

# Developing a Knowledge Strategy by David Skyrme

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INFS 770 - Knowledge Management for E-Business

# Knowledge Advantage

- Avoid costly mistakes - downsized and re-engineered companies are aware of the costs of “reinventing the wheel”.
- Share best practices - Amoco save millions a year by taking knowledge of best performers and applying it to similar situations elsewhere in the company.
- Faster problem solving - British Petroleum uses video-conferencing at offshore oil platforms to tap expertise.
- Faster development times - Schlumberger improves rate of innovation by developing learning networks.

# Knowledge Advantage

- Better Customer Solutions - Buckman Labs feeds problem solutions into computer networks so that associates can tap the knowledge base to solve customer problems.
- Gain new business - ICL consultants access and combine best available knowledge to write proposals.
- Improve Customer Service - SUN put solutions to customer problems in a shareable knowledge base.
- webMethods uses the Advantage System for CRM and allows customer access to FAQs, software updates and best practices of other customers.
  - Scott Herman will talk about this in his guest lecture.

# Two Thrusts of Strategy

- Facilitate the sharing of knowledge that already exists in the company.
  - Expert directories
  - Knowledge indexing - thesauri, ontology.
- Innovate and Commercialize new products and services via the creation of new knowledge
  - Convert knowledge to products faster than competitors.

# Seven Strategic Levers

- Customer knowledge
- Knowledge in people
- Knowledge in products and services
- Knowledge in processes
- Organizational memory
- Knowledge in relationships
- Knowledge assets
- See Table 3.1 Pages 68-69.

Lever	Key Activities	Example
Customer Knowledge	Developing deep knowledge sharing relationships. Articulating unmet needs and new opportunities	Steelcase has defined the market for knowledge worker offices.
Knowledge in People	Knowledge Sharing fairs. Innovation Workshops. Experts and learning networks, Communities of Practice.	Corporate University. Encourages individuals and teams to constantly develop their knowledge through formal development programs.
Knowledge in Products and Services	Knowledge embedded in products. Surround products with knowledge such as user guides, online help, videos.	Campbell Soup's "Intelligent Quisine (IQ) delivers weekly packages of nutritionally designed, portion controlled meals for those with hypertension or high cholesterol

Lever	Key Activities	Example
Knowledge in Processes	Embedding knowledge into business processes and management decision making	CIGNA makes its best underwriting knowledge available in computerized underwriting processes
Organizational Memory	Knowledge sharing, Best practices databases, Directories of experts, Online documents, Discussion forums, Intranets.	PriceWaterhouseCoopers, AMS, webMethods all have knowledge sharing systems. PWC also has knowledge centers, hubs where humans link consultants to knowledge.
Knowledge in Relationships	Improving knowledge flows between suppliers, employees, shareholders, community, etc. to inform key strategies.	Toshiba collects data on 200 attributes (quantitative and qualitative) to rank suppliers. Suppliers are integrated into future strategies.
Knowledge Assets	Identifying intellectual and knowledge assets. Measuring and monitoring their development.	Dow Chemical Intellectual Assets management team takes an active role in managing patents and other assets. Has generated over \$125 Million in additional revenues.

# Technology Enhanced Knowledge Infrastructure

- Information Resources Management (IRM)
- Knowledge Bases Creation
- Collaborative Technologies
- Internet/Intranet
- Groupware/Lotus Notes/Groove
- Videoconferencing

# Human Dimension

- Leadership by example.
  - Bob Buckman, when CEO of Buckman Laboratories, participated in computer discussion forums to help his sales associates.
- Knowledge Sharing Events.
- Embedding Learning into every day processes.
- Active Moderation of online discussions
- Reward Systems. Include contribution to knowledge bases as part of salary review.

# Creating Successful Knowledge Strategies

1. There are clear and explicit links to business strategy
2. Be knowledgeable about knowledge.
3. A compelling vision and architecture drives the knowledge agenda.
4. Information and knowledge processes are both systematic and chaotic.
5. A well-developed technical infrastructure
6. A knowledge enriching culture.
7. Knowledge leadership and champions.