



How to Formulate Effective KM Strategy

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Presentation for KMIDC
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Agenda

- What is KM strategy
- How to formulate effective KM strategy
- Case studies: World Bank and Hong Kong Fashion Retail Chain

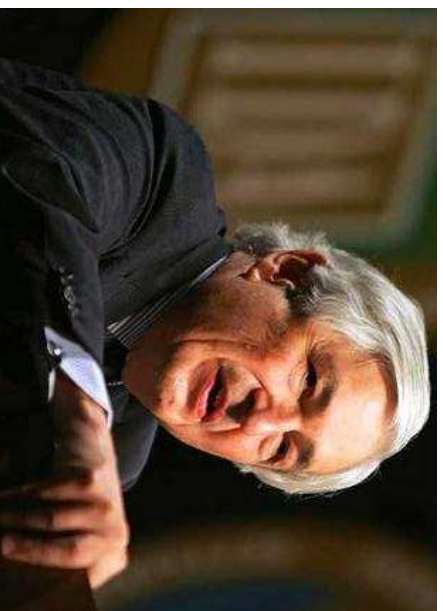
Top Obstacles for KM Implementation

- Lack of a clear strategy
- Internal politics and functional silos
- Lack of financial support and incentives
- Competitive pressure
- Wrong perception of the need
- Barriers to change

Vision of World Bank

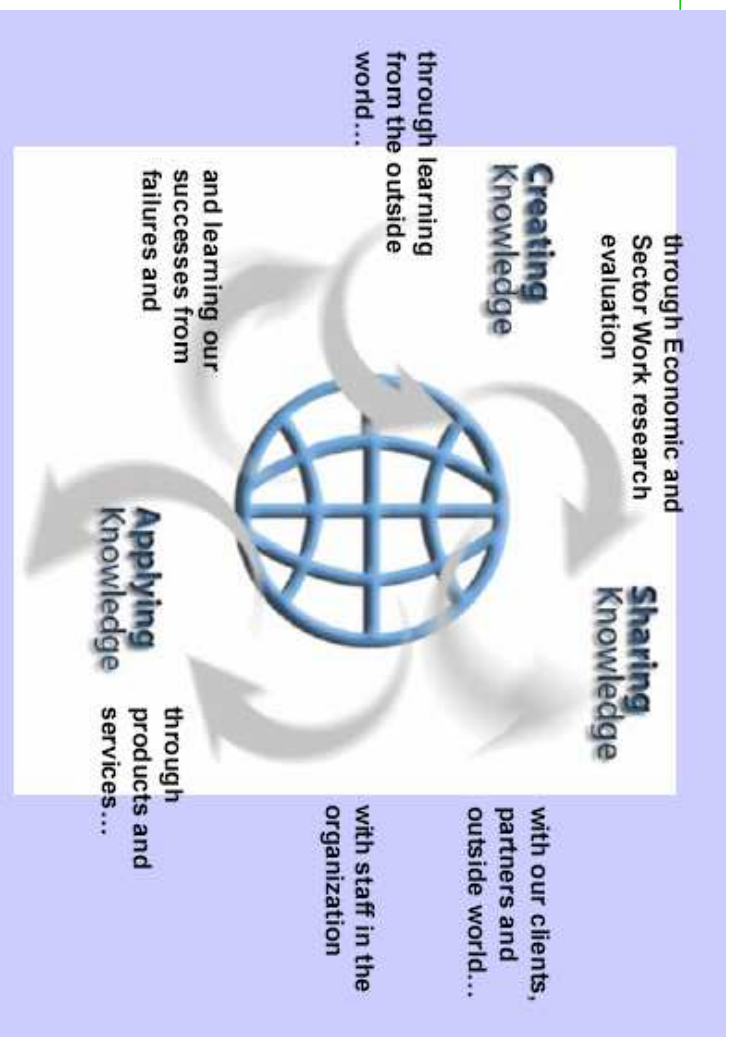
Lending alone cannot achieve poverty reduction

- To help people help themselves by providing resources, sharing knowledge, building capacity, and forging partnerships



President, James D. Wolfensohn

KM Model



Chevron Corporation



KM Strategy

Chevron needs to capitalize what it knows

Ken Kerr, CEO



Focus of KM

- Focused on ideas, practices, connections and experiences come through customers, partners and communities
- Primary value proposition: operational excellence
- Gradual shift to innovation



What is KM strategy?

