



Welcome to the February edition of *Inside Knowledge*. Thanks, first of all, to all those who have been kind enough to get in touch with feedback on the new-look magazine. Your response so far has been overwhelmingly positive, not just about the updated format and design, but also regarding the magazine's name change. Based on the dozens of

positive comments we have received, as well as the total absence of any criticism of the new title, it seems the majority of readers agree that it is the creation and application of knowledge we should be focusing on, not what we call the disparate and constantly evolving collection of techniques and practices that helps us achieve this goal. Given this, the most important thing from our perspective is that we provide you with the right content: articles and case studies that help you to achieve your professional goals. Again, based on your response to the first issue of the magazine, it seems most of you are delighted with how we are progressing against this measure of success, too.

But there has been no time for members of the IK team to rest on their laurels. We recognise that there is always room for improvement, and in addition to this month's magazine, there are one or two other things we have been working on. First off, and as many of you will by now have noticed, the magazine's overhauled website is now up and running. As well as a fresh 'skin', ikmagazine.com features improved navigation and a number of new features. We have included a section dedicated to research, in addition to an online

discussion forum. The latter incorporates the Knowledge Advisory Centre, an interactive environment that will provide readers with direct access to a number of expert practitioners who hope to challenge your thinking and help you realise the full potential of your KM initiative (for more information, turn to page seven). Much like the magazine, the website will continue to evolve over the coming months, and your continued input is, as ever, enormously valuable.

Readers will also no doubt join IK staff in welcoming Chris Collison to the editorial board. A veteran of the much-lauded KM programme at BP, and currently leading change and knowledge management at Centrica, Chris brings to the role a wealth of experience and expertise. His first contribution as a board member is 'The rules of engagement', a case study describing how he employed a number of innovative techniques in his present company to secure that Holy Grail of knowledge-based work: senior buy-in and commitment to change. Crayon drawings, Albert Einstein, hot-air balloons and flying pigs all played a part. Turn to page 23 to find out more...

I hope your start to 2005 has been as productive (if not quite so frantic!) as the IK team's has, and that you continue to enjoy reading the magazine.

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IN BRIEF

compiled by Kate Clifton

National ideas week moves closer

UK companies are being encouraged to harvest their potential knowledge assets in preparation for this year's national ideas week, which will be held from the 14-18 March.

Organised by ideasUK, the event offers employees of all backgrounds the opportunity to voice their own business-improving plans and suggestions. Managers are actively encouraged to run in-house drives to collect staff ideas, if they do not already have a knowledge-gathering process in place.

During the past year, members of ideasUK have received up to 120,000 suggestions from their employees, with those being put into effect saving around £90m.

Companies combine to deliver SRM

KM service and support solutions provider, Pittsburgh & Cupertino, and Kanisa, a service-resolution-management (SRM) software specialist have signed a merger agreement.

The move coincides with an accelerated demand for SRM software, as enterprises seek to automate the costly, labour-intensive processes.

The combined company will offer a suite of SRM applications for agents, self-service and peer support, delivered on an integrated KM and search platform.

Knowledge advisory centre

How to demonstrate the value of KM by Oliver Schwabe and Sergej van Middendorp



THE TITLE to this column was inspired by a friend and colleague who is the knowledge manager at a financial institution. He continuously received glowing feedback from all departments within his organisation, as well as the CEO. However, when he submitted a budget plan for 2005, it was turned down. The decision makers did not believe his activities were adding to the bottom line, and this was their main priority for 2005. You can imagine his feelings as he walked out of the room.

Does this sound familiar? The million-dollar question for the knowledge manager this year seems to be, 'how do I demonstrate to decision makers that knowledge management creates value?'

Our ongoing work and research in this area point to some themes that need attention:

- KM encompasses all facets of managing the intangible assets in an organisation in harmony with all of its other influencers and dynamics;
- KM must be used to create specific and measurable value for that organisation;
- KM and its related activities should not be addressed as separate activities in the organisation, but should become integrated with daily operations.

Value in any organisation is created in the daily dialogue of people. Helping organisations support their people in this dialogue is what KM should be about in 2005.

Critical for achieving this goal are the removal of certain historical paradigms. Rather:

- Managers must understand that their organisations are embedded in, and dependent upon, a plethora of relationships between stakeholders – it is these relationships and the corresponding dialogue that must be mastered;
- All stakeholders must be intensively educated and supported in collaborating through technology within a climate of trust and respect;
- The pressure for real-time innovation must be recognised and proactively resolved.

Many KM initiatives have unfortunately failed to clearly communicate and demonstrate value. We need tools and methodologies that help us 'see' the additional opportunities that come with the shift to complexity: the network as the pattern of work and organisation, the links between intangibles and measurable tangible benefits, the building of strategic capabilities through innovation and the supporting IT systems and infrastructures. While helping us tie these initiatives to daily operations on the one hand, these methodologies should also help us communicate in terms that are understandable to our business stakeholders.

The Proof of ValueNetwork is a network of expert practitioners focused on helping you integrate your initiatives into business and supporting business communication.
www.proofofvaluenetwork.com

To monitor and join the continuing discussion, visit www.ikmagazine.com/kac.

