

# **Knowledge Management Consulting Method**

## **Part 3 – Strategic Planning**

### **Module 3.3 – Knowledge Analysis**

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## Introduction

### An Overview of the KM Consulting Methodology

The KM Consultancy Methodology enables structured thinking and planning for a knowledge management project. The KM Consultancy Methodology is designed to be modular so that an organisation can choose to start at different levels depending on its readiness, needs and requirements.

The KM Consultancy Methodology is divided into 6 parts of learning and activity. Part 1 concentrates on KM Education, understanding what KM is, the terminology used and why it is important. Part 2 introduces the individual to the importance of KM frameworks, and more importantly, the framework used for the KM Consulting Methodology.

Parts 3, 4 and 5 focuses on the planning, developing and implementing KM within and organisation. This involves looking at the initial or the planning stage of the strategic planning for knowledge management, in Part 3. Part 4 looks at developing the knowledge organisation, looking at how to KM enable the organisation and the need to iteratively develop the KM initiative. Part 5 looks at implementing the KM initiative, from a small pilot project, to a organisation wide KM roll-out and then to an inter-organisation wide KM roll out.

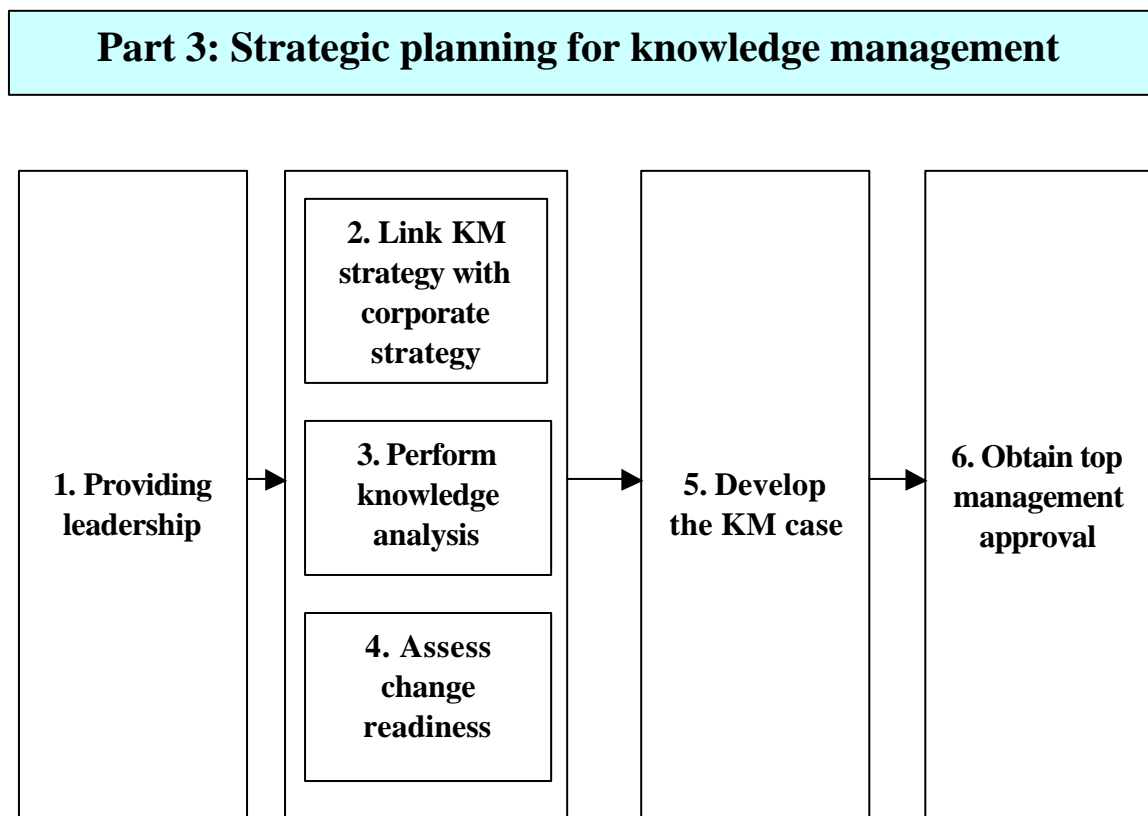
Lastly Part 6 focuses on the knowledge and skills required to successfully conduct KM on a daily basis. This involves fundamental skills, such as utilising the KM system and working effectively as virtual teams through to understanding the new roles and responsibilities of the Chief Knowledge Officer, Knowledge Manager, Knowledge Administrator and the Knowledge Workers.