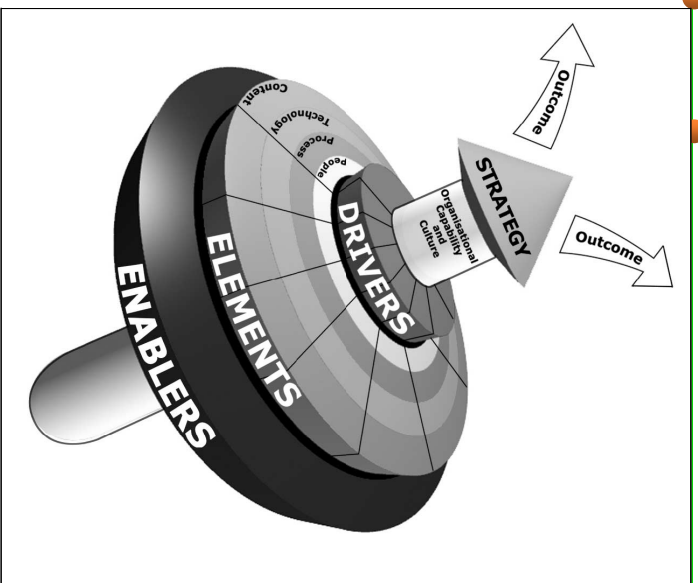
- An integrated strategy to manage both the knowledge itself and the enabling resources such as IT system and people
- It clarifies the why's and the what's
- It guides the choice of KM initiatives, which direct the how's



Why we need KM strategy?

- It answers the basic question: what value will KM deliver for my organization?
- It ensures that your KM efforts address the most significant knowledge issues in a focused and cohesive way.

Knowledge Management Model (AS 5037)



Developing KM strategy

- Start with the organizational strategy. It should address issues that keep the CEO awake at night.
- The strategy development process should educate people about KM, engage them and create the ownership. It is both a top down and bottom up process.



Drivers

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- Operational excellence
- Stakeholder intimacy
- Growth
- Service delivery
- Risk mitigation

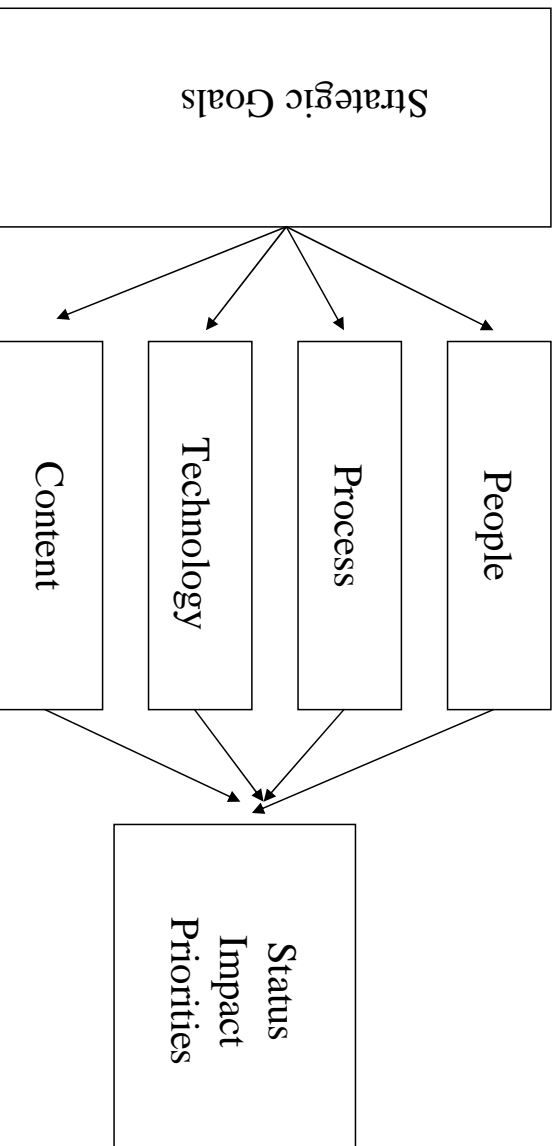


What is knowledge audit?

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-
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-
- It identifies the knowledge and information environment of an organization..... Its purpose is to clarify the enterprise's knowledge status, impact and priorities, thereby informing the development of effective knowledge management initiatives.

