

Knowledge management made simple

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Acknowledgements



This guide was produced with help from the partners and staff at Sayer Vincent, as well as support from staff and trustees of CFDG.

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Published by CFDG
First published 2009
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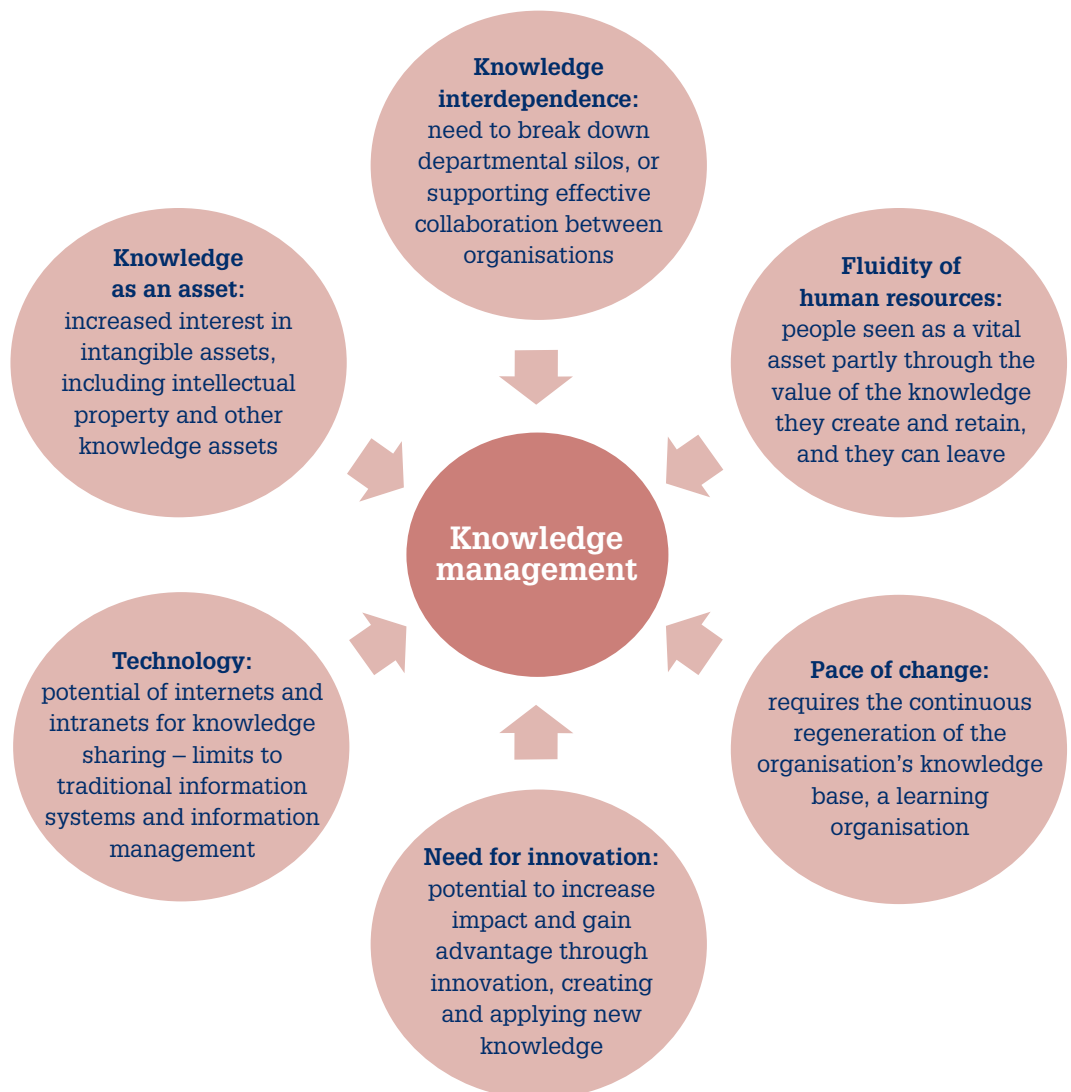
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Introduction

Almost all charities rely heavily on knowledge to achieve their mission. Campaigning charities use their knowledge to influence policy, service providers distinguish themselves through their specialised expertise, and most charities provide some form of information or advice. But this has always been the case, so why should charities be interested in the idea of knowledge management now? In the diagram below, we suggest some reasons why managing knowledge has become increasingly critical for charities in recent years, and why it will continue to grow in importance.