## Strategic Planning for Knowledge Management

Knowledge management is not about managing knowledge per se or about managing knowledge workers, rather it is about managing the context within which knowledge is created, shared and used.

Therefore, the implementation of any knowledge management project calls for a comprehensive understanding of the context in which the KM project is being undertaken. The task can be quite intimidating and overwhelming because of the complexity involved.

The KM Consulting methodology aims to break a KM initiative into manageable projects without losing sight of the big picture. This part of the methodology – Part 3 is broken down into six modules, each of which can be managed as a series of separate activities.



**Fig 1: Strategic Planning for Knowledge Management**

## Summary of Activities per Module

Module	Activities
3.1 Providing Leadership	? Meet the CEO/MD/top management ? Form & educate a KM Initiation Team
3.2 Link knowledge management strategy with corporate strategy	? Organise workshop/conduct interviews ? Analysis <ul style="list-style-type: none"> <li>○ Identify vision, strategy and objectives</li> <li>○ Identify critical success factors</li> <li>○ Link strategy to critical success factors, improvement needs, key people and processes</li> </ul> ? Select the key business area and process of focus
3.3 Perform knowledge analysis	? Determine knowledge orientation; current and desirable ? Identify critical knowledge assets ? Analyse KM infrastructure
3.4 Assess risk and change readiness	? Change Readiness Assessment ? Stakeholder analysis
3.5 Develop the case for KM	? Explain the need for knowledge management ? Project Description ? Provide solution detail <ul style="list-style-type: none"> <li>○ Develop performance measurement and evaluation plan</li> <li>○ Determine resource and funding requirements</li> <li>○ Develop awareness generation and education plan</li> <li>○ Determine the implementation Schedule</li> </ul>
3.6 Obtain top management approval	? Improve awareness of the executive group ? Present the KM proposal ? Form the KM team

Strategic planning is an important stage of a knowledge management project because it will help an organisation quickly focus on knowledge that counts and delivers value to the firm. Based on the corporate strategy and objectives a clear knowledge management strategy needs to be defined to help the firm set forth the criteria for choosing what knowledge a firm plans to pursue and how it will go about capturing and sharing it. A key deliverable of Strategic Planning will be the creation of a business case which would set the scope of the project by designating critical knowledge for the business and identifying resources of critical knowledge. The focus of the business case would be to convince the top management of the need and benefits of knowledge management and gain their full-fledged commitment for the initiative.

There could be two different scenarios during the initiation phase of a knowledge management project.

- a) The CEO / MD of the firm is convinced of the need for a knowledge management initiative and the project is initiated by her/him. S/he could either decide to form an internal team undertaking the project or hire an external consultant who would also be supported by an internal team. In either case, the information collection exercise becomes easier and the task of obtaining the top management approval should become much easier.
- b) A middle/senior manager in the organisation initiates the project. In this case, the success of the project will be contingent on obtaining full-fledged top management support. Therefore, the focus during the initial phase of the project should be on creating high awareness and garnering much more than word of mouth support from top management.

The modules involved in the two cases would be the same, however the activities and focus might differ. The steps involved would be;

Module 3.1: Providing leadership.

Module 3.2: Link corporate strategy with knowledge management.

Module 3.3: Perform knowledge analysis.

Module 3.4: Assess change readiness.

Module 3.5: Develop a business case for KM.

Module 3.6: Obtain top management approval.

***This module focuses on Module 3.3 – Knowledge Analysis***

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## Module 3.3 – Knowledge Analysis

### 1.0 Knowledge Orientation

Embarking on a knowledge management initiative is very much like setting out on a journey. Before you begin, you need to know where you are, where you want to go and plan out the path and alternative routes. We provide a simple knowledge orientation matrix to help you determine your current co-ordinates and map your desirable ones. This is done by asking you to answer some questions on the important parameters defining a knowledge management initiative. See Appendix 1.

- **Critical success factors for KM** which include awareness, senior management buy in, knowledge sharing culture and so on.
- **Knowledge management infrastructure** which comprises knowledge management strategy, processes, structure and systems.
- **Knowledge networking levels**, which exist at the four levels of individual, team, organisation and inter-organisation.

Based on these three parameters, a knowledge management initiative can be divided into three distinct stages spanning from still at the base camp to knowledge aware to knowledge leveraging. Each stage has its own unique features and resource requirements.

**Still at the base camp:** This stage is characterised by little interest among the senior management for managing knowledge. The organisation is unaware of the importance of knowledge to the achievement of its goal. There is no clear knowledge management strategy. Knowledge is created, shared, used, and organised in an ad hoc manner with no clear structure, systems and processes in place. Accessing and retrieving information is time consuming because of difficulty in identifying sources of knowledge. The level of collaboration and communication between individuals and teams is low.

