

# Knowledge in Action

Issue 14



## Building effective knowledge-enabled innovation

Innovation lies at the heart of an organisation's ability to develop and flourish. But it doesn't just happen; it needs the right conditions, processes and support.

Research from Henley's Knowledge Management Forum identifies the six key factors required to promote knowledge-enabled innovation. This report highlights the practical changes organisations can implement in order to build a suitable environment for innovation to flourish.

“People on site are always creating clever solutions. We need them to recognise these as innovations and share them with the organisation. We created a physical environment to promote exchange of information, with open-plan workspaces and a knowledge cafe. The more we can get people to meet informally, the more they will share information.”

Steve Major, managing director,  
Simons Design



Adapting to market conditions, and thriving regardless, relies to a great extent on an organisation's ability to innovate. It's the capacity to respond to and create opportunities, develop new products and services, and change as the market requires that sets a successful business apart from its peers. But innovation is often as elusive as it is essential, and managers struggle to understand why their organisation is falling short.

Research carried out by Henley's Knowledge Management Forum identifies six factors in three categories in which knowledge management activities can support innovation effectively: collaboration; organisational learning; and managing innovation.

## Collaboration

This is about making connection points, both within the organisation and with external partners, stimulating conversation between people who have different views on a subject.

Internally this means establishing processes that enable people to talk to one another across structural boundaries, functional specialisms and technical disciplines. Individuals also need access to the tools that will enable them to collaborate.

The research highlights successful approaches at a number of companies. At the more formal end of the spectrum these include process mapping, reviews, conferences, communities of practice and a knowledge store of published documents. On a less formal level there are self-regulating message boards, 'who knows what' systems and social collaboration tools that allow ideas to be shared and discussed more openly.

External collaboration is also about setting up processes to help people build relationships with external partners and bring knowledge back into the business. This may include workshops and extranets for strategic partners, links with academia and innovation bodies and after-activity reviews with partners. Less formal approaches include speaking at conferences, networking and communications with partners through virtual collaborative spaces.

## Organisational learning capability

Creating a learning organisation is about developing a culture where people are open to change. They expect to find new and better solutions within their jobs and are allowed to implement them. There are a number of tools that can be used to support this sort of learning climate, including awards and other recognition schemes and integrating community of practice support with other process mapping initiatives to ensure that knowledge is being developed in key areas.

### Collaboration, insight ... practical value

This report is drawn from a research project headed by Dr Christine van Winkelen and George Tovstiga of Henley Business School. It was based on analysis of the experiences of a number of forum members, including the British Council, QintetiQ and Vodafone Group.

There are also more informal approaches, such as promoting peer learning, encouraging management to adopt a coaching style, offering freedom to experiment and innovate and tolerating maverick behaviour.

The other tool that needs to be in place is some sort of system to make sure all knowledge in the business is captured and reused, such as a knowledge management portal and searchable database, so that innovative effort isn't spent reinventing the wheel. For this to be successful, it needs to be adopted widely (in terms of both inputting knowledge and reusing information within it). It also needs to be easy to use. This can be supported by making sure people have time to contribute, if necessary setting up a KM charge code so that people have time to write up KM briefs, and creating lessons learned toolkits to enable knowledge to be reused simply.

“We are developing a learning organisation with a number of initiatives. We developed ‘baton passing’, to pass learning on in a structured way. It’s an activity-based workshop run with people who have been working on a project and people who are new to the area. It’s a structure for making their tacit knowledge more explicit.”

Wendy Jordan, commissioning consultant,  
 innovation, British Council



## Managing innovation

The third part of the process requires organisations to look at successful innovation and ask: “How can we learn from that so we can do it again?” This can be established in a number of ways, such as capturing knowledge from field work, setting up an innovation council or an innovation support unit, and working out roles and responsibilities. Case studies within the research include one company which set up a New Product Development index to track the status of ideas going into production. Another has an online register of ideas with an effective tracking mechanism. While one set up a network of idea scouts.

The final piece of the puzzle is about creating a climate in which innovation is recognised as important and is supported. This may be done on a top-down basis, where, for example, a technical team may be charged with innovation, databases set up to manage and track the processes and quick decision-making established to decide to proceed with, or kill, ideas. Alternatively, it may be bottom-up, where an innovation support team finds and nurtures ideas, then finds homes for them.

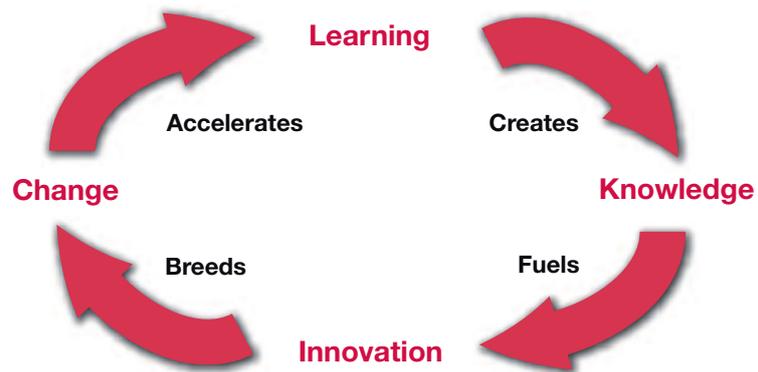
### Creating a culture of innovation

It is important to create an environment that supports creativity and innovation.

Elements that contribute to such an environment include:

- A leadership style that is courageous and supportive
- A sense of direction and purpose in the organisation
- A culture of experimentation, trust and openness
- An engaged and committed workforce of people who are stimulated and challenged by their work
- Appropriate IT support: managing information, explicit knowledge and connecting people
- Time allowed for learning, knowledge sharing and conversation

## The capability building cycle



“We have a strategic innovation programme aiming to institutionalise and enhance approaches to innovation. Collaboration is at the core, using communities of practice and a global thought leadership network. We have also set up virtual team rooms where internal and external participants can collaborate and keep ideas flowing.”

Jim Downie, knowledge manager,  
Unisys



## Conclusion

The six factors are therefore internal and external collaboration, developing a learning organisation with the tools in place to reuse knowledge, learning from successful innovation and supporting innovation. All six must co-exist and work together if an organisation is to master successful innovation.

The first stage is to evaluate how your organisation performs in these areas. Look at the attributes of successful companies and whether your organisation measures up. The second step is building your ability to innovate by closing these gaps. If one part of the organisation is better than another at one of the factors, then how can they learn from each other? There is much to be gained from this process. As the capability building cycle (above) demonstrates, the right approach can build a virtuous circle of innovation and knowledge sharing.

### Henley Business School

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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](http://www.henley.reading.ac.uk/kmforum) or email [kmadmin@henley.reading.ac.uk](mailto:kmadmin@henley.reading.ac.uk) for an information pack.

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