



Issue: **July 2001** **Cover Story**

Movers & Shakers

Meet six knowledge leaders who are making a difference

By the Editors of *KMM*

Knowledge management is above all else about people--about what they know, what they need to know and how they can help each other and their employers to work well and prosper. So at *KMM* we write a lot about people in the aggregate. But we don't write enough about individuals.

We've put together this salute to a group of KM movers and shakers for two reasons. One, of course, is that these half-dozen knowledge management activists are making a difference, and each deserves to be recognized and celebrated. The other is to correct the aforementioned imbalance. In this age of viral marketing and ideas that proliferate across national and cultural borders in the blink of an eye, we need to stop and acknowledge the individuals whose actions are causing momentous shifts in strategic business thinking.

Change occurs when conditions allow it, but also when individual innovators point the way. Such people often are heroes within their own organizations, but even when their ideas spread, they themselves may go uncelebrated in the broader business world. "Movers & Shakers" reflects our determination to give broader recognition to some of those who have made important contributions to their organizations or clients in the area of knowledge-enabling business strategy.

To assemble our roster of those who are making a difference, our staff started by looking at individuals who had a noteworthy impact in the last year or two--whose work is innovative, effective and exemplary. We tossed it around among ourselves, and we also asked our extended community and a number of associates familiar with knowledge management issues and developments to suggest candidates. The final choices are ours, of course.

Our list is a diverse one. We have two knowledge managers from public corporations and one from a government agency, an academic, a trailblazing software developer and an equally trailblazing consultant. Their commitment to and practice of knowledge management likewise takes different forms: instituting a corporate university, decentralizing knowledge sharing around the world, building knowledge bases as stepping stones to enterprise-wide sharing, developing collaborative software, convincing executives to change and showing executives how they can prove to themselves that KM pays off.

As diverse as their professional challenges may be, each of these innovators works in the arena of intangible assets and their relation to business value and profitability. Each is spearheading an effort that will change how businesses view, use and profit from knowledge. Each is not only a thinker but someone who gets things done, assembling teams and lining up resources as needed.

A couple of caveats are necessary. For one, although we focused on their recent impact, none of these Movers & Shakers is a newcomer to knowledge issues. As one commentator noted, "KM achievement doesn't come in just one year. One of the lessons of this accomplishment is about perseverance."

We also recognize that no one person can be responsible for a KM initiative, much less an ongoing effort. These six individuals have each made a difference, but they didn't do it alone and don't deserve--or want--all the credit. Each insisted that credit be shared, and those who belong to large organizations were adamant that success would be impossible without continuing support from the top. Several requested in interviews that their chairman, CEO or CIO be named along with them. The decision not to do that was ours.

We expect each year to identify a new group of Movers & Shakers. They probably will be doing slightly different sorts of things than this year's group, as knowledge management broadens and seeps into many business practices.

Whatever the details, though, KM starts and ends with people, skilled at their jobs and working together toward a common business goal. Company policies and technology tools are necessary to support it, but all knowledge comes from or resides with those individuals and the teams and communities they're involved in. If an initiative does not enlist them as willing contributors, it cannot succeed.

Please join us, then, in honoring these people: *Knowledge Management's Movers & Shakers* of 2001.

Links

For extended interviews and related reading, go to www.destinationkm.com/0701/links

Bottom-Line KM

Verna Allee maps knowledge flow and tallies knowledge values to change company strategies

KM Dossier

Verna Allee

President,
Integral Performance Group

Achievement in KM

"I help people rethink their business, not just put a knowledge management patch on the existing strategy."

If more and more corporate boards are hearing the message about how KM changes the rules of business, Verna Allee is one of the chief reasons.

As president of Integral Performance Group in Walnut Creek, Calif., Allee consults for large corporations, working with board members, directors and senior executives. Typically, her clients are either preparing to launch their first knowledge initiative or taking an ongoing KM project to a higher level.

At the heart of her approach is a proprietary method called HoloMapping that visually maps how different forms of value flow in and around the organization. With sticky notes, colored markers and flip charts, she depicts the movement of traditional exchanges of goods, services and revenue as well as flows of knowledge (competitive intelligence and customer feedback, for example) and returns on intangibles (such as customer loyalty and brand recognition). The intent, Allee says, is to help clients reconfigure their business models for the knowledge economy.

