Knowledge Governance
A Key Factor for Successful Knowledge Management

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Introduction

Knowledge is power in the current information age. Organizations have realized that knowledge and knowledge management are becoming important aspects in the overall business strategy. Knowledge Management creates an ecosystem where employees can share their experiences and knowledge easily, leading to a smooth, seamless flow of knowledge across organizational boundaries enabling the true ‘learning organization’.

“A KPMG survey indicated that 80% of surveyed organizations considered Knowledge Management as a strategic asset and 78% of the respondents believed that they are missing out on business opportunities by failing to successfully exploit available knowledge.”

Organizations realize the importance of having a comprehensive Knowledge Management solution, so why are we seeing so many organizations fail to implement a successful Knowledge Management initiative?

“A survey conducted by Bain & Company indicated that about 84% of KM projects failed to have any real impact and out of a worldwide sample of 451 companies only 35% reported a satisfaction rating of 3.5 on a five point scale.”

As the graph below indicates, organizations are willing to invest in Knowledge Management and, in the last few years, we have seen an increase in the spending on Knowledge Management infrastructure.
Along with increased awareness and spending on Knowledge Management initiatives, we are still seeing a very high failure rate. Some key factors for a failed Knowledge Management initiative are:

1. Inappropriate project scope – tackling too much at once
2. Too much focus on automation tools and not enough focus on process
3. Organizational cultural barriers
4. Lack of support from the leadership
5. Proper application of Knowledge Governance

RTM Consulting has addressed each of the first four issues in prior white papers, and in this paper we will focus on “Knowledge Governance”. We will begin by understanding its importance and look at some of the key benefits of having a sound Knowledge Governance plan/approach. We will also discuss the challenges in implementing Knowledge Governance and tips to overcome those challenges.

What is Knowledge Governance?

Governance is a process that defines policies, roles, responsibilities and expectations, and measures performance based on those set expectations.

Knowledge Governance is disciplined oversight of knowledge processes (i.e. knowledge creation, knowledge sharing and knowledge reuse) by providing necessary authority to the Knowledge Management team to verify the performance of knowledge processes through metrics and measures leading to necessary changes/modifications to improve outcomes.
Knowledge Governance is all about defining procedures and guidelines relative to your Knowledge Management program. Specifically, what decisions need to be made, who can make those decisions and how those decisions are communicated across the organization.

Knowledge Governance plays a vital role in the success or failure of a Knowledge Management initiative by helping the KM team understand what is working in terms of processes, tools and organizational culture. The measures and metrics defined, based on the Knowledge Governance plan, will become the benchmarks against which performance of knowledge processes and tools/technologies is evaluated.

Successful Knowledge Governance will focus on three major areas in a Knowledge Management initiative:

1. Overall KM Program Management (includes KM strategy, building the KM team, determining ownership and accountability, etc.)
2. Knowledge Management Ecosystem/Infrastructure
3. Metrics, Measurements and Feedback System

Sometimes organizations fail to address key aspects in terms of Knowledge Governance in the above mentioned focus areas. For example, in KM program management, organizations tend to create grand KM strategies but forget to align them with the business strategy. Other times, organizations don’t provide enough authority to the KM team to drive the initiative to success.

When it comes to the KM ecosystem, organizations tend to create processes but do not always define who owns those processes and what the guidelines for managing those processes are. When there is no clear ownership, the implementation of the processes will not achieve the desired results.

**Why is Knowledge Governance important?**

Knowledge Governance helps to define the return on investment (ROI) model for organizations to see the value of a Knowledge Management initiative. The ROI model becomes the base for measuring the efficiency and effectiveness of the KM program.

