

# Second-Generation Knowledge Management

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Knowledge Management Consortium Int'l

KM World

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## Our Agenda

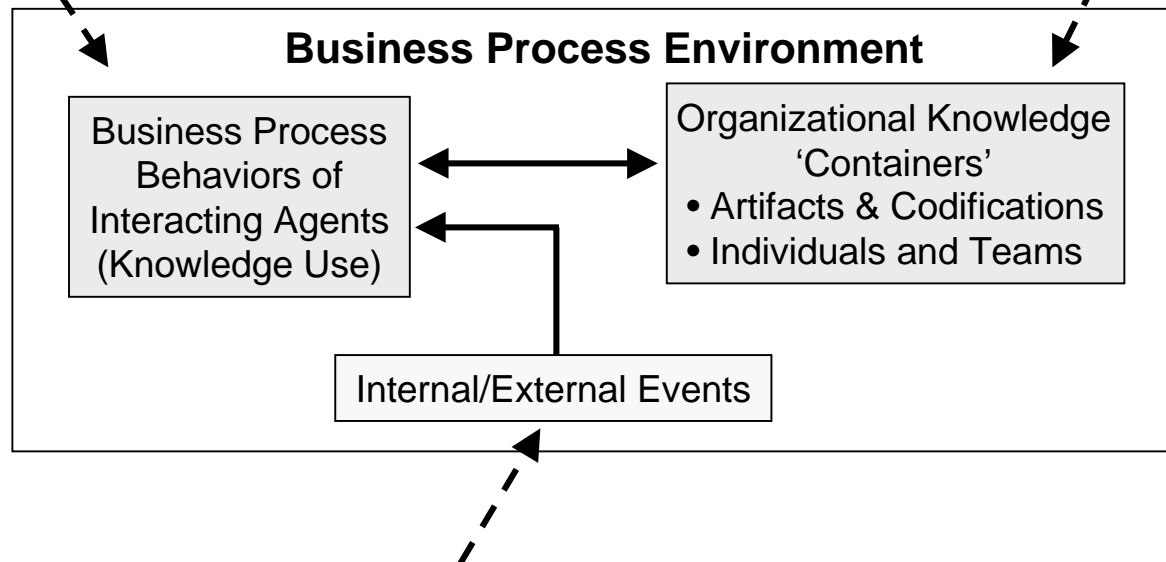
- ✓ What is KM? — An Industry Standard Reference Model
- ✓ Strategy Implications
- ✓ 10 Key Principles of Second-Generation KM (Interspersed Throughout Slides)

# What Is KM? — An Industry Standard Reference Model

# Knowledge and the Business Process Environment

Business Processes  
Reflect Mutually-Held  
Knowledge In Practice

Organizational Knowledge  
Is Embodied In  
Agents and Artifacts

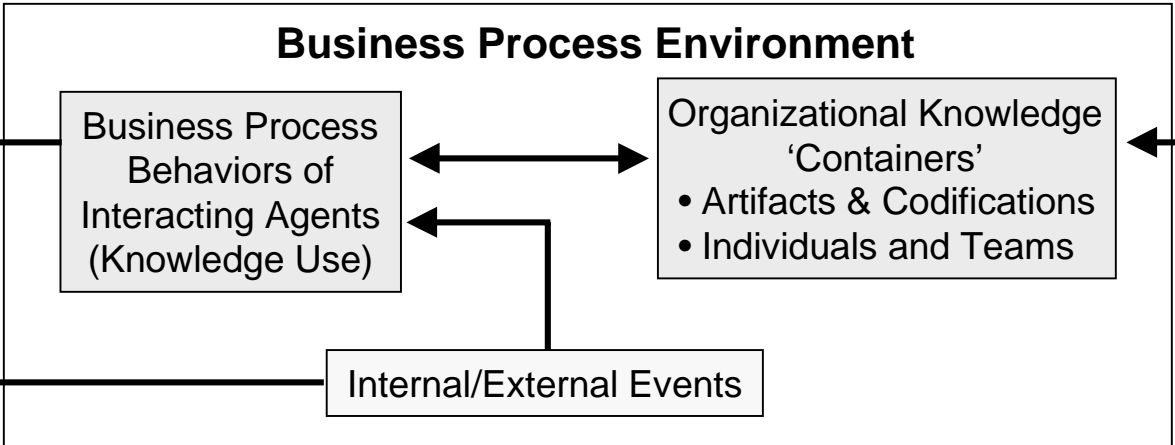
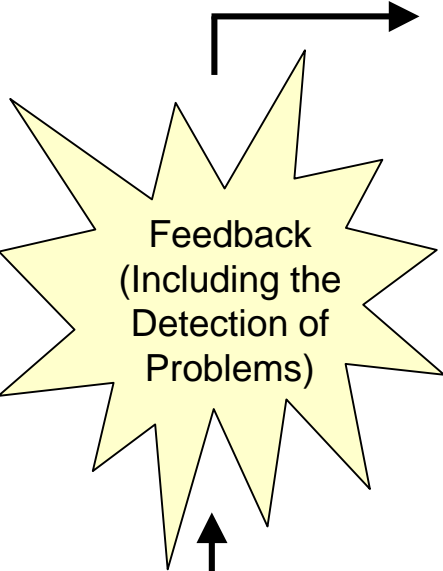
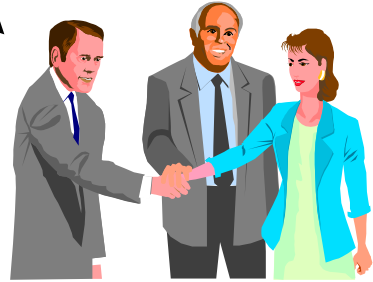


Continuous Exposure to Events in the (Business) Environment To Which Organizations React and Adapt By Drawing on Their Mutually-Held Knowledge

# But What Happens When Problems Arise?

Individuals and Groups Learn

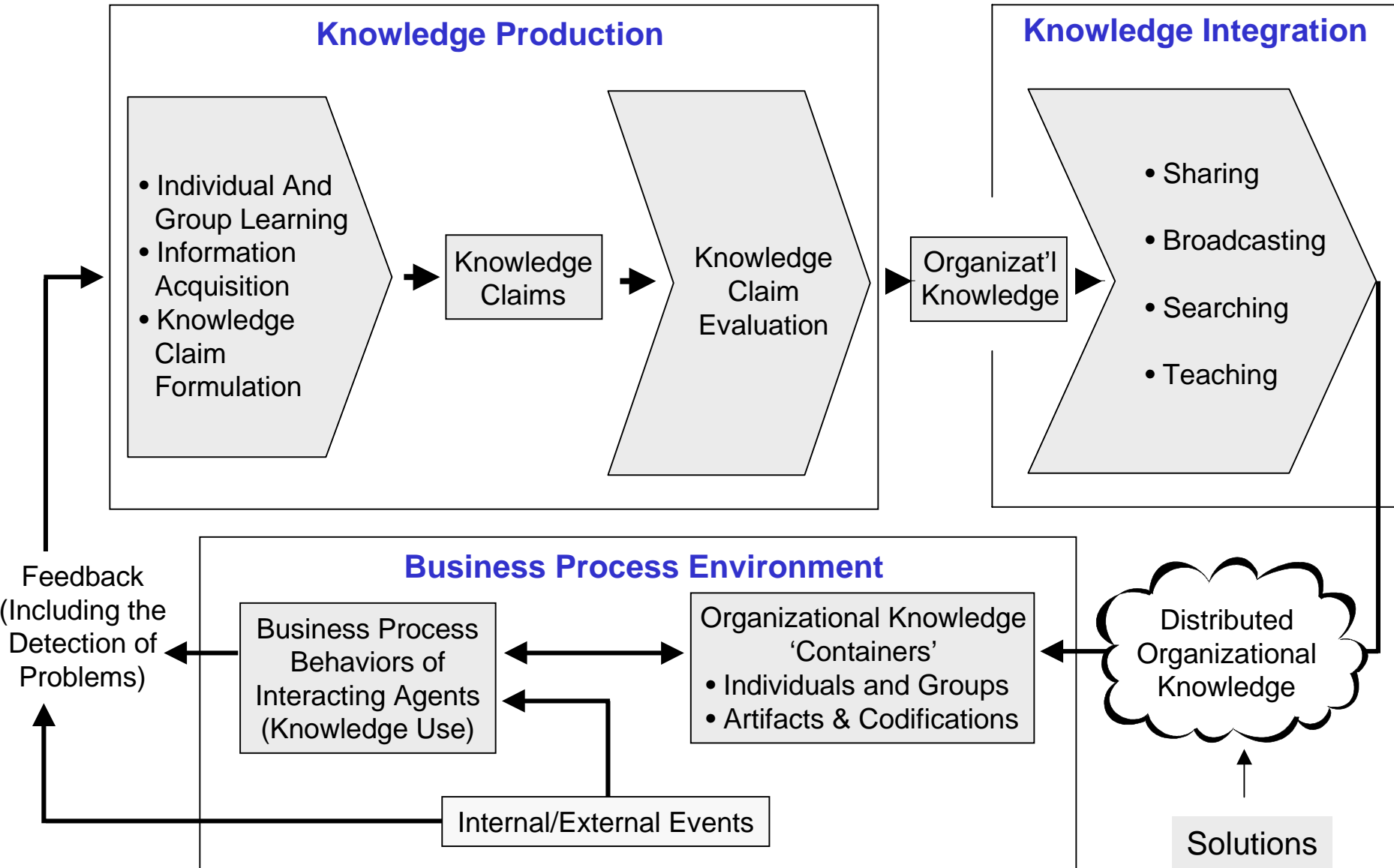
Learnings and Innovations Are Then Adopted