Her peers say that simplifying complexity is one of her key strengths. "Verna provides a visual understanding of the highly complex interchange of tangible and intangible values between various entities within and outside the organization," says Bipin Junnarkar, vice president and chief knowledge officer of Gateway Inc. in San Diego. The result, he declares, is the "creation of economic value."

"I have seen a lot of KM initiatives that haven't been successful. A big part of that is because people don't do the strategy work," Allee says. "A few days up front can save millions of dollars."

In one instance, a large software company that had built a database for sharing best practices brought in Allee to determine why no one was using it. After investigation, she reported that even though the company had invested \$7 million in the project, not a penny of that had been spent on understanding how people in the organization were already used to creating and sharing knowledge.

She is also a synthesizer. "I try to show people how the pieces fit together--at the strategic level, trying to understand the role of knowledge in creating value, and at the tactical level, trying to help people apply and create and share knowledge," Allee says.

However, she adds that few companies are prepared for the deeper implications of KM. "The biggest challenge is helping people understand how radically different this view of the world is," she says. "I help people rethink their

business, not just put a knowledge management patch on the existing strategy. Once people see the business dynamics from the knowledge perspective, they are out of the box and cannot go back."

What makes Allee's approach work, clients say, is that she stays grounded in business realities. "She knows how to tie everything to the bottom line," says Barbara Mayron, a performance consultant and knowledge broker at Sun Microsystems Inc. who worked with Allee on several projects.

In one engagement, Sun asked Allee to develop an evaluation methodology for training that would embed the knowledge and data flow needed for evaluation into the training process itself. "Her HoloMapping program is invaluable," Mayron adds. "Senior managers and directors all buy into the concept of how knowledge should travel."

In *The Knowledge Evolution: Expanding Organizational Intelligence* (Butterworth Heinemann, 1997), Allee proposed an integrated framework for knowledge, learning and performance that proved prophetic. "Verna was way ahead of her time," Mayron says. "People are finally catching up with a readiness to listen to what she has to say."
--Steve Barth

Putting Customers First

Johnson & Johnson wants to share knowledge around the world, and Michael Burtha leads the effort

KM Dossier

Michael Burtha

Executive Director, Knowledge Networking Worldwide, Johnson & Johnson

Achievement in KM

"Striving to be a living example of a knowledge network within J&J."

Michael Burtha has always been interested in process improvement, but to him processes mean people. That's appropriate, given where he works.

Johnson & Johnson, where he heads the worldwide knowledge networking group, has 98,500 employees working in pharmaceuticals, consumer products and medical devices and diagnostics in 194 operating companies in 51 countries.

Established in 1997 as part of the information management department, the KN group is an internal consulting organization that has both functional and exemplary roles in promoting knowledge sharing and collaboration. "Leaders lead not only by example but by recognizing barriers and how to remove them," says Burtha. "We're striving to be a living example of a knowledge network within J&J."

His professional peers confirm the importance of what Burtha and his colleagues accomplish. "J&J is the leader in the pharmaceutical and consumer healthcare products industries in applying KM, and Mike has been the driving force for its adoption," says Chuck Seeley, a former KM director at pharmaceuticals manufacturer Warner-Lambert Co. who's now at Intel Corp. "He's willing to share with the larger community" by taking a leading role at KM conferences and through personal networking.

Burtha joined J&J in 1992 after 12 years at a variety of large corporations and as an independent consultant. Like more than a few other KM professionals, he moved from quality assurance to the broader effort of knowledge-enabling the corporation.

During his time doing QA work, Burtha gained a reputation as J&J's de facto knowledge expert, and after four years he had enough clout that when he proposed beginning a program of global knowledge sharing, management listened.

Burtha says that the company's policies were one reason he signed on. J&J's corporate credo explicitly puts customers--both medical practitioners and patients--first, employees second and the communities in which it has work facilities third. Finally come the stockholders, who "when we operate according to these principles... should realize a fair return," he says. "That document is not just a piece of paper," Burtha insists--"it's the glue that holds people together across all the countries we work in." And that suits his own inclinations.

The KN group does not "do KM" for the business units; instead, this decentralized team helps each unit to do its own. "We don't have one knowledge network," says Burtha. "We have a networking group and a worldwide program of sharing." KN supports worldwide communities of practice, which are voluntary and serve people who do similar work no matter where they are or what line of business they are in, as well as project teams.