Drivers for knowledge management in charities



This Made Simple guide provides an introduction to some of the theories and practices of knowledge management that are most relevant in the not for profit sector.

Knowledge management can be defined as *the planned management of knowledge within an organisation, including its associated processes of creation, organisation, sharing and use*. Therefore, to fully understand the challenges inherent in managing knowledge requires an understanding of what knowledge is, and of organisational knowledge processes. These are the subject of the first part of the guide, which looks at the **theories of knowledge management** and is split into three sections:

- What is knowledge?
- Types of knowledge
- Knowledge processes

This theoretical introduction provides important context for the second part of the guide, which is concerned with the **practicalities of managing knowledge** including:

- Common tools and practices
- A framework for managing knowledge
- Assessing your existing knowledge management practices
- Developing and implementing a plan
- Ensuring success

These are followed by a short list of further reading, in case you want to find out more about any of the subjects introduced in the guide.

part 1

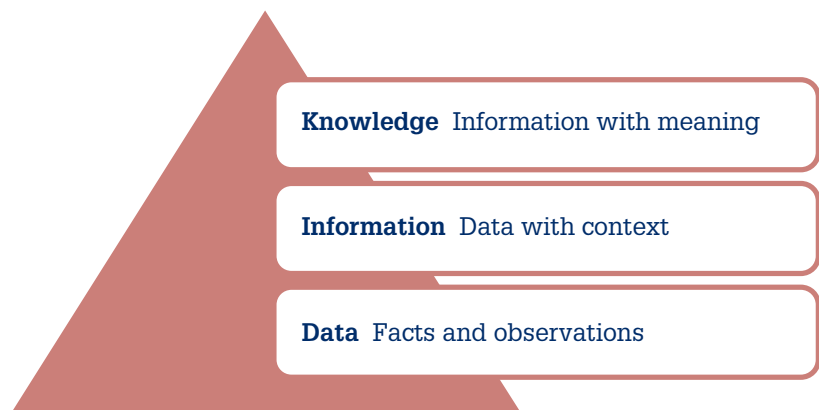
Theories of knowledge management

What is knowledge?

Knowledge is easiest to understand through its relationship with data and information:

- **knowledge** is information put into productive use, made usable and given meaning
- **information** is data arranged and processed into meaningful patterns
- **data** is unorganised facts, observations and data points.

The three can be visualised as a hierarchical pyramid, with knowledge at the top, as shown below.



Nowadays the transformation of data into information is often done by computers. However, the transformation of information to knowledge is almost invariably done by people. This happens through such 'c' words as:

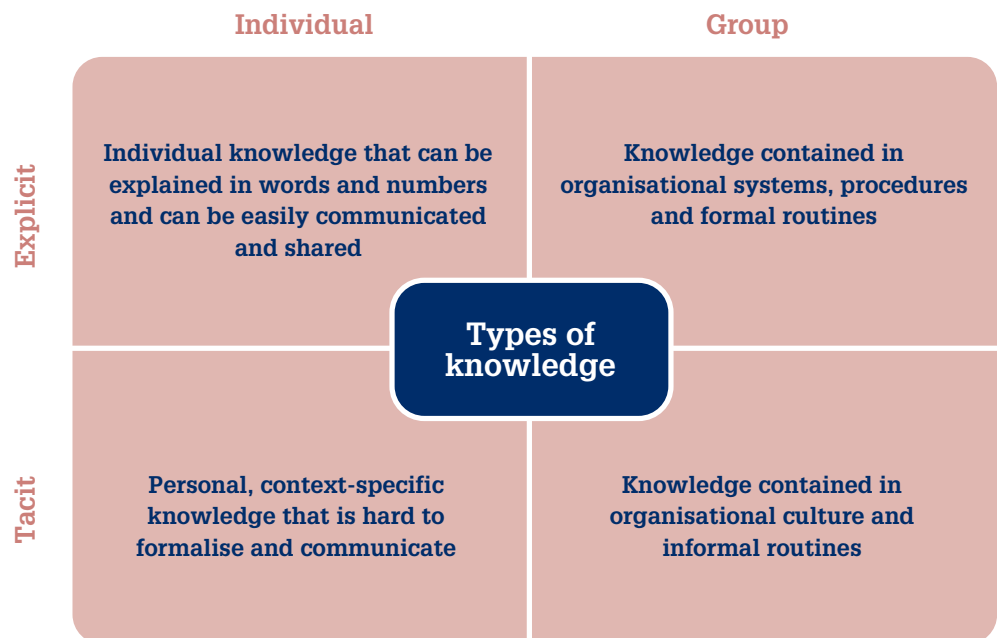
- Comparison: how does this information compare to other information?
- Connection: how does this information relate to other information?
- Consequence: what are the implications of this information?
- Conversation: what do other people think about this information?

