

## Leading Views

This space presents visions for tomorrow's business culture, the views of leading experts and industry gurus, new ideas and experimentations.



**Month:**



New articles every month

- **It's Time to Cultivate Growth**

Dr Yogesh Malhotra

If you want your business to flourish in the e-marketplace, the answer is already in your hands - release the knowledge that's trapped within your organisation

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Every day that an organisation puts off creating an effective knowledge management (KM) strategy, it throws away more of its greatest asset. A survey by Reuters finds that 90 per cent of companies which deploy a KM solution benefit from better decision making, while 81 per cent say they notice increased productivity. And BT itself found that, while 26 per cent of knowledge in the average organisation is stored on paper and 20 per cent digitally, an astonishing 42 per cent is stored in employees' heads. Here, Steve Lakin, manager of intellectual capital with BT, offers ten top tips for engineering a change in attitude to KM in your organisation.

- Forget the simple idea that KM is about sharing information: it is really about transforming an organisation so that it is fit to compete in the knowledge age. Taking too narrow a view of KM will constrain your options.
- Begin by spending time understanding the contribution of knowledge to your organisation. What exactly do your customers pay for, and what proportion of that is actually knowledge? Think how to add knowledge value to what you sell.
- List your organisation's knowledge assets in order of importance. Score how well each one is being managed. Assess the risks to each one, and work out who has responsibility for its management.
- Set objectives for improving the management of knowledge assets. Put hard-nosed measures and targets where they will convince doubters of the impact and importance of managing effectively.
- Reflect on how culture, systems and organisation affect the way you manage knowledge. A force-field analysis can identify what helps and what hinders. Rate how important they are to your objectives.
- Double your current investment in learning and make sure real learning is happening at all levels within your organisation. If you are not serious about learning then you are not serious about knowledge.
- Assess how good you are at harvesting ideas. You could be missing out on a potentially massive source of value - knowledge and creativity - for the want of asking or the capability to act on ideas.
- Improve people's ability to work collaboratively across boundaries (internal and external). All the knowledge in the world is of no use if it can't be brought to bear where and when it's needed.
- Start a programme to re-engineer processes around people's knowledge needs. Start with your sales process, giving your salespeople the knowledge they need, when they need it.
- Start a programme to find new and productive uses for the knowledge your company already has. This is often where there are most early wins from investing in a KM strategy.

### Empower Your People

The one constant in today's business world is change. As businesses go digital, or even virtual, it gets harder to see where one industry stops and another starts. The boundaries that separate one type of organisation from another are crumbling. Just consider how Encyclopedia Britannica had to rethink its business model in the face of Microsoft's Encarta CD. And how, despite its world prominence, Microsoft's Encarta was then outflanked by portals such as Yahoo.

So how can companies keep pace? Is it simply a question of coming to rely more on smarter and smarter technologies? Technology provides part of the answer, certainly. But not all of it. A successful knowledge management strategy combines the power of IT with the creative and innovative capacity of your own people. Smart technologies can work wonders when used by smart people who know how to use them.

The most critical challenges of KM are cultural, social and behavioural. You must nourish creative and innovative capacity in your staff - your resource for constant, rapid response to changing customer and market trends. Our ever-changing environment demands a major attitude overhaul: the focus must be on leveraging the entrepreneurial spirit of your people and keeping your structure agile to thrive on the edge of chaos.

Dr Yogesh Malhotra, founder/chairman of e-business and KM portal @Brint.com

### KM rules!

- Lay the rudiments of a KM strategy as early as possible in a company's development. As you grow, the power of word of mouth is quickly lost.
- Much intellectual capital is invisible, tied up in customer relationships and linked to the ratio of experienced to junior employees.
- A sound KM policy lets you recognise and reward employees' accomplishments and, crucially, can help to retain good people.
- A system that gets the right knowledge to the right person fast is a great way of holding on to customers.
- Give customers access to knowledge online and you can open up new markets, 24 hours a day.
- KM technology doesn't have to be complex. The hard part is not the technology, it is understanding where knowledge resides within your organisation.
- If new technology's purpose is misunderstood by its users, then it is money down the drain. Successful KM is about creating a culture in which the idea of becoming more productive by the exchange of information is accepted by everyone.

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