

Evolution of Knowledge Management

Knowledge Management has evolved from the academic thinking of:

- ◆ Peter Drucker in the 1970s, from a management thinking perspective; and
- ◆ Nonaka and Takeuchi in the 1990s, when they introduced the concept of a 'knowledge company'.

Businesses first tried to implement 'Knowledge Management solutions', at the end of the 1990s, with Knowledge Management technologies. However, as we entered the new millennium, Knowledge Management mysteriously vanished from the top of corporate agenda and is only now reappearing.

The reasons for this loss of profile include:

- ◆ That there was too much hype – with consultants and technology vendors cashing in on the latest management fad.
- ◆ That business spent too much money (usually on sexy technologies) with little or no return on their investments. (The measurement of ROI with Knowledge Management projects is difficult at the best of times let alone with those that are badly envisioned – see the Measurement section.)
- ◆ A frustration at the inability to translate the theory into practice – 'It all makes so much sense but why isn't it working?'

Many companies suffered from 'Air Flight In-house Magazine' syndrome - where the busy executive (with a budget) read an article on Knowledge Management, arrived back in the office and implemented some sexy Knowledge Management technology.

This obviously failed (as did better planned initiatives), the reasons include:

- ◆ Knowledge Management was not tied into business processes/ways of working. It was seen as another laborious overhead activity such as completing timesheets – something that might get done at 5pm on the last Friday of the month.
- ◆ A lack of incentives – employees quite rightly asked the 'What's In It For Me?' question. To compound matters, their personal objectives probably encouraged individualistic rather than collaborative activity.
- ◆ The people who used it the most were not the people you want/need to use it - the time factor (as with most communities, how do you encourage the experts to share knowledge when they receive very little new knowledge back?).
- ◆ There wasn't senior executive level buy in.
- ◆ The focus was on the technology rather than the business and its people. This is reinforced by a McKinsey survey of 40 companies in Europe, Japan and the United States, which showed that many executives think that Knowledge Management begins and ends with building sophisticated IT systems.

But don't consign Knowledge Management to the 'management fad graveyard' just yet.

After a short hiatus, Knowledge Management is making a big comeback, as organisations have finally separated cultural aspects from technological solutions.

Moreover, the need to share knowledge with partners, suppliers, and customers - let alone with employees - is increasingly becoming part of the way we work. To quote Meta:

'By 2004, KM principles will be fully embedded as "standard" organisational best practices'.

Knowledge Management Today

After a yearlong hiatus, Knowledge Management has risen from the ashes. Three things were, and still are, driving the need for Knowledge Management:

- ◆ The down turn in the economy - organisations need to do more with less in maintaining and creating competitive advantage. Reducing 'wastage' caused through duplication of effort, repeating mistakes and failing to leverage successes
- ◆ During downsizing, delayering, outsourcing and joint ventures much of the organisation's knowledge base will depart taking with them the experience and skills needed to action the espoused strategies
- ◆ The need to share, collaborate and learn with customers, employees, partners and suppliers - particularly leveraging Business to Employee portals.

In the context of supporting business objectives, Knowledge Management is no longer seen as a fad but rather a business imperative - a survival technique as a minimum.

There is now a push to tie Knowledge Management to business goals – 'What does it mean to your organisation?' - history has shown that overly abstract projects fail. Businesses should be focusing on how information moves through their organisation and how to make these processes better.

To support the above:

- ◆ The BSI report that 80% of large UK organisations already engage in Knowledge Management and 96% predict that they will do so in the next 5 years
- ◆ In their report, 'Easing into Knowledge Management', Price Waterhouse Coopers state that *'75% of a company's worth may soon reside in its intellectual property'*
- ◆ Lotus state that 80% of corporate knowledge flows through informal groupings

– these are normally networks that businesses have little awareness of and zero control over

◆ *'The only irreplaceable capital an organisation has is its knowledge and its people'* – Andrew Carnegie

Source: Websites