**Knowledge aware:** In this stage, the organisation is aware of the need to harness knowledge and senior management though not completely convinced is willing to experiment with the concept. A beginning has been made to consolidate the knowledge management infrastructure and improve collaboration within the organisation. Sources of knowledge within the organisation have been identified and documented. The awareness across the organisation is not uniform, the processes structure and systems for knowledge management have still not been implemented.

**Knowledge leveraging:** Knowledge management is beginning to benefit the business. Senior management is committed to providing the resources and time for explicitly managing knowledge assets in the organisation and there is a clear knowledge management strategy and direction. Knowledge resources have been inventoried, evaluated and classified. The organisation is attempting to network with customers, suppliers and competitors.

### **What are your critical knowledge assets?**

This activity attempts to identify the knowledge that is critical to support the corporate vision strategy and goals. Some broad areas of knowledge can be classified as follows;

- Knowledge of the market, customers and suppliers.
- Knowledge about competitors.
- Best practices.
- Technical knowledge of products/services.
- Competencies.
- Patents, copyrights.

Depending on the industry the organisation is in, this knowledge can further be classified into more relevant categories. The knowledge could exist in the organisation as either explicit knowledge or tacit knowledge.

**Tacit knowledge:** often comprises the hidden treasure for the organisation held for example by the CEO of the company, a superb sales team or a department adept at handling customers.

- Embedded in work routines and processes;
  - Heuristics rules
  - Best practices
  - Know how
  - Corporate culture
- Embodied in individuals, networks and communities;
  - Skills and competencies of the staff.
  - Informal networks.



**Case in point:**

British Petroleum harnessed the tacit knowledge at its deep-water drilling teams. Team performance was quite varied, and BP found that workers tended to improve their work processes in an incremental and tacit manner. Hey, let us try it this way—just because they want to get the day over faster, probably. But the innovation remains almost semiconscious. It may get shared with the immediate team, but beyond that, it does not travel well. So BP took some of the tacit knowledge found in deep-water drill teams and codified it by talking about it with other teams. They did not "teach" it to other teams; they used coaches, which implies an ongoing dialogue and interaction. Essentially they had to put a lot of effort and time into coaching, understanding and developing shared context among teams who were working in different parts of the world. But by doing this, they improved performance by \$30, \$40 million per well. That is all it takes. Most firms already have much of the knowledge they need.

**Explicit knowledge**

- Software codes.
- Business models and frameworks.
- Architectures, technology.
- Project experiences e.g. proposals, workplans, reports, meeting agendas, presentations, designs, instructional material.
- Tools used to implement a process such as checklists, questionnaires, surveys or templates.

You could use the checklist provided in Appendix 2 as a starting point.

## 2.0 Analyse KM infrastructure

The team should next identify the state of KM infrastructure from two perspectives- what exists and what is missing. There are four essential elements of the KM infrastructure.

### 2.1 KM strategy

The KM Initiation team needs to understand the strategy for knowledge management in the company if there is one or work at developing it based on the business analysis of the organisation. David J Skyrme and Debra Amidon<sup>1</sup> in their book Creating the Knowledge Based Business classify the strategies for knowledge management into four broad categories based on KM initiatives in the business world;

- Managing knowledge as a core asset: knowledge in whatever form is an organisational asset that is to be leveraged and protected. This is most evident in companies that depend on high intellectual capability e.g. pharmaceutical companies.
- Managing knowledge to enhance product or service capability: this is in industries where knowledge adds value to products by making them smarter. High tech manufacturing industries like automobile, computers and aerospace are cases where this pursued as a strategy.
- Managing knowledge as a business: which is the modus operandi of the management consultancies and is also pursued by market research and analysis companies.
- Managing knowledge to enhance business and management processes: The focus is on having the right knowledge at the right place at the right time to improve the efficiency and effectiveness of an organisation's processes. This is most evident in services industry or global manufacturing.

These are distinct but not exclusive strategies and organisations that are effective at managing knowledge and are aware of these multiple facets. However, depending on the KM strategy of the firm, the focus could be on one or more of the following areas;

- Capturing and reusing structured knowledge.
- Capturing and sharing lessons learned from the practice.
- Identifying sources and networks of expertise.
- Structuring and mapping knowledge needed to enhance performance.