*"If you can’t measure it, you can’t manage it." – Peter Drucker*

Measurement and metrics are important aspects of Knowledge Governance, providing the fact based evidence on how the KM initiative is functioning and progressing. Without these measures and metrics, leadership and stakeholders of the KM initiative cannot understand the effectiveness of the Knowledge Management program nor the value it brings to the organization. Many KM initiatives shut down because there is no proper method in place to measure the benefits of the KM program.
KM teams will not be able to make changes/adjustments to the processes and/or tools if they don’t know what is working well and what is not. Knowledge Governance provides those insights which helps in making the right decisions in terms of processes and/or tools.

Metrics and measurements is a key area in a successful Knowledge Management initiative. Knowledge Management metrics can be difficult because the metrics used six months earlier can become totally irrelevant six months later. For example, when a KM solution is rolled out in a support service organization, one key goal might be to reduce call durations. Initially this metric is a good indicator of a working KM solution. As the organization embraces the knowledge processes and moves on to a different KM maturity level, the metric(s) used before may not be applicable in the new environment as the dynamics of the knowledge processes have changed. A good Knowledge Governance approach identifies the changed environmental dynamics and helps organization define a new set of metric(s) based on the new KM ecosystem.

**Benefits of Knowledge Governance**

The benefits of Knowledge Governance are longer term. There are many indirect benefits of Knowledge Governance (like providing assurance to management that the team is heading in the right direction, establishing trust across the organization, etc.). For this article we will look at some quantifiable benefits that Knowledge Governance brings to the table:

1. Defines or provides guidelines for creating the ROI model for the KM initiative
2. Identifies people/resources and provides them with ownership and accountability for the knowledge program and knowledge processes/tools
3. Assists the Knowledge Management team, or the governing body, in defining the standards for knowledge processes
4. Defines the measures and metrics necessary for gauging the performance and effectiveness of Knowledge Management programs/initiatives
5. Provides guidance around quality aspects by ensuring people, processes and tools are in conformance with organizational standards
6. Helps identify risks in the process to efficiently manage and mitigate project/program risks
7. Provides transparency in all dealings which helps enhance the overall organizational image in the eyes of customers
8. Defines guidelines and procedures for Knowledge Audits (knowledge audit is a mechanism to understand where an organization stands in terms of its knowledge needs, knowledge assets and how well it is leveraging knowledge capital)

*“Not everything that can be counted counts and not everything that counts can be counted.”* - Einstein
Challenges and Techniques in Implementing Knowledge Governance

Every organization is unique in terms of organizational culture and their knowledge needs. However, there are similar challenges every organization faces during a KM implementation when they are planning to define the Knowledge Governance program/model.

The most common challenges facing organizations fall into one of four major categories:

1. People
2. Processes
3. Tool/Technology
4. Metrics and Measurements

People

In any Knowledge Management initiative “people” are one of the key components for successful implementation. People hold the complex knowledge gained through experience and education. People are social beings and culture becomes a very important aspect in encouraging them to participate and share knowledge with their peers and the rest of the organization. If there is no governance in place then there are no clear responsibilities and expectations defined. This leads to people assuming that KM activity is not part of their role and they tend not to participate. When there is no participation in knowledge sharing, the organization cannot capture the knowledge.

Another challenge that organizations face is ownership and accountability. People in the organization should be aware of the following items to ensure a successful KM implementation:

1. Who owns the KM initiative?
2. Who has the responsibility for running the KM program?
3. Why they need to participate?
4. How does it impact them?
5. Who is accountable for ensuring the initiative is meeting its desired objectives or goals?

A Knowledge Governance plan should address and provide clear answers to all of the above mentioned questions and should provide details to the KM governing body foreseeing the knowledge governance. Organizations should also provide a feedback channel through which employees can connect with the governing body and raise any flags/concerns or share any opinions on how to enhance the knowledge governance plan/ approach.
Processes

Organizations create processes to capture, share and reuse knowledge. If the organization does not have a Knowledge Governance plan/approach or the governance plan is not comprehensive, then important questions can go unanswered.

