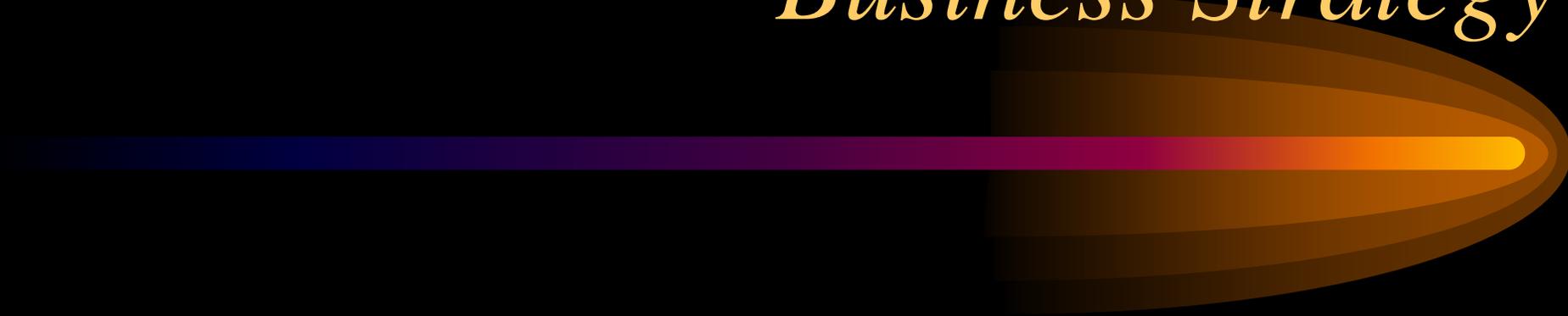


*Aligning
Knowledge Management with
Business Strategy*



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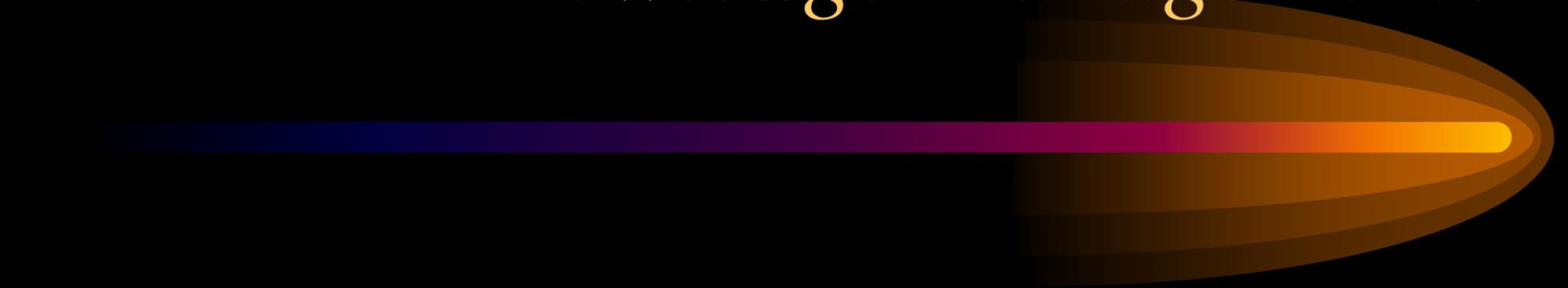
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Main Themes

- What is Knowledge Management?
- What does it mean to align KM with Business Strategy?
- The theoretical foundations for alignment
- Charting a course for good alignment
- Putting technology in context

*What is
Knowledge Management?*



What is Knowledge Management?



Who cares?

- It has been coming
- It needed a name
- Knowledge Management is the one that we gave it

*What does it mean to align
KM with Business Strategy?*





It means that you have
suboptimized!

Why?

- The problem is with the word “with”
- “With” implies subordination
- It should be “and”
- KM and Business Strategy should
 - Influence each other
 - Align with each other
 - Together, define a point of mutual alignment

But, That Still isn't Enough

- If you only align KM and Business Strategy, you are still suboptimizing
- KM has emerged as the dominant metaphor for understanding alignment problems
- Aligning only KM and Business Strategy ignores important facets

Alignment should Encompass and Integrate all Approaches

- Information Management
- Learning Organizations
- Systems Dynamics
- Human Resources Management
- Workflow Management
- Organizational Governance
- Business Process Reengineering
- Data Warehouses
- Document Management
- Intellectual Property
- Activity-Based Management
- Imaging
- Data Mining
- Artificial Intelligence
- E-commerce

