

# Who needs to know?

*Managing knowledge, the intellectual assets of your company, isn't just about installing expensive software. It's more about behaviour and organisation, says Dr Leandro Herrero*

**K**nowledge management is about ten years old in its present market and business conceptualisation but it existed for several thousand years before that. Cavemen managed their knowledge, although I suspect they didn't think of it like that. The emphasis on knowledge as an asset, currency, focus of attention or even the *raison d'être* for an enterprise is relatively recent. It is this mercantile, economics-driven concept that is new. So, my apologies to all the Renaissance men – the Medicis and the popes – and, even further back in history, to the Benedictine monks, the Arabic mathematicians, the Greeks, Romans, Phoenicians and Celts for excluding them from the story of knowledge management (KM). And no, I am not, under my lawyer's dictates, trying to avoid problems with my non-inclusive politically incorrect view of history. That said, let's go back to the history of the last ten years, a period during which knowledge management has been prominent in lectures, bookshops, conference circuits and consultants' balance sheets.

Knowledge management as a movement is concerned with the theory, practice and commercial application of the flow of knowledge across enterprises and within firms themselves: in short, knowledge acquisition, sharing, transfer, use, re-use and loss. It is the son of the Knowledge Economy, whose fundamental premise is that we trade on knowledge and that everything can be reduced to it.

Other members of the family are 'intellectual' and 'human capital'. In the same crowd are 'information economy' or 'information society', which emphasise the role of information and its associated meaning, knowledge. Then, one Wall Street Supremo, seemingly tired of myriad overlapping concepts, came up with an all-embracing one: the 'new economy'.

## The new economy

The KM of this new economy got lucky – and wealthy from IT and from the explosion of possibilities in the market that occurred when two newcomers moved in. The first was speed. As Mr Moore, the prophet from Intel, predicted long ago in 1965, the speed of data-processing would accelerate in a logarithmic way, doubling every eighteen months. Suddenly, the power of a teenager's Nintendo was

higher than the computing capability of the entire Apollo mission. And this is not a figure of speech, but a crude reality. The second newcomer spoke like this: 'My name is software. Here I am, look how smart this is, see what you can do with me.'

And KM got rich quickly. You could create all sorts of sophisticated databases, search tools, ways of collaborating and sharing documents, single-point access to information via corporate portals and so on. The IT guys added more and more computer power, features, sophistication and complexity, and the invoices from vendors and consultants grew accordingly. Multi-million-dollar KM projects appeared, linking everybody with everybody and providing access to data on demand, at any time and anywhere.

## An electronic coup

Electronic dialogue took over. People stopped looking at each other's eyes and started looking at computer screens, which helps if the other person's eyes are in Australia and yours are in England, but people applied the same principle to their next-door colleagues. I have no doubt that a gigantic mutation is taking place in mankind's perceptual systems and that we will end up with a pixel-management system in the brain.

It was natural that KM would be seduced by IT and that very soon KM would smell, taste and feel like IT. Potential discussions about the philosophy and the role of knowledge, the management of such an intangible asset and even debates on knowledge about knowledge could not compete with the push for portals, document- and data-management systems, and other sophisticated information technology processes and tools. IT had won the day. Until it started losing it.

Expectation management has never been a key strength of the modern manager. Many people thought the installation of a new IT system, a KM department or the mother-of-all-intranets would solve many business and organisational problems. And they were disappointed. The new tools of the new economy still needed old men to work them, and managers started to realise that IT systems are stupid until an intelligent brain plays with them. A significant proportion of enterprise-wide initiatives that try to link people and knowledge, be they customer relationship management or knowledge management systems, fail to meet people's expectations. And they do so not because of the technology but the organisation's inability to adapt mindset and behaviour, and to manage expectations and indeed to manage, period.

KM needs to go back to basics, to understand knowledge and how people use it. That means calling in social scientists, philosophers, and other non-traditional travellers in the world of management. Let me share with you a practical application

**Cavemen managed their knowledge, although I suspect they didn't think of it like that**

of this back-to-basics approach. When designing a new organisational structure, or redesigning an old one, be it for a team or division, a sector of a company or the company itself, people normally begin by asking two questions: what needs to be done and who is going to do it? Let's take the example of a drug discovery or research division. It usually contains biologists, chemists and informatics people, and the process of what to do is relatively well defined. So, where do we start? Normally, the initial question is how many biologists are there and how many chemists, who is in charge, who reports to whom, what does the organisation chart look like and, there you go, these are the targets, here is the money, get on with it. We have consciously, or unconsciously, defined the objectives first, then the process and finally we have allocated to the right job the people with the right skills. Then KM comes in and tries to plug into the system. The idea is often for KM to improve the process, link people together or create single, shared databases. It's something added to the system or way of doing things.

