

Knowledge Asset Management

**In the Current Economic Crisis,
Taking Care of What Your People Know
Keeps Survival and Growth on Track**

**Your Company's Knowledge Assets:
Any information, knowledge, or strategic
learning content saved in a form that makes it
accessible and usable.**

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KNOWLEDGE ASSET MANAGEMENT IN THE CURRENT ECONOMIC CRISIS: TAKING CARE OF INTELLECTUAL CAPITAL

SUMMARY OF KEY POINTS:

1. The current global economic crisis will result in many changes in the workplace. Among these will be major reductions in the work force, yet the demands for managing and delivering knowledge services will increase in intensity.
2. Enterprise survival and growth in the current economic situation will be heavily dependent on how well the organization manages key knowledge assets. Knowledge strategy must focus on content and knowledge development and knowledge sharing (KD/KS) to ensure that knowledge required for innovation, decision-making, and research does not dissipate or have its value minimized.
3. A knowledge asset is any collected information or knowledge within the larger enterprise which can be used to help the organization achieve its goals. All operational units create and retain knowledge assets. As an operational function, knowledge asset management strengthens all units and all departments of the enterprise.
4. Knowledge asset management begins with a knowledge services audit, identifying and cataloging the knowledge assets supporting the organization's intellectual infrastructure. Audit results guide the development of an enterprise-wide knowledge strategy linked to the organization's business strategy and designed to strengthen enterprise-wide KD/KS.
5. Restructuring and change management will be required. In the restructuring, all parties seek to strengthen the relationship between technology and knowledge, with particular emphasis on enterprise content management and KD/KS for ensuring best knowledge asset utilization in the new economic environment.
6. The organization's knowledge thought leaders, usually information and knowledge professionals, manage the change, providing oversight for the transition to a knowledge-centric culture for the larger enterprise and on-going knowledge asset management.

Key Words: Knowledge asset management, knowledge assets, knowledge management, knowledge services, information management, strategic learning, collaboration, information technology, strategy.

THE CHALLENGE

The current economic crisis is forcing all companies and organizations to examine how they do business. Staff reductions are inevitable, yet the work must be done. As a result, the work force must increase productivity at all levels.

In all organizations—regardless of whether the organization is for-profit, non-profit, or not-for-profit—operational functions are going to be reviewed, analyzed, and when necessary, combined and restructured. If a functional unit is examined and its contribution to organizational success is determined to be of less value than its cost, the unit will in most cases be eliminated. Functional units having to do with the management and delivery of information- and knowledge-related activities are often the first to be scrutinized, and often the first to be closed.

At SMR International, we take exactly the opposite point of view. Because of the critical value of developing and sharing knowledge, we believe that the key to survival and growth in the current economic situation is nothing less than excellence in knowledge asset management. While that reference to organizational survival might seem a little overdramatic to some, the reality is that the present global economic crisis does not leave room for organizational managers to do anything *but* identify where they can cut expenditures and increase revenues.

Because of the critical value of corporate knowledge (“intellectual capital”), how that knowledge is managed impacts decision-making and innovation at every level of the organization.

Even when knowledge assets are not recognized for their value, all organizations and institutions depend on how well intellectual capital is managed (if for no other reason than, in its simplest iteration, providing evidence of compliance when such evidence is required). If enterprise leaders are going to be successful in cutting expenditures and increasing revenues, the effective and efficient management of knowledge assets is going to be more, not less, critical.

This paper describes the fundamentals of knowledge asset management in the knowledge-centric workplace and highlights solutions enterprise leaders must consider for ensuring that in utilizing and implementing knowledge assets, the highest return on investment is provided for the larger enterprise.

KNOWLEDGE MANAGEMENT, KNOWLEDGE SERVICES, AND THE KNOWLEDGE CULTURE

In the larger organizational management and organizational development environment, the concepts related to knowledge management (KM), knowledge services, the development of an enterprise-wide knowledge culture, and knowledge asset management began in the last decade of the 20th century. Enterprise leadership began to recognize that a company or organization’s intellectual capital—“what its people know”—was an asset worthy of attention and, when possible, for capture, for later re-use or for the creation of new knowledge. Although the term “knowledge management” became popular, it eventually became clear that the organization was not so much seeking to *manage* knowledge, *per se*, but to *work with knowledge*, to build and sustain an organizational environment for the effective sharing and use of the organization’s internal knowledge assets and external information sources.