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<sup>1</sup> Creating the knowledge based business, Davis J Skyrme and Debra. M. Amidon

- 
- Measuring and managing the economic value of knowledge.
  - Synthesising and sharing knowledge from external sources.
  - Embed knowledge in products and services.

Also, see prominent KM strategies in Appendix 4.

## 2.2 KM systems

The KM initiation team should develop a broad understanding of the current and desirable use of the technology enablers in the organisation for knowledge management.

- Intranet.
- Decision support tools.
- Data warehouses.
- GroupWare.
- Internet access.
- Video conferencing.
- E mail.

These could be categorised under the six core services of the KM Technology: Distribution, Collaboration, Indexing, Integration, Search and retrieval and Storage.

## 2.3 KM processes

An important indicator of the level of knowledge awareness in the firm is whether there are institutionalised systematic processes for management of knowledge. Are there processes that identify and share existing organisational knowledge and processes for the creation of new knowledge and its conversion into new products and processes? Is there easy access to classified knowledge bases by people throughout an organisation?

Research published by David Skyrme and Debra Amidon in their book "Creating the Knowledge based Business" suggests that organisations need to develop KM processes at three levels. The top level is the co-ordinating strategic level. The next level is the specific tools and methods that underpin each major process. The third level is the skills and techniques to perform knowledge work.

The KM Initiation team should identify whether some of these levels are present in the organisation.

## **2.4 KM structure**

The roles that workers play with respect to knowledge are an integral part of enhancing the knowledge processes. Successful knowledge-based companies depend on how successful individual knowledge workers are at creating and applying new ideas productively and efficiently. This requires an organisational structure to facilitate and support these processes. The KM Initiation team needs to understand the formal or informal organisational structure that directs facilitates and supports knowledge management related activities within the company. In addition, they need to assess whether there is a need for a formal structure

Appendix 3 can be used as a tool to analyse the state of KM infrastructure in the organisation.

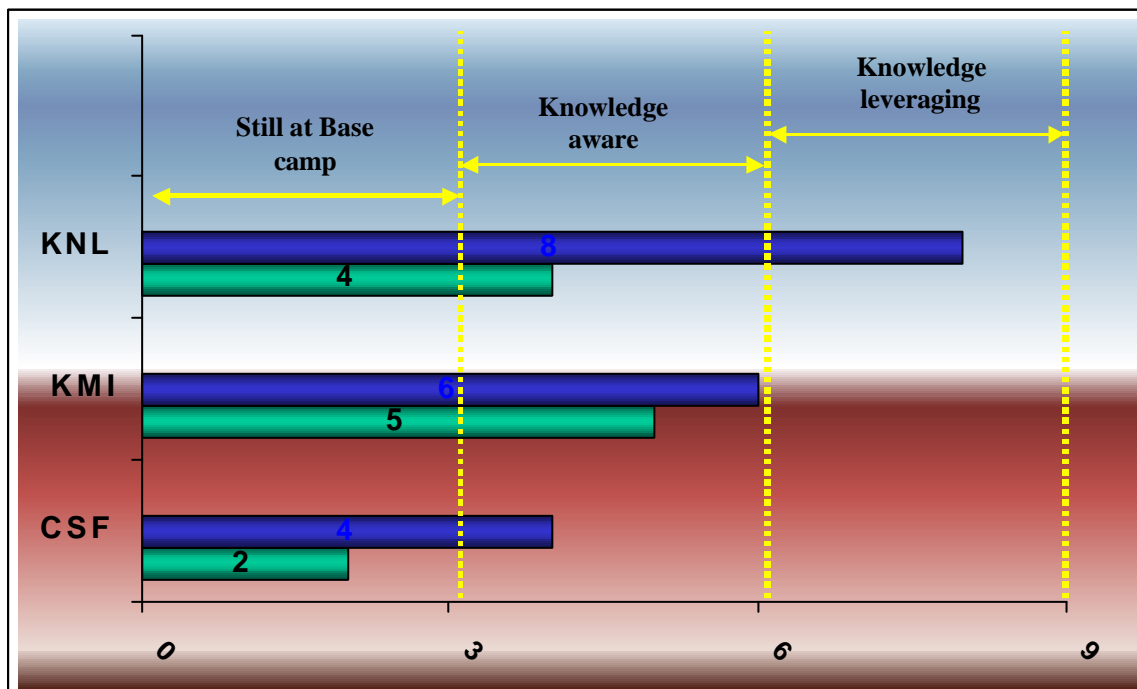
## Appendix 1

### Knowledge Orientation Matrix

The Knowledge Orientation Matrix is a simple tool to assess the knowledge orientation of an organisation and figure out how advanced an organisation is in knowledge management.

