



'Knowledge itself is power.' Francis Bacon

Why knowledge management?

In the workplace, knowledge alone is not power. It needs the right capacity and resources to be truly powerful.

People have been talking about knowledge management since the 1960s, when non-routine, specialist information processing roles began to be a core part of modern workforces. As knowledge, intellectual property and other intangible assets become more important to organisations of all kinds, so does the need to manage and account for them.



When it is done well, knowledge management can help to:

- 💡 **Improve services:** ensuring people experience the best of the whole organisation not just one worker.
- 💡 **Develop staff:** setting out how colleagues are expected and supported to develop knowledge and skills.
- 💡 **Manage succession and preserve business-critical knowledge:** helping organisations become more than the sum of what (or who) individual staff know.
- 💡 **Sustain key relationships:** helping information and learning flow across organisational boundaries.
- 💡 **Share and scale best practices:** solving problems, avoiding costly mistakes, learning from the past and from others' experience.
- 💡 **Ensure quality and fidelity:** being clear on the way we do things round here.
- 💡 **Increase efficiency and improve innovation:** accelerating the way new ideas are developed, assessed and implemented.
- 💡 **Improve sustainability:** generating knowledge, intelligence and horizon scanning to learn with and from sector partners.
- 💡 **Implement strategy:** identifying and resourcing the knowledge that is needed to achieve strategic goals.

What is knowledge?

'Knowledge is experience. Everything else is just information.' Einstein

'(Knowledge) is the chief ingredient of what we buy and sell.' Thomas A Stewart

Knowledge is a key strategic asset, particularly for non-profit organisations, which tend to have more intangible assets than tangible. The way you define knowledge influences how you go about investing in and managing it.

Knowledge **of** something (awareness) is different from knowing **about** it (familiarity) which is very different from knowing **how** to do it. The distinction between knowledge as a static, storable **product** and an active **process** (e.g. using skills) is particularly important.

	Knowledge as a <i>product</i>	Knowledge as a <i>process</i>
Source	Cognition; individual; specialisation	Action; teamwork; sharing
State	Explicit	Tacit, knowhow
Storage	Policies, manuals, guides, IT	People, procedures, processes
Strategy	Supply and storage – support availability; efficiency; replicability	Demand and drawdown – support generation and use; effectiveness
Innovation	Incremental	Continual
Supervision	Oversight, authority, central control	Support, autonomy, devolved control
Structure	Hierarchy, vertical	Network, lateral
Skill	Low skill, learning 'of' and 'about'	High skill, learning 'how to'

The table above shows two extremes. Most organisations incorporate elements of both in their attempts to manage knowledge (but note that the term 'knowledge management' has become tainted by what has become a predominantly technological approach to knowledge as a *product*).



So what is knowledge management?

If we combine the definitions and approaches above, knowledge management becomes a **process of exploring, storing and exploiting** the things an organisation knows:

Exploring: creating a working environment that encourages learning, experimentation and generating knowledge.

Storing: developing systems and tools that encourage knowledge to be shared and used.

Exploiting: putting knowledge (and knowhow) to use, to benefit the organisation, its people and its stakeholders.

These things don't tend to happen naturally – and don't easily lend themselves to being 'managed' in the traditional sense. Managing knowledge well needs a facilitative, empowering, cooperative approach, with more asking than telling.

When to use it

Knowledge management can be an ongoing process, but is particularly useful when:

- 💡 Business-critical information and processes need to be understood
- 💡 Developing and implementing a strategic plan
- 💡 Carrying out training needs analysis
- 💡 Putting contingency plans in place
- 💡 Planning for succession e.g. alongside our [succession planning](#) template
- 💡 Preparing an exit strategy (learning is a key component of all exit strategies, see the [Lasting Difference toolkit](#) for more information).

Key ingredients

Effective knowledge management strategies begin by being fundamentally clear on the specific goal they are meant to achieve. Evidence shows they succeed when: they are mission-critical, not when they are just nice to have; and they link to wider organisational strategies for managing learning and change. In addition, they must:

- 💡 Have ongoing senior support
- 💡 Be resourced
- 💡 Be rooted in a shared vision, with buy-in across the team
- 💡 Be grounded in existing organisational realities (resources, politics, culture etc.)
- 💡 Be tested and reviewed
- 💡 Learn from external input and other organisations' experiences
- 💡 Help information to flow across organisational boundaries, i.e. learning from and sharing with clients, external partners and internal colleagues.

What a knowledge strategy should contain

Like any other strategy, there is a lot of analysis that can go into knowledge management. Depending on your strategy's goals, the following indicators could provide useful baselines and measures of success:

- 💡 Staff turnover and length of service – in your organisation or the wider sector.
- 💡 Number of innovations, new services and/or products; number of ideas generated compared with numbers of solutions implemented.
- 💡 Speed of development and lead-in times.
- 💡 Percentage of time spent in high and low-value work; amount of time spent in learning, developing new ideas and networking.

Strategies should set out the organisation's approach to knowledge, learning and innovation – how they are understood, the values underpinning them, and how they will be supported and used. The time, budget and other resources available for investment should also be clear. In short, the strategy should address the questions above: why is it being done and what is the balance between approaching it as a product and as a process?



Knowledge Audit template

	The knowledge we already have to deliver this	Additional knowledge needed	Owner/subject lead (Who has the knowledge?)	Format (Where and how stored)	Quality (Accuracy, reliability)	Action
Strategic priorities						
Core activities						
New activities and developments						
Future strategic direction?						