A refinement to KM came into the picture a little later, with the introduction of *knowledge services*, activities which enable the organization to leverage the knowledge the organization holds in order to create value for employees, customers, and shareholders/stakeholders. We generally define knowledge services as the convergence of information management, knowledge management, and strategic learning, this last simply being another way of describing anything anyone learns that enhances job performance. In most organizations, knowledge services is recognized as the practical side of knowledge management, enabling the organization to “put KM to work.” The purpose of knowledge

Knowledge services converges information management, knowledge management, and strategic learning so the organization can leverage the knowledge it holds to create value.

services, both as a function and as an organizational framework or ambiance, is to bring about excellence in knowledge asset management and to enable enterprise-wide knowledge development and knowledge sharing (KD/KS), all utilized and implemented in shaping the organization as a *knowledge culture*. Within that culture, common beliefs and values about the role of shared knowledge emphasize collaboration and trust, focus on the strengths of the larger organization (and not on individuals or individual departments), instill an enthusiasm for technology and communication in the KD/KS process, and establish that intellectual capital is an essential and critical organizational asset. The management of shared knowledge is recognized as a legitimate functional operation so the organization can be as efficient, effective, and nimble as possible in challenging times.

THINKING ABOUT KNOWLEDGE ASSETS AND KNOWLEDGE ASSET MANAGEMENT

A knowledge asset is defined as any collected information or knowledge held by the larger enterprise and used by anyone affiliated with the organization to help the organization achieve its goals. Often thought of as *organized content to get something done*, we might also think of a knowledge asset as anything within our organization we are able to refer to as we make decisions, attempt to accelerate innovation, or conduct research.

The information, knowledge, or strategic learning content of knowledge assets can be explicit and/or tacit (or occasionally cultural). It is related to but distinct from tangible assets, monetary assets, and the traditional accounting concepts applied to intangible assets. Examples of knowledge assets include any collection of knowledge of value to the organization, including documents, databases (externally leased or purchased or created internally), reports, research materials, taxonomies, glossaries of terms as applied in particular environments, and similar collections of captured information. Additionally, knowledge assets include individuals and groups of individuals, networks, project teams, communities of practice, and links to these groups and the materials and comments about experiences they create as they work together, captured in the context of that shared work experience.

Having sprung from the financial accounting approach to asset management and—in combination with some of the elements from that discipline as well as from KM and systems thinking—knowledge asset management has evolved into a systematic discipline in which information and knowledge professionals evaluate, maintain, upgrade when necessary, and advise about the use of knowledge assets in pursuit of organizational goals. Naturally, coming from that background, knowledge asset management emphasizes sound business practices. Such focus points as financial management, HR, service delivery,

project management, measurement and metrics, and collaboration all come into play as the organization or company moves into acknowledging and establishing a specific framework for knowledge asset management.

Knowledge asset management—like the management of any corporate asset—is based on sound business practices and links to every department and functional unit in the organization.

The development of viable and reasonable knowledge asset management principles is not limited to any one area of responsibility.

As an operational function, knowledge asset management attaches to the activities of a wide variety of operational units. These include any of the organization's departments that identify, capture, retain, and make available information, knowledge, or strategic learning content that enables its re-use or the development of new knowledge. Typically, the departments or sections that perform these tasks include the company's information center (if there is one) or some other operational function with responsibility for managing and ensuring the delivery of internal and external literature relating to the company's work.

Other functional units with knowledge services responsibility include the company's records and information management (RIM) unit, its information technology (IT) section, the strategic learning unit (often including training and/or professional and career development materials and programs), the functional unit responsible for managing corporate archives, and, in organizations focused on research and the dissemination of research results, the section responsible for publications management. Falling into one or another of these functions (usually RIM) is knowledge asset management for a variety of other operational functions such as communications and public relations, legal, executive services, HR, financial services, and the many other business activities found in the modern, well-managed organization.