## 10 Key Principles of Second-Generation KM

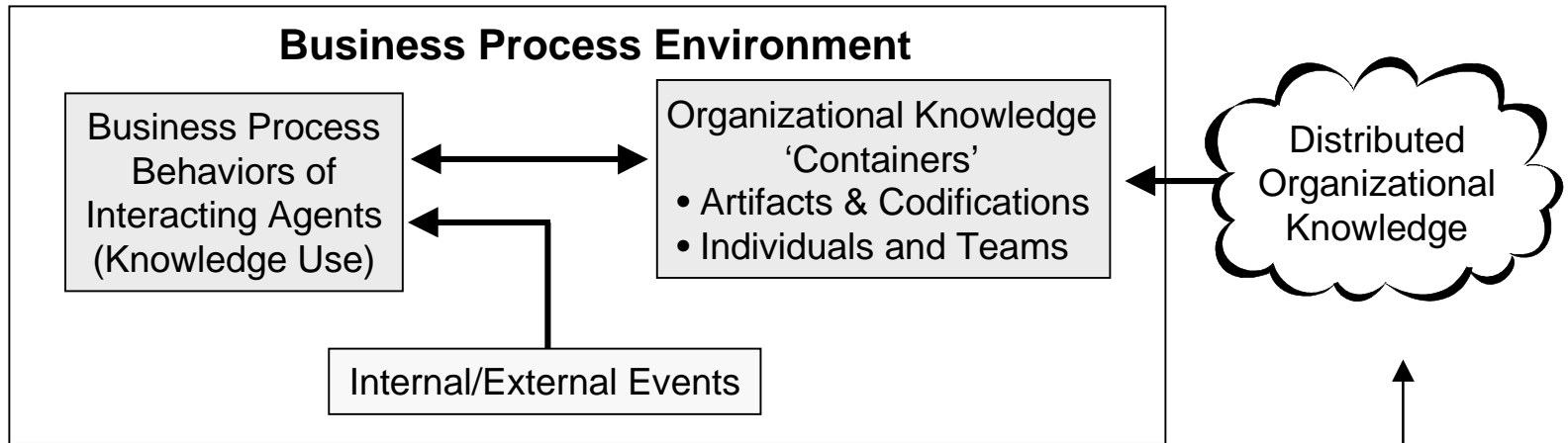
1. Learning and innovation is a social process, not an administrative one (strong affinity with organizational learning theory)
2. Organizational learning and innovation is triggered by the detection of problems

# Industry-Standard Reference Model For KM: The 'KLC'



\*Source: Knowledge Management Consortium Int'l ([www.kmci.org](http://www.kmci.org))

## Not How 'First-Generation' KM Has Seen It



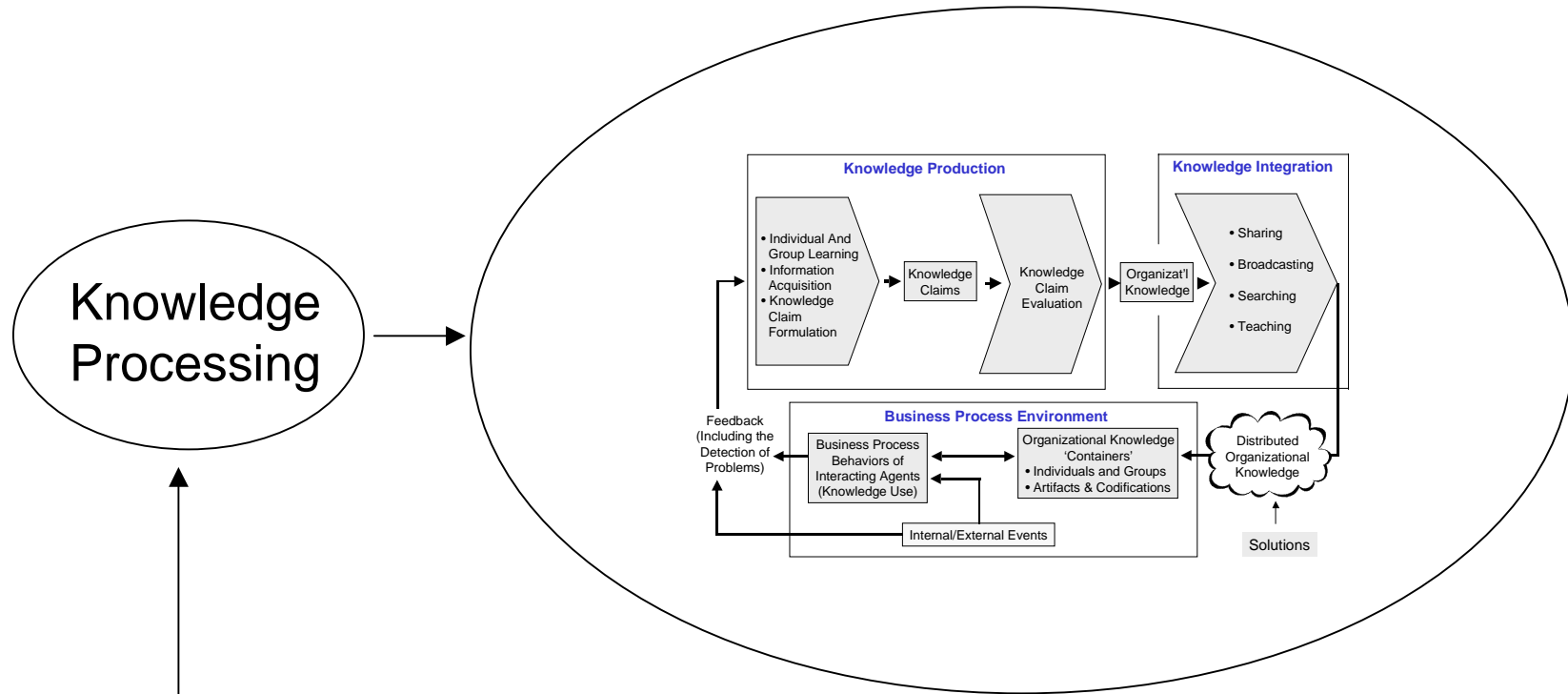
Begins with the convenient assumption that *valuable organizational knowledge simply exists*

'All we need to do is capture, codify, and share it'

## 10 Key Principles of Second-Generation KM

1. Learning and innovation is a social process, not an administrative one (strong affinity with organizational learning theory)
2. Organizational learning and innovation is triggered by the detection of problems
3. Valuable organizational knowledge does not simply exist – people in organizations create it
4. The social pattern of organizational learning and innovation is largely self-organizing, and has regularity to it – a form of capital (SIC)

