

Crafting a knowledge strategy that works

IN AN INCREASINGLY COMPLEX AND UNPREDICTABLE WORLD, ENHANCING PERFORMANCE MEANS CREATING A WORKFORCE THAT CAN WORK TOGETHER TO SENSE, ADAPT AND RESPOND TO CHANGE AS QUICKLY AS POSSIBLE.

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INTRODUCTION

In an increasingly complex and unpredictable world, enhancing performance means creating a workforce that can work together to sense, adapt and respond to change as quickly as possible. Knowledge sharing and its more action-oriented cousin, collaboration, are essential ingredients. Yet despite the wide recognition that effective use of knowledge is instrumental in an organisation's success, many organisations leave its nourishment and use to chance. Often businesses lack an effective knowledge strategy.

Knowledge strategies that work well are ones that are strategically relevant to the business. It's important to link knowledge use to the organisation's big picture, and then create opportunities where small improvements in knowledge sharing can make a big impact on real outcomes. And knowledge strategies that really work happen when the leaders understand that their development and implementation are a change management process. People need to think and act differently to use knowledge effectively.

The following approach to knowledge strategy has developed from delivering many knowledge strategies over the years for organisations including The Treasury, Land and Water Australia, Defence Headquarters, Department of Agriculture, Forestry and Fisheries, and Centrelink.

THE NEED FOR A KNOWLEDGE STRATEGY

As organisations are growing and changing, it is not uncommon to find the same work being re-done over and over, across offices located in different cities or even on different floors. In addition, the ongoing 'talent war' has a disruptive effect on how much a business knows.

A CEO of an Australian chemical manufacturer observed, "We lost 5000 tons in production through the operating group last year. They got it wrong and all those things [that went wrong] are known and should not have occurred. So in a [worker's] whole lifetime, a specific problem may only come up once. When it comes up, they have never seen it. But it happened 15 years ago and someone else knew the answer. That's the challenge we have to get beyond."¹

Every business is different. In some businesses there is an urgent need for correct answers; in others, experienced people are leaving and creating knowledge gaps; or there is a need to get new employees up to speed faster. Sometimes the strategic challenge is simply being able to avoid repetition of tasks across offices or departments, and doing things that are more collaborative and innovative.

When all this happens, someone eventually says, "We need to get more systematic with our knowledge. It's our most important resource, right? Let's create a knowledge strategy." But while the need is established, the process and outcomes are often obscure.

Knowledge strategies often suffer because the people most affected are not involved in the process.

HOW MOST KNOWLEDGE STRATEGIES ARE DONE

We went to Tasmania a couple of years ago to talk to a government agency about helping them with their knowledge strategy. The general manager of the division met us and told us how she was under considerable pressure from her boss to develop the strategy, but found herself swamped with so many more pressing priorities, and the strategy kept falling off the bottom of her to-do list. So, a month before, she had decided to knock the strategy off over the weekend. On the Monday she sent the document around to her branch heads and almost immediately a flood of discontent washed into her office.

Knowledge strategies often suffer because the people most affected are not involved in the process. A knowledge strategy is typically developed in the following way:

- The company engages consultants to analyse their needs
- The leaders are asked, "What result would you like to see at the end of the project?". The consultants capture this information as the project's vision
- The consultants interview staff, conduct focus groups and compile an inventory of important knowledge assets
- Gaps are identified by the consultants between what currently occurs and what needs to happen to achieve the vision
- A report is written and there's considerable debate over the structure, format and wording of this document
- The knowledge strategy and associated implementation plan is presented to the executive group for their approval
- Everyone is exhausted but pleased with the document
- There is little energy left for the actions needed to make the required changes
- The strategy document sits on the shelf and is forgotten.

The weight of effort here is on developing the document. Little energy or process is left for people to take actions that will change how things are actually done. We believe that strategy is not just a top-down activity but also emerges from the actions of day-to-day behaviour. We are not alone in this view of strategy – just check out Henry Mintzberg's *Strategy Safari* to get a sense of the wide range of strategic possibilities. Our action-oriented approach is best suited for organisations in flux, the ones being buffeted by the winds of change. And, quite frankly, that's just about everyone these days.

