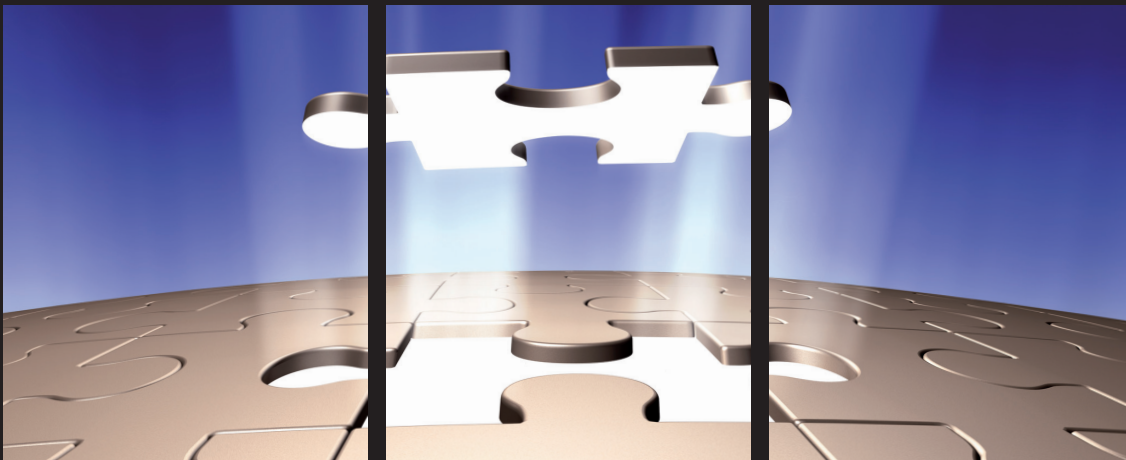


Delivering Business-Critical Knowledge Management

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Delivering Business-Critical Knowledge Management

is published by Ark Group



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ISBN: 978-1-906355-73-9

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Executive summary

FEW COMPANIES have escaped the impact of the past year's economic woes. Even those organisations that have not been forced to implement redundancy programmes have had to implement widespread budgetary cuts, some asking employees to take sabbaticals or part-time work, until economic conditions improve.

With resources tight, and internal departments in a state of flux, the case for knowledge management (KM) has become tricky. Where seen as a 'support' service, KM teams may have been among the first to have been culled in recessionary conditions. Those companies that view KM as essential, and central, to business profitability may have been more reluctant to make cuts, but, as interviews for this report show, few KM teams have passed through the recession completely unscathed. Indeed, the resounding message from all sectors – professional services firms, corporates and public sector alike – is that KM is now about doing more with less.

It is not all depressing news, however. With KM teams facing budgetary restrictions, or even cuts, the pressure has been on to target KM programmes far more effectively to business goals. Chris Boyd, senior director of professional services at US law firm Wilson Sonsini Goodrich & Rosati, sums up the mood perfectly when he writes: "One silver lining may be that the recession has forced law firm KM leaders to focus even more on tightly aligning KM initiatives with key top and bottom-line business

goals, most notably: delivering services effectively and efficiently; collecting fees; and developing business."¹

With this in mind, this Ark Group report, *Delivering Business-Critical Knowledge Management*, takes a business-oriented view of KM as we move through and beyond the recession. As we see the first green shoots of economic recovery, we look at how the vast changes of the past year might have put KM in the ideal place for supporting post-recession business growth, asking such questions as:

1. Where companies have been forced to adapt and rethink their business models, and resources remain limited, why is KM still central to the forward-thinking company's speedy recovery?
2. How can hard-pressed knowledge managers demonstrate the ongoing potential of KM, and prove to leadership teams just how essential it is to successful business development through the recession?
3. With ongoing budgetary restrictions and reduced numbers of staff, how can organisations prioritise KM activities and align them to key business goals that will ensure that they are best positioned for taking advantage of a market upturn?
4. What key steps should firms take in these early recovery stages to ensure that their knowledge assets are best managed to improve processes, procedures and business models, so that companies are

primed to take advantage of future and growing opportunities?

5. How can technology and tools – for example, Web 2.0 – cost-effectively support the ongoing development of business-focused KM, improve internal and external collaboration, and help to drive a knowledge-sharing culture?

While looking to the future of KM in business, the report also aims to ask difficult questions brought about by the recession. The label 'knowledge management' has long been criticised as inadequate, doing little justice to the work involved in bringing people and knowledge assets together. Often interrelated and/or confused with information management, it has been easy for leadership teams to view KM as chiefly process or technology driven, missing the broader but essential goals of fostering a learning environment, in which knowledge assets are easily shared and retained within a firm, and in which innovation and creative thinking are encouraged. Difficulties in easily categorising KM may have led to many organisations viewing KM as a support activity that has been ripe for the recessionary picking in recent months. For others, however, the 'knowledge economy' is an essential component of any future economic boom. For these firms, strategic reviews and internal restructuring have focused on the ways in which knowledge assets can be better used to add value, win clients and improve profitability. This divergent thinking calls into question the very meaning of knowledge management as we move out of the recession. By starting with an examination of the meaning of post-recession knowledge management, this report will aim to set the right scene in which to then explore the practical strategies for making the new KM cost-effectively work through the recession and into recovery.

From an examination of the changing nature of KM, *Delivering Business-Critical Knowledge Management* will look at some of the many challenges and solutions facing KM teams today. With budgets remaining tight, we will look at how knowledge managers can practically demonstrate the ongoing value of KM, and how its worth can be measured with realistic business models. We will also focus on the steps that firms are taking now – from using social-networking tools to storytelling techniques – not just to survive the ongoing downturn but to be best placed to maximise opportunities in the upturn.

No-one ever wishes for a recession, but times of dramatic change can have positive as well as negative outcomes. In times of hardship, companies are forced to rethink their priorities and often radically change the ways in which they achieve business goals. On a simple level, this is about achieving more on a tighter budget, but in doing that, firms are finding ways to unlock assets and resources that were easily overlooked in more prosperous times. For many firms, knowledge has remained a much under-utilised asset. Now, more than ever, is it time to use that knowledge potential to create more engaged and productive employees, and a more efficient, streamlined and profitable organisation.

Reference

1. Boyd, C., 'Maximising the impact and value of KM with a minimal budget'. For full details, see Case study 1.

About the author

CAROLINE POYNTON is a business journalist, with particular expertise in the legal sector. Before going into freelance journalism in July 2007, she was for six years editor of *Managing Partner* magazine, an Ark Group publication dedicated to senior management in the legal profession. Since working as a freelance journalist, she has written numerous features, as well as in-depth reports, not only on the legal profession, but also on corporate communications and business management generally. She has also worked as a freelance editor on publications including Ark Group's *FD Legal* and the *KermaPartners Quarterly*, a publication published by management consultancy KermaPartners. She has recently published other reports, including *Business Continuity and Disaster Recovery for Law Firms* and *Managing the Evolution of Libraries and Information Services*.

Acknowledgements

THE AUTHOR would like to thank the many kind contributors to this report, whether for their general support or specific guidance. In particular, many thanks to those who contributed case studies to the report – Chris Boyd, Gerard Bredenoord, Kieron Champion, Bonnie Cheuk, Rosemary Gray, Carl Haggerty, Juliet Humphries, Nick Milton, Robin Smith and Tom Young.