In the current economic situation, achieving excellence in knowledge asset management is essential for employees to perform effectively and efficiently. Getting to that goal, though, will require enterprise leaders to evaluate current approaches to knowledge asset management and, where necessary, to take steps to improve the management of the organization’s intellectual capital. How a company or enterprise manages knowledge assets has significant operational impact, particularly in terms of labor (for example, the time employees spend looking for information they require for their work) and financial investment (the costs for developing or acquiring the knowledge application that will contain the required information or knowledge base).

**Enterprise-Wide
Knowledge Strategy**

*Matches the company’s business
strategy and focuses on:*

- *knowledge development*
- *knowledge content*
- *knowledge sharing*

A first step recognizes that today’s well-managed organization is by definition *knowledge-centric*. It is through knowledge development and knowledge sharing that the company is able to successfully achieve its business purpose. Whether the organization exists to provide a service to an identified population or to develop and manufacture a product marketed and sold for a profit, that organization’s business purpose is dependent on how well information and knowledge are managed and shared among all employees and others affiliated with the company.

Thus every company has by default a knowledge strategy, even if it is unacknowledged and simply built-in as part of the larger organizational business strategy. Ideally the company’s knowledge strategy links to the larger organizational purpose and includes attention to the role and value of knowledge content, as well as emphasizing the enterprise-wide sharing of knowledge through collaboration. All of these knowledge strategy elements build on the recognition that the organization’s intellectual capital is one of its most valuable assets and that the management of those assets contributes to organizational success.

WHY FOCUS ON KNOWLEDGE ASSET MANAGEMENT?

The viability of knowledge asset management is quickly established: economic accountability, service delivery, and value all come together to support a robust knowledge asset management initiative. As mentioned earlier and with particular resonance in the current economic crisis, there is now no room in organizational budgets for any process or activity that does not provide direct and verifiable return on investment. Determining ROI for the development, acquisition, and maintenance of knowledge assets is simply required in today’s management picture, and there is no choice for information professionals with responsibility for the management and delivery of knowledge services but to do so.

Service delivery, too, must be structured to match financial circumstances. Fortunately, for most people who need to “look something up” (as we sometimes describe how people use knowledge assets), it is no longer necessarily essential that another person—colleague or information professional—be brought into the process. For much of the information, knowledge, and strategic learning content required by workers, processes have been developed and total dependence on the interventions of others in fact-finding, researching legacy documents, and similar information-gathering activities are past. Contributing to this welcome scenario is technology, since today’s technology offers vast opportunities for self-service and locating what the worker concludes is “good enough.” Nevertheless, there are plenty of situations requiring intervention, and the role of the information professional continues to be naturally required in many situations, either for further guidance in refining the search or in seeking advice and consultation about the quality of the search results.

Connected to this new thinking about service delivery is considerable deliberation about the consolidation of related functions and functional units, with some organizational managers reviewing the contributions of each of the units that provides some information- or knowledge-focused services. From the larger organizational perspective, it is not unlikely that there will be opportunities for merging the operations of some of these units, with, for example, records and information management (RIM) combining with the organization's information center, or certain IT activities merging with some content-focused units (HR management systems with, say, a company's training and development unit). Such combinations can be expected to proliferate dramatically in the near future, and fortunately technology solutions are available, requiring only that the managers in these areas recognize the advantages of cross-functional KD/KS and its implementation into the workplace areas for which they have management and service delivery responsibility.

In creating value from knowledge assets, knowledge services managers will now give their attention to providing service delivery and operational support for what they have clearly established as required and specific to the support and growth of the larger enterprise. Certainly such delineation has always been the theoretical management focus, but also included in good management has been the requirement to seek innovation and "take chances" on unproven ideas and products. The respect for and pursuit of innovation is necessarily going to continue (indeed, one of the results of well-managed knowledge services is accelerated innovation, a condition of success in many industries), but movement in this direction will now be subject to question and call for very serious justification before being approved for planning. And as for "nice to do" but nonessential activities, these are going to be severely restrained, a state of affairs relating naturally to measurement and metrics and economic accountability as described above.

