

Knowledge Management

It isn't about the toys!

Michele M. Eichhorn
Provari Corp.

215.870.0237

Michele.Eichhorn@provari.com

Introduction

- Bureaucracy vs. Dynamic Organization
- Profit Maximization
- The Death of the Cost Center
- Really, what is Knowledge Management?
- Take Aways

Bureaucracies vs. Dynamic Organizations

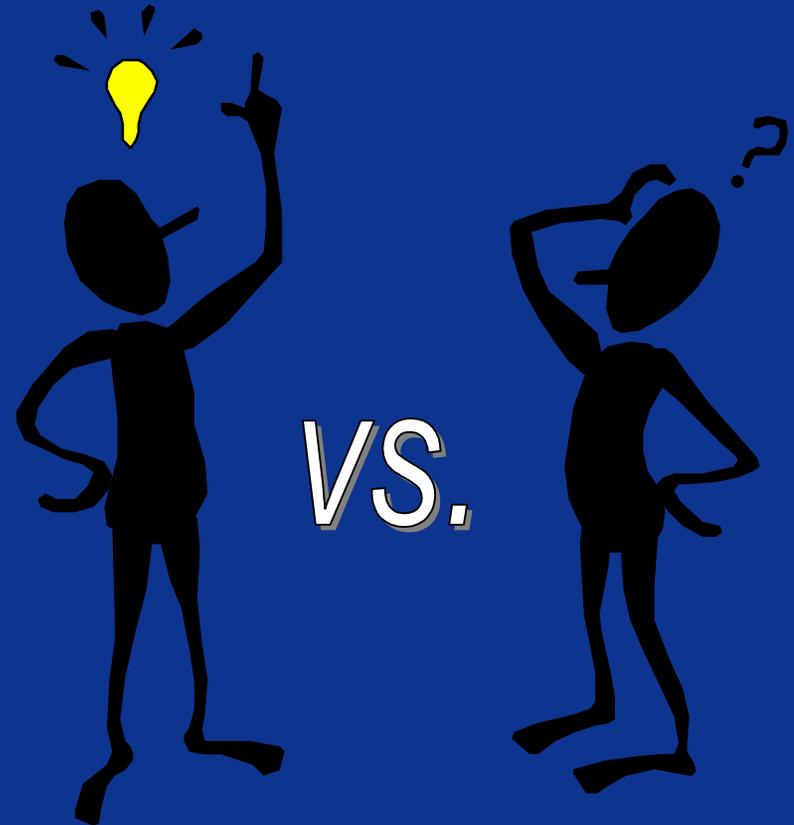
- Bureaucracy: the *enemy* of eBusiness
- Self-preservation vs. risk/reward
- Hierarchy vs. flat and responsive
- Lack of accountability vs. responsibility
- Form vs. function

Bureaucracies

vs.

Dynamic Organizations

- Dynamic: we hire those who add value to the enterprise (IC)
- Bureaucratic: we hire those who will not advance out of turn (IB)



Bureaucracies vs. Dynamic Organizations

Case Study – Non-Profit Organization

- World Wildlife Fund – Hong Kong
- Liaison between Chinese wildlife issues and the rest of the world

Bureaucracies vs. Dynamic Organizations

The Problem

- Southeast Asian Tigers becoming extinct due to inbreeding
- The Southeast Asian Tigers in captivity in the US were prospering due to controlled gene pooling
- Shipping young tigers from US zoos to Chinese ZOOS

No one will sign on the dotted line!

Bureaucracies vs. Dynamic Organizations

The Results

- There was no reward for success
- There was a great deal of risk for failure
- The project took six times longer than it should have
- When the barriers were eliminated – the project moved forward

Bureaucracies vs. Dynamic Organizations

- As the structure of the organization flattens, decision-making is going to be spread more universally throughout the organization
- Accountability and bottom-line responsibility create risk/reward culture

Profit Maximization

- Most organizations are run to maximize stability and predictability
- Maximizing profit = risk
- eBusinesses respond quickly, are first to market, and reap leadership rewards

Profit Maximization

- New value creation, new profit sources
- Technology is the enabler
- Quick and decisive action, not reaction
- Invent and sell only what customers want to buy



Profit Maximization

Case Study – Professional Services Firm

- KM evaluation – Do we need KM?
- Survey Results
- Illuminating Responses
- Lost Opportunities
- Some ‘Back of the Envelope’ Math

Profit Maximization

“How much time do you spend redirecting people to knowledge they should be able to obtain on their own?”