These knowledge-creating activities take place within and between people. New knowledge arises in individuals and groups, and it is individuals and groups who put knowledge to use.

Types of knowledge

Some knowledge can easily be explained in words, diagrams or numbers, and can be communicated through speech or in documents. This is referred to as **explicit knowledge**. Other types of knowledge are personal, context-specific and hard to formalise and communicate. Insights, intuition and hunches fall into this category, as do many skills that require practice, such as riding a bike. These are referred to as **tacit knowledge**.

Along with the distinction between knowledge held by groups and knowledge held by individuals, the concepts of tacit and explicit knowledge allow us to distinguish between four types of organisational knowledge shown below.



All four types of knowledge will exist within your organisation, and may, to a greater or lesser extent, be managed. Explicit knowledge is the easiest to understand and identify in most organisations, but some of the most valuable knowledge that you possess may be tacit knowledge that is not easy to write down and share.

Knowledge management processes

Organisations contemplating a knowledge management initiative generally focus on one of two facets of the way they manage knowledge: how they share *existing knowledge* and how they create and use *new knowledge*.

Sharing existing knowledge

There are two basic mechanisms for sharing existing knowledge in an organisation:

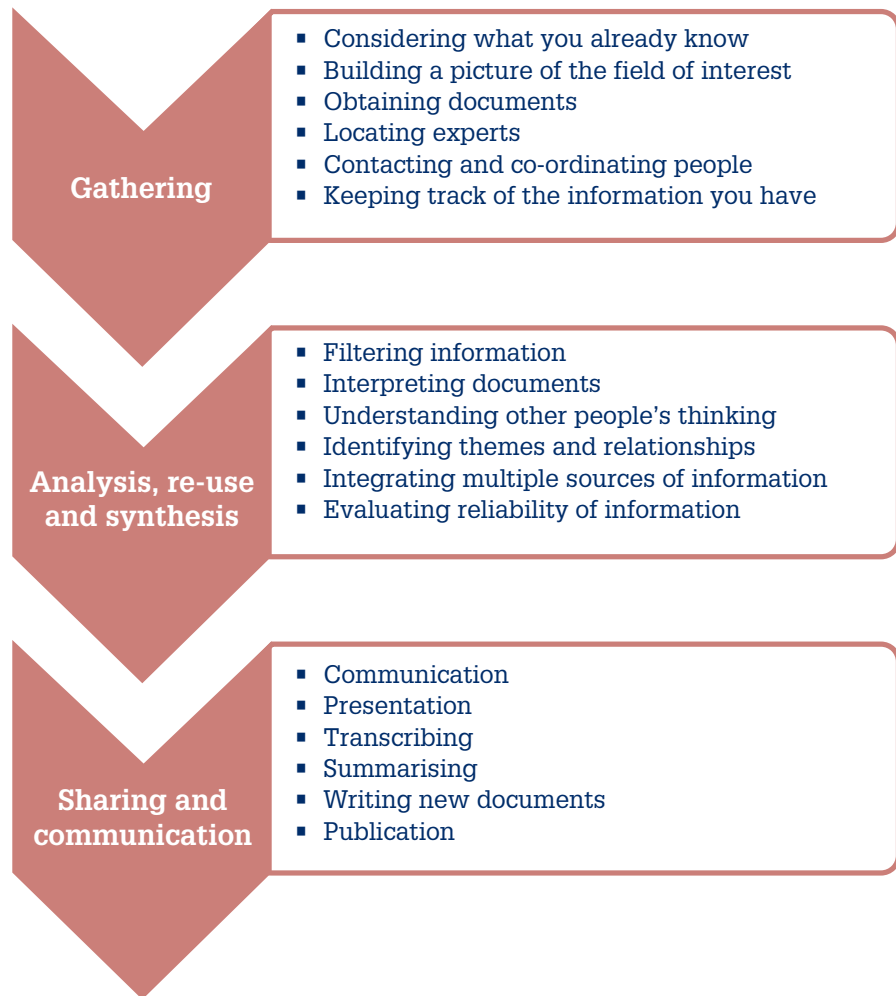
- **Codification** Converting knowledge to a more explicit form – in documents, processes, databases, etc – so that it is available to anyone at any time.
- **Personalisation** Knowledge is diffused around the organisation through human interaction, or shared directly through person-to-person contact as and when needed.