### Driven by knowledge

Now imagine a completely different approach in which we start not with the skills, competencies or process, but with a simple, almost idiot-proof set of questions: who needs to know what; why, when and where they must know it; and how will they find out. In other words, the drivers are the information and knowledge flow required to achieve certain objectives. Once this is mapped, then the skills and competencies come in. The disciplines, Chemistry, Biology and Informatics, come afterwards, and finally comes the organisation chart. This is a truly knowledge-driven design for an organisation. In the previous example, KM was secondary in the design, used as a way to improve processes, maximise productivity or help people with different skills communicate with one another (to make biologists talk to chemists, and make both talk to the informatics people). Both approaches are valid, but only one is truly KM-driven. It is very unusual to start from the premise of who needs to know what. You would have thought KM could only claim victory if the latter were the normal way to approach business but, since this is not true, we can only say that, in the best of cases, knowledge management comes in to improve matters, to provide support or solve a problem. Nothing wrong with that, but in these circumstances it's not a driver.

### Call in reinforcements

A second problem in the KM-introduction process relates to behaviour. In most cases, the introduction of a new business process or technology (and KM fits both categories) relies on the assumption that once the new system is in place, people will use it and adapt their behaviour accordingly. The assumption often leads to a monumental fiasco and the reason behind it lies in our brain: we tend

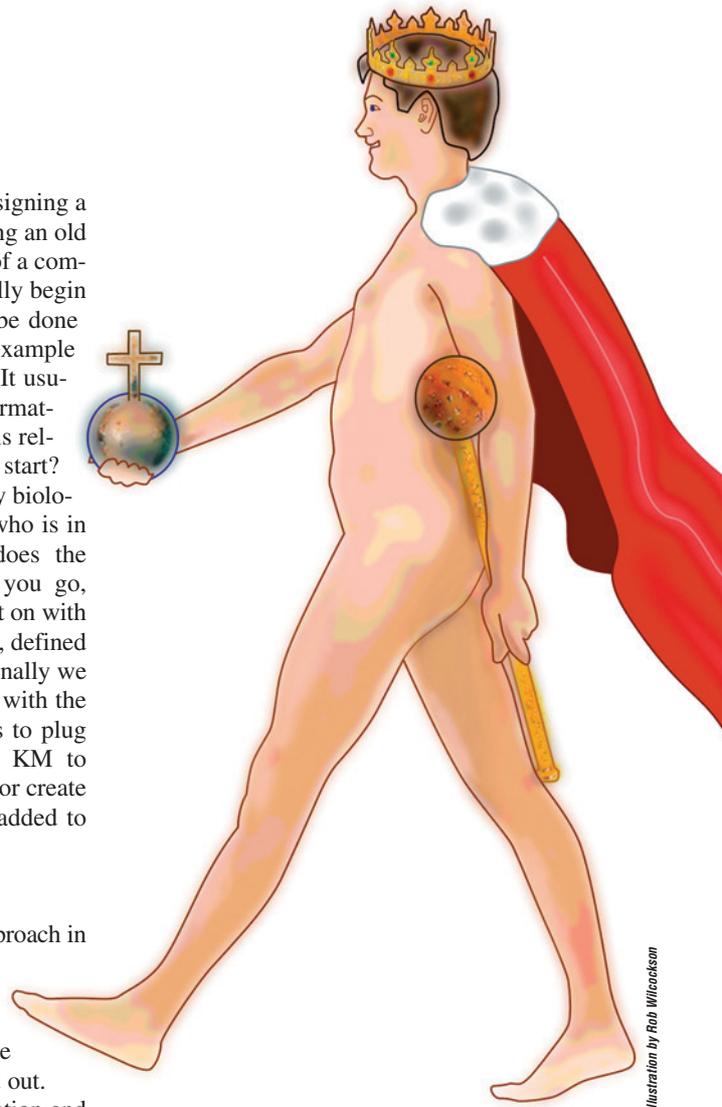


Illustration by Rob Wilcockson

**Knowledge management: a case of the emperor's new clothes?**

to continue working and behaving as we always did unless new behaviours are introduced and reinforced. Put simply, new IT does not often create new behaviours, at least not sustainable ones. People sometimes adopt a new technology because the company has appealed to them or because of some sort of motivational push from managers. But this is no guarantee of sustainability. On the contrary, new behaviours need to be established to support the new business processes facilitated by the IT. In most cases the sequence is wrong.

For those belonging to the KM movement – and here I lump together managers and leaders, consultants, software producers and vendors, and declared KM practitioners – there is little choice but to go back to basics and acknowledge they must revise their assumptions. The IT push has been too fast, too aggressive and too pervasively sexy, and the simple rules of psychology and equally simple principles of management have been forgotten. As a starting point, asking who needs to know what, why and when, is as good as it gets. SM

**•Dr Leandro Herrero writes on a management topic each month in Scrip Magazine. He is CEO and founder of The Chalfont Project, an international consulting firm focusing on organisational innovation and behavioural change management.**