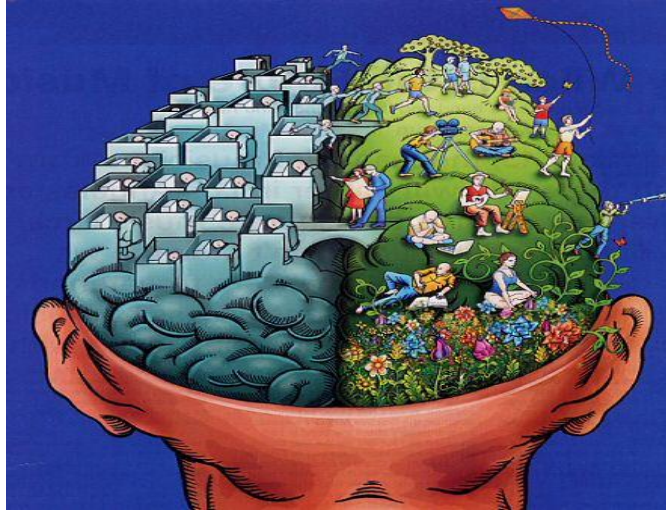


Knowledge Management

Who's Harvesting Your Organization's Intelligence?



Accelerated scenario

Technology advances, including web 2.0, customer relationship management tools and social networking—all create accelerants for managing your business ... but also make its successes and blemishes more transparent than ever.

Companies that consistently rank highest in terms of market value and innovation know how to build trust and garner and capitalize on the collective intelligence of their workforce (McKinsey: *Mobilizing Minds, Fast Company*). A well-thought-out knowledge management program can galvanize an enterprise's reputation, relationships and shareholder value in optimal—as well as in challenged—times.

Technology driven by the right strategic leadership team can play an important role in this transformation by dynamically filling in the critical internal and external knowledge gaps across the enterprise. If done well, technology potentially can leap from support role to status as an innovation leader and essential revenue-generating contributor.

What is knowledge management? What's its value?

The goal of knowledge management is to gather, build and use intellectual capital gainfully for the good of the company, customers and other stakeholders. Its roots go back for decades—some argue centuries—but the sheer complexity of bringing together information from all realms of an enterprise can be daunting, if not built incrementally with purpose, vision and organizational flexibility. In practice, the effort helps accelerate decision-making and empower value creation. When done correctly and thoughtfully, it saves money, instills organizational productivity and transforms loose elements of information into intelligence and ultimately intangible assets and intellectual property for a company. The latter is extremely valuable when differentiating—or valuing—a company.

Reality today ... and how we got here

Alfred Sloan of General Motors is recognized as the inventor of the 20th-century style of management, wherein hierarchy, individual accountability and divisions were devised to provide the business structure that was felt missing from the individual, entrepreneurial models set forth by such industrialists as John D. Rockefeller and Andrew Carnegie in the late 19th century. (*Mobilizing Minds*: Bryan & Joyce) The IT solutions developed to support these inherited models are causing much of the 21st-century infrastructure integration challenge across silos and legacy systems, precluding many organizations from surging ahead to improve and optimize productivity. First, IT teams must add new prescriptive, enablement tools for collaboration, communication and business intelligence and analytics.

The legacy models were extremely successful for many decades but pose obstacles for managing mercurial change in today's global environment, where agility and speed to market are moving up the rankings as IT priorities (*CIO Insight*). "The age of IT specialization is dead, and is being replaced by an emphasis on skills that can translate across the enterprise" (Forrester Research, 2010).

It's all about the customer

Long ago Peter Drucker, the father of business consulting, made a profound observation that has been lost in the sands of time:

"Because the purpose of business is to create a customer, the business enterprise has two—and only two—basic functions: marketing and innovation. Marketing and innovation produce results; all the rest are costs." These words suggest it is first and foremost important to get close to the customer, without which, there is simply no business. Many points of the organization lead out to the connection and delivery of services to the customer; as best as it can be done, it is mission-critical to ensure the right people are listening to customers, engaging them and documenting and satisfying their needs. This takes incisive orchestration, separating a successful business from a lost leader.