Dr. Kate Andrews (2002)

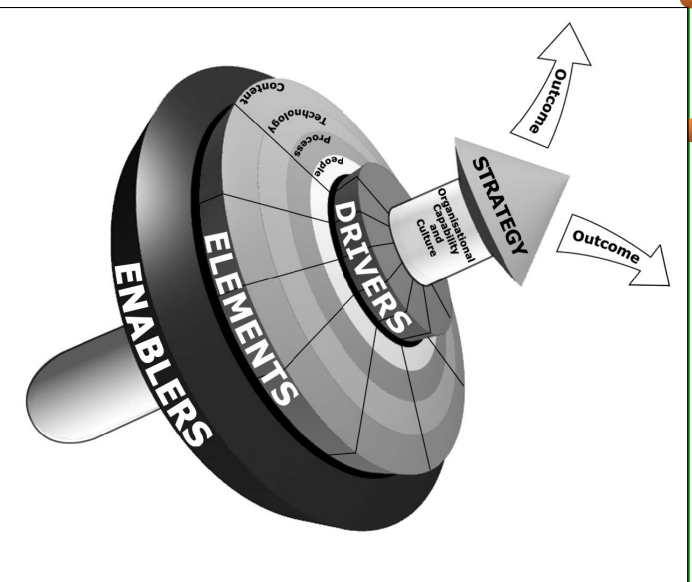
Knowledge Audit Process



The Key Questions

- **Status.** What is our current information and knowledge status (people, process, technology and contents)?
- **Impact.** What is the impact on the objectives that matter to the organization?
- **Priorities.** What are the priorities to be addressed by our KM initiatives?

Knowledge Management Model (AS 5037)



People Factors

- Leadership
- Organizational design
- Values and belief systems
- Trust
- Interpersonal relationships



Process Factors

- What are our current process for creating, capturing, sharing and accessing knowledge at both the organizational, workgroup and individual level?
- How can knowledge be embedded in work processes to enhance organizational performance?



Technology Factors

- Databases
- Intranets
- Workflow
- Portals
- Search engines
- Simulation tools



Contents Factors

- Characteristics, structure and organization of knowledge
- Information management practices
- Knowledge contents in your strategic knowledge domains



Enablers

- People: after action reviews, community of practice and story-telling
- Information technology: document management, intranet and Wiki
- Information management: taxonomies and information audit
- Business disciplines: quality management, organizational learning and risk management

Case Studies

- World Bank
- Hong Kong Hospital
- Hong Kong Fashion Retail Chain

World Bank Group

- One of the world's largest source of development assistance
- Primary focus of helping poorest people and the poorest countries.
- US\$20 billion in loans to its client countries in 2004
- Works in more than 100 developing countries, with about 10,000 staff.



The Projects

- The World Bank run thousands of projects in developing countries. There are 7 key areas:
 - education
 - HIV
 - maternal and child health
 - water supply and sanitation
 - investment climate and finance
 - trade
 - environmental sustainability

Challenges in Development

- 3 billion live on less than \$2 a day
- 1.2 billion on less than \$1 a day
- 3 million children die each year from preventable diseases.
- 113 million children are not in school.
- 40 million people are living with AIDS.





KM Strategy



- Connecting who need to know with those who do know.
- Collecting what is learned, and sharing that knowledge internally with staff and externally with clients, partners and stakeholders.
- Becoming a more agile and open organization.



Key Drivers of World Bank



- Speed: respond faster to client needs
- Quality: deliver to clients the experience of many countries adapted to local conditions
- Innovation: bringing new services and finding new concepts
- Wider access to know-how: building the capacity of countries to tap into global resources online

Barriers to Knowledge Sharing

- Large size and bureaucratic nature
- Relatively inflexible mindset of many staff
- Continuing downsizing pressure
- Low trust among middle management

KM Approach

- Easier**
- Collecting (Knowledge repositories) 1997 ...
 - Connecting internally (Knowledge Communities or Thematic Groups) 1998...
 - Connecting externally (Knowledge Partnerships, Gateway, GDLN) 1999 ...
 - Brokering global knowledge, Facilitating adaptation to local knowledge, Connecting stakeholders, and acting as a Catalyst for change 2002 ...
- More difficult**

Thematic Groups

- Organized by sector or across sectors
- Support core Bank functions
- Funded by Sector Boards and accountable to them
- Rely extensively on knowledge partnerships
- Use a broad range of technology



Thematic Groups are the core of the Bank Knowledge Management System. They have developed very fast. There are now more than 80 Thematic Groups, throughout the Bank.

