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Why Knowledge Management Still Matters

By Howard Baldwin

Amrit Tiwana, a veteran expert on knowledge management, says effective KM is still difficult to achieve—but ultimately worth the effort.

Amrit Tiwana, an assistant professor at the Iowa State University College of Business, wrote a groundbreaking book on knowledge management (KM) back in 1999, and his insights on the topic are no less important today. In this interview, Tiwana describes KM's current status and provides advice for getting a KM initiative off the ground.

Q: How do you define knowledge management?

A: I define it as the capacity to apply and exploit existing but underutilized expertise—explicit, but more importantly, tacit knowledge—to have a measurable impact on a company's bottom line. That impact might materialize through operational means, such as faster turnaround or lower cost of operations, or through strategic means, such as delivering newer products faster, improving service quality, innovating faster, enjoying more product successes.

Knowledge management "has become a catch-all label for too many concepts that are only loosely related to the core idea that defines KM." – Amrit Tiwana

If a KM initiative doesn't deliver some observable bottom-line impact in the short and medium term, it probably requires careful reconsideration. More often than not, any lack of impact is symptomatic of a misaligned KM strategy.

Q: Does KM exist within a single application, or is it an agglomeration of insights from multiple applications?

A: It's the latter to some extent. But it's important to separate the tools from the desired outcome. Tools are often treated as substitutes for a well-thought-out, high-impact KM strategy. I disagree that a single KM application exists. It is more useful to think in terms of KM platforms, which I define as portfolios of applications that have two characteristics. First, they are driven by an organization's KM strategy, which must be conceived first. Second, a balance must be struck between the people-to-people and people-to-documents infrastructure that is appropriate for a specific company. Because it is specific, it may also be highly idiosyncratic.

Q: Why do you think KM has gotten a bad name lately?

A: It has, unfortunately, become a catch-all label for too many concepts that are only loosely related to the core idea that defines KM. IT vendors that overpromised KM's impact are also part of the problem. When all competitors in an industry have the same best practices and tools, there is little left to seriously differentiate offerings.

But it's not only the vendors. Many organizations that I have worked with have used software tools from so-called KM vendors as a crutch for not having thought through the strategic and inventive side of making the technology elements click.

Q: What's the best way for a midsize company to tackle KM?

A: Pick an application domain where there is potential for high impact but where the downside exposure to devastating internal operations is limited, especially if things go awry with the initiative. An incremental, results-driven approach that starts small is probably the best way to begin.

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Q: What's the biggest pitfall that midsize companies should avoid in deploying KM?

A: Don't pay too much attention to the technology dimension at the expense of clear strategic objectives. It's important that the goals and strategy for KM drive the choice of technology rather than the other way around.

Q: What cultural issues are there to watch out for in addition to technical issues?

A: The two cannot be treated independently. The design of the KM platform influences employee behavior, so one must approach the technical aspect with a clear idea of what kind of behavior it will trigger. This means paying close attention to incentive issues (i.e., "Why should I share my knowledge, which makes me valuable to this company?"). If you want sales employees to, say, share insights about a major customer with other sales staff, you must pay attention to what would make them want to do so.

Q: Can you provide other KM insights that would be helpful for midsize companies?

A: Let the KM initiative be grassroots, bottom-up and driven by front-line employees. Ignoring these front-line employees is one of the most frequent mistakes that can turn a promising initiative into an expensive dud.

Knowledge Management Network

<http://www.kmnetwork.com>

Wikipedia Definition of Knowledge Management

http://en.wikipedia.org/wiki/Knowledge_management

Howard Baldwin is a contributing writer for Momentum, the Microsoft newsletter, magazine and Web site for midsize businesses in the US. He writes about business and technology from Sunnyvale, CA.



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