Whilst many organisations start by emphasising the importance of codification, this strategy is not appropriate for all types of knowledge. Some tacit knowledge can be very difficult to codify, and is easier to pass on through direct contact or observation. Even if knowledge is capable of codification, the benefits may not justify the time and effort involved. If knowledge changes very quickly or if it is required relatively infrequently, it can be more efficient for the person with the knowledge to pass it on directly, as and when it is required.

Creating new knowledge

The process by which organisations gather information and turn it into useful knowledge – that is, knowledge that can inform decision making and action – is known as **sensemaking**. The main components of the sensemaking process are shown in the diagram below. Sensemaking provides a useful framework for analysing the knowledge processes of your organisation, and for identifying the areas that are most in need of attention.

Sensemaking – organisational processes for creating new knowledge



part 2

Practicalities of knowledge management

Common tools and practices

As an introduction to the practicalities of knowledge management, it is useful to understand the range of tools and practices that may be involved. The table on the next page describes a representative cross-section, split into three main groups:

- Creating and discovering
- Organising and managing
- Sharing and learning

The tools and practices in the first two groups are concerned largely with handling explicit knowledge and information, whilst those in the last column (with the exception of sharing best practice) are more focused on the exchange of tacit knowledge.

Some common knowledge management tools and practices

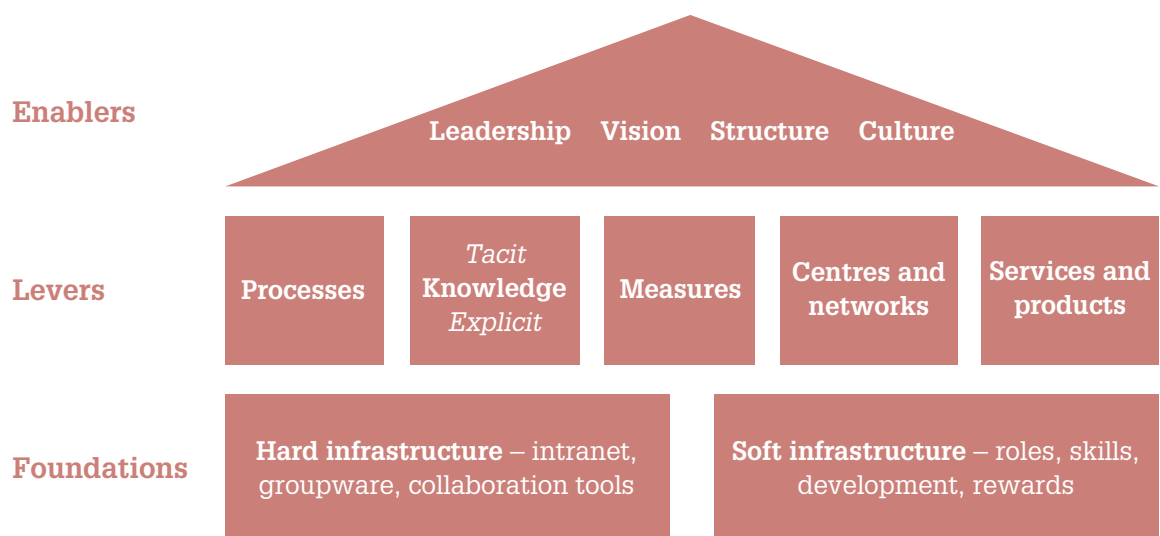
<i>Creating and discovering</i>	<i>Organising and managing</i>	<i>Sharing and learning</i>
<p>Creativity techniques Going beyond techniques such as brainstorming or concept mapping, knowledge initiatives geared towards innovation might involve creativity training, and establish organisational routines and policies to encourage creative problem solving and new ideas.</p>	<p>Expertise profiling Identifying and recording information on people's skills and knowledge, usually in the form of a database of available skills that can be searched by anyone in the organisation.</p>	<p>Communities of practice Nurturing and supporting informal networks spanning departmental and organisational boundaries, where knowledge is exchanged and issues can be addressed outside of the normal organisational hierarchy. These may be based on face to face contact or electronic networks.</p>
<p>Data and text mining Techniques that use computers to identify potentially significant patterns and relationships in large volumes of data or from large documents.</p>	<p>Information or knowledge inventories Recording what information or knowledge exists in an organisation and how it is used, as an aid to other knowledge management practices.</p>	<p>Learning networks More formal than communities of practice, with a primary focus on personal development and organisational learning.</p>
<p>Environmental scanning Systematic scanning of the external environment to gather intelligence. Increasingly, knowledge workers are able to set up feeds of relevant information to be delivered directly from the web.</p>	<p>Information resource management Managing explicit knowledge as an organisational resource, for example through establishing a centralised library or information store, or by cataloguing and assigning ownership of distributed information assets.</p>	<p>Sharing best practice Comparing your organisation's practices in a given activity with those of other organisations through benchmarking, benchlearning, conferences or informal networking. Similar practices can take place internally between teams.</p>