# Knowledge Management Versus Knowledge Processing



Knowledge  
Management

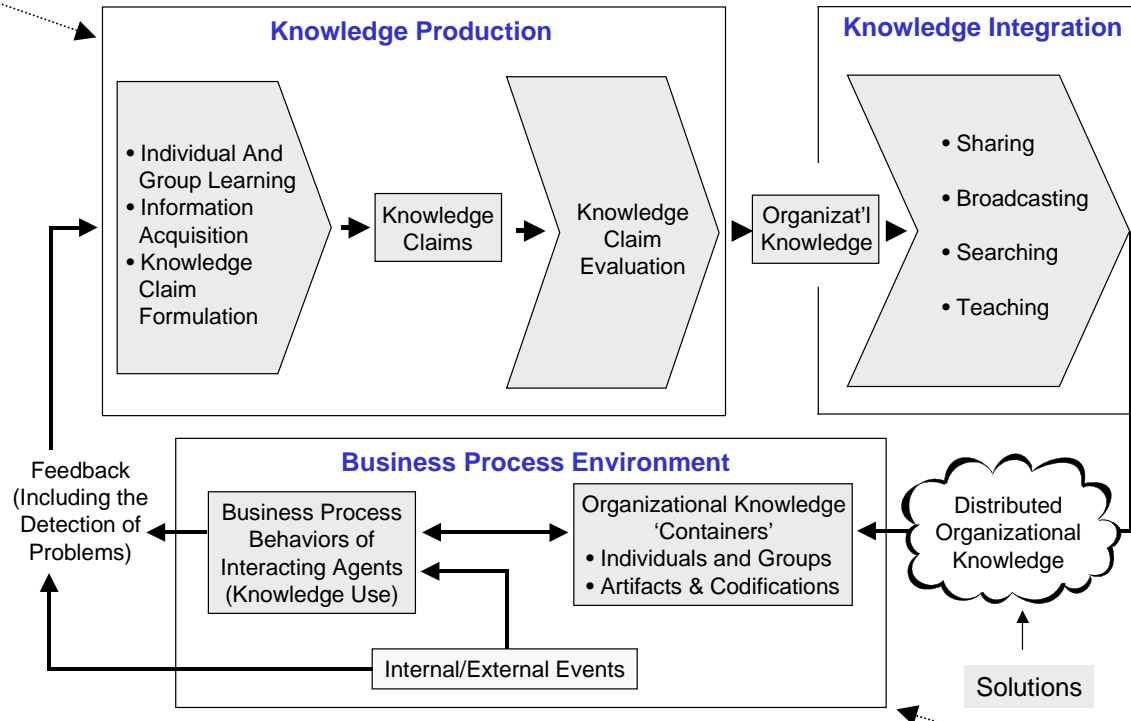
- **Knowledge processing** is what organizations do to create and operationalize (use) knowledge
- **Knowledge management** is a management discipline that focuses on enhancing knowledge processing

## 10 Key Principles of Second-Generation KM

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- 5. KM is a management discipline that focuses on enhancing knowledge production, integration, and use in organizations**

# Supply- Versus Demand-Side KM

Demand-Side KM

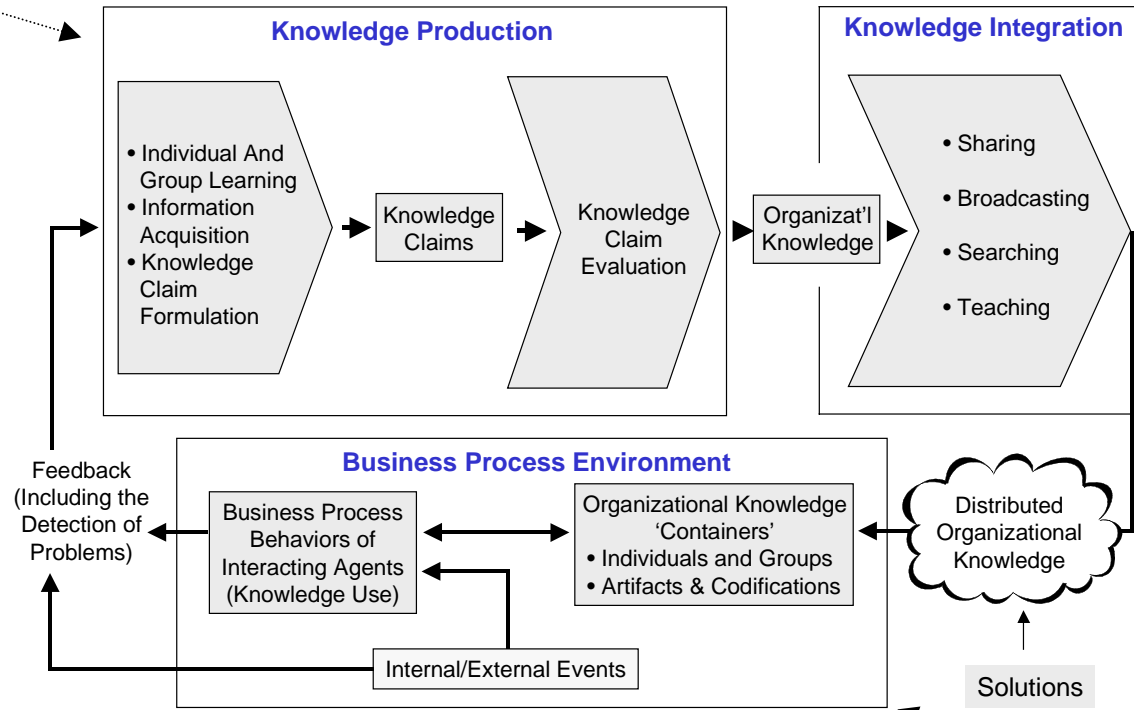


Some KM strategies focus on knowledge making (demand-side) while others focus on knowledge sharing and use (supply-side)

