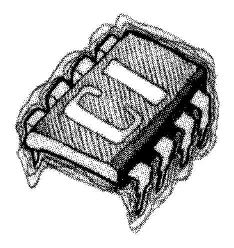

TECH KNOWLEDGE

DISINFORMATION ABOUT KNOWLEDGE MANAGEMENT

TIM POWELL
TW Powell Company

One of the most important challenges in effectively applying competitive intelligence, as with other kinds of corporate data, is that of knowledge management (KM)—*how to extract business value from the information.*

My firm has a growing practice in KM, and we've had occasion to observe things that work, and things that do not work. What is striking is the persistence of several fundamental myths about managing knowledge. This "conventional wisdom" is widely accepted and repeated, sometimes even by leading experts in the KM field. Only by re-examining these articles of faith that "everyone knows" about KM can we hope to break the resource-draining logjams that confront many companies addressing this important challenge.

Ten of the most widely held and persistent myths about organizational knowledge are:

1. Knowledge is power.

This catchy cliché is a reassuring mantra for those of us in the "knowledge" disciplines. However true it may have been in the context in which Francis Bacon said it 400 years ago, it is rarely true in the modern corporation. People with power (*decision makers*) are typically not those with the most extensive knowledge (*knowledge workers*). This is certainly not a function of innate intelligence, but rather simply of how they spend their working time.

Not only are "power" people and "knowledge" people different, there typically is a *culture gap* between them. They attend different meetings, wear different clothes, are compensated differently, have been trained differently, do not think the same way, and at times seem to speak different languages. Bridging this culture gap is one of the core challenges of KM.

2. Knowledge is an internal *resource.*

Though there are many competing definitions of KM, many share some variation on the theme of *sharing knowledge internally.* This is certainly a major aspect of KM. However, it ignores two areas of potential huge payout for this effort: (1) how to get *externally* produced knowledge *inside* the company, and (2) how to take *internal* knowledge and push it *outward.*

The former set of activities has to do with the "supply chain" by which information comes into the company. We believe major changes in the *knowledge supply chain* are needed, as they are in the physical supply chain. For example, much better use could (and should) be made of contacts with other people who may be researching the same topics, whether academics, consultants, journalists, etc.

Likewise knowledge can (and should) enhance the company's bottom line, but it must go outside the company's boundaries in order to do so. Knowledge-based Web sites are only the beginning—soon it's probable we'll see knowledge-based advertising campaigns.

3. KM is a kind of software.

No less an authority than Bill Gates has said:

> *"Knowledge management . . . is not a software product or a software category. Knowledge management doesn't even start with technology. It starts with business objectives and processes and a recognition of the need to share information. Knowledge management is nothing more than managing information flow, getting the right information to the people who need it so that they can act on it quickly."*[1]

Still, we continue to see IT-driven knowledge initiatives that fail to take account of the numerous factors other than technology that make a successful knowledge-based enterprise.

4. Knowledge can be made "explicit."

There is a persistent school of thought, first put forth by philosopher Michael Polanyi in the 1960s, that there are two kinds of knowledge, *tacit knowledge* (in someone's head) and *explicit knowledge* (portrayed in words and other symbols), and that the job of KM is to assist in the transformation of the former to the latter. We believe that *all knowledge is tacit*—and that efforts to "core dump" human knowledge are as futile—though probably as persistent and well intentioned—as efforts in the Middle Ages to turn lead into gold.

What we *can* capture is *information about knowledge*—and this is a realistic, though non-trivial, goal for knowledge management. This distinction is more than a mere choice of words. It leads us to the conclusion that true knowledge remains forever in the heads, hands, and hearts of our people. This essential realization leads us to be more people-centric, and less techno-centric, in making choices about how to manage knowledge.

5. Knowledge is everyone's job.

A common mistake in managing knowledge is to declare that it is so important that it's now part of everyone's job. Certainly, an element of some of the most successful KM processes is that they "deputize" many people outside the core knowledge management function.

However, there still needs to be a KM core, with specific reporting responsibilities assigned. Without this, KM degenerates into empty sloganeering without sufficient accountability and resources to get the job done.