Looking toward the future, Burtha observes, "The rate and pace of work will only increase. How do you prepare for the discontinuities you know are going to occur?" J&J's answer is, according to him, "by enabling and increasing the flow of information and knowledge."

This is more a matter of survival than of policy. "It is not always a competitive advantage to do knowledge networking, but it may be a competitive disadvantage not to do it well," says Burtha. "Knowledge networking is the price of admission in an information-based economy."

--Jeffrey Bartlett

Accounting Populist

Baruch Lev seeks to help businesses to track their intangible assets

KM Dossier

Baruch Lev

Philip Bardes Professor of Accounting and Finance,
New York University

Achievement in KM

"I focus discussion on the important issue of measurements of intangible assets--measurements that are now missing and can improve internal and external decision making."

One would not normally use the words "accounting" and "radical" together. But when discussing Baruch Lev, they fit. And if Lev is successful, he'll forge the final link that allows financial markets to value the contributions that knowledge management makes to the value of the 21st century corporation.

Lev, the Philip Bardes Professor of Accounting and Finance at New York University, is one of the leaders of the movement to develop metrics to track the business value of intangible assets. He has contributed as much as any other single individual to moving the discussion about the measurement of corporate knowledge and other intangibles not only onto the radar screens of accounting regulators but also into the public eye.

Lev traces his involvement in corporate performance metrics to the decade-plus he spent working at the Law and Economics Consulting Group. One of his responsibilities was to prepare valuations of companies, many of them technology or pharmaceutical companies, for use in lawsuits.

It was an eye-opening experience. "Despite the fact that I am an accountant, it was clear to me that the accounting system is doing a terrible job. For high-growth companies--at that time, cellular and cable companies--it's completely useless." That realization shaped Lev's determined effort to develop the data to support his assertion that accounting standards must change, particularly in the way they treat intangibles. And develop the data he has: his resume lists more than 70 published papers and two books, with a third on the way.

Lev's annually published intangible assets scorecard for leading non-financial companies is a fascinating and potentially powerful document that compares reported and expected earnings with rates of return on balance sheet tangible assets. Earnings above those attributable to book assets are from non-physical assets, and the present value of those intangibles--those sources of future benefits that don't have a physical embodiment, as Lev defines them--can be computed using data on historical rates of return. This is especially useful in industries heavily dependent on intangibles such as pharmaceuticals and biotechnology.

It is, he readily admits, a work in progress. But Lev is a proselytizer as well as a researcher. He wants to see not just understanding but change, in reporting to capital markets and in the development of useful internal corporate metrics. Toward that end, he played a key role in the work of an SEC panel that in a May report recommended the

development of best practice models that could lead to the reform of corporate accounting by incorporating measures of the business contribution of intangible assets.

In another indication of how far this movement has come, Edward Jenkins, the chair of the Financial Accounting Standards Board, in mid-May acknowledged that work needs to be done to improve the reporting of intangibles. And he made those comments in a talk delivered at Lev's annual Measurement of Intangible Capital conference at NYU.

Lev may be a visionary, but his work is also practical and focused. David Near, director of business excellence for the Dow Chemical Co.'s polyurethanes business, notes that the company needed a consultant who clearly stood above everyone else, "someone out on the cutting edge." Lev was "a tremendous guide, mentor and counsel" in helping Dow grasp the value of its intangibles.

--Alan S. Kay

Learning to Share

David Owens' stealth approach to KM led to St. Paul University

KM Dossier

David Owens

Chief Knowledge Officer and Vice President,
The St. Paul Companies

Achievement in KM

"By a careful choice of words, example and my passion, I've been able to inspire others and motivate them to care about KM as much as I do."

David Owens' story is one of how, with the right sort of leadership, a traditional company can become more competitive by making knowledge sharing a priority.

In 1999 Owens left Unisys Corp. to join the St. Paul Companies Inc., a 148-year-old insurer and Minnesota's oldest business corporation, headquartered in St. Paul. The company wasn't specifically looking for a chief knowledge officer but wanted Owens. He was hired as CKO because of his passionate belief that KM can transform business.

Not everyone shared his belief, though. "When I was given the title of CKO, I was told to be careful about using it internally," Owens recalls. "I had to take the Trojan Horse approach. I would initiate activities, but not call it knowledge management."

