Knowledge Management in a Downturn

Times are tough. Budgets are tight, incomes are low, and long-term knowledge management programs over the world are at threat. This is a crucial time for Knowledge Management. It can either demonstrate its relevance to business success, or it can risk being eliminated as a disposable overhead.

In this newsletter, we discuss 4 ways in which Knowledge Management can act as a vital support to helping your company find its way through and survive the recession.

1. Learning to Survive

If we look at Knowledge Management as a systematized way for an organization to learn, then learning has never been so urgent as it is now.

Recession is a time of change and disruption, when old business models and assumptions crumble, and new models and new strategies need to be worked out quickly.

The company that does not learn and adapt, does not survive. "Surviving recession" now becomes Critical Knowledge Topic #1. If Knowledge Management is seen as crucial to the organization, then KM needs to be turned up to maximum setting, and aimed at "Learning how to survive".

Commit to your management that you will divert all KM resources into developing and perfecting this new and mission-critical knowledge.

In an aerial battle, the aeroplane that survives is the one that gets inside the other's turning circle.

In a recession, the company that survives is the one that gets inside its competitors' learning circle.

2. Learning to downsize

This is a subset of reason number one (above), but is a special case.

One of the most risky activities in a downturn is downsizing; negotiating the transition from a large organization to a small organization. It is risky because it distracts employees from the safe and effective operation of their work, can cause negative publicity both locally and nationally, and can leave the remaining staff disenfranchised and insecure.

Maybe that's why the Knowledge Asset we built for BP on effective downsizing was considered so valuable.
We looked at historical downsizing exercises, we drew out lessons learned and good practices, and we documented the secrets of downsizing quickly, effectively, fairly and openly; to minimize disruption, anxiety and insecurity. This knowledge was then applied in several downturns and restructuring, and proved very useful indeed.

**3. Using spare capacity to learn and train**

When work is slack, you have the time and the resources to release the value locked away in your corporate knowledge. You may well have to lose staff from your company, so use KM to learn how to do this fast and fairly, leaving the remaining workforce energized about the future rather than traumatized and insecure.

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Think about it - what does a football team do between matches? They learn and they train. They study themselves, they study their past performance, they study their opponents, and they improve their performance for the future.

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A downturn is a time when your knowledge starts to leave the building. With every departing employee, some critical know-how disappears. You need to employ KM to retain, as best you can, some of this knowledge. Now is not the time to be letting assets leak away.

"Now is not the time to be letting assets leak away"

Knowledge retention is a reactive tactic rather than a proactive strategy, but it may still be a vital tactic in a recession. Map out your key knowledge topics, find out who holds that knowledge, find out where you are at risk of losing this knowledge, and put in place a program of knowledge capture to retain as much as you can.

Any company that does not retain knowledge during a recession runs the risk of a “Forgetting Curve”. The picture below shows how a company has learned to reduce cost over a 5 year period, yet loses this knowledge during a one-year recession.
Nick and Tom in blogspace

When you are next online, have a look at our blogs.

We have been blogging now since January, with getting on for 100 blogs between us, on topics such as “The value of KM”, “Knowledge Assets”, and “Crisis knowledge management”. Your views will be very welcome – please feel free to add comments!

You will also find us on Youtube. We have recorded a whole series of short educational videos on aspects of knowledge management, such as “People, Process and Technology”, “Selecting a knowledge manager” and “Connect and Collect”.

Find links to these videos on http://www.knoco.com/knowledge-management-video.htm

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Knoco Stories
www.nickmilton.com

Knoco Insights
www.tomyoungblog.com

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Push vs Pull in communities

We have recently been working with an organization, setting up communities of practice as part of a knowledge management approach. It’s an organization of fragmented parts, which have recently come together under a single umbrella, and they chose communities of practice as a means to exchange best practice around the organization. We launched the communities, and set up a series of meetings (they don’t have groupware in place yet) to begin to discuss candidate best practices that could be shared and replicated.

That’s when serendipity took over. In most of the communities, sharing began to happen organically as a result of the connectivity and relationships that had been established across the previously fragmented parts of the organization (as you might expect!). As well as working on these candidate best practices, the community members began to tap into each other for help and advice. Knowledge has begun to flow around the communities, fuelled by Pull (asking for help), long before the best practices have been successfully Pushed from one part of the organization to another. In one case, this informal sharing saved in the order of £100,000.

Many best practices have been identified, transferred and implemented for business benefit, but it was striking (though perhaps not surprising) how informal Pull delivered three success stories, while we were still waiting for Push to pay off.