There are three distinct stages in the knowledge management journey of an organisation - still at the base camp, knowledge aware and knowledge leveraging. Each stage has its own characteristics and resource requirements.

We pose some questions to assess where you might be positioned in this model. The questions are divided under three broad areas - Critical success factors for KM, Knowledge management infrastructure and Knowledge networking levels. The presence or absence of these three parameters tells a lot about the extent to which an organisation is leveraging its knowledge. A company that has the technology for knowledge management but very low awareness is not optimally leveraging its knowledge. It can improve further by increasing the awareness about knowledge management in the organisation. The model is designed to indicate the areas in which the company should focus.



KNL: Knowledge Networking Level, KMI: Knowledge Management Infrastructure  
CSF: Critical Success Factors

	Still at the Base camp	Knowledge Aware	Knowledge Leveraging
<b>Critical Success Factors</b>			
<b>Awareness</b>			
<b>Senior management buy- in</b>			
<b>Knowledge sharing culture</b>			
<b>Measures to gauge KM benefits</b>			
<b>Incentives and rewards for knowledge sharing</b>			
<b>KM Infrastructure</b>			
<b>Strategy</b>			
<b>Structure</b>			
<b>Processes</b>			
<b>Systems</b>			
<b>Knowledge Networking Levels</b>			
<b>Individual</b>			
<b>Team</b>			
<b>Organisational</b>			
<b>Inter organisational</b>			

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## Critical Success Factors

Are critical success factors for knowledge management present in the organisation?

### Awareness:

People at all levels in the organisation have a general understanding of the concept of "knowledge management"

NA  1  2  3

People at all levels recognise knowledge as a key resource

NA  1  2  3

People in the organisation are aware of the need to proactively manage knowledge assets

NA  1  2  3

### Senior Management Buy-in

There is a board level representation for KM

NA  1  2  3

Top management in the firm is committed to knowledge management

NA  1  2  3

Top management recognises KM as an important part of the business strategy

NA  1  2  3

### Knowledge sharing culture

Recording and sharing knowledge is routine and second nature

NA  1  2  3

Failure is seen as an opportunity to learn

NA  1  2  3

Change is accepted as part of working life

NA  1  2  3

All employees are co-operative and helpful when asked for some information or advice

NA  1  2  3

Knowledge sharing is seen as strength and knowledge hoarding as a weakness

NA  1  2  3

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**Measures to gauge knowledge management benefits:**

Intellectual assets are recognised and valued

NA  1  2  3

There is a senior level on going review of the effectiveness of knowledge management to the whole company

NA  1  2  3

Intellectual assets are recognised and valued

NA  1  2  3

**Incentives and rewards for knowledge sharing:**

Good knowledge management behaviour like sharing, reusing knowledge is actively promoted on a day to day basis

NA  1  2  3

Bad knowledge management behaviour is actively discouraged

NA  1  2  3

Individuals are visibly rewarded for knowledge sharing and reuse

**Knowledge management infrastructure**

**Strategy**

Knowledge management is a vital part of the business strategy

NA  1  2  3

There is a vision for how KM should integrate into the business

NA  1  2  3

There are defined responsibilities and budget for KM initiatives.

NA  1  2  3

There is a clear ownership of KM initiatives either by business units or by the whole business

NA  1  2  3

The organisation hones its skills for generating, acquiring and applying knowledge by learning from other organisation's learning processes

NA  1  2  3

The organisation systematically assesses its future knowledge requirements and executes plans to meet them

NA  1  2  3



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### Processes

Key knowledge assets such as customer knowledge is identified and preserved and maintained  
NA  1  2  3

Effective cataloguing and archiving procedures are in place for document management (not necessarily electronic)  
NA  1  2  3

Intellectual assets are legally protected.  
NA  1  2  3

Training and development programs in knowledge management behaviour are undertaken from point of recruitment.  
NA  1  2  3

There is hardly any duplication of effort in the organisation  
NA  1  2  3

In the day to day work, it is easy to find the right information  
NA  1  2  3

When a team completes a task, it distils and documents what it has learned.  
NA  1  2  3

### Structure

There are specified roles and responsibilities for knowledge management activities in the organisation.  
NA  1  2  3

Formal networks exist to facilitate dissemination of knowledge  
NA  1  2  3

Internal staff rotation is actively encouraged to spread best practices and ideas.  
NA  1  2  3

### Systems

Technology is a key enabler in ensuring that the right information is available to the right people at the right time.  
NA  1  2  3

There are systems in place to facilitate effective communication across boundaries and time zones  
NA  1  2  3