Thematic Groups

- Self-organizing entities
- Establish through face-to-face contact & connected by IT
- Leaders are generally not appointed
- Responsible to validate the knowledge materials and disseminate the knowledge on the Web



Thematic Group: Education and Early Child Development

- Improve the quality of activities to support early child development
- \$1.5 billion invested in projects ranging from preschool reform programs to home-based services
- External partners include InterAmerica Development Bank and The Children House



Global Knowledge Exchange

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--- select a topic ---

View all

Development Focus
▶ Afghanistan Reconstruction
▶ Innovations for Development

Highlight
Afghanistan reconstruction remains one of the priorities of the development community. Read Development Gateway interview with Mr. William Byrd, Country Manager for Afghanistan, World Bank. In this interview, Mr. Byrd outlines the World Bank's current program for Afghanistan and shares his views on how the issues of security, transparency, capacity and the flow of information will impact reconstruction efforts.

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on the **digMarket**: SOG+ new tender opportunities daily from Argentina to Zimbabwe.
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Learn what is happening in those countries where projects are underway for the creation of **Country Gateways**
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news & announcements
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▶ 17 Jan - Coca Cola food plant seized by Venezuelan troops in response to food shortages More...
▶ 17 Jan - **Warisan** in Ivory Coast risk their lives to give **Dutch** More...

<http://www.developmentgateway.org>

Story Telling

- Capturing tacit knowledge from operational experiences.
- “What was done, and how it was done”.
- Video taping of narrative (‘story telling’).
- Synthesis of themes in 2-5 minute video clips.



The screenshot shows a website titled "EAP Learning Videos" with a navigation menu including Home, EAP Learning Videos, EAP Learning Tools, EAP Learning Resources, EAP Learning Materials, EAP Learning Activities, EAP Learning Assessments, EAP Learning Evaluation, and EAP Learning Feedback. The main content area features a video player with the title "EAP Learning Videos" and a subtitle "Reflections: Interviews with Task Managers". Below the video player, there is a quote: "The key, which is unspoken, is not worth saying..." - Socrates. To the right, there is a section titled "Video Premieres!" with a quote: "Learning is the experience and the activities" - Representative of H... - John Flower. The page also includes a sidebar with a search bar and a list of categories: EAP Learning Tools, EAP Learning Resources, EAP Learning Materials, EAP Learning Activities, EAP Learning Assessments, EAP Learning Evaluation, and EAP Learning Feedback.

Managing Customer Knowledge

■ Hong Kong Fashion Retail Chain



Customer Knowledge Strategy

- Identify customer knowledge as the most important knowledge to the business
- Apply KM principles and practices to maximize the value of customer knowledge

