

## Knowledge Management Enables the High-Performance Workplace

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In 2006, knowledge management will support highly structured business processes as well as unstructured knowledge work. Mature processes and technologies will offer solid support for KM while emerging techniques will trigger new thinking about extracting the value from organizational knowledge.

## ANALYSIS

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Knowledge management (KM) has been a persistent business and IT agenda item for the past decade. Nearly all large organizations have implemented KM to support at least one critical business process and many have more-comprehensive KM programs. From 2006 to 2010, organizations will continue to invest in KM as one of the critical competencies in high-performance workplace (HPW) initiatives.

While human knowledge may be an organization's most valuable asset, much of this knowledge is never shared. Harnessing critical knowledge and using it to create a common vision and objectives can move an organization closer to realizing an HPW.

KM supports the notion of an HPW through organizational values, culture, processes and tools that stimulate and support the organization's employees, partners and customers to create, capture, organize, access and use the organization's knowledge that enables people to personally and collectively become more productive, collaborative and innovative (see "One More Time: What is Knowledge Management?"). This Spotlight examines the trends, challenges and opportunities that are influencing the direction and application of KM (see Figure 1).

**Figure 1. Trends Influencing the Direction of KM**

- Information management and KM will converge in some aspects and co-exist in others.
- Tacit knowledge management will be critical to the future work force.
- Innovation is growing in importance.
- CRM is moving KM beyond knowledge base management.
- Focus on business processes is increasing.
- Innovation will continue in KM practices and supporting technology.

Source: Gartner (February 2006)

Our Spotlight research offers these insights into the trends shaping KM:

- **Information management and KM will converge in some aspects and coexist in others.** KM is often interpreted as simply improved information management by many enterprises, especially in the early stages of KM. "What's new?" is often the challenge to KM sponsors. Additionally, information management is increasingly critical to use and make sense of the onslaught of digital content. However, information management does not suffice for KM and the key differences are subtle but important. "Managing Philosophies and Risks When Knowledge and Information Management Converge" identifies the philosophical differences in KM and IM and how they can coexist.
- **Tacit knowledge management will be critical to the future workforce.** During the coming decade, organizations will conduct business in a radically different workplace and will rely on a radically different workforce than in 2006. People will have the capacity to customize their work, locations, information sources, tools and learning. New options will emerge in job mobility, affiliation with global communities, "free agency," social

networks and globally distributed work teams. "Map Knowledge and Learning to the Types of Work Encountered" introduces a decision framework in which to understand the expected shift to nonroutine work as the predominant work style and the increasing need to manage tacit knowledge in supporting the workforce.

- **Innovation is growing in importance.** Innovation is becoming an imperative for most companies. HPW processes and technology do much of the heavy lifting in supporting innovation by ensuring that people have broad access to expertise and high-quality information (specifically, to the ideas of others or historical information). HPW practices and technologies contribute to increased idea generation, analysis, decision making and, ultimately, to improved relevance and quality of innovation outcomes. Innovation strategy and the supporting role of HPW and KM are addressed in "Fast Follower' Innovation Strategy Offers Low Risk and High Returns," "Innovation 'Fast Followers' Need Rapid Execution Capabilities" and "Knowledge Management Can Drive Product and Service Innovation."
- **CRM is moving KM beyond knowledge base management.** KM can contribute to CRM performance through many applications: knowledge base management, collaboration, expertise or talent location and management, and capturing or representing insightful ideas, practices and content in digital form. To date, most CRM implementations have focused solely on knowledge base management and internally focused KM without exploiting the full range of KM capabilities or the extension of KM to customers. "Leveraging 'Hidden' Knowledge Management Tools to Makes CRM More Effective" provides insight into how companies are taking fuller advantage of KM.
- **Focus on business processes is increasing.** Business processes are the language of the user, and a trend in software and application development will more actively involve users in an explicit definition of process and data flows, decision rules for managing work and the collaborative interactions among processes or systems. Organizations will capture and represent process knowledge in structured models and formats that can be controlled, orchestrated, automated and executed. The increasing importance of knowledge in business process management is analyzed in "Business Process Management Leverages Organizational Knowledge to Create Better Business Value."
- **Innovation is continuing in KM practices and supporting technology.** KM has been a hot topic for a decade, and there have been as many failures as successes in KM. Therefore, we have a substantial "knowledge base" regarding the cultural, technical and process challenges and practices in KM. Three articles provide insight into a variety of best practices. "A Knowledge Management Maturity Model Explains Where You're Going and How to Get There," "What to Do When Knowledge Management Goes Wrong" and "Six Practices Can Increase Use of Your Knowledge Management Program."

In Gartner's definition, KM is not a separate class of technology, and strictly speaking, KM does not require the use of software. However, we believe that compelling technology is necessary to a good KM program. Further, technology is always emerging that advances the state of the art of KM, making things possible that were not possible before. In a series of three articles, "Using Technology to Create and Capture Knowledge," "Knowledge Support Is Critical to Organizing and Accessing a Company's Intellectual Assets" and "Use Technology to Support Collaboration in KM Programs," we describe technology as it applies to different aspects of the KM process.

### **Related Research and Additional Reading**

"Consumer Goods Industry: A High-Performance Workplace Empowers the Business" — For producers of consumer goods, digital asset management, collaboration and knowledge management can enhance innovation — a crucial success factor in this competitive market.

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