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Although grassroots efforts are popular these days for KM because of shrinking budgets and competing priorities, many organizations are realizing the benefits of cross-company KM efforts. These are far easier said than done, however. Here, Kasper De Boer and William Ives of Accenture explain how to get the most out of taking your KM efforts global.

MASTERING ENTERPRISE KNOWLEDGE MANAGEMENT

Key steps to ensure value from going global with KM

By Kasper De Boer and William Ives, Accenture

Knowledge management efforts are increasingly moving to the enterprise level as KM matures, becomes more common and presents a greater need for coordination of multiple local initiatives. At the same time, new technologies in the portal, content management and collaboration space are accelerating this enterprise move and making it more possible, forcing enterprise-level discussions on such issues as governance, knowledge-related services, processes and taxonomies.

While the increase in enterprise knowledge management (EKM) efforts is exciting, it also offers new opportunities for failure. For EKM to be effective, a series of decisions need to be addressed. Decision points include:

1. picking realistic goals to ensure that EKM stays aligned with enterprise business goals at the functional level;
2. defining and designing the components of the EKM services;
3. determining which services are best handled at a global, functional or local level;
4. deciding on which services to outsource, buy or build internally;
5. positioning an EKM organization and its services with other enterprise support services, such as learning and performance management.

This final integration step is essential to successfully coordinate the efforts of each of these functions,

both minimizing turf wars and optimizing enterprise level performance.

Finding a center of gravity

Analysts such as Gartner and Ovum agree that KM can't be isolated from business goals and the notion that KM is more than technology seems old news now. Yet the new portal, content management and collaboration technologies have given IT organizations new tools to put in place as part of infrastructure upgrades, increasing chances of "doing" technology for its own sake. As we wrote recently, "[portals] must be focused on specific business outcomes. They cannot simply be costly upgrades of the intranet" (See Ives and Cheese, *KM Review*, July/Aug 2002). The same rule applies to EKM, but it raises a paradox. To be successful, KM must focus on solving real business challenges at the business function and process level. This results in different approaches to meet the requirements of each business function. So, what can occur across the enterprise?

While KM should not be a "one-size-fits-all" service, there's great potential in extending KM across the enterprise. An enterprise-level group can be the center of gravitational pull for various function-level initiatives. This center of gravitation approach allows for individual variations to meet functional business requirements, as well as the setting of realistic enterprise-wide goals, such as:



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KEYPOINTS

- Common architecture and standards by which KM capabilities are built, managed and measured. These standards facilitate communication and knowledge sharing across functional groups, helping to break down silos while allowing for individual and cultural variations.
- Consistent guidelines for investment decisions for KM initiatives that allow for alignment with functional needs to help prioritize competing initiatives.
- Efficient and effective direction of scarce resources and specialist skills to best meet enterprise goals and personal objectives.
- Optimized economies of scale as more capabilities are introduced and Web-enabled. This also helps prevent re-invention and duplication.
- Coordinated communication with senior management and others in the enterprise.
- Consistent career models for KM staff across the enterprise, promoting staff continuity and motivation while reducing costly turnover.

Defining the EKM services

Reaching agreement on the goals above sets the platform for the next step. Discussions on the merits of EKM are often confusing, with participants holding different views of what an EKM function might contain. Much can be accomplished to clear the air by defining the business purpose of the function and by identifying its customers and how it will serve them. For example, for a large professional services organization, Accenture identified seven specific services described in Figure 1, right. A few example descriptions follow each service.

Since EKM services must be designed to meet the strategic objectives of an enterprise, these services are likely to differ from enterprise to enterprise. However, some services should be universally applicable, while allowing for variations in the details. For example, it's important to address a leadership function such as "provide knowledge leadership, direction and integration." This service provides overall direction, establishes and maintains the operating model and standards and ensures that local initiatives sufficiently take advantage of available infrastructure components. This service lies at the core of a credible EKM function.