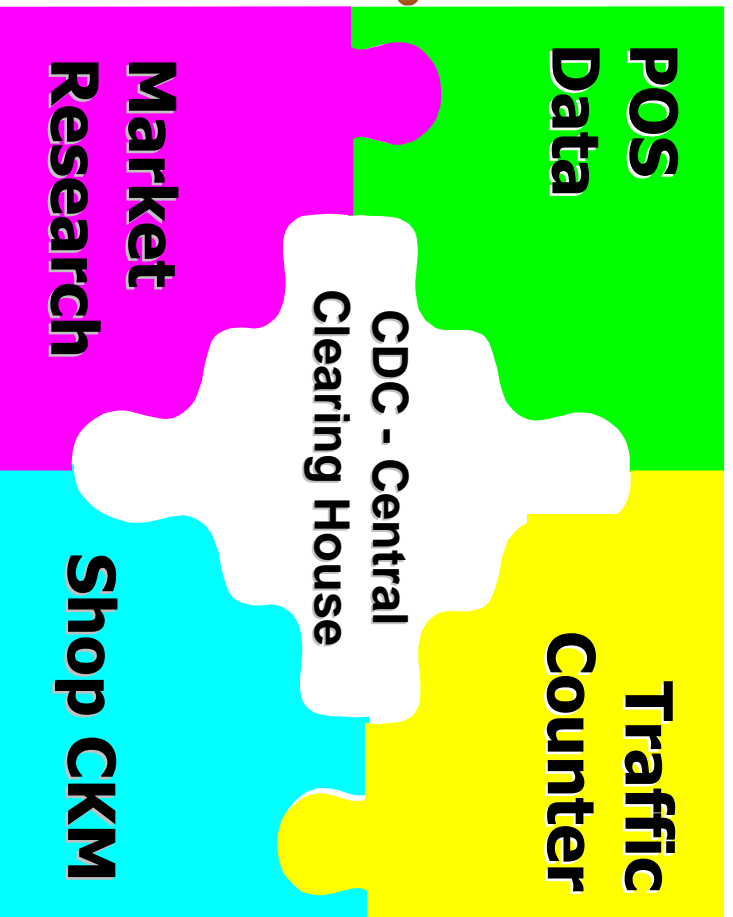
Value of Customer Knowledge

- An important asset that companies own
- Origin of most improvements in products and customer service
- Vital for companies to create and sustain their competitive advantage

Problems with Customer Knowledge

- Gather by different business units for their specific objectives
- Not properly managed throughout the life cycle (acquisition, sharing, usage and storage)
- Lack of a “central clearing house” and senior executives to take quick and appropriate actions
- Low participation from frontline staff

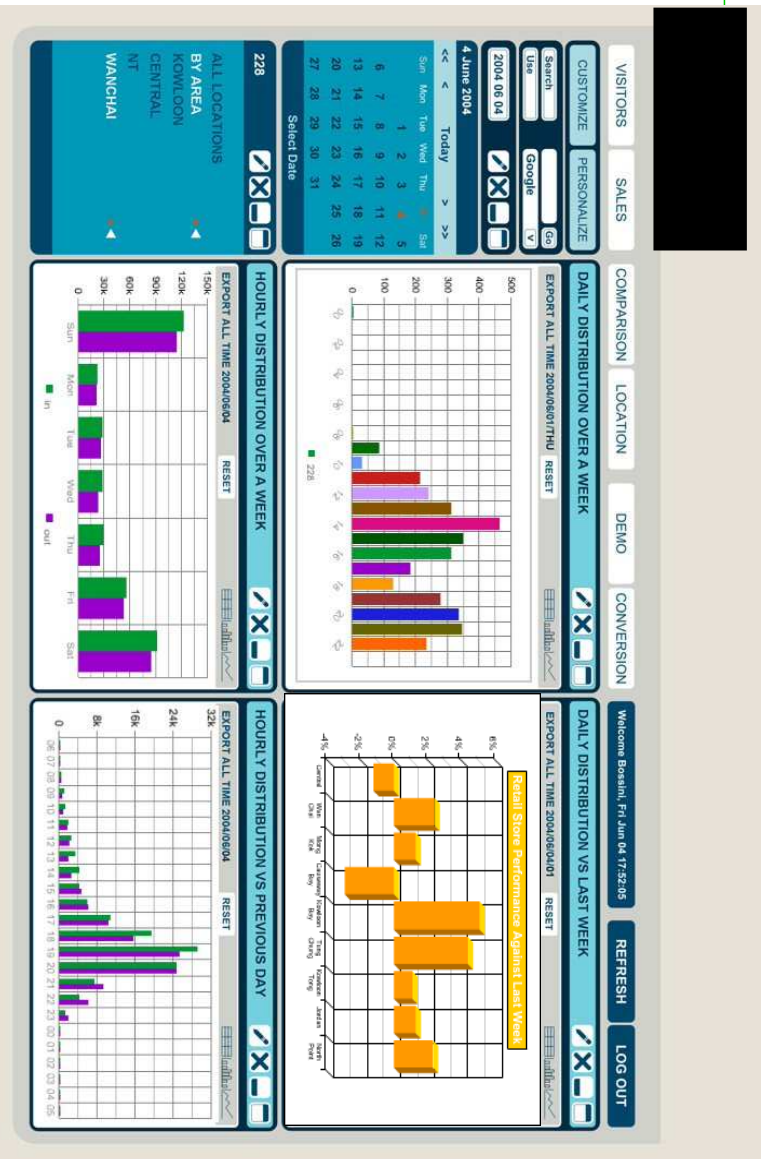
Managing Customer Knowledge



Customer Delight Committee

- As a “clearing house” for customer knowledge
- Members come from marketing, retail operations, warehouse, product team and HR
- Led by senior management for quick decision making

Traffic Counter Dashboard



Shop Customer Knowledge Management

Discoveries

Through front-line staffs observations and sharing with team member.

Learning

Codify collective knowledge in standard form and fax to head office for analysis.

Action

Relevant parties develop action plan according to the learning discovered.

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