

Knowledge in Action

Issue 13

Increasing value from improving knowledge flows

Organisations create value when knowledge flows from where it is generated to where it is needed. Managers need to know how effectively this works for their organisation, but with so many possible channels and potential blockages it's hard to know what to tackle first.

Henley's Knowledge Management Forum has developed a framework to make it straightforward for individuals to bring everything together and assess how well connected their organisation is, and what knowledge management activities might improve their connectivity.

“It is vital to establish knowledge flows with external partners. We have a group of companies we engage with on a mentoring level, including charities and non-profit-making organisations, where we put what we know on the table for them to learn from. It is a two-way process that we gain understanding from too.”

Carolyn Lees, director of IT, Permira



The value generated from knowledge depends on how well connected your organisation is. Individuals cannot work effectively in a vacuum. They need knowledge to be flowing freely from where it is created to where they need it and back again in order to do their job. Likewise they cannot afford to be cut off from the wider world. The organisation is just one element in an industry-wide system of knowledge-based activity, and success requires it to be sharing knowledge across that industry.

Many managers find it hard to assess how effective knowledge sharing can be. The system is so wide, and the discipline so diverse, it can be hard to see how everything fits together. Henley’s Knowledge Management Forum has produced a framework, or knowledge web, which allows the organisation to map knowledge flows both within the organisation and between it and the wider industry. It helps it identify where any potential blockages lie and assess where investments need to be made to overcome them.

The framework begins by breaking down critical knowledge flows into nine types, within three broad categories.

Knowledge flows that start from individuals

Flows between individuals: This is essential for individuals to be able to solve problems more quickly and get better answers. They need to be able to build communications across the organisation and vertically. This has benefits for employers, as it stimulates learning, enables better use of existing knowledge and is a potential source of innovation.

Flows from individuals to the organisation: This ensures individual learning is translated into business knowledge and expands the intellectual capital of the organisation. It saves every individual reinventing the wheel when faced with the same problems and builds the capabilities of the organisation.

Flows from the individual to external shareholders: This involves individuals sharing knowledge with customers and partners, to strengthen those relationships that generate value. It helps the organisation protect its competitive position by improving quality, customer responsiveness and loyalty.

Collaboration, insight ... practical value

Co-ordinated by Jane McKenzie of Henley Business School, this report brought together insights from a number of studies carried out by Henley’s Knowledge Management Forum over four years. It provides a framework for all the work done on Knowledge in Action, and offers a way to unite a diverse field of study to form one simple picture.

Knowledge flows that start from the organisation

Flows around the organisation: By adopting integrated knowledge management systems and processes, the organisation can save time and money, and make better-informed decisions.

Flows from the organisation to the individual: By establishing knowledge systems that can be easily accessed, searched and used, individuals can learn from the intellectual capital of the organisation more quickly and relevantly. This improves productivity and the potential for innovation.

Flows from the organisation to external stakeholders: Using organisational knowledge to shape external conditions for customers and suppliers enables the organisation to help shape the market in favour of the business and improve its competitive performance.

Knowledge flows that start from external stakeholders

Flows between external stakeholders: Communication across the industry drives advances that can benefit everyone in the process. By choosing to influence this, the organisation can be a first mover and gather more power in the industry.

Flows from external stakeholders to individuals: It is easy to focus on internal dimensions first, and ignore the fact that external knowledge changes all the time. If you don't tap into it, you can become out of date very quickly. By improving external connectivity, individuals can gather fuel for innovation and will have early-warning signals for any changes that will affect the business.

Flows from external stakeholders to the organisation: Establishing these contacts enables an organisation to better exploit its current knowledge or innovate more quickly.

“Unisys has a client account site within its IT systems, to store and share information about each client. No matter who in the organisation is talking to the client, or where they are in the world, their learning is fed into that site. So knowledge can flow around the organisation easily.”

Alex Goodall, formerly with Unisys, now an independent knowledge management consultant

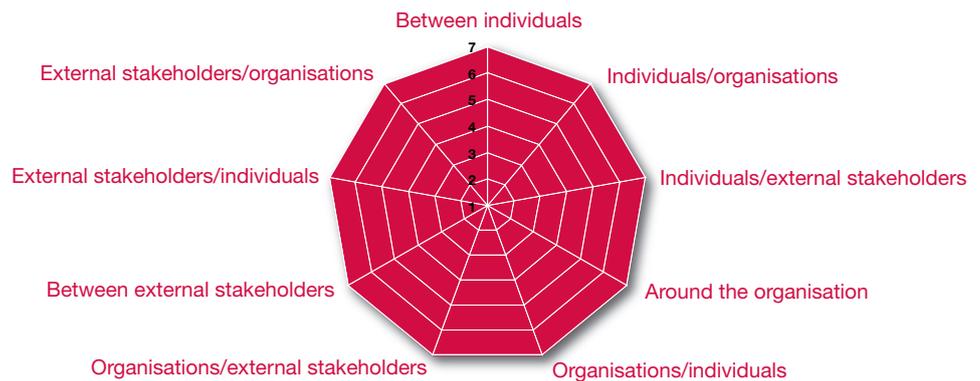


“We have interactive team spaces across disciplines, to allow knowledge to flow between individuals outside of project groups. Users can ask questions, communicate with one another, read resources and use a searchable database of expertise. This is available to both internal employees and external partners such as consultants and contractors.”

Daressa Frodsham, head of engineering knowledge, United Utilities



Mapping knowledge flows on the knowledge web



Adapted from the thinking of Sveiby

How these flows work

Once these critical flows are identified, the framework encourages managers to evaluate how these nine flows are currently working within their business and sector on a predefined seven-point scale (see box above). This gives them a picture of how effectively knowledge is flowing around the whole system now. Often organisations pay most attention to the first two groups of flows, but to be sustainable the external stakeholder group is worth a lot of attention. Managers should also investigate whether it is motivations, skills, actions or environmental issues getting in the way of the flow, in order to understand how to unblock it.

Having gauged how knowledge is currently flowing, it is then just a question of repeating the exercise to give each flow an ideal rating on the same predefined scale. It is not necessarily the case that all the flows need to be rated highly. Some flows may be key for one organisation, but less of a priority for another. There is no right answer to this. It is a question of what is most important for your own specific circumstances, the organisational strategy and the dynamics of the industry.

The next step is to compare the desired level with the actual level. Once you have assessed where you are now compared to where you want to be, you can help pinpoint where you need the next investments in knowledge management to be targeted.

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Henley Knowledge Management Forum

The Henley Knowledge Management Forum, founded in 2000, is an internationally recognised centre of excellence in knowledge management. As a membership-based community, it is a magnet for leading business practitioners, world-class academics and thought leaders who collaborate to develop insights, understanding and practical guidance on knowledge management.

To discuss the benefits of membership for your organisation, contact Professor Jane McKenzie +44 (0)1491 571454 or Dr Judy Payne +44 (0)118 947 4652.

For more information visit www.henley.reading.ac.uk/kmforum or email kmadmin@henley.reading.ac.uk for an information pack.

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