In addition, a central group should lead content management across the organization. With the introduction of corporate intranets and portals, many organizations today have widely distributed content management efforts, following different processes, with differing quality standards and differently skilled people managing or mismanaging the content. This usually leads to badly indexed content that is hard to find and often results in the

- ❶ As KM efforts move to the enterprise level, organizations must consider ways to coordinate functions that might otherwise work in silos.
- ❷ The services that an enterprise KM function typically delivers can help set organization-wide standards and direction.
- ❸ When developing global KM strategies, it's important to consider how different cultures – organizational and geographical – might react to it.
- ❹ Although cultural considerations are determinants of KM success, be aware that managers might make excuses and hide behind the cultural issue to resist the organization's desire for centralization.
- ❺ Looking at KM from the center of the organization might reveal outsourcing opportunities. Although most KM services are highly strategic to organizations, a few might be candidates for outsourcing.

organization's most critical content being of questionable utility. Thus, a service like "manage strategic knowledge content" should be part of the core service set. This service includes all activities necessary to keep content up-to-date and indexed, while ensuring its quality and relevance. It also guarantees that necessary steps are taken to protect the organization's intellectual assets and copyrights and, where necessary, takes the lead in purchasing content from external vendors.

Similarly, an EKM function should lead in managing and facilitating knowledge sharing processes and thus define a service akin to "facilitate knowledge communities" that helps with the formation and facilitation of both communities of practice and expert networks across the enterprise. Finally, a credible EKM function cannot perform without appropriate technologies in place and without having it be able to influence the portal, ►



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Figure 1: Seven services and examples of an EKM function

- 1. Provide knowledge leadership, direction and integration**
 - Establishing and maintaining the strategic direction for the function
 - Defining and maintaining the overall KM capability architecture
- 2. Manage strategic knowledge content**
 - Working with experts across solutions to aggregate and synthesize content
 - Creating new content where necessary to fill gaps identified in plan
- 3. Design, develop and maintain knowledge applications and tools**
 - Developing and maintaining common knowledge infrastructure
 - Establishing common standards for global knowledge applications
- 4. Facilitate knowledge communities**
 - Fostering collaboration across networks of practitioners
 - Maintaining and facilitating discussion groups
- 5. Support end-users**
 - Providing training and communications materials around knowledge processes and tools
- 6. Deliver business research and analysis**
 - Performing specific and value-added research projects to assist goals
 - Providing competitive intelligence and client intelligence
- 7. Manage physical libraries**
 - Managing physical library where deemed required for a local environment
 - Managing subscription services and distribution for publications

- ◉ content management and collaborative technology standards and tools. This is similar to how current corporate education departments manage the implementation and deployment of learning management systems. Thus, a service like “design, develop and maintain knowledge applications and tools” should be included. This service, in cooperation or coordination with IT, creates and manages the entire KM technology environment and sets standards for KM solutions that can be developed at the departmental level.

Think global, act local

As discussed above, one primary reason to create an EKM function is to take advantage of economies of scale and prevent costly duplications of effort. On the other hand, it’s dysfunctional to create a business capability that, in the end, will not sufficiently respond to the specific KM needs of individual departments or user groups, whether they are functional or geographic. Consequently, there are two goals to keep in mind when designing an optimal KM function:

1. developing common base capability in all operating units, geographies or departments;
2. building a central core or hub to link the various units more effectively and to develop an enterprise-wide knowledge perspective and direction.

Most organizations that already have existing KM capabilities also have substantial investments in content management activities and KM technologies at the departmental level. However, KM capabilities often vary widely by department, with each having no ability to take advantage of economies of scale and little ability to share knowledge across departmental boundaries. This fragmentation also prevents building a critical mass of skills to effectively manage the KM capability. It’s clear that more central functions need to be created in those organizations without losing all of the benefits that come from having a decentralized structure.

In organizations where KM services are introduced at the grassroots level, it’s also helpful to establish a central function once KM goes beyond a single group. This is particularly useful for direction-setting services and technology-related services, since they benefit most from economies of scale and are most prone to dysfunctional duplication of effort. Additional services such as “facilitating knowledge communities” and “content management” can best be structured locally, but need to follow standard procedures and direction as much as possible to take advantage of skills in these areas built up in other departments. The resulting

structure can be characterized by “limited prescription” – that is, few rules and standards strictly enforced rather than many unenforceable rules.

In determining the global versus local allocations, it’s also important to keep in mind cultural differences. Since knowledge sharing carries with it strong personal status and social implications, openness to sharing will be affected by social or national cultural norms. Certain cultures are quite reticent about sharing private thoughts or appearing to promote oneself through claiming expertise, while other cultures place a high value on demonstrating such expertise; in some cultures, asking for help from someone else is seen as a weakness.

