



USING KNOWLEDGE FOR COMPETITIVE ADVANTAGE

PCF 12.3.1 DEVELOP KM STRATEGY

BEST
PRACTICE

Knowledge management should be used to leverage knowledge assets to create a competitive advantage for the organization.

APQC'S PERSPECTIVE

Regardless of the organization, the focus of KM is to leverage knowledge assets to create a competitive advantage for the organization. The purpose of a KM strategy is to:

- understand how to best leverage the knowledge assets of an organization to support its business goals and objectives,
- establish the KM goals and objectives for an organization,
- identify the key projects that will demonstrate the value of KM to the organization, and
- define the expected impact of the KM activities.

Establishing a common definition of KM will aid in the development of a KM strategy for the organization. Many organizations' KM definitions focus on connecting people, process, and content with enabling technologies to provide a business value for the organization.

CASE EXAMPLE: 3M

3M define KM as "A foundational organizational and individual competency that enables every corporate initiative, business process, and individual employee to maximize customer satisfaction, sustainable profitability, and growth."

Knowledge-sharing activities and transfer mechanisms have existed for many years at 3M, but had not been thought of in those terms. 3M defines its KM strategy with the following statements:

- Foster awareness and understanding of KM in the organization.
- Promote high-value KM initiatives.
- Leverage existing technology.
- Develop KM methodology and processes.
- Benchmark.
- Maintain sustainability.

3M uses KM to support its five corporate performance initiatives rather than having it compete against them. Used this way, KM provides more lift to 3M by supporting the drivers of change already underway. One of 3M's five corporate performance initiatives is Six Sigma. Currently, 3M has approximately 2,500 Six Sigma projects running. Many of these projects are aimed at solving common problems, producing best practices and lessons learned. Extensive amounts of new, explicit knowledge and content are being created. The question becomes "How does 3M organize all this so it can be retrieved and reused in order to prevent someone from reinventing the wheel?" The KM strategy was to provide the necessary guidance, link, and alignment for Six Sigma and corporate IT to develop a knowledge replication and reporting database to improve resource allocation and cost savings for the organization, reduce future project cycle times by reusing valuable knowledge, and help link people to share tacit knowledge.

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CASE EXAMPLE: THE BOEING COMPANY, ROCKETDYNE DIVISION

Boeing Rocketdyne defines *KM* as “a systematic approach to generating process and product knowledge and organizing and retaining the process and product knowledge so that it can be effectively applied to product improvements and future products.”

A formal KM process started in engineering in 1998 at Boeing Rocketdyne. The engineering-led initiative led to the formation of a formal Boeing Rocketdyne Canoga Park KM team. The team has taken KM to all facets of the business through the exploration of available techniques and internal partnerships. However, it should be noted that Boeing Rocketdyne emphasizes the product and process aspects of KM, with little attention, in general, to the people side. With the engineering operations process having formal responsibility for KM, the KM team is chartered to:

- extend KM to the rest of the Boeing Rocketdyne organization,
- formalize processes,
- incorporate new tools, and
- further integrate activities across the enterprise.

The KM team is comprised of people who are considered some of the best people in their fields from within the division. However, Boeing Rocketdyne also uses the expertise of other Boeing business units to develop its KM strategies. Additionally, each process director and process manager is responsible for generic product and process specific methodologies, knowledge, and knowledge management.

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CASE EXAMPLE: MILLENNIUM PHARMACEUTICALS

Millennium defines *KM* as the process to “enable the flow of information and knowledge across the company by aligning technologies, processes, and incentives to create an environment in which people have the information they need to make better, faster decisions.”

At Millennium, the KM strategy is continually refined to identify where the largest opportunities are to use KM for change and productivity increases. The objectives of the KM strategy at Millennium include:

1. better quality of information around targets (greater clinical relevance and higher success rates);
2. more efficient collaboration with alliances and between line functions (less downtime around key decisions and faster pipeline progression); and
3. better integration of discovery, development, and commercial knowledge (build predictive capability and enable simulation).

Partnering with the IT organization, the major projects undertaken by the KM group include:

- MyBiology—a database to enable scientists to capture, share, and reuse scientific findings;
- Compass—a portal and simple content management system designed to enable employees to more easily access internal documents and data; and
- eRoom—a collaboration space to promote information sharing and decision making within alliances and key programs.

A new project on the horizon is the creation of the target validation knowledge base, which will capture the Millennium-specific scientific findings from laboratory notebooks.

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CASE EXAMPLE: NASA JET PROPULSION LABORATORIES

According to NASA JPL, knowledge management is getting the right information to the right people at the right time and helping people create knowledge and share and act upon information in ways that will measurably improve the performance of NASA and its partners.

The key dimensions for NASA's KM strategy are to:

- sustain knowledge across missions and generations of employees to identify and capture existing information;
- help people find, organize, and share the knowledge it already has to efficiently manage knowledge resources; and
- increase collaboration and facilitate knowledge creation and sharing by developing techniques and tools to enable teams and communities to collaborate across the barriers of time and space.

The goals of NASA's KM team are to find and implement good solutions, fill in the gaps, and gather resources to support its missions and research communities. KM supports and enables processes and initiatives by advocating best practices, promoting good solutions, and building infrastructure and applications to bridge distributed systems. The NASA JPL knowledge management team is supporting its lessons learned information systems, which contain lessons learned from the operation or design of particular missions and project elements and a Web-based, customizable portal including *Inside JPL* and *Inside NASA* pages.

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CASE EXAMPLE: THE WORLD BANK

The World Bank regards KM as “systematically capturing and organizing the wealth of knowledge and experience gained from staff, clients, and development partners; making this knowledge readily accessible to a wide audience internally and externally; and creating links between groups and communities working on similar topics.”

The World Bank's knowledge strategy has three focal points:

1. improving the World Bank's operational quality and effectiveness through enhancing its capacity;
2. enhancing the sharing of knowledge with its clients and partners; and
3. enhancing client capacity to assess and make effective use of knowledge, whatever the source.

The World Bank believes that business survival requires sharing knowledge. Sharing knowledge will increase speed (faster cycle times), improve quality (better quality service), increase innovation (testing new approaches), and reduce costs (eliminate unnecessary processes). Lending alone cannot reduce poverty. Knowledge sharing ideally brings new actors to the stage and provides global access to development knowledge, which could change the poverty equation.

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