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6. KM is something new and different.

Though the term "knowledge management" is only a few years old, the practice itself is at least as old as some of our most enduring companies. The antecedents of knowledge management began in the 18th century with the invention of the telegraph—the information technology that made possible the development of modern trans-continental and trans-global enterprise as we know it. Certainly the histories of decades-old companies such as Merrill Lynch and Pfizer demonstrate the power of business strategies built on organizational knowledge.

7. KM requires elaborate technologies.

Modern digital information technologies like the Internet have had, and will continue to have, an enormous impact on the way enterprise-wide knowledge is managed. But to insist that some new system be put in place before the company can become knowledge driven is a myth—perpetuated mainly by vendors of those systems. Most modern companies already have vast resources of digital technology that can be harnessed for KM.

Moreover, there are documented examples of great KM practices built around "low technologies" like telephones, e-mail, and even flip charts. We believe that *technology transparency* should be a goal for a KM process—employing the best mix of technologies to have the optimal business impact. Arguably the most significant knowledge-building activities involve information technology only peripherally, like knowledge-sharing meetings and post-project reviews.

8. KM is a stand-alone discipline.

Any knowledge management program that is viewed as yet another corporate silo—and an "overhead" one at that—is almost certainly destined for irrelevance and extinction. Knowledge initiatives must recognize and support the way the enterprise operates, the way it creates value and captures revenues. Few companies make money by selling knowledge directly. But knowledge contributes *indirectly* to products and services in a range of enterprises. Identifying and developing the value that knowledge brings to the enterprise's core products and services is a key first task for KM.

9. Not all companies or industries need KM.

In some industries, the need for KM is a "no-brainer." Professional services firms—consultants, for example—sell pure knowledge, and recognized early on the value of KM. Pharmaceuticals companies, which at an average 15–20% of sales spent on R&D are the leaders in that metric, are beginning to see its value as well.

However, this awareness is less prevalent in some other industries. In those cases there is still a significant *first mover advantage* to be gained by being a leader in recognizing the value of knowledge. In package delivery, for example, FedEx was the first company to recognize the value of a door-to-door package tracking system. This provided them with a significant competitive advantage—until competing carriers were able to mount similar systems. FedEx used an information-based strategy to change the nature of competition in its industry.

10. Knowledge is self-perpetuating.

"Build it and they will come," said of the mythical baseball diamond in the movie *Field of Dreams*, is a common assumption underlying knowledge processes. Indeed, an ideal goal for a KM system is to provide its own *quid pro quo* motivations for use and contributions. Knowledge processes tend to be "sticky"—good practices, once in place, tend to stay in place.

So, unfortunately, do bad practices. In our experience, KM processes need intensive, continual management, especially at first—including meaningful incentive systems and reinforcement through internal awareness programs. Both the *initial investments* in change-management related to knowledge processes, and the ongoing *total cost of ownership* of KM processes, are often underestimated.

Knowledge management is a rapidly evolving discipline, and it's no secret that all the answers and "best practices" are not yet known. The competitive advantages to be gained from making the right choices are extremely high—as are the costs for making the wrong ones.

Perhaps the best final advice we can give is:

- ❑ *EXPERIMENT AND INNOVATE.* Be willing to try new approaches to KM, see what works and what doesn't, and make adjustments accordingly—and rapidly.
- ❑ *BENCHMARK AND ADAPT.* Innovative companies resist the natural tendency to ignore solutions that were "not invented here." Become aware of—and open to—KM solutions developed in other companies, and in other industries, that can be adapted.
- ❑ *QUESTION AND CHALLENGE.* Be wary of false assumptions about KM. A few we've encountered are described above. We'd be interested to hear about any others you come upon.

Notes

1. Gates, Bill (1999). *Business @ the Speed of Thought: Using a Digital Nervous System,* New York: Warner Books.

Tim Powell is managing director of TW Powell Company (www.knowledgeagency.com), a New York-based information and strategy consultancy. He can be reached by e-mail at: tim.powell@knowledgeagency.com.