*The Theoretical
Foundations for Alignment*



The Theoretical Foundations for Alignment



- The multi-dimensional nature of alignment
- The situational nature of alignment
- The elements of alignment

The Multi-Dimensional Nature of Alignment

- The various dimensions of alignment reflect distinct conceptual viewpoints
- These include:
 - The Knowledge Lifecycle
 - Behavioral slack
 - Static vs dynamic
 - Engineered vs organic
 - The Knowledge Utilization event (KU)
 - And many, many others

The Knowledge Lifecycle

- The Knowledge Lifecycle comprises 4 major patterns of activity
 - Knowledge Development
 - Knowledge Retention
 - Knowledge Transfer
 - Knowledge Utilization
- These activity sets cannot fully support a Business Strategy until each is aligned in the context of a Knowledge Lifecycle

Behavioral Slack

- Most management practices (e.g., ABM, BPR, Kaizen) focus on individual and organizational behaviors
- But they virtually ignore alignment behaviors
- The key to all alignment behaviors is behavioral slack

Static vs Dynamic



- Artifacts and transformations
- Facts and truth
- Core values and alignment values
- Single-point alignment and ongoing alignment
- Value sets and value spaces

Engineered vs Organic

- The two are not mutually exclusive
- It's important to strive for a correct balance between engineered and organic approaches
- A workable balance is context-specific
- Lack of balance makes alignment points
 - Sporadic and unstable (overly organic/class 4)
 - Brittle and short-lived (over-engineered/class 2)

The Knowledge Utilization Event

(*KU*)



- Cornerstone of the Knowledge Lifecycle
- Emphasizes the importance of intelligent behaviors
 - Decisions
 - Actions
- Focus of all alignment vectors

The Situational Nature of Alignment

- Each behavior is a response to a given situation
- You can predict alignment, you can plan for it, you can attempt to manage it

But...

- You can only evaluate alignment by examining the results of the behaviors exhibited in a given situational context

The Elements of Alignment

- Behavior exists within a conceptual context that reflects the value space of the agent
- The critical elements of alignment include:
 - Conceptual frameworks
 - Value sets
 - Exhibited behaviors
 - Results

*Charting a Course for
Good Alignment*

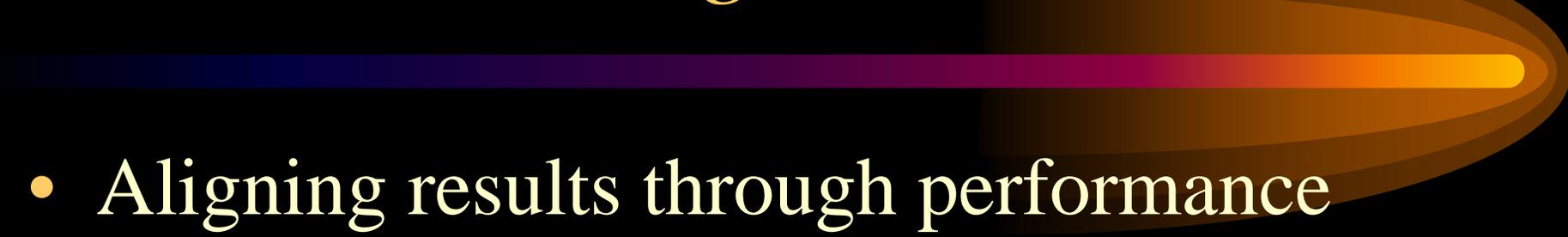


Charting a Course for Good Alignment



- You can attempt to align
 - Conceptual frameworks
 - Value sets
 - Exhibited behaviors
 - Results
- Each approach has advantages and limitations

