
THE INTEGRATION OF KNOWLEDGE MANAGEMENT INTO EXISTING BUSINESS PROCESSES

The creation, renewal and sharing of knowledge are clearly critical to the delivery of innovative, and cost effective, products and services. Yet, despite this dependency, the processes and practices used by organisations to manage their knowledge assets are often disconnected from those employed to manage the services and products they underpin. This disconnect will often result in a failure to identify critical issues, and also reduces the visibility and uptake of knowledge management tools.

One symptom of this problem is the tendency for knowledge management initiatives to focus purely on capturing, and making visible, knowledge. Knowledge management should be equally concerned with ensuring processes and practices incentivise individuals to share knowledge. This shift in focus is required to address what many believe to be the biggest challenge facing knowledge management : Individuals, and hence projects and services, invariably show a reluctance to look for knowledge outside of their local, well established, networks. I suspect that, no matter how visible an organisation's knowledge becomes, it will be ignored by most. Knowledge management professionals talk about the need to create a culture in which knowledge is shared. I'm a cynic, I don't believe that cultures change by persuasion or reasoned argument; they need to be forced to evolve. For this to happen knowledge management must be embedded into existing management processes, strategy, policy and accountabilities.

Management Processes

In most organisations it is possible for a product or service to progress from cradle to grave without management checking whether knowledge has, or should be, exchanged with the organisation's knowledge portfolio. This is clearly unacceptable, and can be remedied by ensuring knowledge management is addressed within existing management processes.

Almost all organisations make use of a range of standardised management processes, these can range from the completion of a datasheet to formalise the closure of correspondence with a customer, to the preparation of a business case to demonstrate that a proposal meets pre-defined business criteria. In most instances there is the opportunity to embed knowledge management criteria within these standardised processes.

These new criteria may do no more than seek confirmation that a check has been made to ascertain if there is knowledge that should be imported from, or flagged to, existing knowledge

management tools. In the event that such confirmation cannot be given, then an explanation should be requested.

However, these knowledge criteria must be chosen with care. The simple example given above may be appropriate for minor tasks. In other cases a much more detail submission should be mandated, and in many instances the submission of a **knowledge plan** should be required. In the case of a project, say for the building of a waste treatment plant, such a knowledge plan would need to address:

- The completeness of actions being taken to control competitor, customer, supplier and distributor's access to the organisation's knowledge.
- The completeness of actions being taken to maintain access to, and freedom to exploit, the knowledge required by the project.
- The sufficiency of the knowledge available to the project.
- Whether there is particular know-how that the project should be importing from, or exporting to, the rest of the organisation.
- Whether the project's deployment of knowledge will have an impact on the organisation's other activities.

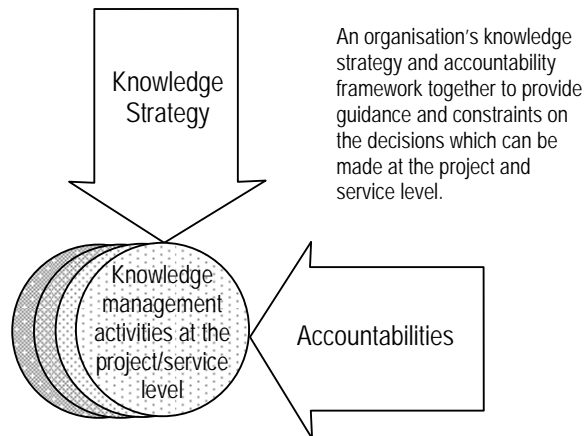
It is clearly vital to monitor the adequacy of responses to these criteria or questions. Ideally such checks should be embedded in whatever processes are already used to approve the release of funding. Hence a failure to provide an adequate response to such knowledge criteria will result in a reduction in funding. Appropriate checks can also be made as part of any existing compliance monitoring and even feature within the organisation's KPIs. In this way individuals will soon learn to manage, and provide information on, knowledge with the same rigour as is currently applied to, say, financial data.

By integrating KM into existing business processes it is possible to create an environment in which KM is recognised to be part of normal good practice. It therefore becomes just another activity that is planned and budgeted for, and not an add-on activity that must be accommodated by stretching budgets and working longer hours. Ultimately, the checks and controls become invisible because participation in KM becomes second nature.

