Welcome to the September issue of the Knoco Newsletter.

The main theme this issue is Knowledge Assets - what they are, how they add value, what they contain, and how you develop a taxonomy to structure them.

What is a Knowledge Asset?

Knowledge, as we are told by many wise people (including Peter Senge), is “The ability to take effective action”. If you have knowledge - if you know what to do – then you can do the right thing, and make effective decisions.

In Knowledge Management we try to harness, in a systematic, managed and strategic way, the knowledge of the organisation, in support of better decision making and better actions.

So what is a Knowledge Asset, and what role does it play?

We would like to suggest that a Knowledge Asset is an explicit managed resource which supports organisational decision-making and actions. In as much as it leads to better decisions and actions, it is a company asset, and helps drive company performance.

Although you could think about tacit knowledge assets, we are going to talk here about explicit knowledge assets.

An explicit knowledge asset is more than just a document in a filing system; it is a managed and organised resource. Creating a knowledge asset takes time and effort, but this effort is an investment in maximising the value of the asset, and the value of your knowledge.

In practice, there are probably four scenarios where knowledge assets are most valuable. These are described below.

When knowledge is evolving, and a community wants to “pool” its knowledge.

When knowledge is being developed within a community, then no individual holds all the knowledge. Often the community will pool what they know through developing a joint knowledge asset. This may be as simple as an FAQ, or as complex as a community wiki, but by combining their knowledge into a knowledge asset, the community creates a resource which they all can use.

When there is a gap in activity, and knowledge needs to have “shelf life”.

Where there is a gap in practice - where we do the task once, then several months or years pass before we do it again – then the human memory becomes unreliable. It starts to change, false memories develop, the past becomes post-rationalised. This is a natural human mechanism, to which we are all prone. When tacit knowledge loses

A Knowledge Asset is an explicit managed resource which supports organisational decision-making and action.

When do you need Knowledge Assets?

You need knowledge assets when it is not sufficient to keep the knowledge in human memory, or community memory.
its reliability, the explicit knowledge asset takes over as our primary resource (or at the very least, a resource to back up the tacit knowledge and fill in the gaps).

Another case of a “gap in activity” comes when an experienced person retires before fully handing over to their successor. To fill this learning gap, they may need to create a knowledge asset.

When activity is complex, and it is easy to forget steps.

Even when memory is fresh, it can be difficult to recall all the steps in a complex process. This is where a knowledge asset can act as a reminder, to jog our memories. This is particularly important when the steps in the process are crucial. That’s why pilots go through a checklist every time they take off – not because they are inexperienced pilots, but because they can’t afford to miss any of the steps.

When action and decision making need to be standardised.

Any time an organisation develops a standard approach, they need to back this up with a knowledge asset. A standard approach represents “the company’s best way” to do something, and the knowledge asset codifies that knowledge so people can refer to it. This might be “the standard way” to issue an invoice, or put out an electrical fire, or develop a client proposal, or shut down an industrial process safely. If the organisation wants its members to follow the standard, they need to provide people with the resources that allow them to do this.

In the military, these standard practices are known as “Doctrine”, and knowledge assets are available on all Doctrines.

What is in a Knowledge Asset?

If a knowledge asset is to guide decision making and activity, it’s primary content is Guidance. Whether this is an FAQ, or an instructional manual, or a checklist, the guidance must be there, in a form which is most useful to the knowledge user.

With guidance, must come Context. Knowledge is developed in a context, and may not be applicable in other contexts, so the context of the guidance must be captured. This can be in the form of Stories, or Case Histories, or even company Policy. The stories can often best be recorded in video form.

Even the best knowledge asset cannot provide all the answers, so it needs to contain Details of People to go to for further advice – company experts, and experienced people.

The contributors to the knowledge asset need to be identified. The guidance, the lessons, the knowledge should be given in the real words of people who have been involved. This does help in establishing authenticity, and people seem to trust the advice a little better if they know that there is a person behind it. We tried a knowledge asset once where the contributors were not named, and the feedback we got from the users was “why should we believe any of this?” Using real words from real people gives authenticity and credibility”.

Finally the knowledge asset can contain artefacts which can be re-used. These might be templates, proformas, scripts, example budgets, or example plans. These items can give the knowledge user a real head start.

How is a Knowledge Asset maintained

Knowledge is never static, it always evolves; sometimes slowly, and sometimes very quickly. The knowledge asset needs to evolve at the same speed as the knowledge.

It therefore needs an owner. This owner could be a technical authority, a process owner, or in some cases a community of practice (though even a community will often
nominate someone to act as editor or focal point for some or all of their knowledge assets).

It needs a means to update it. This is easiest when the asset is electronic (we all remember those massive printed manuals which went out of date so quickly). For rapidly evolving knowledge, we need easy update, and this is where wikis are so powerful. Knowledge which evolves more slowly can live in a portal, or in hyperlinked documents.

It needs a process for feeding in new learnings and new findings. The knowledge asset should be linked to the lessons learned process, or to community discussion and review, so that there is a clear and defined path to bring in new learning.

Example Knowledge Assets
We have worked on many knowledge assets over the past decade. Here are some of our favourites.