1. Who owns the processes?
2. Who can update/modify the processes?
3. What is the procedure for making any changes to the processes?
4. How are changes to the processes communicated to employees?
5. Who provides process training to employees?
6. What is the feedback channel that employees can use to provide their inputs/opinions?
7. How are employees’ inputs/opinions processed?
8. Who makes the decisions on what inputs/opinions will be implemented?

If the above questions are not answered and/or communicated to employees, it can create chaos in the organization. To address these challenges, organizations should document and communicate governance guidelines before the processes are rolled out, provide necessary training about governance guidelines and processes ensuring everyone understands and determine who to contact if they have any questions/concerns.

Tools/Technology

Technology plays the role of enabler in Knowledge Management bringing together knowledge seekers and knowledge sources. Most organizations think technology is the solution for their Knowledge Management needs. This is a myth. Organizations tend to drive Knowledge Management technology selection from the IT department perspective rather than from the Knowledge Management needs/requirements perspective. This can cause organizations to adapt to the technology process flow rather than the processes that suit the organizational knowledge needs.

A good Knowledge Governance plan addresses this challenge by clearly defining the roles and responsibilities of people who make the decisions related to KM technology. A good governance plan also assists the organization by:

1. Identifying the tool/technology owner(s)
2. Defining the process for making changes/updates to the tool
3. Determining the tool/technology training needs
Metrics and Measurement

People carry knowledge in their heads (tacit knowledge) but getting that knowledge into a documented format (explicit knowledge) to measure its effectiveness is a complex task. When starting an initiative, most organizations look at the ROI model to justify the investment. When it comes to Knowledge Management, organizations need to be careful in how they are calculating the ROI as knowledge is a qualitative aspect and difficult to measure in terms of monetary value.

“Trying to improve something when you don’t have a means of measurement and performance standards is like setting out on a cross-country trip in a car without a fuel gauge. You can make calculated guesses and assumptions based on experience and observations, but without hard data, conclusions are based on insufficient evidence.” - Mikel Harry (author of “Six Sigma: The Breakthrough Management Strategy Revolutionizing the World’s Top Corporations”)

In the Knowledge Management environment, metrics play an important role. The wrong metrics can cause a KM initiative to shut down due to the fact that top management thinks the KM initiative is not working and its continued support and investment is a waste.

The right governance plan assists the organization in getting the correct metrics and measurements by involving the right people, measuring the right attributes and providing guidelines in terms of how and when the metrics should change corresponding to the organizational KM maturity levels. Having the right metrics in place also enables an organization to focus its effort in the right direction by making necessary changes and fine tuning the processes.

Tips from the Trenches

There are five tips we would suggest in order to get Knowledge Governance working for your organization.

1. **Organizational Construct:** When defining/creating the KM team, organizations should focus on where the KM team will fit in the overall organizational chart. This will help ensure the communication coming from the KM team is considered important. Similarly, people on the KM team should be empowered and made accountable for the internal services Knowledge Management has to offer the organization.

2. **Define Standards:** The governance plan should provide guidelines or procedures about various standards (content standards, process standards, etc.) so that everyone is aware and clearly understands what needs to be accomplished when certain incidents happen.
3. **Define Communication Guidelines:** The governance plan should address the communication channels necessary to communicate any changes to processes, tools, roles and responsibilities.

4. **Feedback Mechanism:** A good governance plan should always incorporate a feedback/evaluation loop to help maximize the benefits of governance through inputs/opinions about how the overall KM program is functioning.

5. **Stakeholder Involvement:** Involving all stakeholders in the initiative creates transparency, promotes organizational values and encourages desired behaviors by making people accountable.

6. **Define Reporting Guidelines:** The governance plan should lay down guidelines on how the measurement system will work, what and how the metrics will be reported, who has access to the information and how readily it is available. This will provide transparency and build trust.

**Conclusion**

Knowledge Governance is an emerging concept which plays an important role in the success or failure of a KM implementation. Having a governance approach planned, well ahead of the KM implementation, helps set organizations on the right path to KM implementation success.

