ADVANCE BOOK – EXCERPT*

CHAPTER 1: Positioning Knowledge Management for the Future

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What Is Knowledge Management (KM)?

From a practical perspective, we define *knowledge* as information in action. Until people take information and use it, it isn't knowledge. In a business context, knowledge is what employees know about their customers, each other, products, processes, mistakes, and successes, whether that knowledge is tacit or explicit.

APQC defines *KM* as a systematic effort to enable information and knowledge to grow, flow, and create value. The discipline called KM is about creating and managing the processes to get the right knowledge to the right people at the right time and help people share and act on information in order to improve organizational performance.

Organizations implement a *KM program* to institutionalize and promote knowledge-sharing practices. An *enterprise KM program* is usually a centralized, organization-wide effort to standardize and excel in KM. Enterprise does not have to be the entire corporation. *Enterprise* may refer to a business entity that is a meaningful cost or revenue center performing work supporting a defined geographic of customers. Examples include divisions such as IBM Global Business Services and government agencies such as the Department of State or the U.S. Navy. Within such a program, organizations implement *KM approaches* such as communities of practice, expertise location systems, and wikis to formalize and enable knowledge sharing. *KM activities*, on the other hand, are all of the things KM professionals do to support the program and its approaches, such as planning and design, change management, communication, training, and budgeting. Through these activities and approaches, KM programs should:

- connect employees to each other in order for them to excel at their jobs;
- connect employees to knowledge assets (just enough, just in time, and just for them); and
- connect those with experience or know-how with those who need it.

These actions will accelerate the rate of learning; cut down the risks of not knowing and repeating mistakes; and retain knowledge assets when people move, leave, or retire.

This all requires strategy. To enable KM to succeed in your organization, you will need a well thought-out strategy. You can waste a lot of money, time, and goodwill by implementing KM approaches before you've determined how your organization will overcome silos, knowledge hoarding, and "not invented

here" resistance. You can waste even more of your organization's resources by simply adopting an IT tool and calling it a KM program. (Technology alone will not ensure engagement and value.) Let us help you position KM in the sweet spot of knowledge and business strategy. We know what works.

KM in a New Context

One of us—Carla—wrote her first book on how to implement KM, *If Only We Knew What We Know,* in 1998 when the discipline was less than a decade old (Grayson and O'Dell).

What a difference a decade makes. Witness 9/11, the Iraq and Afghanistan wars, the rise of China as a superpower, global warming, the near meltdown of the global financial system in 2008 and 2009, and the Gulf of Mexico oil rig explosion and resulting pollution in 2010.

The changes are just as substantial as we edge closer to the realm of KM: rising Internet and broadband access, the explosion of mobile devices and smart phones, the continued rise in virtual work and global teams, the international equalization of competitive prowess and knowledge, the decline of readership for the printed word, the rise of digital readership, and on and on.

It would be hard to overstate how profoundly these developments have both challenged and enhanced the promise and practice of KM. KM's core objectives haven't changed, but how we accomplish them has. In this section, we zoom in on the forces affecting organizations and KM now and for years to come. We offer advice throughout this book to deal with them.

Force 1: Digital Immersion

We are experiencing the incursion of the Internet and digital technology into almost every aspect of our lives. Wireless connections and mobile devices have made the Internet available from almost anywhere, and ever-increasing bandwidth has enabled the rise of streaming video and other high-impact content. Employees of all ages spend 70, 80, or even 90-plus hours a week in front of laptops and smart phones, conducting a mix of professional and personal business. Expectations of 24/7 connectivity are affecting the way we work and live.

Many people are comforted by the feeling that they're always getting things done—responding to e-mails in meetings, taking calls in line at the supermarket, and so on. But that feeling may be an illusion.

Are today's employees as savvy as they appear at multitasking? Not according to Clifford Nass, a professor at Stanford University and the director of the Communication Between Humans and Interactive Media Lab. His data suggests that even the brightest people are hampered by an unwillingness (or inability) to focus on one thing at a time. Nass and his research team predicted that multitaskers might be good at three things:

1. *Filtering.* Focusing on what's relevant while ignoring distractions and extraneous information.
2. *Switching.* Moving between tasks quickly and getting up to speed with a minimum amount of ramp-up time.
3. *Organizing their memories.* Transferring information from short-term to long-term memory to ensure that important facts are retained.

But his research results then indicated the opposite: "It turns out multitaskers are terrible at every aspect of multitasking," Nass writes. "They're terrible at ignoring irrelevant information; they're terrible at keeping information in their head nicely and neatly organized; and they're terrible at switching from one task to another" (2010).

Even more disturbing, almost all the research participants *thought* they were good at these aspects of multitasking.