His stealth approach proved successful. The knowledge sharing practices he espouses have been broadly adopted at the St. Paul. "People would wake up later and say, 'Hey, we're doing this stuff, and it's working,'" he says.

Why? The company leads one of today's most promising business trends: merging KM with leadership development and corporate learning. Owens and his team created St. Paul University, a stellar example of how to weave KM into a corporate fabric--executives teach, employees learn, and in the process best practices are developed, refined and communicated.

"Dave is one of the people responsible for the convergence of learning and KM," observes Hubert St. Onge, a KM luminary who is senior vice president of strategic capabilities at Clarica Life Insurance Co. in Waterloo, Ontario. "He's very much in the vanguard of practitioners in this field."

A native of Ireland, Owens earned a Ph.D. in instructional systems and taught and developed courseware before joining Unisys as vice president of knowledge management in 1994. Five years later, his first challenge as the St. Paul's CKO was to shift the company's educational emphasis away from acquiring technical skills and toward developing leadership and sharing knowledge.

Only 200 St. Paul employees formally pursued leadership development training in 1998. Last year, however, some 4,000 employees took part in classroom-based leadership development programs through St. Paul University, and an additional 500 learned online.

"We create learning communities, not courses," Owens explains. "An employee goes online to pursue an interest, finds the right classroom experience, continues learning online afterward and follows up with mentoring and coaching from peers." The result is a knowledge-aware and collaboration-oriented employee who will make better, more profitable business decisions.

Owens' KM efforts are creating tangible returns, too. When an Australian competitor collapsed recently, leaving \$25 million in underwriting business on the table, the St. Paul formed an ad hoc knowledge sharing network that let U.S.-based experts collaborate with the company's Sydney office to "cherry-pick" \$15 million of profitable new revenue.

The St. Paul has taken steps to give Owens' work lasting impact. Knowledge sharing is now an official core competency for company leaders, figured into the annual performance assessments of some 2,000 managers. And, the corporation's operating principles now declare, "We share expertise and experience in order to deliver great results."

Like the best innovators, Owens may make his own position unnecessary one day. "Managers will be able to do this on their own, because of the work I've been able to do with the help of my colleagues," he says. "These systems and processes help people know who can help and where to find additional knowledge. And I help people understand why they need to do this."

--Douglas Millison

Peerless Leader

Ray Ozzie's new Groove provides a platform for the distributed enterprise

KM Dossier

Ray Ozzie

CEO, Groove Networks

Achievement in KM

"Using computing technology to help people interact with each other more efficiently and effectively."

Thanks in part to Ray Ozzie, 1984 turned out a little differently than George Orwell predicted. That was the year Ozzie developed a new approach to sharing information among PC users connected to the local area networks (LANs) that were just starting to appear. Lotus Development Corp., where Ozzie worked, didn't even use e-mail then, so depending on whom you talked to, he was either a visionary or a kook. History has voted for the former. His idea turned into Lotus Notes, the first groupware product.

Now Ozzie is spearheading a new approach to collaborative computing that is as different from Lotus Notes as Notes was from the single-user desktop model. At Groove Networks Inc., which he founded in 1997, Ozzie is using the idea of peer-to-peer (P2P) computing to help businesses get closer to their customers, suppliers and partners.

Ozzie finds inspiration in jazz, a music that is both improvisational and collaborative. He sees his role, both in the creation of Groove's first product and as a champion of P2P, as something like a bandleader, bringing together the right people and providing them with a place to jam.

Groove represents an intersection of distributed computing (the harnessing of unused processor cycles on a computer network) and interpersonal interaction--both longtime interests of Ozzie's. He confidently predicts that this new knowledge processing place will reshape enterprise collaboration. "The real shift caused by peer computing," Ozzie says, "will come in people's attitudes toward how they interact with others and the sense of ownership they have of the network."

As with Notes, the drivers behind the interest in P2P computing are both technological and cultural. The tremendous power of PCs and the increasing bandwidth of the Internet and corporate networks provide the infrastructure for a platform such as Groove. More importantly, every business today is interconnected.

"In the business world, there is an obvious trend toward distributed business models," Ozzie says. "This is the key driver of peer computing. When businesses managed most of their business activities internally, centralized systems made sense. But now relationships are the heart of the business and represent how things get done."

