Knoco news

Winter 2009

Knoco wishes all our clients, friends, and colleagues the compliments of the season, a Merry Christmas and a Happy New Year.

Knowledge Management Metrics

We are often asked how Knowledge Management can be measured, and indeed whether it can be measured at all. Certainly we have met many people who believe that metrics cannot be applied to an intangible topic such as KM.

However we believe that what cannot be measured, cannot be managed, and over the years we have seen some very successful metrics applied to KM.

In this newsletter, we discuss some of the principles of metrics, and share four of our favourite applications of measurement to KM.

Metrication principles

Before introducing any metrics system, get clear on the question you want the metrics to answer. Metrics can help answer several questions, as shown in the text box.

In addition, be clear about who needs the metrics, and what decisions they will make based on the metrics.

Thirdly, most metrics will require a baseline to measure against. Without this, measuring KM is hard.

Measuring KM implementation

The first thing you will probably want to measure, is how well you are managing to implement KM[1]

When you run your assessment at the start of KM implementation, you will develop some baseline metrics which you can measure improvement against.

[1] For an introduction to KM implementation, see our October 2009 newsletter, available on our news page.

Which question will your metrics answer?

- Is implementation on track, and if not, what needs to be fixed?
- Are we delivering value? Because, if we aren't, let's stop, or find a better way
- Are people doing what they are supposed to be doing? Who is doing well, who is not doing well?
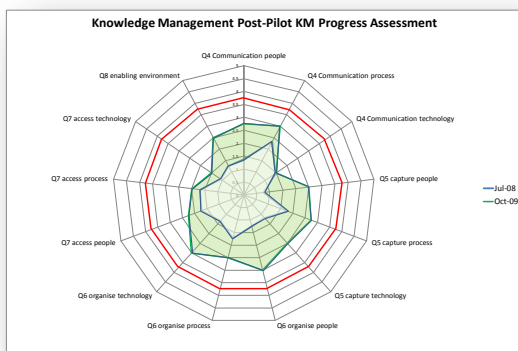- Is KM still working? And if not, what needs to be fixed?

Our KM assessment protocol, based on robust KM theory, measures several aspects of knowledge flow within an organisation, and allows you to identify blockers and obstacles to knowledge flow. Re-running the assessment later allows you to measure progress.

The green shading on the spider plot to the left shows the progress of a company a year after the initial assessment (inner line) as it progresses towards the red line.

Measuring KM value

Why do you need to measure value? You need in the early stages of implementation to demonstrate enough value add that you can gain full support from senior management. They will need to make some investment decisions in order to support you, and they want to be sure their investment will be worthwhile.

So how do you measure the value? Simply you take an area of the business that is struggling through lack of knowledge, you take a baseline metric, you introduce KM through a pilot project, and you measure how much the benchmark changes. Sounds simple, eh? And if you choose your pilot project well enough, it IS simple.

It is possible, though more tricky, to continue to measure value during KM operations. Ford did it, Shell do it to an extent, and Conoco Phillips do it as well. The secret here is to find a way to put a monetary value on learning interactions.

Measuring KM compliance

Lets assume you have introduced a knowledge management framework to the organization, with some clear accountabilities and clear expectations. You may want to measure whether people are complying with these expectations.

Stage	Expectation	Project A	Project B	Project C	Project D	Project E
Appraisal	KM plan	🟢	🟢	🟢	🟢	🟡
Concept selection	Retrospect	🟢	🟢	🟢	🟢	⚪
Concept definition	KM plan	🟢	🟢	🟡	🟡	⚪
	Retrospect	🟢	🟢	🔴	⚪	⚪
Construction	KM plan	🟢	🟢	🟢	⚪	⚪
	Retrospect	🟢	🟢	🔴	⚪	⚪
Operation	Start-up review	🟢	🟢	⚪	⚪	⚪

The sort of dashboard shown here is a way of tracking and seeing whether projects in an organisation are doing what they should be doing. Similar dashboards may be needed in other parts of the company.

Measuring KM activity

It's also useful to introduce some activity-based metrics to track different components of your KM system. A list of possible metrics is shown in the sidebar.

Measuring business outcome

We strongly believe that knowledge management drives continual performance improvement. As knowledge improves, so should your results. Therefore the more you deploy and apply KM, the more the business performance should improve.

This is not to say that all of the improvement is a direct result of KM, but if you are doing KM and business results are not improving, something is going wrong somewhere, and you need to find out why.

Possible KM activity metrics

- Questions asked per month on a Q&A/discussion forum
- Answers per question on a Q&A/discussion forum
- Lessons submitted per month on an online lessons learned database
- Best practices submitted per month on an online best practice sharing system
- Frequency of update of best practices
- Frequency of update of SOPs based on new lessons
- Number of open/closed lessons
- Time taken to close lessons
- Number of users of knowledge base
- Frequency of update of wiki
- Number of wiki editors
- Number of community members
- Number of active community members
- Number of people being trained in KM
- Number of KM champions

Is your manager your greatest KM risk?

Recently, Knoco has been applying a new approach to identifying knowledge risk to teams and small businesses. Our new KM Audit approach looks at the know-how that supports key business processes and asks, how vulnerable is it? Is it held in the heads of a few individuals with no succession planning, or is it well documented, and spread through a small community of experts?

The audit allows you to identify individuals who need to start training others as a fallback, and areas of knowledge that need to be documented into knowledge assets. We can provide traffic light plots to point out where knowledge is at risk, and tornado plots to represent the knowledge risk that key individuals represent (see figure).