Mergers and Acquisitions
This is an example of a knowledge asset which fills a gap in activity. This organization was going through a series of mergers and acquisitions over several years, and did not want to lose the knowledge it had gained along the way. We interviewed the key people involved, and captured their advice, guidance and stories into a Knowledge Asset. This is now on its 4th update and iteration.

Business Restructuring
This knowledge asset filled a gap in memory, and codified an activity that was too complex to leave to memory. This organization was going through a series of business downsizings and restructurings, and wanted to do these in the fairest and most transparent way. We are able to blend the experiences from many exercises into a set of FAQs, supported by a library of useful artefacts.

Winning contracts
This was an example of a community coming together to pool knowledge. For this service company, winning contracts was crucial to survival. We facilitated and recorded a community knowledge exchange for members from round the globe, to discuss and compile their best practices in winning work.

Technical Product Knowledge
The gap in activity for this highly technical knowledge asset was driven by the retirement of two highly experienced company staff. To help close that gap, we interviewed them both and created a detailed knowledge asset in Wiki form, illustrated with photographs and video.

Bird island in Toronto
This picture is from the ever-popular Bird Island exercise which Stephanie ran for the Toronto Knowledge workers. Once again the participants experienced the massive performance improvements that KM can bring.

Find out more about Bird Island and how you can use it.
KM Taxonomy for Knowledge Assets
By Arief Aziz

One of the important things in a knowledge asset is simply knowing where things are. Therefore a structure and categorization for your organizational knowledge is crucial. Sometimes people call this a knowledge taxonomy.

Here are a few things to consider in designing a taxonomy.

1. Empathy: Consider everyone.

Being a foodie, and the occasional cook, one of my favorite websites is www.epicurious.com. You can simply find any recipe that you want, mostly submitted by users. To view a lesson of empathy from this site, under “Recipes & Menus” click “Advanced Search”. Here, you can find anything for anyone. Whether you want a recipe from a chef or just a quick & easy one, they have it. When you have a dietary consideration be it vegetarian, kosher, or just plain healthy, they have it. When you want a cuisine from a particular region, or a particular time of the day, or certain occasions, they have it. Or when you feel like cooking with certain ingredients or have any restrictions like gluten, dairy, shellfish, or nuts, they have it. This website have put themselves in the shoes of their widely spectrumed users.

Each of the categories above can be perceived as a dimension. Think about the dimensions in your organization. Be it knowledge areas, knowledge products (i.e. lessons learned, best practices, templates); clients, customers or stakeholders; projects; geographical areas, and/or simply the type of media (text, graphic, audio, video). Think about all the category of users that will be using your system.

2. Don’t over think it: Keep it simple and let it grow.

A knowledge taxonomy is never finished. Your organizational knowledge will keep growing, and therefore new structures will keep appearing. Trying to cover all the bases and going as detailed as possible is both impossible, and ineffective. Trying to be sophisticated can translate to “complicated” in the eyes of user.

The key is to start with a simple structure, and create a mechanism in which the whole organization can participate in growing it. Some systems have a radical almost anarchist way of doing this. The wiki is a perfect example of a system where anyone can change taxonomies instantly. Other systems only allow taxonomists to change it. And between those two, there are plenty of grey areas to explore. Find a way for people to suggest improvements to the structure, without making it chaotic.

3. If you build it, they may come. But if you don't maintain it, they will leave.

When a knowledge taxonomy is not managed, and all the while knowledge is growing, the obsolescence becomes apparent, and people will stop using it. There needs to be a taxonomist role in the organization. It doesn’t have to be a dedicated one. But someone needs to be there to both accommodate the growth of knowledge, as well as to trim the fat.
Valuing your Knowledge Assets by Stephanie Barnes

The term Knowledge Asset always takes me back to my first career after my undergraduate graduation: accountant. In addition to defining knowledge asset, and discussing how to manage them (which are secondary thoughts in my accounting mind) I think about valuation; after all, if something is an asset, it has a value.

How do we value knowledge assets? Is it the cost to acquire the knowledge? Things like the cost of courses and books, and experience gained over a period of time. Is it what someone else would pay to obtain the knowledge immediately instead of going through the learning curve? Is it the opportunity cost: the cost of lost business or productivity, the cost of a missed connection?

Some of these are more easily determined than others. It is relatively easy to determine the cost of a course or a book, or to determine the cost of a degree or certificate. How is the cost of a missed connection or opportunity to leverage a previous project determined? How do you know what the cost is if you didn’t know that the opportunity existed?

“For example, if instead of creating a document management application for your organization, you find that your organization has already purchased one off-the-shelf that you can use, what’s the opportunity cost and do you get credit for saving the company the months of development and implementation time as well as the quicker time to become productive, because you can start using the system within a month instead of 18 months?”

The 2009 MAKE (Most Admired Knowledge Enterprises) Report finds that “the 2009 Global MAKE Winners trading on the NYSE/NASDAQ showed a Total Return to Shareholders (TRS) for the ten-year period 1999-2008 of 9.6% – over four times the average Fortune 500 company median.” How do we take this and translate it into the business case for better management of knowledge assets, whether they are tacit or explicit?

All of these things fly around in my brain when I think about Knowledge Assets, I don’t have a quick answer, other than to say pick whichever valuation method makes sense in the situation and use it to build your business case.