Supply-Side KM

# Second-Generation KM

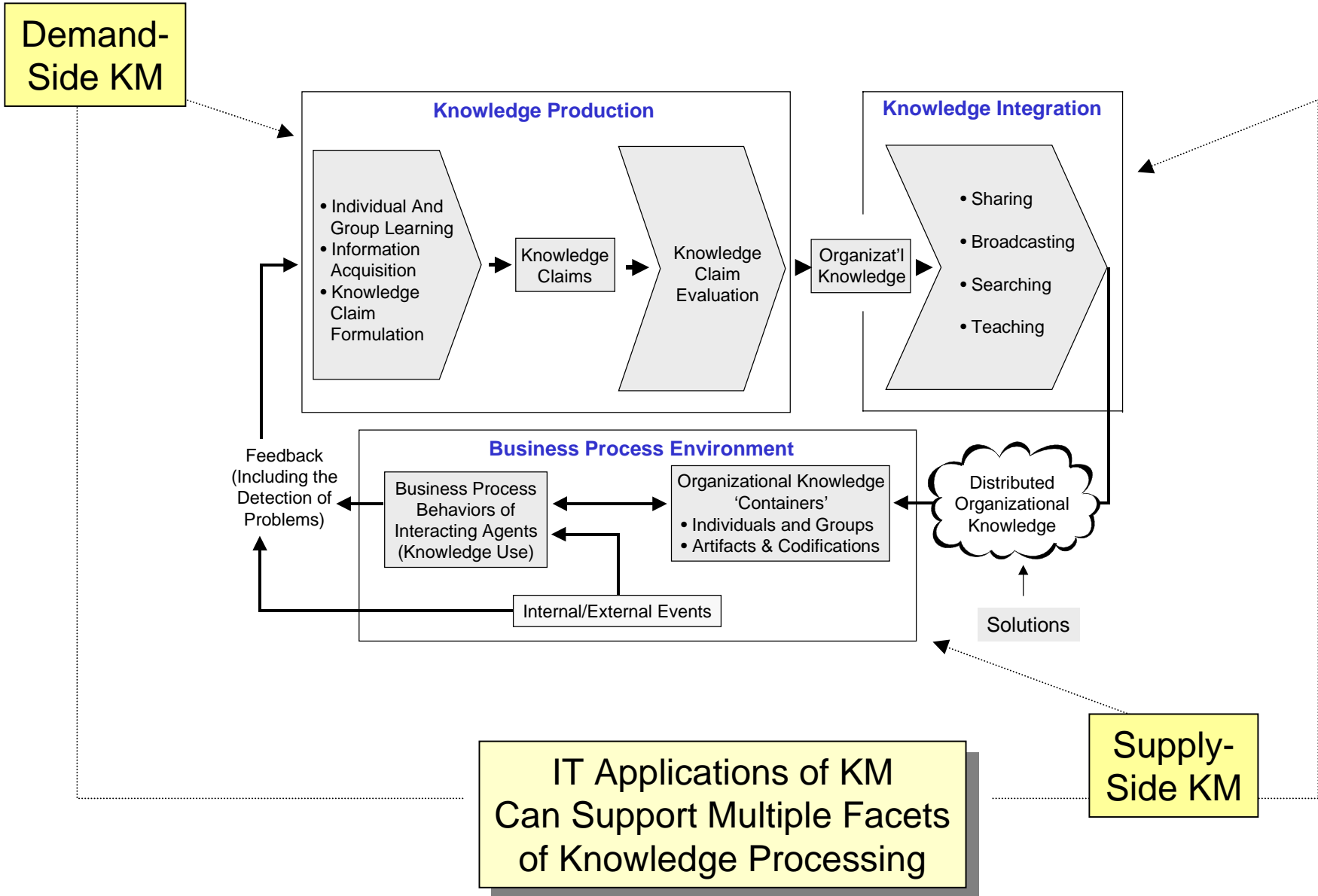
Demand-Side KM



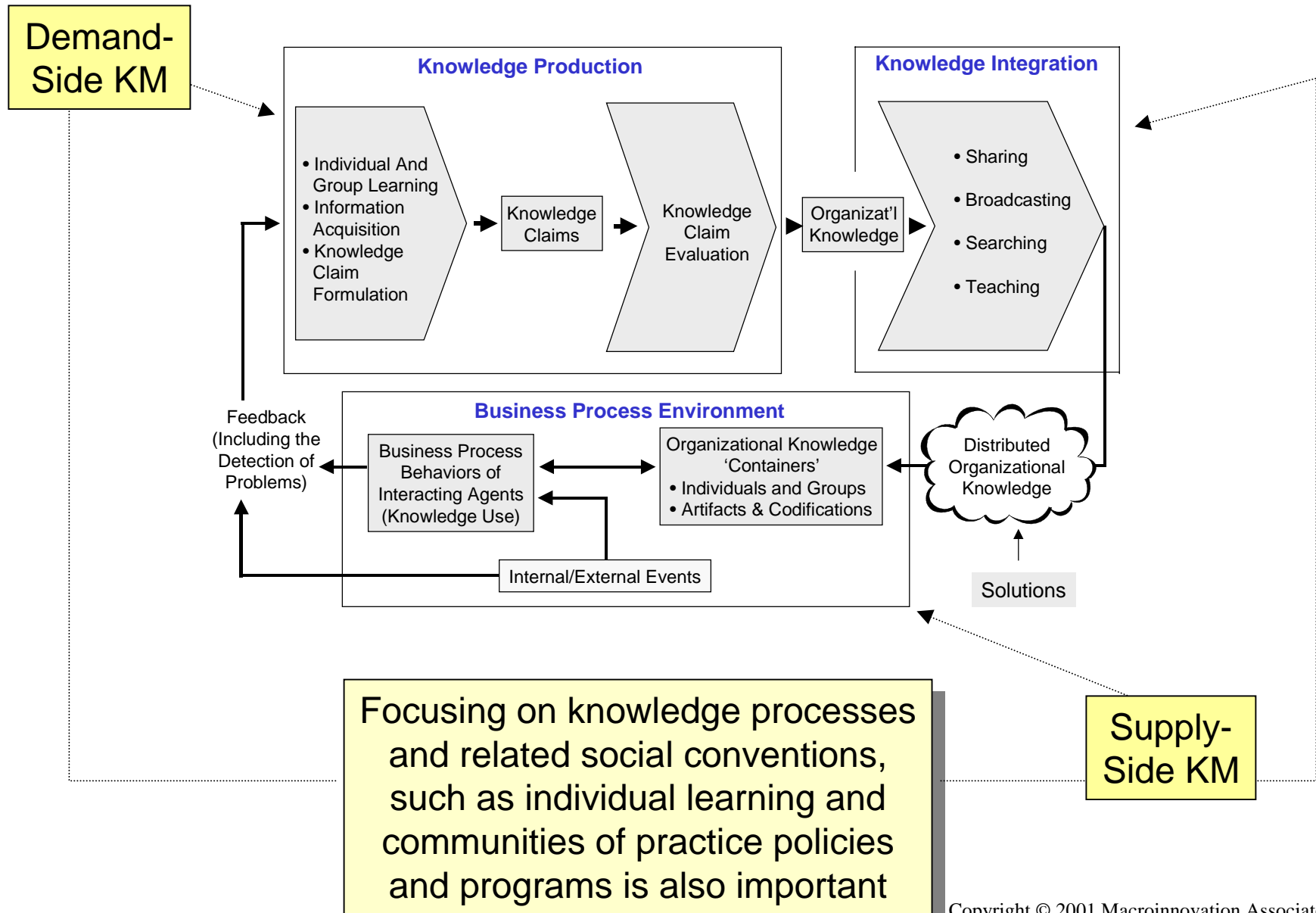
First-generation KM strategies were supply-side only — second-generation KM focuses on the whole knowledge life cycle

Supply-Side KM

# The IT Side of KM



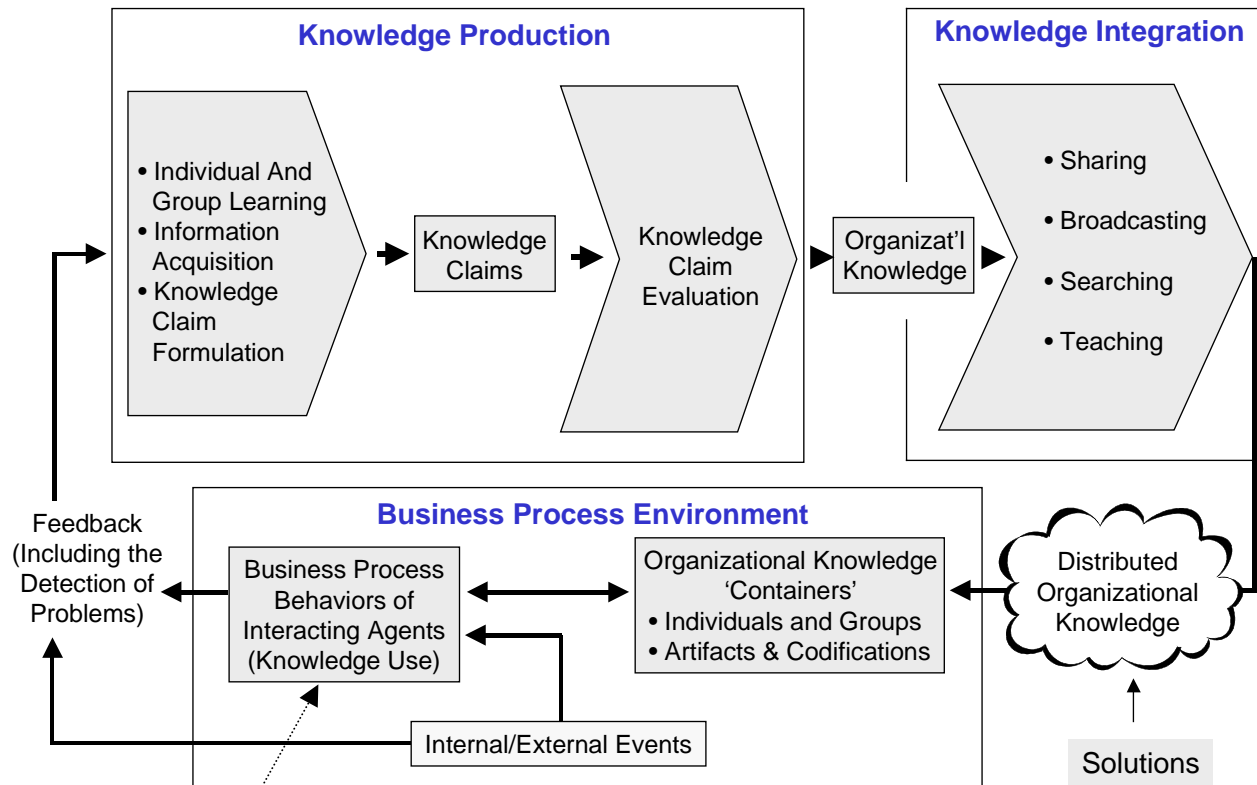
# The People/Process Side of KM



## 10 Key Principles of Second-Generation KM

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4. The social pattern of organizational learning and innovation is largely self-organizing, and has regularity to it – a form of capital (SIC)
5. KM is a management discipline that focuses on enhancing knowledge production, integration, and use in organizations
6. **KM is *not* an application of IT – rather, KM sometimes *uses* IT to help it have impact on the *social* dynamics of knowledge processing**

# What Investments in KM *Cannot* Do...



...Make Decisions *On Behalf*  
Of People Operating  
On The 'Front Lines'

KM Has *Direct* Impact On  
Knowledge Processing Outcomes,  
But Only *Indirect* Impact On  
*Business* Outcomes

## KM Is An Industry That Often Overpromises

- One vendor of KM-related software asks in its ads:

Did Knowledge Management deliver on its promises for you?

