Designing a Successful KM STRATEGY

Stephanie Barnes and Nick Milton have published an important new book on knowledge management, Designing a Successful KM Strategy: A Guide for the Knowledge Management Professional. Here, on pages 10 and 11, KMWorld presents an abridged excerpt of “Chapter Six: Identifying the Underlying Business Imperatives and Drivers.”

Exactly how can business needs lead the development of the KM strategy? To determine this, you need to work out what the key organizational drivers or imperatives for KM actually are, gathering data through interviews or through workshops. It also means, for example, that IT does not lead your KM program; IT supports your KM program and is a stakeholder and governance team participant.

You must also be careful not to express the business needs for KM in “KM-speak,” but in the language of the organization. So once you have identified the key organizational drivers, how do you describe them in organization-speak?

The four potential focus areas

An operational excellence focus for KM aims to improve the internal practices and processes of the organization so that it operates better, faster, cheaper, safer or cleaner. (See the chart on this page.) The crucial knowledge is that of the operational processes, and the KM strategy will be about ensuring that these processes are as good as they can be throughout the organization. The majority of this knowledge will be internal (knowledge from within the organization). The strategy will include development and deployment of continually improving practices, process innovation, the use of communities of practice and knowledgebases, and standardization of processes wherever possible. Regardless of what sector your organization operates in, it is likely that you are concerned about operational efficiency and effectiveness, which means that operational excellence is a cornerstone of your KM strategy.

A customer knowledge focus for KM aims to improve the delivery of knowledge to the customer interface—the people who work with the customers on a day-to-day basis—so that customer relationships are maintained, service levels are high and sales volumes are increased. In a not-for-profit or non-governmental organization, your “customers” are the beneficiaries of your programs. Similar ideas apply in this circumstance as in a for-profit organization. The crucial knowledge is that of the customers themselves, the market, competitors and other participants in the sector. The majority of this knowledge will be internal with some external knowledge (knowledge from outside the organization) being needed to fully understand the client, the market and the environment, the competitors and other participants in the sector.

Your KM strategy will include the creation of a reliable knowledgebase of products or services for use by your sales force, your service force or your call center, allied with close attention to customer relationship management (CRM). There may also be elements of your strategy focused on the processes of selling and bidding, as even the best product or service will not make money if you can’t sell it. If your organization is in the service sector or is largely concerned with marketing and selling, customer knowledge is likely to be the cornerstone of your KM strategy.

Customer knowledge also applies to internal customers, for example, the IT department’s help desk for internal use. The help desk will need to be able to address employee technology issues based on what services and equipment the employee is using. There is less focus on sales and marketing in working with internal customer knowledge, but the other issues and concerns exist in this scenario too.

An innovation focus for KM involves the creation of new knowledge in order to create new products and services. The crucial knowledge is knowledge of the base technology and of the marketplace. Much of this knowledge will be external, which is what primarily differentiates an innovation strategy from other KM strategies. The strategy will include knowledge-creating activities such as business-driven action learning, think tanks, deep dives and other creativity processes, as well as knowledge-gathering activities such as technology watch and market research. There may also be elements of your strategy focused on reducing the cycle time for new products, as even the best product will not make money if it takes too long to get to