The Knowledge Governance approach should initially focus heavily on assigning ownership and accountability for the knowledge processes, tools & technology and development of metrics & measurements. Knowledge Management, being a complex subject because of its intangible nature, makes it hard for organizations to generate metrics and measure the effectiveness of the program. Having a comprehensive Knowledge Governance approach will help identify the challenges and risks upfront, providing organizations an opportunity to fully leverage the benefits of Knowledge Management initiatives.

**About RTM Consulting and the Author**

Cincinnati-based RTM Consulting provides strategic and operational advice to assist technology companies with increasing revenues and margins by leveraging services more effectively. Specializing in Resource Management and Services Business Optimization, RTM Consulting helps teams responsible for professional, consulting and support services achieve the benefits associated with successful services portfolios. With its unique Just-in-Time Resourcing® solution and Business Acceleration Services, RTM Consulting helps large, medium and small firms move beyond theory to practical application of industry best practices and achievement of exceptional results in the shortest possible period of time.
Randy Mysliviec leads RTM Consulting, providing high impact advisory services for technology companies’ service businesses. Acknowledged by industry sources as an expert in Global Resource Management (GRM) and author of the Just-in-Time Resourcing® brand of solutions, Randy advises multi-national companies with the complex challenge of operating services teams serving the global market. He is a founding member of the Technology Professional Services Association (TPSA – now TSIA - the Technology Services Industry Association) and served as a member of the TPSA Advisory Board. Randy is also a contributing author for PSVillage.

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The Challenge
Technology service providers and other human capital intensive service organizations including hardware, software and consulting companies, internal shared service organizations and outsourcing entities all know that efficient management of human capital, project processes, and other service delivery and go-to-market related processes are key to market success.

Today’s challenging business environment makes running a services business highly dependent upon having lean and proven business and operational processes designed for peak performance.

The Solution
Our unique combination of decades of services and outsourcing operational experience coupled with solutions targeted to the services organization allow us to work with large, medium and small firms to move beyond theory to practical application of industry best practices and achievement of exceptional results in the shortest possible period of time.

Who We Are
RTM Consulting provides strategic and operational advisory services to technology companies and other industries to assist them in increasing revenues and growing margins by leveraging consulting, professional and support services more effectively.

What We Do

Strategic Planning Services - We use our extensive leadership experience to help services organizations build the right strategy and operational model to make value creation a reality.

Resource Management - We help you focus on ‘Getting the Right Person in the Right Place at the Right Time’ with our Just-In-Time Resourcing® (JITR) solution.

Project and Portfolio Management – Our unique PMO/PM frameworks will help your organization efficiently run projects on-time, on-budget, with consistently excellent quality.

Services Business Optimization - Our skilled practitioners help you identify and implement best practices necessary to transform your services business into the most efficient and effective operation possible.

Skills Development/Training - We enhance the soft skills of your consulting and professional services personnel to complement your product, business and technical knowledge. We also offer training in project management, resource management and other services based disciplines.

PSA/PPM Consulting - We provide an objective third party assessment and assistance in choosing the right automation solution for your needs -- and assist you with implementation to achieve the benefits of your investment.

Outsourcing Advisory Services - We assist both providers and consumers of outsourcing services with Strategic Sourcing Consulting, Resource Management Strategies, Business Optimization, Skills Development and Training, and Resource Management/Project Management Automation.

Value Realization Services - Our unique Value Realization Framework enables you to help your clients close the technology consumption gap by accelerating adoption of your products full range of features and functions.

How We Do It
Our highly disciplined management consulting and operational services include:

Rapid Diagnostics to identify opportunities to improve business performance.

Implementation Services to make solution implementation fast and effective.

Business Planning Services to turn your vision into a realistic operating plan.

Business Acceleration Services to accelerate your time to value with RTMC solutions.