THE KNOWLEDGE ASSET MANAGEMENT PROCESS

Knowledge asset management begins with the recognition that knowledge assets are in place, even if these assets are not clearly identified or ideally categorized. The next step, focusing on enterprise leadership's responsibility to reduce costs and generate income, is to conduct a knowledge services audit. That activity will lead to planning an enhanced knowledge strategy for the larger enterprise, directing the organization toward the development and continuation of a sustained knowledge culture. Built into the process is a final step, the move toward implementing the new knowledge strategy and, when required, undertaking the restructuring process and establishing change management and change implementation procedures.

**Knowledge Asset Management
(The Basics)**

- **Knowledge Services Audit**
- **Strategic Planning**
- **Change Management**

The *knowledge services audit* is a systematic examination and evaluation of the explicit, tacit, or cultural knowledge assets in a company, organization, or enterprise. The audit investigates and analyzes the current knowledge culture and includes a diagnostic and predictive report about the organization's "knowledge health," establishing whether or not the organization's knowledge value potential is being maximized.

For most organizations, the well-executed knowledge services audit is actually a description of the company's intellectual infrastructure. When successful, the audit includes identifying and cataloging (and sometimes uncovering) existing knowledge assets, as well as specifying missing or underutilized components. Ideally, the audit focuses on both structured and unstructured content and gives attention to formal and informal communities of practice and other groups of knowledge workers whose work has drawn them together.

To ensure an inclusive and enterprise-wide knowledge services audit, two types of knowledge are addressed in the audit:

- knowledge required by employees, knowledge workers, and other stakeholders for strengthening performance when organizational objectives are known, acknowledged, and pursued
- knowledge for helping innovative enterprise stakeholders define new objectives and the strategies to pursue them.

Once the audit is concluded, the knowledge asset management process moves forward with planning the *enterprise knowledge strategy* (or revising or enhancing a strategy already in place). Strategic planning is not a recent addition to the knowledge services management toolbox, and information professionals long ago became expert in adapting techniques applied in the larger management environment for knowledge services. At its most fundamental level—with respect to planning knowledge strategy for the larger enterprise—strategic planning for knowledge services focuses on content and the KD/KS process, a planning effort involving consultation, negotiation, and analysis which is then used to support strategic decision making.

The Knowledge Asset Management Process

The knowledge services audit examines and evaluates knowledge assets.

Using the recommendations of the knowledge services audit, strategic planning develops or enhances an enterprise-wide knowledge strategy.

Change management ensures that the organizational knowledge strategy matches the organization's business strategy.

Thus the plan itself is not necessarily the primary objective in developing knowledge strategy, especially if the explicit requirements of the present economic situation are kept in mind (as they will be) and the planning focus does not veer away from mission-specific content and KD/KS. As with all strategic planning, the goal is to use collaboration and sharing techniques to enable colleagues to come together to focus on how the enterprise as a knowledge-centric organization can develop a knowledge culture (or strengthen an already existing knowledge culture). The goal is to identify and implement tools, techniques, and processes for ensuring that the organization is positioned to take best advantage of its knowledge assets for the benefit of the larger enterprise. The strength of the process is that strategic planning brings together the best planning minds in the organization, detailing them to focus on the future and how the enterprise can be expected—using its knowledge assets—to function in that future.

Finally, the effort moves into change management, again a recognized methodology in the larger management community and one regularly appropriated in the management of knowledge services. Having developed an audit “package” listing collections and repositories or storehouses of the organization’s information and knowledge content (and in as much detail as the perimeters of the audit permit), and with the recommendations of the knowledge strategy plan in hand, the recommendations can be implemented. Responsibility for this activity is usually assigned to a senior-level information professional—a knowledge services director, perhaps, or a CIO or CKO—who then puts together a knowledge strategy implementation team. Whether attempting to organize a full-scale enterprise-wide knowledge services restructuring or simply to focus on carefully chosen elements of a strategy already in place, the focus again will be on knowledge content and on establishing the highest levels of service delivery through an organizational and boundaryless KD/KS process. With a thorough understanding of the overall organizational culture, and of how stakeholders are likely to react to the changes for a new or enhanced knowledge strategy, the team moves forward to manage and implement a change framework that best serves the needs of the organization and matches its business goals.