Rough Roads to Avoid

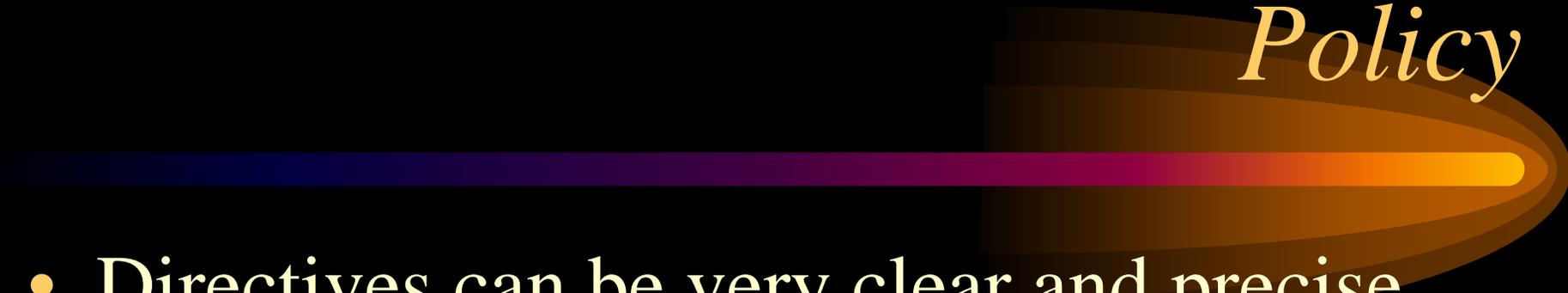


- Aligning results through performance targets
- Aligning behaviors through policy
- Aligning conceptual spaces

Aligning Results through Performance Targets

- Preserves behavioral autonomy
- Hard to predict the results that will reflect optimal future balance
 - Risks re-enforcing the predictable and mundane
 - May focus attention away from opportunities
 - Risks creating failure by formalizing unreasonable expectations
 - Where appropriate behaviors are difficult to predict
 - Where results are hard to control due to significant externalities

Aligning Behaviors through Policy



- Directives can be very clear and precise
- Risk of ignoring context and/or results (may drive misalignment)
- Doesn't influence or address root causes of "behavioral misalignment"

Aligning Conceptual Spaces

- Can drive very strong alignment
- But it is like teaching a pig to dance
 - It is very hard to do (slow and expensive, huge education costs)
 - It pisses off the pig (drives cultural resistance)
 - It actually damages the pig
 - Reduces individual and organizational value
 - Undermines the unique insights that are crucial to self-worth, organizational responsiveness, and resiliency

A Smoother Road: Aligning Value Spaces

- KUs (decisions and actions) developed in the context of an aligned value space are
 - Less disruptive and more easily accepted
 - More aligned with all relevant perspectives
 - Better adapted to new situations or contexts
- This produces alignments that
 - Are less fragile
 - Have greater longevity
 - Produce greater strategic value

*Putting Technology
in Context*



What is a Technology?

- Technologies codify expected KUs and their underlying
 - Knowledge
 - Transforms
 - Values
 - Conceptual frameworks
- Technologies are subject to all the same alignment elements

The Importance of Context



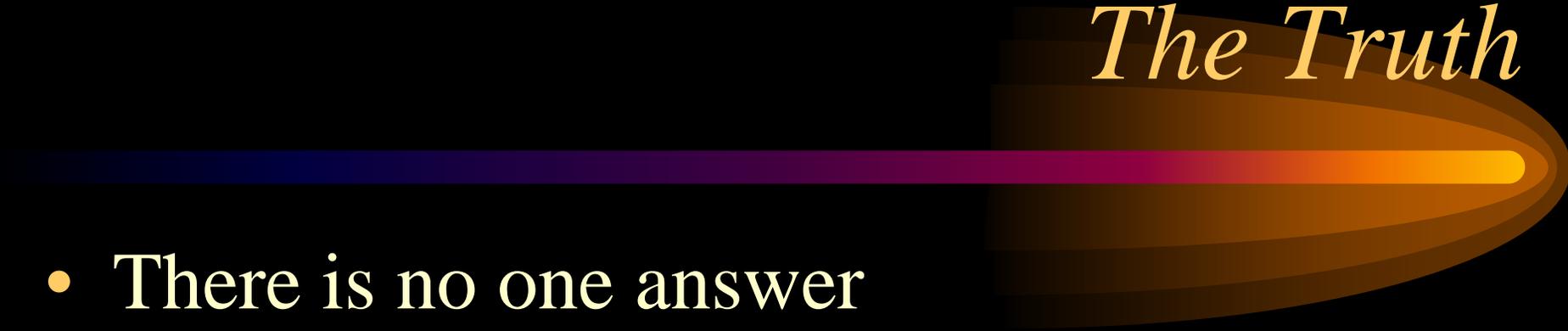
- Technologies act as agents
- Technologies are enablers that bring value to knowledge
- It is how they are used in a behavioral context that determines the magnitude and direction of the value vector

The Consequences of Misaligned Technologies

- Suboptimized, localized solutions that will not scale or provide true strategic value
- Political and cultural resistance
- Diseconomies

You can end up shootin' yourself
in the foot with the other cowboy's
silver bullet

The Truth



- There is no one answer
- Your truths (i.e., the right answers for you) can only be found within your context
- Your true strategic context results from the alignment of your values, your needs, and the tools and techniques that enable your knowledge lifecycle