- Are your people more productive?
  - Is your organization more efficient?
  - Has KM reduced costs?
- KM can help enable and support these things, but it cannot 'deliver' them – what KM has impact on is knowledge processing, not business outcomes

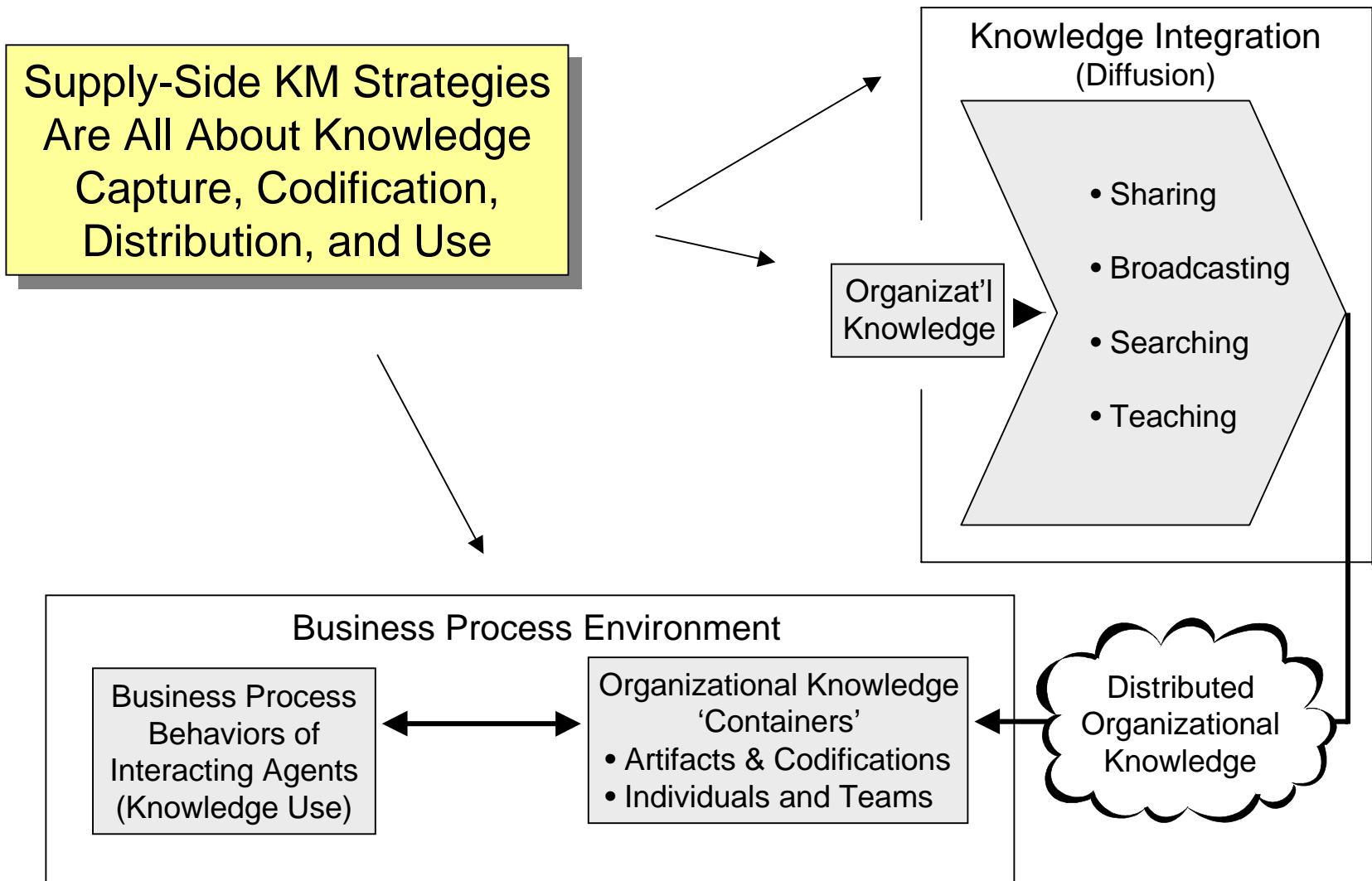
A necessary but *insufficient* condition for performance

## 10 Key Principles of Second-Generation KM

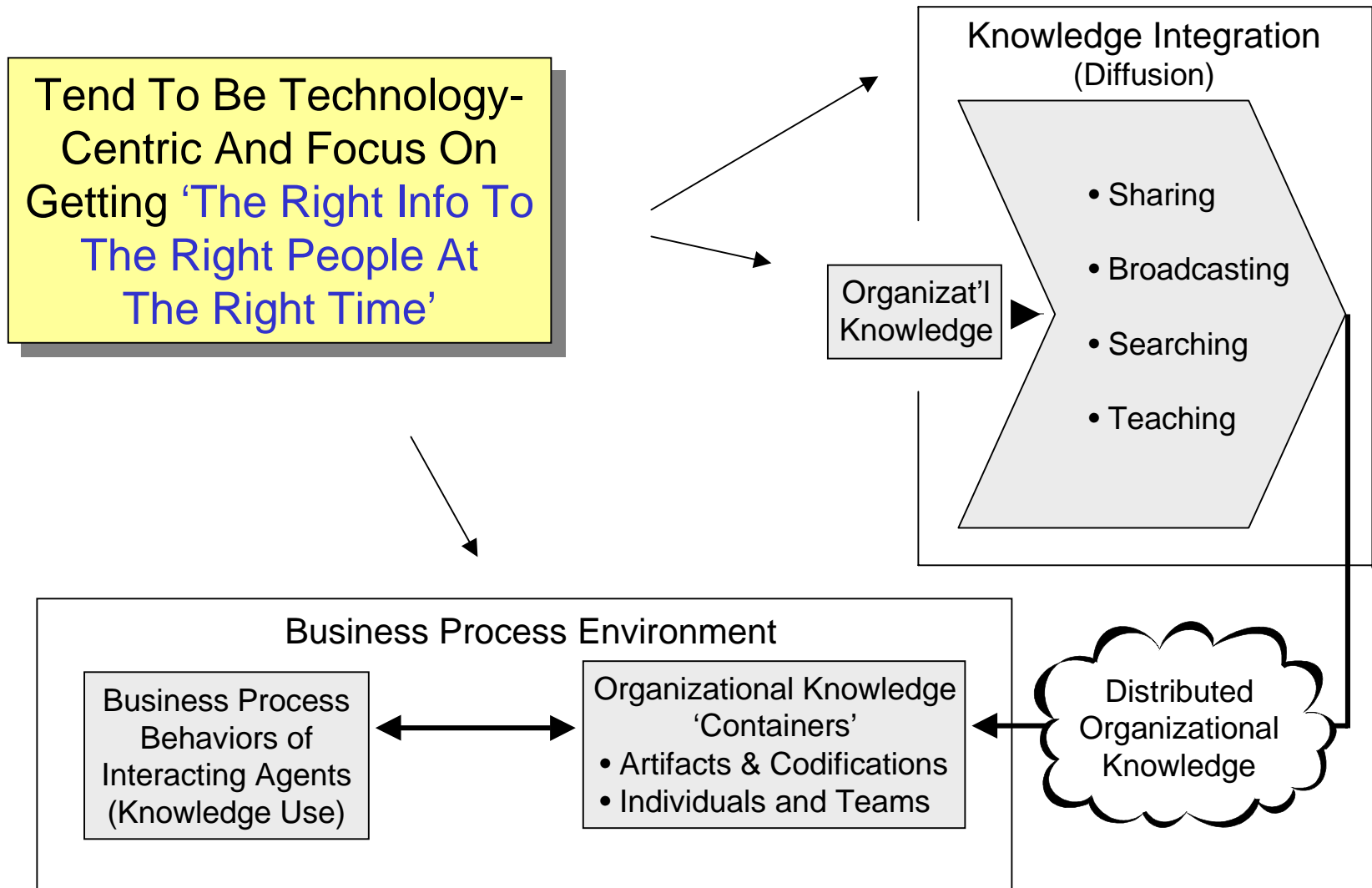
7. KM interventions can only have direct impact on knowledge processing outcomes, not business outcomes – impact on business outcomes is indirect
8. KM's value proposition? KM enhances an organization's capacity to adapt by improving its ability to learn and innovate, and to detect and solve problems

[ Note: Enhancements in knowledge processing (KP) will not necessarily lead to improvements in business performance, but improvements in business performance rarely occur without them. Here, KM has a crucial role to play – KM makes high-performance KP possible!]