THE IT CONNECTION

In a workplace structured as a knowledge culture, all parties seek to strengthen the relationship between technology and knowledge, with particular emphasis on KD/KS in the workplace. Extremely sophisticated tools are now available for capturing, storing, and retrieving rich content that—when retrieved by knowledge workers—is processed into knowledge. Indeed, technology not only provides the “pipeline” for the conveying the content back and forth. Now with the development of social networking technology and tools for value network analysis, real-time KD/KS is not only possible but,

In the enterprise-wide knowledge culture, all parties want to strengthen the relationship between technology and knowledge. Enterprise content management is structured on an established level of trust and collaboration between IT and content experts. Attention to the enterprise-wide benefits of collaboration is now assumed and in some organizations mandated for organizational success..

in many situations, is being established as a requirement of the workplace. Examples abound (with the much-discussed off-shoring of support staff by large corporations being the best known), and in almost every knowledge worker’s daily interactions and in almost every industry, similar behavior taking advantage of the company’s KD/KS process takes place.

Thus the essential role of IT and the development of information management as one of the three components of knowledge services is no surprise. In most organizations, it seems, management is now beginning to observe a welcome blurring of responsibility with respect to technology and knowledge, radically altering the separations so prevalent in the earlier days of electronic content capture and dissemination. In that not-very-distant past, the “pipeline-vs.-content” distinction

was accepted as the convention, with the people who managed information technology expected to have little or no interest in content management, service delivery, and least of all, in providing advice or interpretation with respect to the user’s needs and particular usage requirements.

That picture is drastically changed now, and the IT professional is as likely to be referred to as an “information professional” or “content specialist” as other experts claiming those job titles. In the modern workplace, it is not unusual to find the information specialist or enterprise content manager and his or her staff as part of the functional unit labeled “Information Services,” and reporting to the Chief Information Officer (CIO). Likewise, in other businesses “Knowledge Services” will fall under the aegis of the Chief Knowledge Officer (CKO) or a Knowledge Services Director, with this functional unit shown on the company’s organization chart with responsibility not only for the management and delivery of knowledge services, but with organizational IT responsibility as well. Further demonstrating the merging of this formerly discreet service delivery configuration, much of today’s combined IT and knowledge services function is structured around identifying structures and management frameworks that enable the focus on content and KD/KS. The recent growth in corporate acceptance of Software-as-a-service (SaaS), for example, is a sure sign that when a company can outsource some of its technology responsibilities, benefits accrue. Indeed, by making use of such innovative management methodologies as SaaS, the organization’s knowledge services staff and selected members of the IT staff are then positioned to direct their attention to responding to internal service delivery needs relating to the company’s larger business strategy.

Connecting to these higher-level benefits is an attention to more formal collaboration, now mandated in some organizations. Obviously the development of—and acceptance in using—social networking tools has contributed greatly to the success of management’s collaborative goals, and these links between IT professionals and other knowledge-focused staff are resulting in “location-neutral” workplaces for many teams and communities of practice. These can be expected to continue and increase in number, resulting in benefits for knowledge workers and for the larger enterprise as well.

THE INFORMATION/KNOWLEDGE PROFESSIONAL IN KNOWLEDGE ASSET MANAGEMENT

This new arrangement for the delivery of knowledge services is overseen by information professionals employed to manage the function and expected to be knowledge thought leaders for the organization. As such, they are the ideal employees to engage in knowledge asset management. They know that it is their responsibility to match the management and delivery of knowledge services to the strategic goals of the organization and they understand that they are expected to assess service delivery and knowledge assets in order to ensure a successful match, a task they undertake on an on-going basis.