Therefore, leaders should instead shift the balance from viewing the strategy as an objective, to redressing the balance towards the process for implementing the strategy, because:

- Businesses today are less predictable, and long-term, linear plans rarely achieve their stated goals
- Embedding actions in the day-to-day activities of the organisation allows new ways to tackle problems to emerge – strategy is defined by what you do, not what you say
- The process moves the responsibility for making a difference in how knowledge is created, shared and used to everyone in the organisation, rather than to a typically under-resourced knowledge management unit.

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OUR APPROACH

As we have said, we view a knowledge strategy as a change process. By getting people to share knowledge, we're actually influencing a change in behaviour, which for some people (and businesses) is a difficult and challenging process. And change is complex.

THE ROLE OF COMPLEXITY

We also know that many of the activities in a business are complex. The Cynefin Framework (see Figure 1) explains the nature of complexity and change quite well. Complexity means that there is no simple cause and effect relationship that can be established between what we do and what happens thereafter. Things only make sense in hindsight. It's messy. Knowledge, innovation, collaboration, culture, in fact most things involving people, fall into the complex domain, where there could be a hundred things that an organisation could set out to do without knowing what to expect in return. That's often the case with knowledge-related goals. They are all over the place, and sometimes disconnected from the business goals. But we don't try to boil the ocean; instead we help the organisation identify areas that really matter to the business and then focus, in the full knowledge that unexpected things might happen. We then help the business foster the good things and disrupt and discourage the bad. It's an ongoing process.

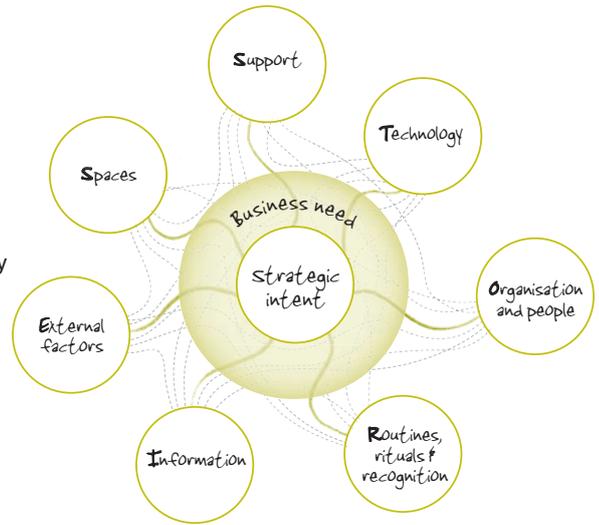


Figure 2: Factors to consider in assessing a knowledge environment

THE CURRENT KNOWLEDGE ENVIRONMENT

We start the knowledge strategy process by establishing with the organisation's leaders a general direction for the change, the strategic intent of the knowledge strategy. This direction is informed by an understanding of the current knowledge environment where we assess seven important factors (see Figure 2).

A good knowledge strategy is well integrated into the entire business.

It should address and describe:

1. What are the three or four strategic objectives or focus areas that the business seeks to achieve? In other words, what needs to change in the way people work in the business?
2. How the current environment supports these objectives and what are the gaps. In other words, how will this change be supported?
3. What knowledge behaviours the people in the business need to embrace to bring about this change. In other words, how are people going to change in the way they work?

Figure 1: The Cynefin Framework^[2]

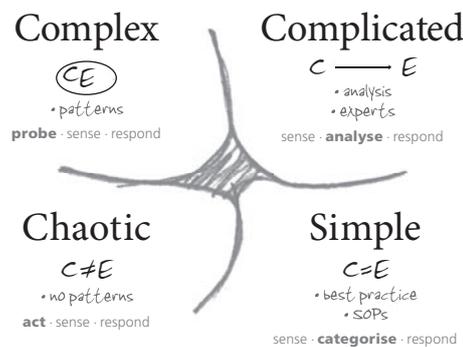


Figure 3: The Three Journeys process for developing a knowledge strategy



The analogy of the Lewis and Clark expedition is illustrative of how an organisation might use an engaging approach to developing a knowledge strategy.

