Aligning Knowledge Management with Business Strategy

Brian (Bo) Newman
newman@km-forum.org

Kurt Conrad
conrad@sagebrushgroup.com

The Knowledge Management Forum
www.km-forum.org
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?
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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!
• 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
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- 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
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- 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