



TenStep Supplemental Paper

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Knowledge-Based Strategies

Knowledge Management (KM) has become a very popular concept lately. Everyone wants to jump on the bandwagon. But have you ever stopped to wonder what the operating principles are? Here are five:

1. **Knowledge begins with strategy.** Regardless of the latest trend in intellectual capital, the old-fashioned objectives form the crux of the matter. Customer service and competitive edge are the fundamental objectives for KM. Without these, all corporate learning, information technology, and knowledge databases are simply meaningless, costly distractions.
2. **Link to traditional performance measures.** If KM cannot be connected to measurable performance improvements, it will be short-lived. Knowledge can have a significant impact on sales, costs, cycle time, productivity, and profitability. For example, sharing physician prescription patterns can increase sales at a pharmaceutical company. Any manufacturing company can speed up its new product development by sharing information across functional areas. Successes of this kind can be attributed to the superior use of knowledge. Moreover, logic such as this is much more compelling than philosophical goals like "Learning and education are good for the company." A knowledge-based strategy looks to make money, not to save the world.
3. **Tapping tacit knowledge.** Herein exists a paradox. Knowledge for knowledge's sake lacks performance discipline. However, "cold" knowledge weakens the learning process. The trick is to tap the knowledge locked within employees. Most organizations ignore the tacit knowledge and hanker for explicit knowledge. Capturing explicit knowledge is a losing strategy. Organizational culture is a catalyst in capturing tacit knowledge. Employees will not willingly share knowledge if the corporate culture does not support learning, cooperation and openness.
4. **People, but not technology.** It is people who need to interconnect. Groupware and computer technology do not prompt employees to share and develop knowledge. The role of technology is to support the interconnectivity among employees. It is the combination that does the magic; producing "worknets" of employees whose collective knowledge accomplishes a specific task.
5. **Knowledge "pull."** It is the employees' need for help in solving business problems that drives knowledge development and sharing. "Pushing" knowledge to the employees causes information overload and blocks them from developing their own networks. This emphasizes "on-the-job learning" rather than traditional training.

Learning is an individual experience, not a management requirement. Successful knowledge-based strategies are within an organization's capacity to meet individual employee expectations.