However, simply mandating that services and products should address knowledge management is not the complete answer. Generally the organisation also needs to provide guidance to help individuals contribute to knowledge management; this is especially important in two areas.

Firstly, it is important that everyone in the organisation is clear who is **accountable** for carrying out the key activities needed to make knowledge management work.

Secondly, there must be sufficient guidance, in the form of an overarching knowledge **strategy**, to steer decision-making so that all elements of the organisation are working to a common approach.



Accountabilities (and Policy)

An organisation's policy should describe the principles it will adhere to, in this case, when managing its knowledge assets. I believe that key accountabilities should flow naturally out of this policy. For example:

Policy	Knowledge will be deployed, protected and shared so as to serve the interests of all stakeholders.
Accountability	Function Heads are accountable for commissioning and implementing fit-for-purpose local knowledge plans. The Board will monitor the adequacy of actions taken by Function Heads to deploy, protect and share knowledge. Budget holders are responsible for ensuring projects and services are compliant with local knowledge plans before funding is released.
Minimum action	Knowledge management criteria, identified by the Chief Knowledge Officer, will be built into processes used to approve the release of funding. The Chief Knowledge Office will develop a system of KPIs, describing the status of the Function's knowledge management activities, and report findings to the Board.

There is inevitably considerable variation in the detail presented within different organisation's policy framework. Some organisation's may decide to limit their policy to a series of statements analogous to those given in the top line of the above table. However, I find that policy statements of this type are often little more than motherhood statements that rarely aid in the running of the organisation. Conversely, some organisation's policy contains detailed procedures describing not only what should be done, but how. In my experience,

policies of this type are often ignored because of the sheer volume of information users must navigate.

The knowledge policy framework I recommend is normally structured as follows:

- A number of short policy statements are given defining the principles the organisation wishes to follow in the management of its knowledge assets.
- Each policy statement is accompanied by clear accountabilities, identifying both those responsible for policy implementation, and the actions that need to be undertaken to ensure compliance.
- Supporting procedures can be prepared where necessary. However, in general these should be kept outside of the policy framework.

This structured approach provides a clear description of; the organisation's policy, the minimum actions needed to ensure compliance, and identifies those responsible for monitoring compliance.

Strategy

I believe that a knowledge strategy should provide a vision that helps services and projects to take decisions on the capture, maintenance, protection and disclosure of knowledge assets. (Instead of describing the approach being taken to knowledge management). As such it should, amongst other issues;

- Identify where, or the circumstances when, communities of practice and databases should be formed.
- Discuss knowledge gaps and how they are to be filled.
- Identify key knowledge assets and what actions are necessary to ensure it is appropriately managed.

I find that, for most organisations, the critical area of their knowledge strategy concerns the management of the knowledge that underpins their differentiating and enabling capabilities. Differentiators and enablers can be defined as follows:

Differentiators are capabilities to which an organisation wishes to have unique access (these are critical to company's in the private sector).

Enablers are capabilities, with limited availability, that are essential to product and service delivery (here the focus is on ensuring secure and cost effective access, rather than pursuing the creation of a unique capability).

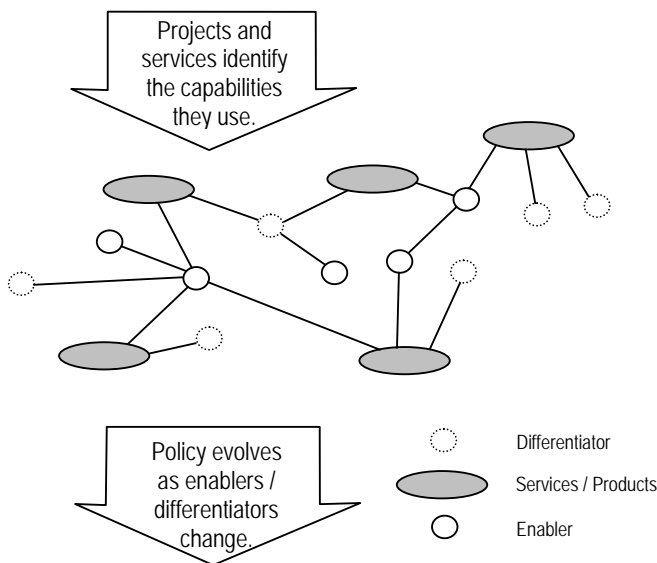
Differentiating and enabling capabilities can range from disciplines such as project management, to technical expertise such as an understanding of specific chemical reactions. Enablers and differentiators are likely to exist in the following areas:

- Service delivery / product manufacture.
- The supply chain and its management.
- Customer management (attraction / retention / interface).