Information retrieval is effective

NA  1  2  3

There are complete IT security procedures in place (backup, recovery etc)

NA  1  2  3

## Knowledge networking levels

### Individual

Individuals are committed to continual improvement and are constantly generating new ideas within the organisational context

NA  1  2  3

Resources are committed for ongoing training and development of individuals

NA  1  2  3

### Team

The teams in the organisation are effective, self managed teams composed of individuals capable of learning from each other

NA  1  2  3

There is good intra-team communication and sharing of knowledge

NA  1  2  3

### Organisation

Virtual or remote teams are supported effectively in terms of access to networks or knowledge

NA  1  2  3

Multi-disciplinary teams are effectively formed and managed

NA  1  2  3

There is participative goal setting, measurement and feedback

NA  1  2  3

### Inter-organisation

Technology is shared with clients and suppliers where appropriate to enhance relationships

NA  1  2  3

Ideas for alliances and joint ventures are constantly reviewed and acted on when necessary.  
NA  1  2  3

### Evaluation of the matrix

Assign yourself the following points for each number

NA = 0  
= 1  
= 2  
= 3

Add the total for each subsection: Awareness, senior management buy in, knowledge sharing etc and use the following guide to determine where you are and where you want to be in what time frame.

	Still at the Base camp	Knowledge Aware	Knowledge Leveraging
<b>Critical Success Factors</b>			
Awareness	< 5	5-7	>7
Senior management buy- in	<5	5-7	>7
Knowledge sharing culture	<6	6-9	>9
Measures to gauge KM benefits	<3	3-4	>4
Incentives and rewards for knowledge sharing	<5	5-7	>7
<b>KM Infrastructure</b>			
Strategy	<7	7-14	>14
Processes	<10	10-14	>14
Structure	<4	4-7	>7
Systems	<5	5-8	>8
<b>Knowledge Networking Levels</b>			
Individual	<3	3-4	>4
Team	<3	3-4	>4
Organisational	< 4	4-7	>7
Inter organisational	<3	3-4	>4

## Appendix 2

### Knowledge mapping

#### Asset checklist

Market Assets	Intellectual Property Assets
Service brands	Patent
Product brands	Copyright
Corporate brands	Computer Software
Champions	Design Rights
Customers	Trade secrets
Evangelists	Know how
Customer Loyalty	Trade Marks
Repeat Business	Service Marks
Company Name	
Backlog	
Distribution Channels	
Business Collaborations	
Franchise Agreements	
Licensing Agreements	
Favourable Contracts	
Infrastructure Assets	Human centred Assets
Management philosophy	Education
Corporate culture	Vocational Qualifications
Management processes	Work related knowledge
Impact of information	Work related competencies
Technology Systems	
Networking Systems	
Financial Relations	
Required Standards	

## Knowledge source checklist

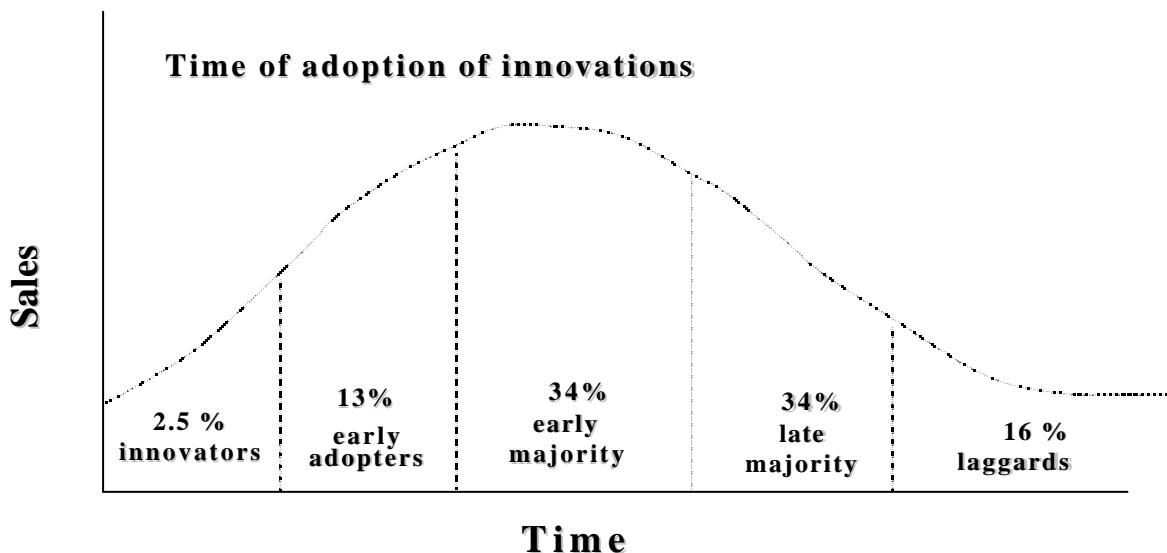
Customer/Market	Company
Market analyst's report	Policy manuals
Expert commentary/ opinion	Sales Analysis
Trip Reports	Expert profiles
Scouts Reports	Skills database
Competition	Processes
Profiles	Business process descriptions
Analyses of strategy	Guidelines and help
Competitive encounters	Process experts
Benchmarking Reports	Best practise database
General	Learning Resources
Reference sources- directories etc	Learning warehouse
Trade Association publications/ contacts	Course information
News Feeds	Online tutorials/help
External database access	Expert networks
Book/Article abstracts	Corporate library database