The challenge, then, is to find a way to include these outside associations in knowledge activities. "Extranets have enabled direct external access to content and processes," he says, "but they haven't done much to facilitate the interpersonal interaction necessary for effective partnership."

Ozzie himself plays a key role by turning seemingly simple ideas into watershed movements, observers say. Notes wouldn't have happened had he not been able to convince Lotus founder Mitch Kapor to back it. And while other companies are emerging with P2P software, most of the attention has focused on Ozzie. "Ray has a practical side that understands the politics of business," says David Coleman, managing director of Collaborative Strategies LLP in San Francisco. "He's not just a programmer in a vacuum."

The PC revolution has had more than its share of self-promoters, but Ozzie isn't one of them. He speaks softly and lets his ideas be the big stick. "He's one of those quiet, persistent guys that really makes an impact," Coleman says.

Despite his snow-white hair, Ozzie, at 45, seems quite young for a man well into his second computing revolution.

With Groove, he continues to explore and challenge our notions of how computing power can be put to work to improve human interaction. As he says, "For nearly 20 years, I've been motivated by the challenge of using computing technology to help people interact with each other more efficiently and effectively." The results of his motivation have produced important changes in the way people work--and are likely to do so again.

--Lee Sherman

Home-Grown Knowledge

Ash Sooknanan champions a grassroots approach to KM

KM Dossier

Ash Sooknanan

Corporate Knowledge
Officer, Workplace Safety
& Insurance Board

Achievement in KM

"Knowledge management is now pervasive throughout the organization. It's so embedded in everything we do and everywhere we work that people don't realize that that's what it is. It's become second nature."

The story of Ash Sooknanan's substantial professional accomplishments is also the history of the development of knowledge management practices at the Workplace Safety & Insurance Board of Ontario.

The WSIB oversees workplace safety education and administers the insurance program for employers and their workers in Ontario. Although it is a government agency, the WSIB is funded entirely by payments from more than 180,000 businesses across Canada's most populous province, giving it the freedom to develop the practices that best suit its needs and processes.

As a project manager in the rapid application development (RAD) group of the WSIB's information services department, Sooknanan was part of the grassroots effort that launched the agency's KM practices in the summer of 1994. Initially, the effort involved creating a database to save and share application code and project guidelines developed while working to improve the department's customer services. Two years later, the group started collecting best practices and templates in a Lotus Notes database.

Despite the fact that there was no mandate or support for KM from senior management, the RAD group's low-key knowledge-oriented approach spread virally across the organization. As the use of Notes-based knowledge repositories increased, the demands for Sooknanan's time and expertise to support them also grew, and by 1997, he became the manager of the knowledge-sharing system.

A turning point came in 2000, Sooknanan says, when "we started getting memos from the CEO and president telling us to check the knowledge database to get more information on a policy or project." By 2000, the number of repositories had grown to more than 200, and Sooknanan was designated knowledge manager for the entire organization, providing a corporate KM perspective as well as supporting and managing the individual KM practices throughout the WSIB.

As corporate knowledge officer, Sooknanan reports to five--that's right, five--divisional vice presidents. While few in business would envy this situation, "It might have been a blessing in disguise," he says, since for a bottom-up effort the more support you have, especially at the senior management level, the more likely that it will thrive.

"One of my biggest challenges," Sooknanan says, "was getting the organization to see the value of knowledge management. This meant a persistent sell, a long process showing the value of KM to the business and 'what's in it for me.'"

Today, the WSIB's KM practice, the Intellectual Capital KnowledgeBase (ICK), is a collection of 250 Lotus Notes/Domino databases. Along with Sooknanan, two staff members provide support and another assists on a half-time basis. An additional 150 individuals throughout the WSIB act as moderators for one or more of the knowledge bases or forums.

Discussing Sooknanan's success in growing a grassroots initiative to the point where senior management embraces KM, Jerry Ash, chief executive of the Association of KnowledgeWork, says, "Some say success depends on buy-in at the top; others see KM springing from the grassroots. Both strategies are fraught with pitfalls that were avoided at the WSIB by Ash's up-down view and his ability to communicate the value from the mailroom to the boardroom. That's my idea of a job well done."

Others agree. In October 2000, for example, Sooknanan received a Silver Medal in Canada's Technology in Government Distinction Awards for innovative solutions in the provinces.

--*Michael Robin*