Where social networking fits in

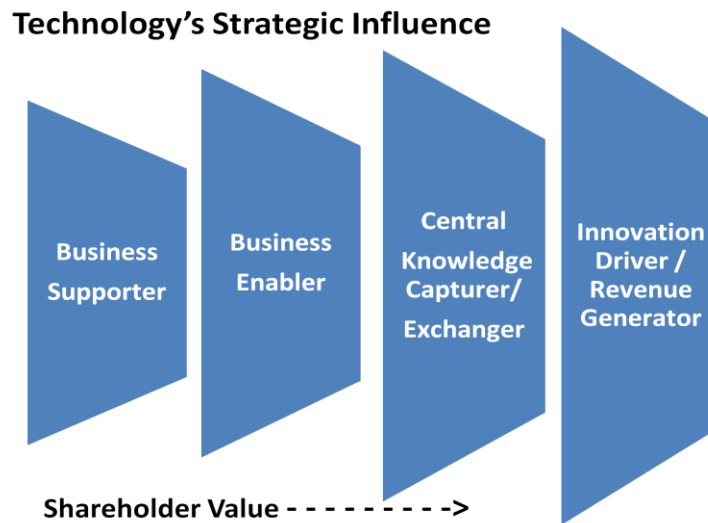
Social networking is essentially an extension of marketing: It is another, faster, cheaper channel for companies to connect with prospects, as well as with existing customers. In traditional marketing, companies create a brand and "push" their value through advertising via television, print, public relations, promotional media or—via introduction through a sales force—stores. With the internet, customers are not waiting to test products or value propositions in person and are instead directly researching solutions to their needs/interests by going to a company website or seeking opinions through their trusted, virtual referral network. As such, current and prospective customers, employees and competitors are "pulling" information about your company/organization daily. It is, therefore, mission-critical that the knowledge they reap 24/7 is on target, relevant and reflects your organization's intended take-away, or experience.

Who's managing the customer? How are we managing the business?

This varies by company, but accountability is often—to the chagrin of customers—dispersed across the company. The advent of more and speedier technology, and advanced statistics and market research, enables the pulling together of disparate silos and streams of information to create a single, intelligent view of the customer. And as business intelligence and data analytics are becoming front-and-center priorities of the Chief Information Officer, the discipline of knowledge management helps disperse appropriate information to drive intelligent thinking around understanding and better serving customers.

Technology can introduce potential tools and pathways to innovation and growth.

Technology's nirvana is to move along the strategy continuum.



Technology needs to re-define its overall short and long term sphere of influence and continue to connect more with business and world outside that influences customers and competitors. Past and contemporary tradition suggests that most organizations have directional mutual interest, but a strong disconnect between business and technology priorities (Gartner CIO Survey). At a fundamental level, this subtly creates project scope-creep, but on a grander scale, miscommunications/expectations can ultimately prevent organizations from achieving excellence.

What's needed to blend business and technology to serve the customer, innovate?

The right people

Technology must have leaders on its team with business experience and acumen in how the business makes money, relates to its clients and takes input and manages projects across a variety of interests and disciplines—sales, marketing, finance, operations, etc. This background can accelerate credibility, project buy-in and engagement of diverse inputs needed to better identify organizational needs, customer priorities and return on innovation and investment.

- ✓ Program leader(s) with dual quarterback/point guard skills who:
 - Can plan, motivate, facilitate, play in the game and keep score!!
 - Have/motivate left- and right-brain thinking.
 - Are able to project-lead across global, cross-functional disciplines.
 - Can represent your team expertly on knowledge management, customer value, innovation, business intelligence/data analytics and technology best practices.

- ✓ Executive champions and business line sponsors who are motivated to innovate and build enterprise value.

[A strategic roadmap predicated upon a solid knowledge management strategy](#)

Form must be fluid and scalable, follow function and take into account not only the needs of the business, but also requirements and expectations of customers, in addition to embracing a thorough benchmarking assessment and rationalization of best-in-class productivity practices and return on investment for the enterprise.

The knowledge management strategy must be explicit around what information is most important to share inside and outside the organization and detail how best that information is discovered, captured, shared and distributed technologically.

[Clarity of communication and accountability](#)

Success relates not only to having a vision, but also to being able to create and communicate energy around it, as well as articulate results in business terms. This strategy needs to infuse horizontal (cross-enterprise) goals and vertical needs and include dynamic inputs based on customer feedback/value sought and competitive/market knowledge.

How to take the next step

Growth Catalytics is a management consultancy that helps organizations use technology more strategically to better understand, create and communicate customer value, grow revenue and build relationships and brand leadership. Call them today at 646-637-1900 to set up an appointment to learn more about how they can help more fully harvest the knowledge in and outside your organization to drive innovation, garner relationships and sharpen your competitive edge.