- 461 Consultants @ 4.5 hrs/wk =
- 2075 hrs/wk @ 52 weeks =
- 107,900 hrs/yr @ 50% recovery goal =
- 53,950 hrs/yr
- Equates to 26 full time employees

Profit Maximization

Let's Play Fuzzy Math

- 53,950 hrs/yr @ \$35/hr = \$1,890,000 wasted time

\$1.9M underutilized time

- If we could bill 50% of those hours (\$110 blended rate) =

\$2.9M increased revenue

Profit Maximization

The Real Math

- What would you do with –

**26 additional employees
For Free!**

Death of the Cost Center

- All business expenditures are *investments*
- Investments we don't particularly like are called "costs"
- Management should seek to *maximize* the "Ro" of every "I",
(even if it's negative)

Death of the Cost Center

- There's no such thing as a "cost of doing business"
- Maximize return on investment, even if it's negative
- Invest in intellectual capital development



Death of the Cost Center

Case Study – Telecommunications Firm

- Rapid technology deployment
- Organizational history lacked user interaction with deployments
- We recommended a communication plan that included logistics, training and communication

Death of the Cost Center

The Problem

- Time constraints – four weeks from start to finish
- Interface with existing project dealing with a much larger implementation
- Collected their lessons learned
- Time consumed – 4 hours
- Built our plan using theirs as a template

Death of the Cost Center

The Results

- Rapid response & decreased planning time
- Effective training with most relevant functionality stressed
- Decreased problem management time
- Client satisfaction is HIGH!
- Client now requires some communication function in all of their IT projects

Really, what is KM?

- Capturing intellectual capital right, the first time
- Making intellectual capital freely available throughout the organization
- Leveraging intellectual capital to maximize RoI and profit

Really, what is KM?

- Knowledge creation
- Knowledge retention
- Knowledge dissemination
- Knowledge leverage
- Value/profit creation



Really, what is KM?

Case Study – Recruitment Advertiser

- 30+ office throughout US and Europe
- 5 regions within the US
- Totally autonomous
- 90% revenues from print ad placement

'The Times They Are a Changing'

- 3 regions understood this and independently sought technology solutions to process automation.

Really, what is KM?

The Problem

- No system integration
- Everyone had a different way of doing the same work; usually multiple times
- Best practices spread throughout; no consolidation of best practices
- Limited scalability and flexibility organization-wide to meet eBusiness market
- Lost opportunities within National Accounts due to lack of coordinated effort.

Really, what is KM?

The Results

- Single Solution with a Phased Approach
- Consider Cultural ramifications of changing the way people work
- Could now take advantage of best practices occurring throughout the organization
- Client satisfaction is HIGH!
- The solution is meaningful because we listened

Really, what is KM?

Do we call this a KM project?

- No
- We call it an eBusiness project
- We call it an Application Development project
- What type of project is this, really?
- Some of the most successful KM projects aren't called KM projects!

Take Away

Simple tools

- Best Practices
 - ◆ ITIL[®]
 - ◆ MOF[®]
 - ◆ Communities of Practice
- Ask!

Take Away Best Practices

What are Best Practices?

A systematic method to incorporate processes that introduce consistency, increase quality, and/or reduce costs.

- ◆ Consistent
- ◆ Repeatable
- ◆ Unique

Take Away Best Practices

What is ITIL[®]?

The IT Infrastructure Library.

- ◆ A set of books comprising an IT service management Best Practices framework
- ◆ Unique in that it is consistent, comprehensive and non-proprietary
- ◆ Created by the British government, expanded for use in all organizations.

Take Away Best Practices

What is MOF[®]?

The Microsoft Operations Framework.

- ◆ Goal – provide best practice guidance for people, process, and technical operations on the Microsoft platform.
- ◆ Core – Process Model (incl. ITIL[®]) Team Model, and Risk Model
- ◆ Principles
 - ◆ Review-driven Management
 - ◆ Pro-active Risk Management
 - ◆ Clear Role Categories and Guidelines

Take Away

Communities of Practice

What is the Value of a Communities of Practice?

- Rapid dissemination of information/knowledge
- Increased competency
- High levels of innovation
- Better decision-making

“1999 Bureau of Labor Statistics report that people learn 70% of what they know about their jobs informally through processes not structured or sponsored.”

Take Away

Communities of Practice

What are the Themes of a Communities of Practice?

- Valuable but use is episodic
- Not enough time to participate
- Taxonomies must evolve
- Organizations are likely to support teams with tools and processes
- Organizations are unlikely to restructure the work day so people can get involved
- More effective with strong leadership
- Communities are voluntary

Take Away

Communities of Practice

How do you Nurture Communities of Practice?

- Budget and time
- Advisors within their domains
- Metrics tied to general business metrics
- Knowledge Stewards
 - engaging management
 - coaching leaders
 - facilitation
 - removing barriers to success

Take Away Ask

Do You ASK?

Your customers AND your employees all know just how to improve your environment. They face their frustrations everyday.

- ◆ Survey
- ◆ Feedback
- ◆ Customer Satisfaction

Reference List

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Thank You!

Q & A