if you are simply implementing a KM program for the sake of KM. Sound KM strategies are designed around very real and specific business problems that impact the organization's bottom line. Prior to embarking on a KM endeavor to choose the best KM technologies for the organization, CKOs must ask, 'What are our business problems? Can we impact those problems with a KM approach? If so, how and what are the benefits to my organization? What are the right technologies to deliver value to my employees and organization?'

Symptoms: Employees are not adopting or using the KM solution; have no actionable insight once the solution delivers output; and the output cannot be applied to move the business forward.

Solution: CKOs must execute their strategies in the context of the business problem, define the criteria for an ideal solution and then identify the closest technological match.

## **#2) Build it and they will come**

When has this ever worked? Smart CKOs never underestimate the importance of taking a strategic approach when introducing new KM technologies within the organization. No matter how many PhDs and patents go into building a technology, the job is never done just because you've stuck the CD into a machine and completed the installation wizard. The value is in USAGE. After all, what good is a KM solution if employees do not use it? Once the right technologies have been identified to support your KM initiatives, successful adoption requires a systematic, tailored and targeted approach. Without it, employee 'buy-in' will never happen and the system will mostly likely never be used to a full extent.

Symptoms: There is an absence of widespread awareness around the technology and employees are not adopting or using the solution.

Solution: CKOs need to identify comprehensive solutions that include 1) a proven and time-tested methodology for driving adoption, and 2) best-of-breed technology that delivers value. Once a best-of-breed technology is identified, CKOs must execute a smart adoption methodology that includes a well-designed internal marketing initiative that continuously communicates the bottom line value of the KM technology. Additionally, incentive plans such as rewards, bonuses and individual recognition, are another way to boost long-term system usage.

## **#3) People vs. Docs**

Take the following quiz: How much do you know? (List all of your know-how, learnings, and expertise to date.) How much of that knowledge is captured in documents? (Give an estimated percentage.)

While it may take you months and thousands of pages to answer the first question, it takes a few seconds to answer the second one: a very small portion. In fact, analysts estimate that at most, 20% of a person's knowledge is captured in structured form, e.g. documents. Yet most CKOs traditionally looked towards their document repositories as the magic bullet to solve all of their KM problems. Documents are not the only source of knowledge in an organization, yet a common mistake for CKOs is to treat them as such.

While the 20% of the organizational know-how that is represented in documents is indeed important, the remaining 80% of know-how walks out the door every evening. The organization anticipates that its knowledge workers will report back to the office day after day, but this is never a sure bet. The first question that CKOs need to ask is, "Given the business problem that I am tackling, what KM technology will give the organization its greatest bang for the buck: efficient access to documents, or rapid access to the expertise of people within your organization?" Both approaches are valid depending on the problem the CKO is trying to solve.

A good example of this is in pharmaceuticals. If you work in the new drug application department of a pharmaceutical company, you are probably managing hundreds of thousands of pages that are required to be filed with the FDA. Under this scenario, a document management system can clearly have a significant impact on the application process time. However, if you work in the R&D department of the same company as a researcher, you need to have on-demand access to the collective know-how of your colleagues to solve complex and

unanticipated issues. In this case, a people-centric approach clearly offers the shortest path to value, and a document-centric approach is likely to fail very quickly.

CKOs who have a limited view of the full spectrum of organizational knowledge assets run a very high risk of getting their KM program cut off at the knees.

Symptoms: Initially, there may be very high usage of the system, but eventually usage tapers off with the majority of employees failing to see significant value. At the end of the day, only a small percentage of employees remain users over the long-term.

Solution: Identify a typical problem that an employee would face that your KM initiative plans to alleviate. Then ask yourself a simple question: 'Would the solution be found in a document, or does the employee need to find a subject-matter-expert to help solve the problem?' If it's the latter, you need a people-centric solution.

#### **#4) Taking a Big Bang! Approach**

For CRM and ERP projects, a 2-year implementation timeline to roll out a new technology enterprise-wide in one shot is simply the nature of the beast. KM projects, however, are a different kind of animal. In the last 24 months corporate America has been turned upside down. Companies are pressured to flawlessly execute in a highly unpredictable business environment. Now more than ever, companies focus on mitigating risk to deliver shareholder value and bottom line performance. 'Grandiose' KM projects that take more than nine months to implement and deliver business value are considered to be extremely risky and end up being the excellent candidate for dissolution. The Big Bang! approach as a part of a KM strategy spells trouble.

Symptoms: Projects typically take nine months to implement and up to 2-years to deliver significant value to the business. Meanwhile, markets are changing, the business is changing and employees are in transition. In response, the project must also change, and incremental investments of time, money and resources result.

Solution: CKOs must take a staged approach with their KM projects, using a framework to identify the ideal groups within the organization to pilot the program. At each stage it's crucial to synthesize the lessons learned, make adjustments and measure the value the system has delivered before rolling it out to a larger group. The staged approach enables the CKO to minimize the risk and prove the value in increments before the company increases its investment enterprise-wide.

#### **#5) Sinking in the supply-side quicksand**

There is a natural tendency in large organizations to assess what knowledge resources already exist in the company and then select a KM solution that can best enable the employees to utilize those resources. This is what I call the supply-side approach, as opposed to the demand-side approach, which is the selection of KM technologies based on a fundamental understanding what the information needs of employees are at a specific time, and the ability of the technology to deliver that knowledge exactly when the employees need it most.

Many CKO organizations subscribe to supply-side approach and they try to anticipate the knowledge needs of the organization by creating static knowledge bases, asking (or mandating) employees to proactively enter their know-how into a KM system, hiring

knowledge engineers to create knowledge bases, or creating a list of questions and answers that are meant to answer most of the employees' questions.

While these approaches may work in static environments (e.g. customer call centers with a relatively small portfolio of possible issues), they fail quickly in the more dynamic environments (R&D, Sales, consulting, etc.) where the complexity of the issues makes it close to impossible to anticipate the problems that employees will face.

To create an effective solution, you need to understand the fluidity of the environment in which the business problem exists. If the projects, problems and initiatives that employees deal with are relatively static and do not change drastically overtime, then a supply-side approach can provide some degree of value. Today's work environments are much more complex however, and unless you also incorporate a demand-side approach, your KM initiative will fail.

Symptom: A small percentage of the knowledge "supplied" is never used.

Solution: Gauge the dynamism of the environment you are trying to affect by looking at how often and how drastically the employees' problems change. If the change is incremental and infrequent, a supply-side approach (static knowledge bases, etc.) may deliver some value. To execute the best KM strategy however, you must also take a demand-side approach and deliver a "just-in-time" employee knowledge network that can meet the changing knowledge needs of your employees.

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