<p>Knowledge elicitation Knowledge experts are interviewed or shadowed in order to extract and articulate their tacit knowledge into a more explicit and widely accessible form.</p>	<p>Intranets and groupware Enabling information to be quickly published, shared and then retrieved, wherever a person is located. Culture, procedures and practices are often as important as the underlying technology for creating a valuable knowledge resource.</p>	<p>After action reviews (or post-project review) Setting up a structured process where key participants ask what went well, what went wrong, what has been learned, and how to do it differently next time. Results are recorded and shared, and systems and procedures changed where necessary.</p>
<p>Scenario planning The effects of different potential scenarios are modelled or played out, often as a group exercise, in order to reveal new insights into the organisation.</p>	<p>Measuring the value of knowledge Developing indicators to track the growth and development of knowledge within the organisation. As the saying goes: 'what gets measured gets managed'.</p>	<p>Cross-functional teams Bringing together people with different perspectives, knowledge and experience with the aim of improving innovation and validating ideas and plans.</p>

A framework for managing knowledge

With so many options available for improving knowledge management in your organisation, one of the biggest challenges is deciding what your priorities should be. In order to do this, it helps to have a framework for understanding the way that different aspects of knowledge management fit together within an organisation. The framework below was developed from studies of successful knowledge management practice across a large number of organisations.

A framework for managing knowledge in organisations

(Skyrme and Amidon, 1997)



The framework groups the practical aspects of knowledge management into three types: enablers, levers and foundations.

Enablers are factors that are key to the success of a knowledge management programme, and whose absence can severely impede progress. These include senior leadership, a vision and strategy that links knowledge management and organisational objectives, and structures and cultures appropriate to innovation, learning and knowledge sharing.

Levers are specific developments or projects that create better ways of managing and exploiting knowledge. Examples of the levers shown in the chart might include:

- Initiating **processes** to improve knowledge flows
- Creating a new knowledge database (for **explicit knowledge** sharing) or directory of organisational expertise (for **tacit knowledge** sharing)

- Introducing **measures** of intellectual capital, or success indicators for the knowledge management initiative
- Encouraging communities of practice (**networks**) or setting up a central 'library' resource (**nodes**)
- Developing a new **service or product** based on the knowledge already available within the organisation

Foundations are the 'hard' and 'soft' infrastructure that you may need to develop to support the effective use of knowledge. Hard infrastructure refers to the technology and communications networks that allow individuals to access and manipulate information and knowledge. Soft infrastructure refers to the human resource systems and policies that are needed to underpin knowledge management. These would include organisational structures, competency frameworks, approaches to decision-making and involvement, training and reward strategies.