THE PROCESS FOR DEVELOPING THE KNOWLEDGE STRATEGY

Knowing that the best solution is one developed by the people in the organisation, one that develops a process for embedding the strategic actions into day-to-day activities, we have developed a narrative-based process that we call the **Three Journeys**.

It was inspired by the story of Lewis and Clark, the intrepid US explorers who opened up the West. Thomas Jefferson, the third President of the United States, knew that opening up the west coast of the US was critical for trade purposes. Jefferson and Meriwether Lewis pored over maps and journals to form in their minds how the journey might unfold, what resources might be required, what success would look and feel like, and how they might get the support from Congress to embark on this journey. This was the first journey, a totally imaginary one in the minds of the leadership.

Lewis and his co-leader, William Clark, then gathered their expeditioners in St Louis and practised the skills needed to make the trip. This is the second journey, also imaginary, but this time shared by the people most affected by what was going to happen.

Then they embarked on the actual journey, the third journey. The further they travelled along the Missouri River, the sparser became the available information. One of the biggest surprises was bumping into the Rocky Mountains, because they were hoping to find a direct water passage to the west coast. But for every unexpected turn of events, or what seemed to be impassable barriers, the expedition found ways to adapt and

remained resilient. The imaginary journeys not only helped them plan and prepare for the main expedition, but also helped them refocus, regroup and reorient every time things changed.

TRANSLATING THE THREE JOURNEYS TO A BUSINESS CONTEXT

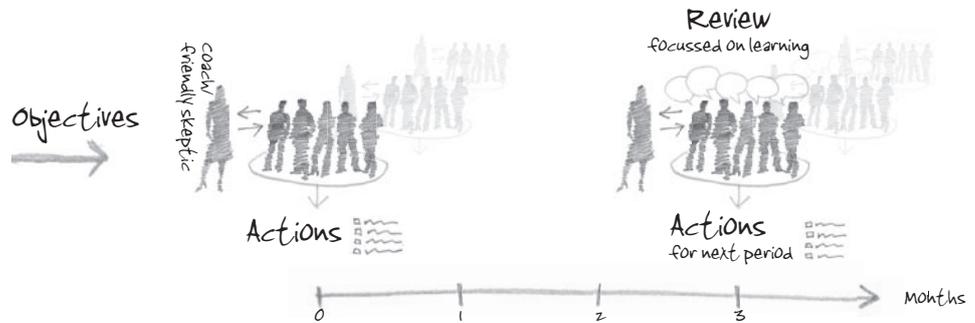
The analogy of the Lewis and Clark expedition is illustrative of how an organisation might use an engaging approach to developing a knowledge strategy.

The **first journey** is designed to help the organisation's leaders develop a vision of what they would like to achieve and define this end-state in broad terms, while knowing that detailed plans are unlikely to be achieved (the world is too unpredictable for a simple, linear view).

The **second journey** involves the rest of the organisation (or a representative subset) planning how they will get to the desired state and what will hold them back. This involves understanding the current business environment based on stories collected, and developing the best possible map based on current information and resources available, which can be made to guide the third journey.

The **third journey** is when the organisation actually embarks on implementing activities over a 12-month horizon. Through a combination of small initiatives and larger projects, new behaviours are encouraged and opportunities created for new ideas to be injected around how things can be done. In an unpredictable world, the best approach is to design for adaptation. The third journey enables staff to sense and respond to change.

Figure 4: The continuous improvement process—the Third Journey



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MAKING A TANGIBLE DIFFERENCE

A good knowledge strategy should have a clear vision and create a resolve among people to make a difference on how knowledge is shared, created and used. The knowledge strategy emerges through workshops we conduct and is later documented into a report, but the report is just the beginning. There are four key areas that the strategy report covers:

- A description of the business needs that are compelling the organisation to systematically leverage its information and knowledge
- The strategic intent for information and knowledge, firmly based within the context of the business needs, including a set of knowledge and information principles
- An assessment of the current knowledge environment

- A set of tangible initiatives to improve the knowledge environment
 - A process for continuous improvement.
- Such a knowledge strategy process delivers great value to the business. First, it sets a clear vision for knowledge in the business. Second, it energises people and creates a common resolve to use knowledge more strategically. Third, it equips people to adapt and change their actions as the business needs change.

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