As organizations develop global KM strategies, an important design requirement is being very attentive to how different cultures define and view sharing and how they act. Are there differences between what’s said and what’s done? At the same time, culture differences can be used to mask personal political agendas. In our professional services organizations, several local country managers tried to “hide behind” the culture issue to resist the globalization needed that brought operational efficiencies. This balance of respect for cultural differences and operational efficiency can be best achieved through the “central direction, local execution” proposed above. At the end of the day, the objectives are to:

- achieve economies of scale while being responsive to local demands and cultural norms;
- provide a career path and skill track to knowledge professionals and provide equal pay for equal work on an enterprise-wide basis;
- achieve consistency of service across the enterprise;
- report/measure performance and control costs.

Building vs. buying

In today’s economy, many companies are taking a closer look at all of their support processes to determine outsourcing opportunities. While outsourcing KM activities might be a novel idea, it’s questionable that many companies want to invest in the people and skills required to properly manage some of the KM services if these services are not already aligned with their core business or have not already been found to be highly strategic. Rather than waiting on an outsourcing decision until these services are built internally and have sufficiently matured, it’s necessary to consider early which services to develop in-house and which are better outsourced to a third-party provider. Questions to ask for this decision include:

- To what extent is the service considered critical or strategic to the enterprise?
- To what extent can the service be considered part of the core business, as opposed to a new (non-core) support process?

For our professional services client, we depict our analysis in Figure 2, right. For this organization, handling of information was considered highly strategic and potentially part of what they considered their core business (delivering knowledge), so they were unlikely to outsource content management or the facilitation of communities of practice. Similarly, the company was already well-versed in the development of knowledge technologies and tools, so they kept that service in-house. For other organizations, these same KM services may fall in different quadrants and different decisions may result for those services in the “decide” quadrants. Certainly, one factor influencing the decision today is the lack of credible outsourcing options available for services like content management, but we expect these will be developed as the capability becomes more prevalent in organizations.

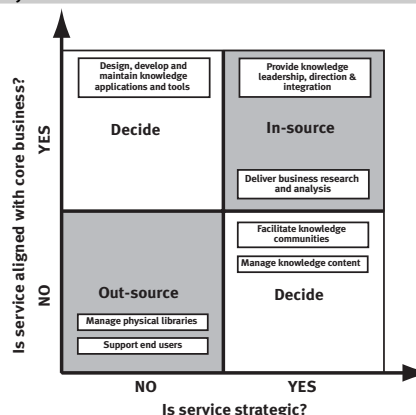
Positioning EKM beside other global functions

KM is part of an interrelated set of disciplines and services that, in aggregate, address different aspects of workforce performance and management. Services vary somewhat in each organization, but to avoid having them collide, it's essential to establish the boundaries and crossover points for each. Creating a map of different workforce performance functions and their intersections will help to better define the unique charter for each and avoid costly turf wars. These functions go by different names but generally include learning, performance management, talent management, organizational strategy and change, as well as human resource administration. Collectively, they are beginning to be referred to as enterprise resource management.

In addition, potential areas of overlap need to be addressed with IT, marketing, communications and corporate research, as well as with specific enterprise-wide initiatives that might have a stake in KM, such as process improvement. There also must be coordination with the legal department over such issues as intellectual property rights and confidentiality agreements. While it will take time to resolve these potential overlaps or conflicts, they can usually be addressed to the satisfaction of all parties by making small changes in the way the services are formulated and by clearly defining the roles and responsibilities of each department or initiative.

More important than potential areas of conflict is

Figure 2: Analysis of services that should be outsourced or in-sourced



the fact that while each function enables workforce performance in its unique way, the real power of these functions is magnified when they are integrated and support one another. For example, in a call center knowledge support system for a telecommunications client, each customer service provider is rated on different aspects of its performance. This performance rating is available on an on-going basis so individuals can chart their progress, identify successes and learn where to focus improvement efforts. In addition, this performance management data is integrated into the learning and KM programs so that individuals can receive links to targeted learning efforts that address their low performance areas. They can also be proactively polled for best-practice techniques in their high-performance areas to capture and distribute these techniques through KM. The portal offers a strong integration point for these services and allows the scope of KM to expand and integrate with the larger workforce performance agenda.

Moving forward

Each of the workforce performance functions, including KM, can provide maximum value when appropriate aspects are coordinated at the enterprise level, while respecting local functional or cultural needs. This value is then extended when the coordination goes across these workforce functions to provide integration. We predict that this enterprise-level coordination of workforce performance will be one of the next big integration movements and one of the next big investment areas for organizations. KM is a key function within this integration movement and should be included.

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