Knowledge management and IT

While it should be clear by now that Information systems and technology are not the main focus of most knowledge management (KM) initiatives, they may still have an important role to play:

- Information systems are often central to managing explicit, codified knowledge, in knowledge databases or on corporate intranets.
- Collaborative technologies are used to mediate communication between people, allowing knowledge to be shared across time and space.
- Technology can even play a part in tacit knowledge sharing, where databases of who knows what make it possible to easily identify people with specific skills and knowledge within an organisation.

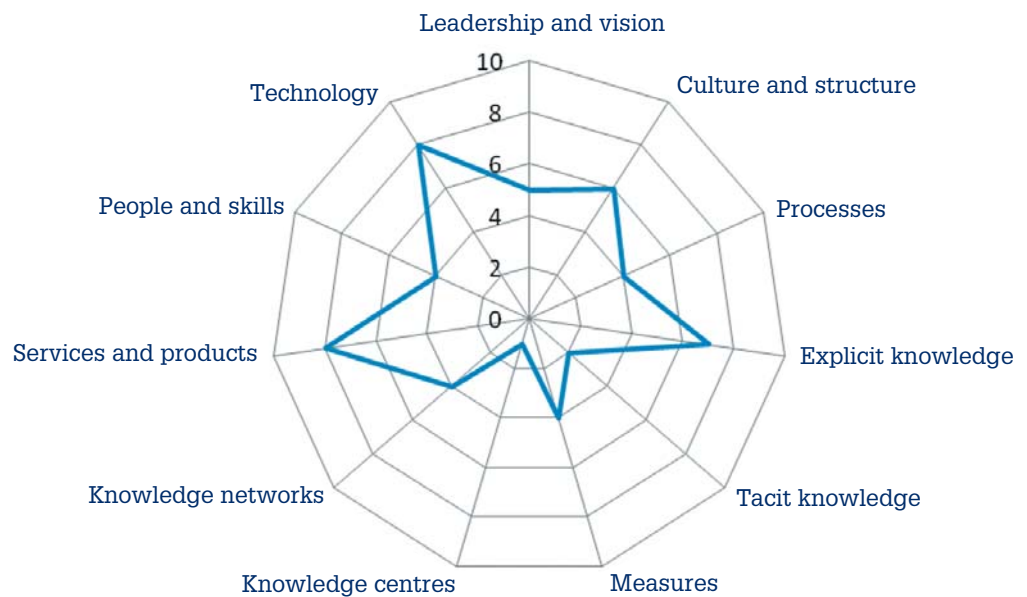
Assessing your current knowledge management practices

If your organisation is new to knowledge management, a good place to start is with an assessment of your existing strengths and weaknesses.

One approach would be to rate your organisation's current performance on a scale of 1 to 10 against the main elements of the knowledge management planning framework described in the previous section. Examples of the questions you should ask yourself are provided in the table on the next page.

Ideally, you would gather together a cross-section of people from across your organisation to discuss and make the assessment as a group. The discussions you have will reveal valuable insights into what the organisation is doing well and which areas it needs to improve. The results can be represented visually as a radar chart, and can be used as a baseline for assessing progress as your knowledge management programme proceeds.

Results of a knowledge management assessment



A quick knowledge management assessment questionnaire

Question	Score
<p>1 Leadership and vision Do you have a clear vision of how knowledge helps you achieve your organisational objectives, and is it actively promoted by senior staff?</p>	
<p>2 Culture and structure Is knowledge shared effectively across departmental boundaries? Does your working environment encourage informal knowledge exchange?</p>	
<p>3 Processes Do you have effective processes for gathering, organising and using internal and external knowledge?</p>	
<p>4 Explicit knowledge To what extent is knowledge made explicit and written down, and is it readily accessible across the organization?</p>	
<p>5 Tacit knowledge Are your experts in key areas known and accessible throughout the organisation and do you have mechanisms in place to codify their tacit knowledge into an explicit format?</p>	
<p>6 Measures Do you measure your intellectual capital in a systematic way and have performance indicators for the effective use of knowledge?</p>	
<p>7 Knowledge centres Do you have central repositories for knowledge, with clear responsibilities for coordination, ownership and management of its contents?</p>	
<p>8 Knowledge networks To what extent are informal and semi-formal knowledge sharing networks encouraged and supported?</p>	
<p>9 Services and products Is your organisation's knowledge packaged into products and services, and are these promoted effectively to your stakeholders?</p>	
<p>10 Technology Can information be quickly found on your intranet, and does your communication infrastructure support effective sharing of expertise across time and space?</p>	
<p>11 People and skills Are staff clear about their responsibilities for managing knowledge, and are knowledge creation and sharing rewarded?</p>	

Questionnaire based on the Skyrme and Amidon (1997) knowledge planning framework.
A more detailed assessment tool based on the same framework is referred to in the further reading section.