If you are familiar with Lean manufacturing techniques, you know that set-up time does not add value. And when you switch what you are working on, there is set-up time. HP research indicates it can take 15 minutes to fully reset your focus after an interruption (Friedlander). You are not actually multitasking. Instead, you toggle between tasks and lose start-up time every time you switch back. And there is a good possibility that you will forget something before you get back to it.
The findings are clear: While supposedly getting more done in less time through our immersion into digital technology, we are actually working more slowly, absorbing information less effectively, and hampering our capacity for analytic reasoning.

A study by the University of California, Irvine found that the average professional switches between work activities every three minutes and five seconds (Pattison 2008). A similar study involving Microsoft employees reinforced that, when employees were interrupted by e-mail or instant messages, it took them an average of 15 minutes to return to more complex mental tasks like computer programming or writing reports (Lohr 2007). This kind of multitasking decreases productivity while increasing stress and feelings of overload (Lohr 2007). "When people are switching contexts every [few] minutes, they can't possibly be thinking deeply," writes Professor Gloria Mark of the University of California, Irvine (Lohr 2007).

If we don't have any choice and we're going to hire (and even encourage) multitaskers, then what kind of KM scaffolding are we going to need to create to get thoughtful work done? We must adapt content and messages to align with employees' time and attention limitations. For KM, the implications are that:

1. We should assume employees are multitasking.
2. It isn't making them perform better or pay attention to everything they see.
3. We shouldn't design KM approaches that interrupt employees any more than they already are.
4. Even if a piece of information or knowledge is critical to retain, we can't assume employees will remember it when they need it. It has to be there at the *teachable moment*.

Force 2: Social Computing

Nearly one-fourth of the world's 1.8 billion Internet users have profiles on social networking sites such as Facebook, LinkedIn, and MySpace (*Miniwatts* 2009). And 75 million are signed up on Twitter (Gaudin 2010). LinkedIn, the networking site for professionals, has more than 70 million users (Rao 2010). Facebook alone will likely exceed 600 million users by 2011. To put this number into perspective, if Facebook were a country, it would be the third most populous after India and China (*The Economist* 2010). Even more staggering, in just one month, Facebook users post more than 3.5 billion pieces of content.

With that much practice, it's no surprise that employees feel at ease with social networking tools. Social computing, Web 2.0, and the rise of social media are transforming KM. It is so good for KM that if we didn't have it, then we would have to invent it.

We define *social media* as Internet technology that allows people to generate content and interact in a way that creates new information and value. Social media becomes *social computing* when applied to a noncommercial intent among people to share and co-create. As Forrester Research explains it, "Web 2.0 is the building of the interstate highway system in the 1950s; social computing is everything that resulted next (for better or worse): suburban sprawl, energy dependency," etc. (Li 2006). And *Web 2.0 tools* are specific technologies that are relatively easy to adopt and master. From these developments come *Enterprise 2.0* applications, which tailor social media for business by addressing privacy concerns and helping to align a wealth of internal knowledge and information sources within organizations and thus enable social computing.

A defining feature of social computing is the reliance on the employee—not the organization—to create, share, rate, and consume content. Simply by having the means to do so, each employee can be an author, arbiter, and consumer at once.

A second defining feature of social computing is that the content improves the more people interact with and build on it. Wikis and open innovation sites work best when informed people contribute; ratings are arguably better and more accurate the more people contribute; metatags are more useful the more they are applied; folksonomies can rival corporate taxonomies when many people tag and rate content; and good sites and documents rise to the top of search requests the more often people bookmark them and share those bookmarks.

We believe social computing tools are reinvigorating KM by making it easier for employees to participate in knowledge creation while showing them the value of sharing with an online network of peers. By borrowing ideas from Facebook, organizations have been able to help employees connect across disparate regions. Similarly, sites like Wikipedia have popularized ways to collaborate and co-author content. Since a majority of employees are already familiar with the features and have seen their value, it is easier to build buy-in and may be easier to drive participation.

Many organizations—especially those in government and in highly regulated industries—continue to be extremely concerned with the ramifications of these barrier-crushing applications. For example, standards around trust are relaxing when it comes to the democratization of information and opinion. And social computing is altering the determination of who are experts. But the most pressing concerns surround security and privacy: what stays behind the firewall and what employees actually share with each other and the world at large. KM professionals must find ways to capitalize on the positive aspects of these new technologies while addressing these concerns.

Another key concern is how employees participate. Social computing works when enough people participate. And participation has historically has been the biggest challenge for KM. We see an important, sobering parallel in terms of content contribution.

- On Facebook, 80 percent of the content is posted by 20 percent of users.
- Only one in five Twitter accounts holders have ever posted anything, and 90 percent of content is posted by 10 percent of the users (Moore 2010).