On several occasions now the audit has indicated that the line manager represents a risk to effective KM within the organization, given the crucial knowledge they hold solely in their own head. In one example the line manager realised that this was potentially limiting the opportunity for promotion or career development outside their current role. In another it highlighted that the manager was not placing sufficient emphasis on developing their staff, but defaulting to doing the operational job that they had prior to being promoted to the manager's position.

In every case, loss of the manager, through illness, transition or redundancy, would have meant complete loss of crucial operational knowledge.

It is interesting that in all instances where this phenomenon appeared, none of the line managers prior to the assessment had any idea that they represented a business risk to the organisation. It's a great example of how KM is helping to surface and make tangible risks that were previously unknown to the organisation. These companies will repeat the audit and monitor the change in business risk profile of over time. Let us know if you want to learn more about our KM audit services.
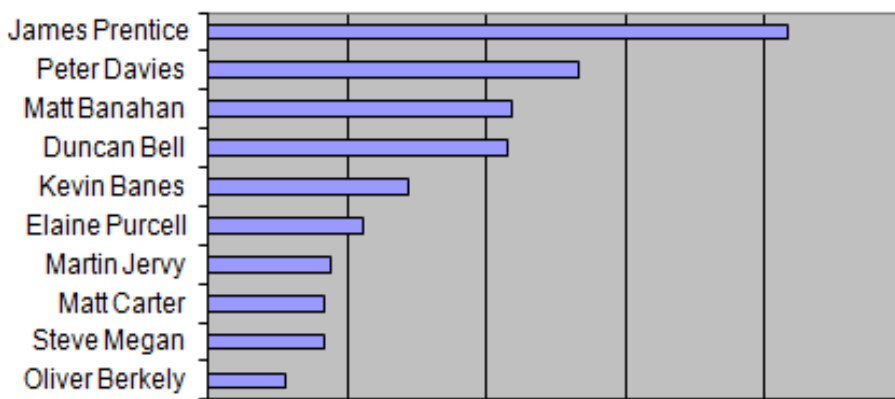
Plot showing the relative knowledge risk of various staff

Survey in support of Tom's new book

Both Nick and Tom are working on new books at the moment. Nick is writing "The Lessons learned handbook" (pre-order on Amazon) while Tom is writing "Knowledge

Management for sales and Marketing"

As part of the research process for the book, Tom is running an online survey to collect some data on KM approaches in Sales and Marketing.

Does your organisation have a Sales and Marketing function? If so, please visit Tom's survey page, and help him to gather some data on

the prevalence of KM in supporting Sales and Marketing, and on the type of Knowledge Management which is being applied

.

http://www.surveymonkey.com/s/J3CSKRV

IKM Summit 2009, Jakarta

In November, Nick was chairman and speaker at the 2009 Information and Knowledge management summit, held in the Shangri-La hotel, Jakarta.

It was very good to see that Knowledge Management is delivering real value for companies in the Indonesia/Malaysia area. The two oil companies, Medco Energi and Petronas, described their approaches to KM, including some sophisticated applications of Communities of Practice in Petronas.

PT SMART, the palm oil company, showed some excellent examples of KM adding value in a relatively low-tech, agricultural setting. On the KM culture side, other speakers emphasised the role of leadership in KM, and Nonaka's principle of "Ba" in creating space for knowledge sharing. All in all, an excellent conference, with some very thought-provoking sessions.
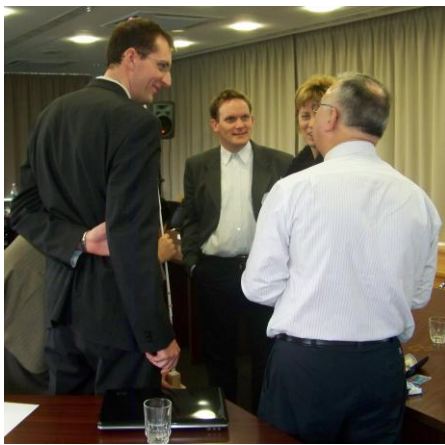
Tom with Hungarian hosts at the KM workshop

New Knoco franchise in Hungary

This month we reached agreement in principle with the Hungarian training & consultant company POZITEAM, to introduce Knoco methodology and consultancy into the Hungarian market.

Tom visited Budapest, met with the team, and worked with them to deliver a KM Bird Island workshop to some of their key clients.

The workshop was deemed a huge success, and we look forward to working closely with POZITEAM to develop and service the Hungarian Knowledge Management market.

Visit our website at www.knoco.com for ideas, resources, publications and free downloads such as newsletters, slide sets, white papers, self-assessment tools, and video

Contact us for a regular subscription to our newsletter

Subscribe to our blogs at www.nickmilton.com, www.tomyoungblog.com

View our YouTube video at
 http://www.youtube.com/miltonnick

Order free KM tools and templates

Communication Plan template

Knowledge Management Plan template

KM Self-assessment tool

KM risk evaluation template

Order free KM guidance notes

KM Assessment

After Action Review

Knowledge Harvesting Interview

Knowledge Asset creation

Knowledge Exchange

Learning History

Peer Assist

Retrospect

Knowledge Site Visit

Knowledge Management Plans

Email us

nick.milton@knoco.com	(Knoco UK)
tom.young@knoco.com	(Knoco UK)
ian.corbett@knoco.co.za	(Knoco South Africa)
siva@knoco.com	(Knoco India)
cgorelick@knocony.com	(Knoco New York)
rayanti@knoco.com	(Knoco Indonesia)
j.gutierez@knoco.com	(Knoco Spain)