Developing and implementing a plan

Your knowledge management assessment, along with a good understanding of your organisation's strategic objectives, should help to identify the knowledge management priorities for your organisation. You are then ready to produce a plan. Like any plan, this should include a clear set of objectives and a defined set of actions, against which are allocated resources, milestones and performance measures.

The following tips will help you in planning where and how to start your knowledge management programme:

- 1 Start off small.** Some knowledge management plans have failed through being too ambitious. Start by focusing only on one or two levers, to avoid spreading resources too thinly.
- 2 Build on existing good practice.** If your knowledge management assessment identified pockets of good practice, you could start by communicating and applying these more widely. This is often easier than implementing entirely new approaches.
- 3 Begin with a pilot.** If possible, introduce a new tool or practice on a pilot basis. Refine the approach based on what you learn before expanding take-up and widening involvement.
- 4 Identify knowledge champions.** Identify a core group of activists to champion change. Use them as the seed for a larger network supporting continuous learning and development.
- 5 Align with existing initiatives.** If other organisation-wide initiatives are already underway with similar goals, add knowledge management as an aspect of the existing programme rather than starting a new programme of work. This might be effective with business process re-engineering or learning organisation initiatives, for example.

Bear in mind that implementing knowledge management is not a mechanistic process. It involves introducing new practices, new tools and techniques, developing skills and changing behaviours. It is an evolving process and the learning that occurs should be used to review and adjust your plans as you go along.

Ensuring success

Armed with a basic understanding of knowledge management theories, an assessment of your organisation's current performance, and a realistic plan for improvement, your knowledge management initiative should be all set for success.

However, not all knowledge management initiatives succeed. Comparisons of successful and unsuccessful initiatives suggest a recurring set of critical success factors for creating and sustaining a knowledge management initiative summarised in the table below. Hopefully, many of them will seem familiar from the knowledge management framework and assessment, and you will already have given them some thought.

Critical success factors for knowledge management

A clear link to a business priority	The role of knowledge in supporting your organisation's strategy and business processes is clearly understood
Leadership from the top	Senior management are openly supportive and provide resources for knowledge management
Culture of learning and knowledge sharing	Openness and trust encourage innovation and experimentation, teams work across boundaries
Continuous learning	Time is allocated for team learning and personal development
Knowledge is valued	Knowledge is viewed and managed as a corporate resource
Systematic knowledge processes	Knowledge management expertise is developed and best practice is shared
Collaborative technology infrastructure	Technology allows collaboration across time and space, databases hold explicit knowledge and give pointers to sources of human expertise

Further reading and references

Further reading

Knowledge management for development – website and discussion list
www.km4dev.org

Knowledge connections website (David Skyrme associates)
www.skyrme.com/index.htm

Know-all assessment (50 questions to assess your KM capabilities)
www.skyrme.com/kshop/ktools.htm#know50

Effective Knowledge Management: A Best Practice Blueprint (CBI Fast Track), Sultan Kermally, published by John Wiley & Sons (2002).

The Springboard: How Storytelling Ignites Action in Knowledge-Era Organisations, Stephen Denning, published by Butterworth-Heinemann (2000).

References

Skyrme, D. J. And Amidon, D. M. (1997) *Creating the Knowledge-Based Business*, London, Business Intelligence Limited (now out of print)

made simple guides

Made Simple guides are aimed at finance professionals and other managers working in charities. They cover technical areas such as tax and VAT treatments as well as information management areas and aim to provide practical guidance to busy managers and trustees in charities.

The content of guides is correct at the time of going to print, but inevitably legal changes, case law and new financial reporting standards will change. You are therefore advised to check any particular actions you plan to take with the appropriate authority before committing yourself. No responsibility is accepted by the authors for reliance placed on the content of this guide.

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