## Appendix 3

### Analysis of KM infrastructure

#### KM systems

- ? List the IT systems in your company.
- ? List the technology enablers for knowledge sharing.
- ? How many databases are there in the company? What are they used for? How accurate are they? How are they maintained?
- ? What is the ratio of employees to PCs in the company?
- ? Is this ratio optimal?
- ? Is your company a company which is divided by It systems or integrated by them?
- ? How is email, internet, intranet used in the company?
- ? What role does the IT manager have in developing and implementing corporate strategy?
- ? What mechanisms does your IT manager use to keep up to date on the evolving technology which could be used by your company?
- ? Where is your company on the adoption of innovation curve below?
- ? Is this position appropriate to achieve corporate goals?



**The Innovation Curve**

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### **KM strategy**

- ? How are the mission, vision and objectives of the company communicated to everyone in the company? Should it be communicated to others outside the company, such as customers and suppliers? Do they need an overhaul?
- ? Is the corporate culture in the company or department conducive to achieving corporate goals?
- ? Is there a proactive intellectual property strategy? Does the company need to have one?
- ? Are the employees quickly rewarded for helping the company to achieve its corporate goals?
- ? What is the major reason for valuing your intellectual capital?
- ? What valuation methods will you use for:
  - ? Market assets.
  - Human centred assets.
  - Infrastructure assets.
  - Intellectual property assets.
- ? To whom will you communicate this information?
- ? How will you feed it back into the corporate planning system?

### **KM Structure**

- ? Are there any specified roles and responsibilities for knowledge management activities in the organisation?
- ? Where does the responsibility for knowledge management activities reside in the organisation?
- ? Do you think it is or would be valuable to have a formal role of “ Chief Knowledge Officer” and a core knowledge team in your organisation? If so on, what tasks should the CKO focus?

### **KM processes**

#### **Knowledge generation**

- ? Does the company evaluate the knowledge generated by R & D? Does it need to?
- ? Do we generate new intellectual capital through business collaboration?
- ? Do we ensure there is synergy between employee learning programmes and corporate goals?

#### **Knowledge acquisition**

- ? How does the company track and identify opportunities to collaborate with partners?
- ? How many collaborations has the company participated in over the last two years?
- ? How many were successful? Of those, which were not successful, what were the main reasons for their failure?

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### **Knowledge use**

- ? Is there a mechanism to capture employee recommendation to improve any aspect of the business?

### **Knowledge sharing**

- ? How are employees made aware of what is happening in the market your company operates in? Is there a need to improve the channels?

### **Knowledge Organisation**

- ? To what extent does the operation of the company, rely on tacit knowledge?
- ? What measures can be taken to turn tacit knowledge into explicit knowledge?
- ? What steps can we take to protect our corporate knowledge?

### **Knowledge Assets**

- ? What does the company do to supplement the education of employees once they have joined the company? Is there a need to improve on this front?
- ? Who is responsible for determining if the workforce has the vocational qualifications to satisfy the corporate goals?
- ? On what special knowledge does the company depend to operate?
- ? Where are those knowledge assets within the company?
- ? Can they be easily identified and described?
- ? How are these assets protected on behalf of your company?
- ? Pick an important function in the company - what work-related competencies does that function require? What work-related competencies will require the next year? Are resources in place to fill the gap? What will be the cost implications?
- ? How are work related competencies planned? Is the employee able to acquire the competence via training?
- ? Are there special corporate learning programs in the company? How are the goals of the company fed into corporate learning?
- ? Does your company have a library in the facility? How are employees made aware of new books, papers and reports in the library?
- ? Does the senior management participate in employee training?
- ? Who are the heroes in the company? Why are these people heroes?