# But Most KM Strategies Are Only Supply-Side In Scope



## Also IT-Centric and Transaction Oriented

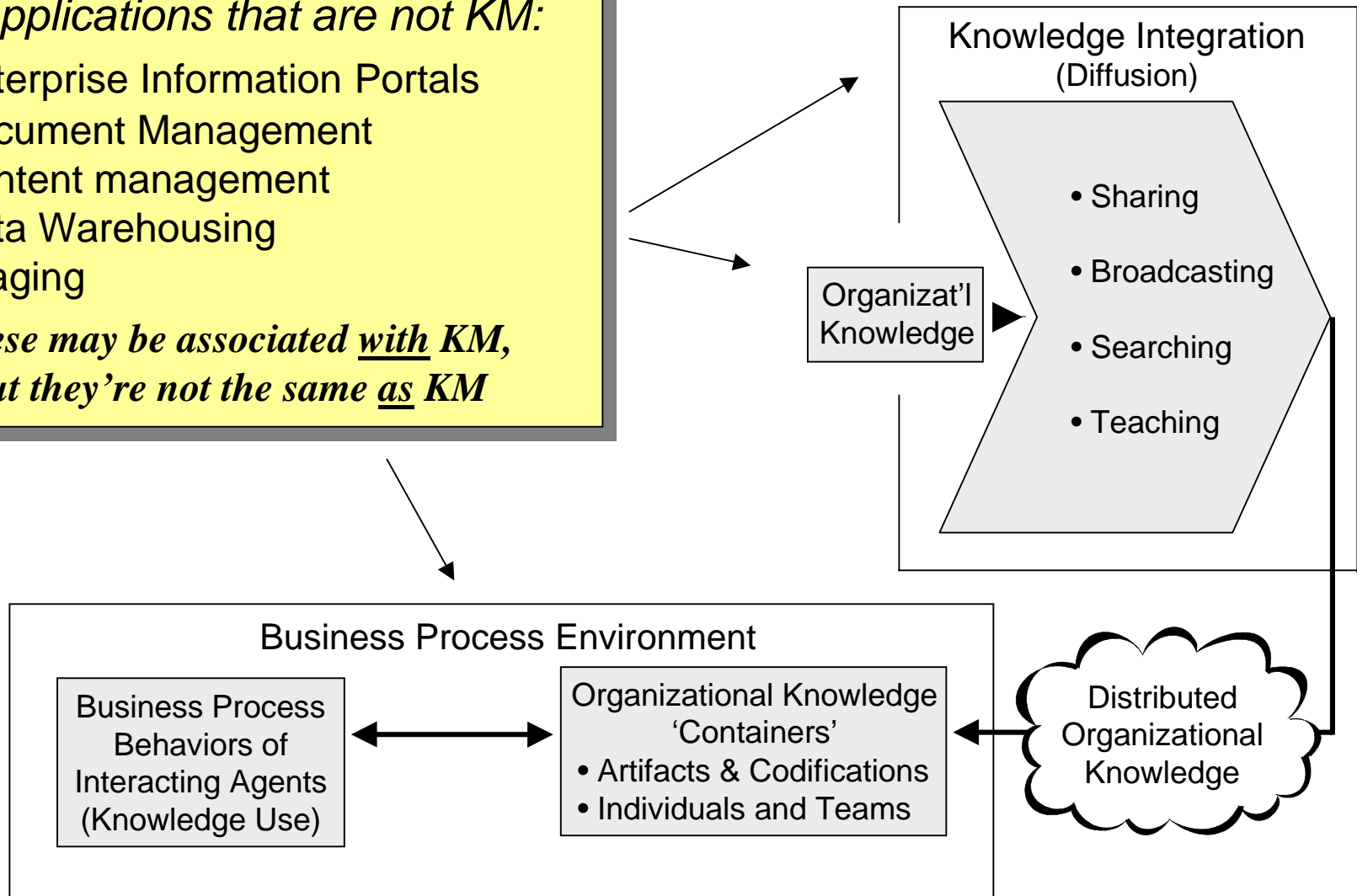


# But Most So-Called KM Applications Are *Not* KM

## *IT Applications that are not KM:*

- Enterprise Information Portals
- Document Management
- Content management
- Data Warehousing
- Imaging

*These may be associated with KM,  
but they're not the same as KM*



## Why? What Are The Critical Differences Between Information Management and KM?

- Two major differences:
  - KM concerns itself with statements or claims made about the **value, veracity, or context** of beliefs or actions
  - Also with the *production* of related claims ('knowledge claims') and ways they are *validated, shared, and used*
- Information management:
  - Tends to be aimed at managing work products and their informational content and/or attributes (production-related descriptive data), not claims about value, veracity, or context
  - Nor the business processes and supporting systems that accompany the production, distribution, and use of related 'knowledge' (i.e., not with 'knowledge processing')

**IM can *support* KM strategies – not the same as KM**

## 10 Key Principles of Second-Generation KM

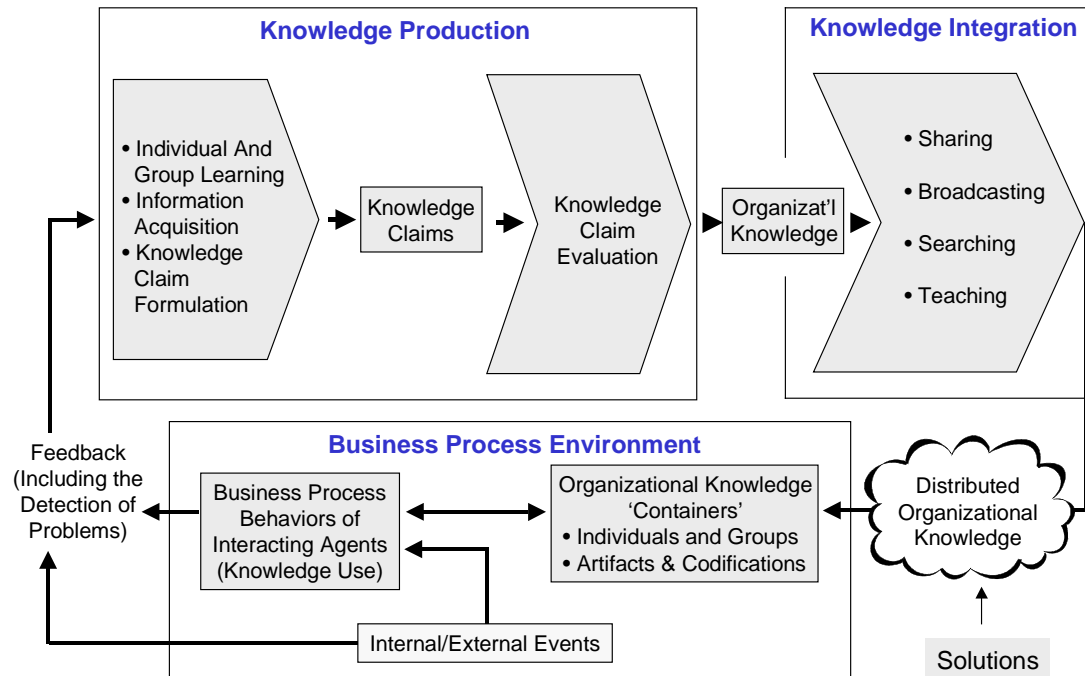
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9. **If it doesn't address *value, veracity, or context*, it's not 'knowledge management'**

## Other Applications of IT That *May* Be KM

- Groupware systems
  - Virtual teaming and collaboration, if associated with the production or distribution of knowledge (supply- and/or demand-side KM initiatives)
  - But only if they deal with the production, distribution, or use of claims related to the value, veracity, or context of work products or their informational content
- Any other application, as long as it deals with claims related to the value, veracity, or context of intellectual objects or content

# KM Strategy Implications

# Remember, The Target Domain Is A 'Social System'



KM Strategies Should *First* Be About Social Interventions and Only *Secondarily* About IT

## Four Areas of Focus For KM

	Demand-Side KM	Supply-Side KM
Social Dimension (People and Process)	Demand-Side Social KM	Supply-Side Social KM
Technology Dimension (IT)	Demand-Side Technology KM	Supply-Side Technology KM

## Some Examples of Common KM Initiatives

	Demand-Side KM	Supply-Side KM
Social Dimension (People and Process)	<ul style="list-style-type: none"> <li>• Individual Learning</li> <li>• Group Learning</li> <li>• Innovation &amp; IC Mgmt</li> <li>• Communities of Inquiry</li> <li>• KAIZEN Events in Mfg</li> <li>• Think Tanks</li> <li>• Management Planning</li> </ul>	<ul style="list-style-type: none"> <li>• Training Programs</li> <li>• Communities of Practice (CoP)</li> <li>• Knowledge Capture</li> <li>• Storytelling</li> <li>• KM Cultural Initiatives</li> <li>• Operations Mgmt</li> </ul>
Technology Dimension (IT)	<ul style="list-style-type: none"> <li>• Knowledge Portals</li> <li>• Innovation Mgmt Tools</li> <li>• Groupware               <ul style="list-style-type: none"> <li>- Collaboration Apps</li> <li>- Virtual Teaming Tools</li> <li>- E-mail</li> </ul> </li> <li>• Listserv Discuss'n Grps</li> </ul>	<ul style="list-style-type: none"> <li>• Information Portals</li> <li>• Intranets</li> <li>• Information Mgmt</li> <li>• Work Product Mgmt</li> <li>• Content Mgmt</li> <li>• Imaging</li> <li>• Groupware</li> </ul>