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Keep those statistics in mind when thinking about participation rates for KM approaches using Web 2.0 tools inside your organization. A small percentage of people are the core contributors of content. Even popular social computing approaches require KM professionals to marshal an effective KM strategy and infrastructure to elicit engagement.

Force 3: Demographics and Dynamics

We could get so caught up in the hype around generational differences at work (which may not be that great) that we may be overlooking the elephant in the room: retirement of the huge baby boomer generation. Many organizations face looming knowledge retention and transfer issues, regardless of industry, annual revenue, or their number of employees.

The retirement of a record 77 million baby boomers has the potential to result in huge losses of critical tacit knowledge, including the loss of organizational and technical knowledge on key processes and competencies. And churn from organizational reorganizations, rapid growth, layoffs, internal redeployments, and new business models for offshoring work require just as much careful identification and transfer of knowledge. We've also seen skilled employee shortfalls in key disciplines and time-to-competency issues for those entering the work force. Employees—especially new hires—face steeper, longer learning curves at the same time that employers are looking for faster revenue and higher productivity.

The scarcity of talent will be a driving force in KM. "Fewer younger people will be working to support a significantly larger older generation in the future," PricewaterhouseCoopers writes. "Millennials will be a powerful generation of workers" (2007).

Despite the handwringing every generation expresses about the next one, since the beginning of the industrial revolution every generation has been more productive than the last. Innovative technologies along with education and free market models have been the reason. Organizations will also benefit from incoming generations' increased desire to share knowledge (PricewaterhouseCoopers 2007).

KM needs to adapt to these evolving demographics and power dynamics. We're just seeing the first wave of a much larger phenomenon. Employees increasingly expect more engagement and information and want to achieve it in the same way they do in their personal lives.

Force 4: Mobile Devices and Video

The tagline "We have an app for that" has entered our lexicon, and everyone seems to be perpetually in a "Crackberry" prayer mode or immersed in their iPhone to the exclusion of all else. So what? Smart phones have been around a long time. There are well-established company policies and precedents for how to manage security; who pays for the device and its text, voice, and data charges; how to ensure the security of information; and how the IT organization can establish, manage, and integrate the whole system.

What are not well-established are guidelines for KM professionals to capitalize on this ubiquitous, addictive pocket computer. What is appropriate to share through that tiny screen? How much do employees want to know, and when do they want to know it? What can we learn from RSS, alert systems, and Twitter to communicate with employees?

We also believe the future belongs to streaming video, and KM will benefit. Too expensive until now, cheap digital video is now literally in the hands of millions of people. YouTube and big bandwidth have made video a feasible and desirable medium for millions of average people to teach, learn, and share.

Demands to "show me, don't tell me" make video far superior to text for communicating something physical (e.g., how to open a banana like a monkey). It is also terrific for communicating emotion. Now the buzz is to use it for a wide range of internal communication and not just the annual CEO speech.

Yet many if not most organizations block access to YouTube. It's a quixotic effort, considering the sophistication of the personal devices employees have at their disposal. Organizations—and KM programs—would benefit by instead taking advantage of employees' comfort and familiarity with mobile devices and streaming video. In time, more powerful enterprise applications will be developed for mobile devices and streaming video, which will expand the power of these tools for finding and sharing information.

These are some of the major forces at work on KM today. We maintain that KM can help the digitally induced, shrinking-attention-span, socially networked, information overloaded, smart phone-obsessed, and busy knowledge worker of today.

About the Book

The New Edge in Knowledge: How Knowledge Management Is Changing the Way We Do Business provides a strategy to ensure your organization has the knowledge it needs in the future and the ability to connect the dots and use knowledge to succeed today. In the book, you will learn how to:
- Understand the core strategic issues in making KM successful.
- Build a business case using examples from leading organizations.
- Make sure your organization's KM strategy is not missing a critical element.
- Take advantage of practical and proven advice from hundreds of research and advisory efforts.

KM was put on the map as a management discipline with the bestseller *If Only We Knew What We Know*, co-written by APQC President Carla O'Dell. A decade later, O'Dell and APQC Executive Director Cindy Hubert have written this definitive follow-up work.

Straightforward and comprehensive, *The New Edge in Knowledge* is based on APQC's 20 years of experience in KM benchmarking, best practices, and implementation with leading organizations globally. The case studies and examples show how best-practice organizations achieve success with KM.

Visit www.NewEdgeInKnowledge.com to pre-order and get an edge.

About APQC

APQC is a member-based nonprofit and one of the world's leading proponents of benchmarking, best practices, process improvement, and knowledge management business research. Working with more than 500 organizations worldwide in all industries, APQC is focused on providing organizations with the information they need to work smarter, faster, and with confidence. For questions about APQC or our KM resources or services, please visit www.apqc.org or call (800) 776 9676 or +1 (713) 681 4020.