Today's information professionals also recognize that it is part of their job to guarantee that the knowledge services function is relevant and that their information management, knowledge management, and strategic learning responsibilities connect service delivery to the organizational

The Information/Knowledge Professional as Knowledge Catalyst

Knowledge services is knowledge catalysis. Once knowledge has been developed, value is created through KD/KS, as those who have or develop knowledge share it with others and generate opportunities for tangible results.

mission. As knowledge thought leaders for their organizations, they understand their role to be that of knowledge catalyst, embracing the now-accepted characterization of knowledge services as knowledge catalysis. As one specialist in the field explains it, with knowledge services, the process to identify, manage, and utilize the organization's intellectual infrastructure—its knowledge resources—enables the creation of knowledge value through KD/KS. It is a process that allows the information professional to find and leverage otherwise inert opportunities to produce wholly new products and services, connecting the strategic role of knowledge services to its effectiveness in supporting mission-critical activities.

At the same time, in understanding and incorporating knowledge asset management into their work, information professionals are required to adopt an enterprise-wide perspective. While some of their effort (probably minimal in today's workplace) will give attention to acquiring and processing materials, that former emphasis is being primarily replaced by the role of the information professional as a manager of knowledge assets. Working with the knowledge services staff, these knowledge professionals have access to a broad-based array of knowledge assets supporting a wide variety of workplace endeavors. One knowledge services manager characterizes this work as "taking ownership" of institutional or enterprise knowledge, to enable the provision of access to information, knowledge, and strategic learning across the organization. In this view, instead of asking knowledge workers in different departments to share the knowledge they develop or acquire, knowledge services staff manages organizational information and knowledge so that it is *inherently* shared with those who need to have access to it. Thus, as the information, knowledge, and strategic learning management framework comes to include integrated contact databases, organizational records, commercial databases, and other knowledge assets, the much anticipated organizational *knowledge nexus* falls into place, with holdings that provide a rich picture of both what an organization knows today and what organizational staff need to learn for the future. With these robust knowledge assets managed by information and knowledge services professionals who understand the role of intellectual capital in organizational success, the larger enterprise ultimately survives and thrives.

A SPECIALIST VIEW – SMR INTERNATIONAL – KNOWLEDGE SERVICES TRANSITION PLANNING

SMR International (www.smr-knowledge.com) focuses on change and its impact on people, organizational effectiveness, and knowledge services delivery within the larger enterprise. SMR International specializes in helping institutions and organizations explore alternative future programs and assists organizations in crafting these visions into functional definition.

Much of the firm's work is in helping organizations re-conceptualize, transform, and support the management of knowledge services, particularly in transitioning organizational information centers, specialized libraries, and parallel information- or knowledge-focused business units into functional and enterprise-wide research asset management operations.

SMR International offers expertise in strategic briefing and planning for new ways of managing and delivering information, knowledge, and strategic learning and for building a vision and framework to guide decision making in the management of knowledge assets. Since 1984, the company has been committed to the integration of strategy, research, and management expertise, believing that each informs the others. SMR International is known for the company's research on client needs and assists clients through the following products and services:

- Knowledge services audit design and implementation, combining the methodologies of the standard *needs analysis* (asking what knowledge resources and services people require to do their work), the *information audit* (which determines how knowledge assets are actually used), and the *knowledge audit* (which looks at knowledge assets, how they are produced, and by whom)
- Management reviews in enterprise-wide information, knowledge, and strategic learning delivery, including knowledge development/knowledge sharing (KD/KS) studies
- Strategic planning—particularly transition planning—for knowledge services, including an advisory service for organizations moving from print knowledge assets to digitized knowledge asset management

Through its strategic alliance with EOS International (www.eosintl.com), a San Diego-based company providing integrated automation products, knowledge services support, and global SaaS hosting for managing knowledge assets in organizations throughout the world, SMR International works with clients to identify technical solutions in support of the successful knowledge services delivery.

With clients and colleagues throughout the world and with a team of global associates specializing in knowledge services management and the management of knowledge assets in all business areas, SMR International stands ready to advise enterprise leaders as they focus on the transition to a knowledge-centric culture in their organizations and businesses.