## Policy Interventions

Management  
Guidelines and  
Direction

Interventions Are of Two Types –  
Both Very Important

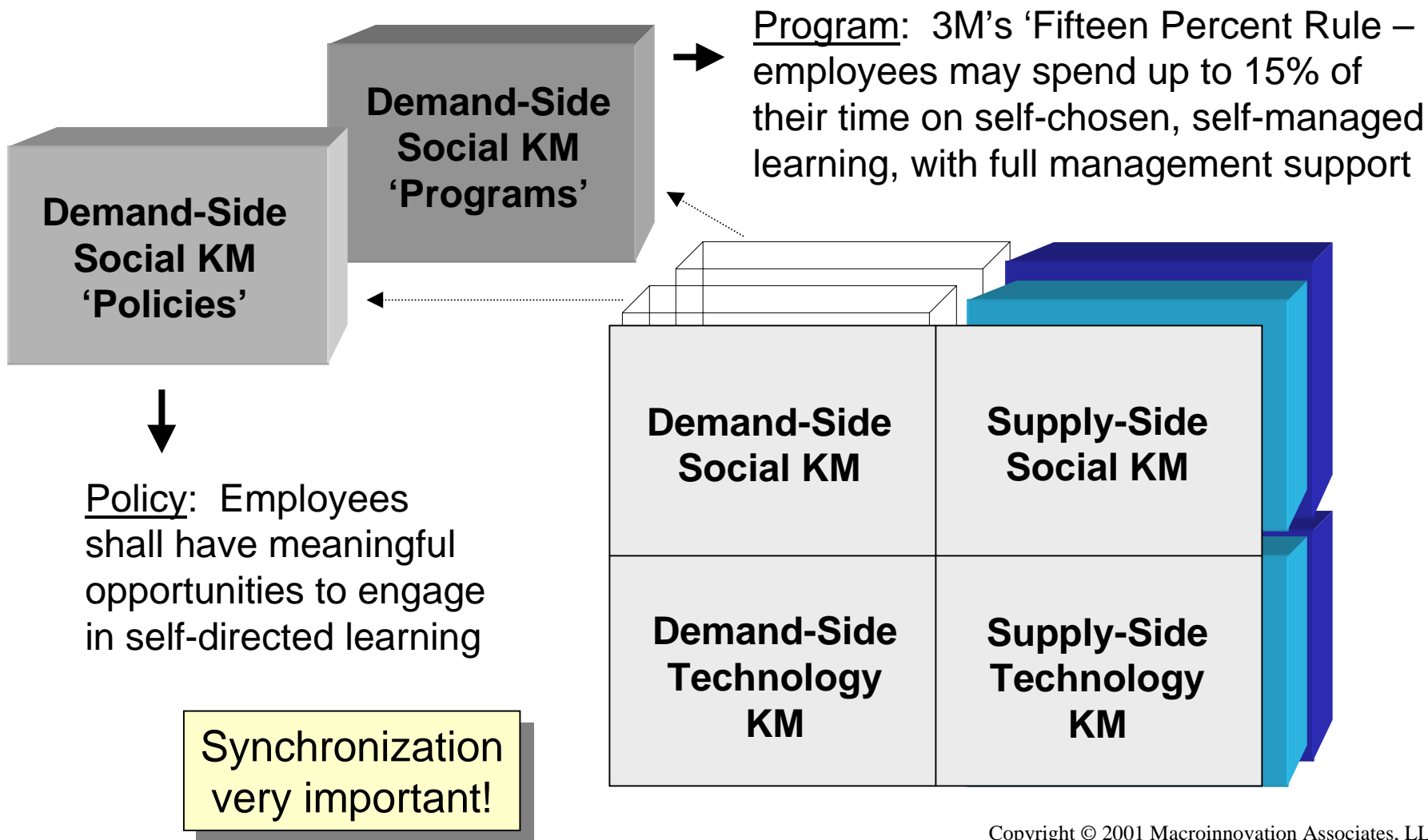


## Program Interventions

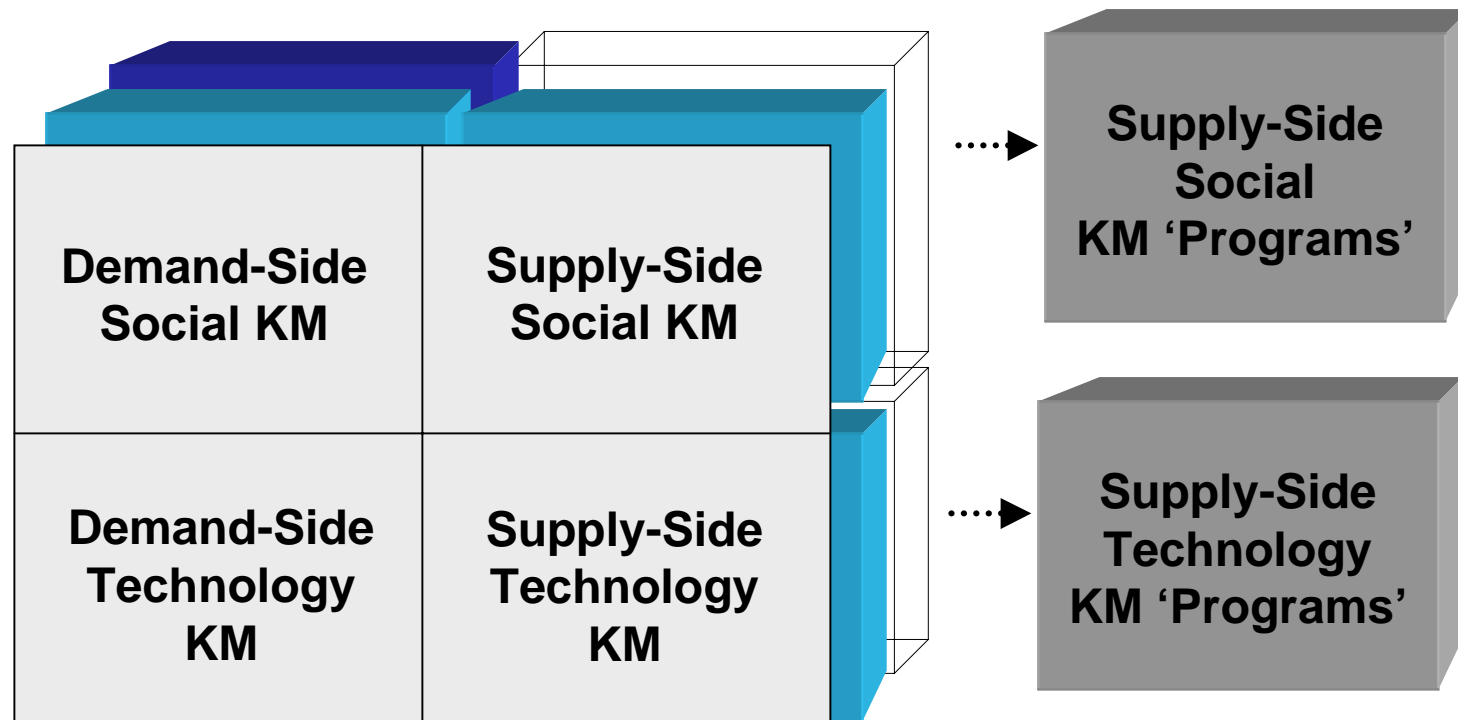
Fulfillments of  
Management  
Policies

Total of 8 dimensions to a KM strategy,  
but most fail to address policy issues

## Example: 3M Company's 'Demand-Side Social KM'



## Most KM Interventions (1st Gen) Focus Only On SS Issues



**Most KM initiatives fail to address 75% of their scope!**

## So, What's The Proper Scope of a KM Strategy?

	Demand-Side KM	Supply-Side KM
Social Dimension (People and Process)	Demand-Side Social KM	Supply-Side Social KM
Technology Dimension (IT)	Demand-Side Technology KM	Supply-Side Technology KM

Begin by choosing areas of focus – if not all, why?