### Analysis form

	Assessment			Improvement
<b>Knowledge Assets</b>	What are the critical knowledge assets?			How can the value of these assets be enhanced?
	What areas of knowledge should the organisation focus on?			How can critical knowledge be effectively captured?
<b>KM Strategy</b>	Do you have strategic knowledge objectives for having desirable competence portfolio?			What would be effective knowledge goals to have?
	Yes/No			
<b>KM Processes</b>	How effective are the KM processes?			How could these processes be improved?
	Need drastic improvement	Need some Improvement	Satisfactory	
<b>Knowledge Acquisition</b>				
<b>Knowledge Creation</b>				
<b>Knowledge Use</b>				
<b>Knowledge Sharing</b>				
<b>Knowledge Organisation</b>				
<b>KM Structures</b>	Are there effective KM structures in place?			What new structures could be introduced? How could existing structures be improved?
	Yes/No			
<b>KM Systems</b>	What are the existing KM systems?			How can they be improved?

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## Appendix 4

### Prominent KM Strategies

The APQC<sup>2</sup> consortium benchmarking study on knowledge management identified six emerging strategies that firms are using to address their KM needs:

1. **Knowledge management as a business strategy:**

This strategy is the most comprehensive and enterprisewide approach to knowledge management. Firms pursuing this strategy believe KM is central to their ability to grow and compete. They rarely need to make a business case for the concept, often have a formal "knowledge champion" and embed significant resources in all areas of the business to ensure ever improving knowledge is accessible to and through their people, processes and products. Some of the firms pursuing this KM strategy are Price Waterhouse, Arthur Andersen and Sequent.

2. **Transfer of knowledge and best practices:**

This strategy is the most widespread, focusing on systematic approaches to knowledge reuse and transfer of best practices and knowledge to where they will be used to improve operations or be included in products and services. This includes systems and practices to obtain, organise restructure, warehouse or memorise, reward and encourage, repackage for deployment, and distribute knowledge. The key value proposition of this strategy is reduced cycle time and costs, increase in the proposal the company wins, and more effective use of the knowledge of the organisation to satisfy customer needs. Some firms pursuing this strategy are Texas instruments, Skandia, Chevron, Arthur Andersen and Dow Chemical

3. **Customer-focused knowledge:**

This strategy is focused on capturing knowledge about customers; developing and transferring knowledge; and understanding of customers' needs, preferences and businesses to increase sales, as well as bringing the knowledge of the organisation to bear on customer problems. Prominent firms pursuing this strategy are Sequent, Dow Chemical, Skandia and USAA.

4. **Personal responsibility for knowledge:**

This strategy is driven by the belief that people are the engine of knowledge and should be supported and personally responsible for identifying, maintaining, and expanding their own knowledge, as well as understanding, renewing, and sharing their knowledge assets.

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<sup>2</sup> APQC Consortium – <http://www.apqc.org>

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Some examples are Chevron, Hughes Space and Communications, Price Waterhouse and Sequent.

5. **Intellectual asset management:**

This strategy emphasises enterprise-level management of specific intellectual assets such as patents, technologies, operational and management practices, customer relations and organisational arrangements. The management focus may centre on renewing, organising, valuating, safekeeping, increasing availability and marketing these assets. Skandia and Dow Chemical are the two prominent examples of firms pursuing this strategy.

6. **Innovation and knowledge creation:**

This strategy emphasises innovation and creation of new knowledge, through both basic and applied research and development. Examples are Arthur Andersen, Dow Chemical, Hughes space and Communications, NSA, Price Waterhouse, Texas Instruments.

## Glossary

**Knowledge** The ideas or understandings, which an entity possesses that are used to take effective action to achieve the entity's goals.

**Knowledge management** The ways to create, retain, share, account for, and leverage knowledge - at all levels, from the personal level to the team level, the organisational level, the inter-organisational level, and the global level.

**Knowledge Asset** A resource that an organisation wants to cultivate and manage. Human assets are people and networks of people, structural asset could be an automated sales process and market asset could be a corporate brand.

**Business case** A document describing the business issues driving the project, the project objectives, the project scope, the approach and time frame for achieving results, the budget and the project team.

**Critical Success Factors** The most important activities and processes the organisation has to make right to reach the goals outlined in the strategy. Examples include: product development, inventory reduction, time to market, customer service and so on.

**Vision** The dream of a future state for the organisation.

**Change Agent** The person responsible for the process of change and incorporating the principles and tools of change management into an organised and systematic plan of implementation.