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# Preface

**E***ssentials of Knowledge Management* is a practical survey of the field of Knowledge Management (KM)—a business optimization strategy that identifies, selects, organizes, distills, and packages information essential to the business of the company in a way that improves employee performance and corporate competitiveness. The preservation and packaging of corporate knowledge (i.e., information in the context in which it is used) is especially relevant today, given that the majority of the service-oriented workforce is composed of knowledge workers. To compete successfully in today's economy, organizations have to treat the knowledge that contributes to their core competencies just as they would any other strategic, irreplaceable asset.

The aim of this book is to examine approaches to Knowledge Management that contribute to corporate competitiveness, and those that don't. The book assumes an intelligent CEO-level reader, but one who is unfamiliar with the nuances of the KM field and needs to come up to speed in one quick reading. After completing this book, readers will understand how their business can be optimized using KM techniques and strategies. Moreover, readers will be able to converse comfortably with KM professionals, understand what to look for when hiring KM staff and consultants, and understand the investment and likely returns on various KM approaches. To illustrate the practical, business aspects of Knowledge Management in an easily digestible fashion, each chapter contains a vignette that deals with key technical, cultural, or economic issues of the technology.

## Reader Return on Investment

After reading the following chapters, the reader will be able to:

- Understand Knowledge Management from historical, economic, technical, and corporate culture perspectives, including what KM is and isn't.
- Have a working vocabulary of the field of Knowledge Management and be able to communicate intelligently with KM professionals and vendors.
- Understand the trade-offs between the commercial options available for a KM implementation.
- Understand the significance of Knowledge Management on the company's bottom line.
- Understand the relationship between Knowledge Management and other business optimization strategies.
- Understand how KM professionals work and think.
- Have a set of specific recommendations that can be used to establish and manage a KM effort.
- Understand the technologies, including their trade-offs, that can be used to implement Knowledge Management in the corporation.
- Appreciate best practices—what works, why it works, and how to recognize a successful KM effort.

## Organization of This Book

This book is organized into modular topics related to Knowledge Management. It is divided into eight chapters.

### Chapter 1: Overview

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The first chapter provides an overview of the key concepts, terminology, and the historical context of practical Knowledge Management in the workplace. It illustrates, for example, how every successful organization uses Knowledge Management to some degree, albeit perhaps not in a

sophisticated, formalized way. This chapter also differentiates between knowledge as an organizational process versus simply a collection of data that can be stored in a database.

## **Chapter 2: Knowledge Organizations**

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Taking the perspective of the corporate senior management, this chapter explores the implications of embracing Knowledge Management as an organizational theme. It explores the role of chief executive as chief knowledge officer, how any KM initiative is primarily one of corporate culture change, what can be expected through application of KM strategies in a large organization, general classes of KM initiatives—including gaining knowledge from customers, creating new revenues from existing knowledge, and capturing individual's tacit knowledge for reuse—as well as a review of the predictors of a successful initiative.

## **Chapter 3: Knowledge Workers**

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This chapter explores Knowledge Management from the employees' perspective. Topics include dealing with employee resistance to the increased overhead of not only performing their jobs but taking time to document their behavior for others, addressing the potential reward for a job well done with decreased job security, the importance of creating employee recognition and reward systems to encouraging employee participation in a KM initiative, and ways to use KM techniques to enhance employee effectiveness.

## **Chapter 4: Process**

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This chapter focuses on Knowledge Management as a process. Topics include process reengineering, competency measurement, how to best apply collaborative systems, approaches to unobtrusive knowledge capture, filtering and refining knowledge, methodologies for applying knowledge for decision support, and how Knowledge Management relates to traditional business processes and business models.

## **Chapter 5: Technology**

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This chapter explores the many computer and communications technologies that can be used to enhance the organizational and behavioral aspects of a Knowledge Management initiative. Included are a survey of technologies for knowledge collection (e.g., data mining, text summarizing, the use of intelligent agents, and a variety of information retrieval methodologies), knowledge storage and retrieval (e.g., knowledge bases and information repositories), and knowledge dissemination and application (e.g., intranets and internets, groupware, decision support tools, and collaborative systems).

## **Chapter 6: Solutions**

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This chapter looks at the various solutions offered by vendors in the Knowledge Management market. Topics include defining assessment metrics of performance, industry standards and best practices, and how to assess the impact of a KM initiative on qualitative factors surrounding organization-wide change of corporate vision, values, and behaviors.

## **Chapter 7: Economics**

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This chapter explores the financial aspects of Knowledge Management, from a return-on-investment perspective. Topics include pricing models for information infrastructure development, overhead costs, contractual issues, and hidden costs of Knowledge Management, and how to justify the cost of investing in new technologies. The chapter also explores the knowledge economy in terms of the knowledge value chain.

## **Chapter 8: Getting There**

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The final chapter provides some concrete examples of the resources, time, and costs involved in embarking on a practical Knowledge Management effort. Topics include implementation challenges, working with vendors, achieving employee buy-in, including how to shift corporate

culture from knowledge sequestering to knowledge sharing, employee education, realistic implementation timelines, and managing risk. The chapter ends with a look to the future of Knowledge Management as it relates to information technology, process, and organizational change.

### **Further Reading**

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This section lists some of the more relevant works in the area of Knowledge Management, at a level appropriate to a chief executive or upper-level manager.

### **Glossary**

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The glossary contains words defined throughout the text as well the most common terms a reader will encounter in the Knowledge Management literature.

## **How to Use This Book**

For those new to Knowledge Management, the best way to tackle the subject is simply to read each chapter in order; however, because each chapter is written as a stand-alone module, readers interested in, for example, the economics of Knowledge Management can go directly to Chapter 7, “Economics.”

Throughout the book, “In the Real World” sections provide real-world examples of how Knowledge Management is being used to improve corporate competitiveness and ability to adapt to change. Similarly, a “Tips & Techniques” section in each chapter offers concrete steps that the reader can take to benefit from a KM initiative. Key terms are defined in the glossary. In addition, readers who want to delve deeper into the business, technical, or corporate culture aspects of Knowledge Management are encouraged to consult the list of books and publications provided in the Further Reading section.