## Proper Scope of KM Strategy (cont.)

### Policy Interventions

Management  
Guidelines and  
Direction



### Program Interventions

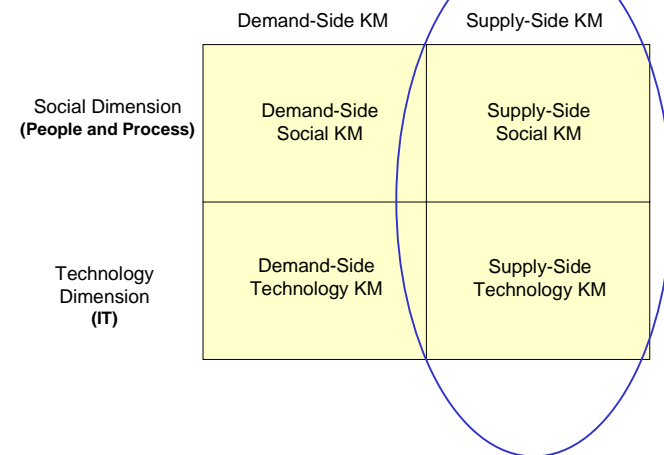
Fulfillments of  
Management  
Policies

Scope should include treatment of both policies and programs – alignment is key

## Proper Scope of KM Strategy (cont.)

### I. Makes sense to start with supply-side issues:

- Can focus on information needs of workers engaged in business processes
- Barrier-free access to people and information needed to get the job done
- Related technology infrastructures and information management tools and systems, as needed
- But also the people/process side: teaming and community infrastructures, processes, standards, and supporting programs

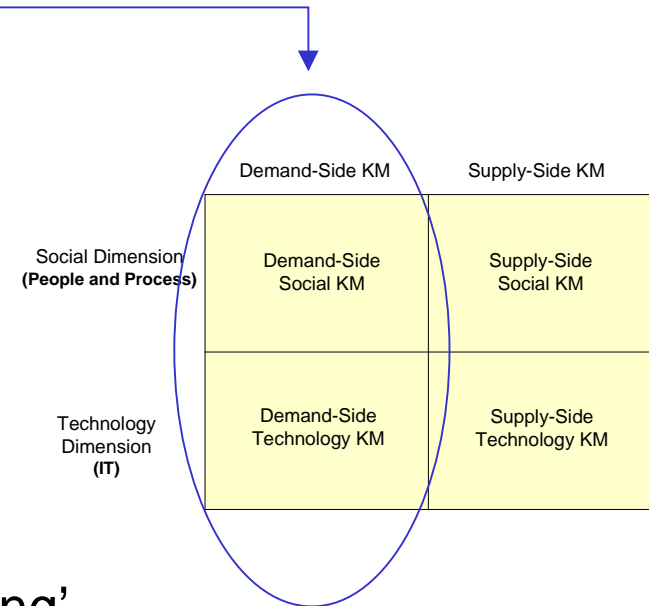


**(Continued)**

## Proper Scope of KM Strategy (cont.)

### II. Then don't forget the demand-side:

- Valuable knowledge comes from somewhere – people ‘on the job’ create it
- Need to provide for that, too
  - Individual learning and innovation
  - Group learning and innovation
  - Support for ‘whole firm’ L & I, too
- It's the front-end of ‘knowledge processing’
- Has its own set of people, process and technology issues
- Takes KM into the realm of innovation management where very much belongs



**(Continued)**

## Proper Scope of KM Strategy (cont.)

### III. Next is operationalizing KM:

- KM warrants its own operations
- Not just a by-product of ‘knowledge work’ by knowledge workers
- And not just a part of IT
- Need to ask:  
“Will we institutionalize KM or not?”
- What are the organizational issues associated with its permanent implementation?
  - Staffing
  - Budget
- Where does KM fit in the organizational model of the firm?

	Demand-Side KM	Supply-Side KM
Social Dimension (People and Process)	Demand-Side Social KM	Supply-Side Social KM
Technology Dimension (IT)	Demand-Side Technology KM	Supply-Side Technology KM

**(Continued)**

## Proper Scope of KM Strategy (cont.)

### IV. Finally, reconciling KM vs. ‘business strategy’:

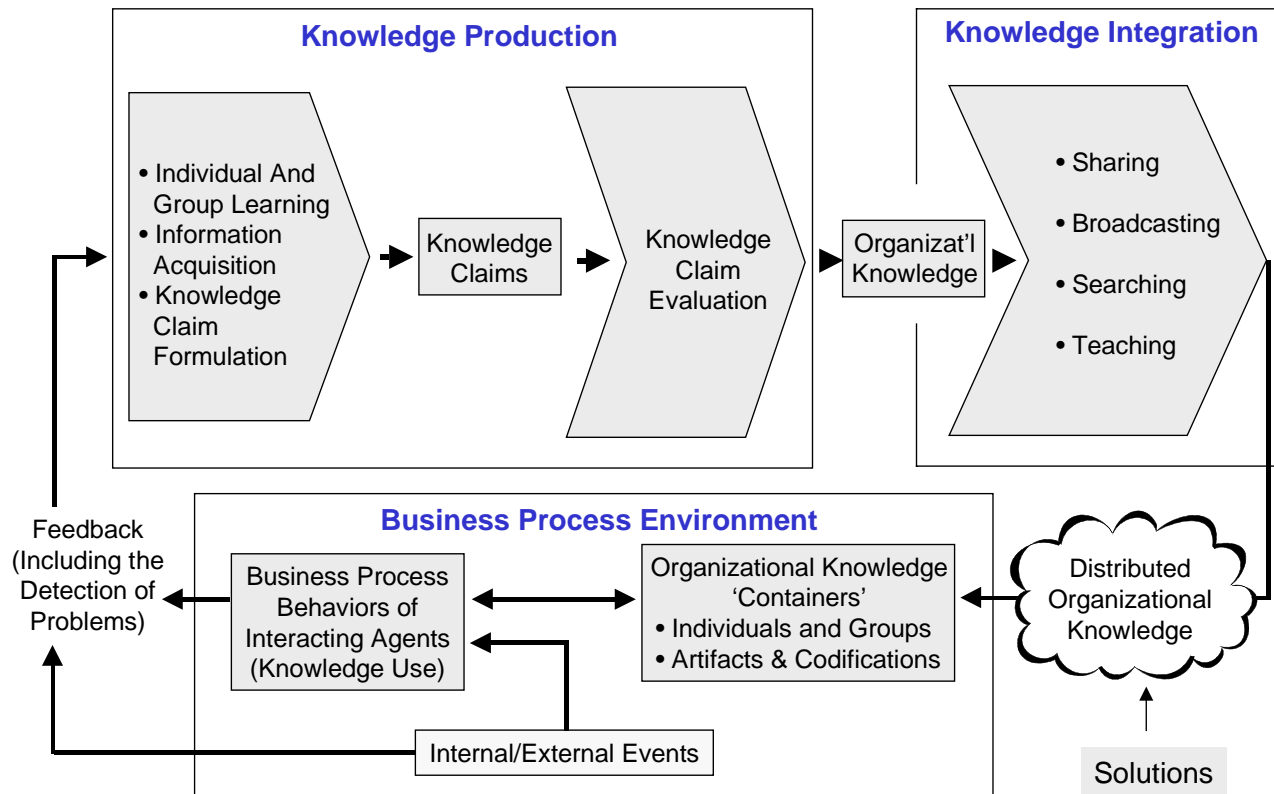
- Most KM methodologies begin with commission of a first-generation sin
  - ‘Business strategy knowledge exists’
  - ‘Purpose of KM is to serve the supply-side interests of existing business strategy knowledge’
  - KM reduced to a knowledge capture, codification, and sharing plan for a set of existing knowledge (this is IM; supply-side KM at most)
- Begins by granting ‘strategy’ special dispensation from the social learning and innovation process – an Orwellian flaw
- Fails to acknowledge business strategy as, itself, a product of organizational learning and innovation

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7. KM interventions can only have direct impact on knowledge processing outcomes, not business outcomes – impact on business outcomes is indirect
8. KM's value proposition? KM enhances an organization's capacity to adapt by improving its ability to learn and innovate, and to detect and solve problems
9. If it doesn't address *value, veracity, or context*, it's not 'knowledge management'
- 10. Business strategy is subordinate to KM strategy, not the reverse, because business strategy is, itself, a product of knowledge processing – KM is not an implementation tool for strategy; strategy follows from KP and is, therefore, *downstream* from KM**

# Remember.....



Getting this thing to run well is the end-game – indeed, the fundamental purpose – of knowledge management!

Thank You!

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