To be a true differentiator or enabler a capability will typically underpin a range of products or services.

Clearly, individual projects and functions should not be allowed unlimited freedom on how to manage the knowledge underpinning the organisation's enablers and differentiators. The knowledge strategy must therefore provide a framework to guide local decisions and actions. For each enabler or differentiator the knowledge strategy should therefore identify; key knowledge that should be captured and shared, whether inventions should -as a default- be patented or kept secret, who is responsible for decision-making, etc.

Earlier I proposed that existing management processes should be adapted to encourage projects and services to exchange knowledge. These management processes can also be used to require projects and services to confirm the importance, or alternatively update, the enablers and differentiators captured in the organisation's knowledge map.



This process will help an organisation refine its view of its key know-how and hence allow its knowledge strategy to evolve. Further, this process will help identify areas where communities of practice or database would be of utility, and ultimately, whether the knowledge underlying key capabilities are being correctly managed.

Targets and Challenge

I have found this to be the most important area to address when seeking to improve knowledge management in large organisations. Specifically, once strategy, policy and accountabilities are clear, then the process of making visible the performance of accountability holders is an extremely effective lever for change.

Senior management, or the corporate body, should therefore routinely challenge how effectively knowledge is being

managed by the functions. Metrics or other indicators can be of considerable use in this process of challenge and can both:

- Make visible the quality of the organisation's knowledge management.
- Make visible the alignment of the organisation's knowledge assets to strategy. ie: measuring the "role" and "utility" knowledge assets in each business area.

Monitoring the Quality of Knowledge Management: Here the choice of Key Performance Indicators (KPIs) is critical, the correct KPIs can be used not only to identify areas where improvement is required, but more importantly serve as guidance on the activities that should be undertaken to improve performance.

Some KPIs will take the form of simple checks, which will have a "yes" or "no" answer, for example; Are accountabilities clear, and if delegated, are approval and reporting structures clearly defined?

Monitoring the Quality of the Knowledge Portfolio: It is obviously not possible to review the alignment of all knowledge assets to business strategy. Instead the process of challenge should probably pay particular attention to the "health" of those knowledge assets underpinning the organisation's key differentiating and enabling capabilities. It may be useful to develop a system of metrics to help in this process. Here it should be recognised that knowledge assets have two basic characteristics that should be examined.

Role. Here metrics will seek to measure the potential importance of a given asset (eg: the extent to the knowledge is important in satisfying the customer's needs).

Utility. Here metrics will seek to measure whether a given asset is fit for purpose, and if its longevity is consistent with this need (eg: whether the knowledge base is of sufficient quality to meet the needs of the customer).

Each knowledge asset will therefore have two characteristics, defining respectively its Role and Utility. If metrics are used to represent these characteristics, then any misalignment between the Role and Utility scores will highlight potential problems that need to be considered by management.

Intellectual Asset Management

Intellectual asset management brings together knowledge and intellectual property management. Specifically, it seeks to:

- Minimise third party access to, and freedom to exploit, key intellectual assets.
- Ensure ongoing access, and freedom to exploit, key intellectual assets.
- Raise the visibility of, and ensure full exploitation of, key intellectual assets.

Ultimately, intellectual asset management, like knowledge management, must be addressed by its integration into

existing processes, strategy, policy and accountabilities.
Specifically:

- Management processes should check whether projects and services are both managing and protecting key intellectual assets.
- Internal management reports should make visible both the strength of the intellectual asset portfolio and the quality of its management.
- Policy and accountabilities should clearly define responsibilities for the management of intellectual assets.
- Intellectual assets should be visible to projects and services.

In other words, intellectual asset management can, and therefore should, evolve naturally from knowledge management using the tools and processes described here.