

### ***Addressing the Barriers to Effective Knowledge Management***

At an international knowledge management forum, Legal Technology Consultant, Justin Szlasi states "The goal of KM is to put your knowledge to work at the service of the client". Only when professional services companies recognise the value of its intellectual capital can they use it as a key business driver to win new clients and retain a competitive edge.

In theory, bigger practices with a larger pool of intellectual resources at their disposal would have a competitive advantage over smaller practices. However, the reality could be quite different.

There are two levels of knowledge within your organisation - explicit and tacit knowledge. Explicit knowledge is articulated - the data that is stored in your documents, spreadsheets and databases. Tacit knowledge is embodied in your consultants and fee earners - made up of the stuff in our collective mindset – knowledge and experience combined; including "ways of doing things" that determines how the company makes decisions. 90% of knowledge is contained in the heads of its people. Only when personal knowledge is converted to organisational knowledge, does it become valuable to the enterprise as a whole.

As the Founder of a leading consultancy practice lamented "Our assets go home at night". In fact, they not only go home at night, they are also free to leave the practice and join its competitors.

Mere recognition of the fact that knowledge is a renewable, reusable and accumulating resource of value to the practice does not translate into organisational learning and knowledge sharing without a radical overhaul of the knowledge equation (Knowledge = Power, so keep it to yourself). After all, Consultants are paid to know things that others do not! Even within the same professional services companies, it is not uncommon to discover consultants competing against each other for the same client, hoarding model precedent documents and deploying other equally blatant methods to prevent a rival from benefiting from a colleague's knowledge and experience.

Successful knowledge management is an enterprise-wide phenomenon. It is characterised by a sharing and learning environment reinforced by the active involvement of management, fee-earners and support departments.

In its fifth year, the KM Asia 2005 Conference will focus on the future of the discipline as an integrated component for effective knowledge-driven enterprises and the cultural drivers to knowledge sharing.

While many successful KM initiatives are driven by technology implementations, KM is about "harnessing knowledge" and not simply managing information with software. KM is ultimately a blend of people, process and technology. While it is impossible to imagine KM without the right tools to store, manage and give access to information; when these tools have been put in place and they are not effectively used to the benefit of the company, you will have no choice but to address the cultural inhibitors to knowledge sharing that exist in your organisation.

### **Shift in Corporate Culture**

The radical overhaul of the knowledge equation and the underlying tenet to effective Knowledge Management is "Knowledge = Power, So Share It and It will Multiply". Unleashing this knowledge, converting it from tacit to explicit so that it can be shared and reused constantly presents the biggest challenge to effective knowledge management within a professional services practice.

“Increasingly, professional services firms that are serious about knowledge management focus on it as part of the business process of the firm; something that is part of the firm’s culture and mindset” says Mr Lim Wee Teck, Partner, Knowledge & Risk Management Practice Group at Rajah & Tann.

“This involves promoting the sharing of knowledge with the view that this ultimately enables clients to get better service from their consultants, and enables the firm as a whole, and consultants personally, to get the most out of their work and relationship with their clients”.

### KM as Business Strategy

After you have identified the hurdles to whole-hearted participation in the KM initiatives within your organisation, you may wish to consider the following pointers for overcoming these hurdles.

Firstly your KM goals should be placed in the context of an overall business strategy for the company – how you plan to achieve competitive advantage and how best to use your intellectual capital to get there. Attendant to this, what is the best strategy deployed throughout the enterprise? How is progress to be measured and success rewarded.

An articulated business strategy with clearly defined goals provides a good foundation for reaching an agreement on which KM activities should be implemented, while giving fee-earners an obvious connection between the desired goal and what is expected of them to get there.

David Maister in his book “Managing the Professional Services Firm” suggests four simple explicit goals to strive for in a successful professional services enterprise –

1. raise client satisfaction
2. increase skill building and dissemination
3. improve productivity
4. get better business

Each department or team should be encouraged to devise and introduce KM initiatives that will help them achieve these targets. As every department has its own starting point and business needs, they will adopt their own best KM initiatives reflecting those differences.

To begin the exercise, the first step may be to conduct a “knowledge audit” for that department, to find out – a. What useful information comes into their possession from outside sources? b. What knowledge does this department create? How is that knowledge recorded and stored? How was it being used and by whom? The second step is to categorise the information keeping in mind that the more refined the categories the more easily data can be retrieved from the system by end-users.

### Managing Change

Secondly, vital to the success of any KM initiative is the complete commitment of everyone as stakeholders - from managing partner level down to the receptionist who may not “create knowledge” but is constantly handling valuable information everyday. KM is a change agent and generally, in every enterprise, people are resistant to change. Senior management must not only “buy in” to the concept, they must also prepare for change management.

If your KM initiative involves the implementation of technology applications, attendance at training should be mandated. Training itself should be targeted at the correct user level and focused to the trainees needs.

In order to overcome the cultural barriers to knowledge sharing, professional services practices may need to offer incentives for their knowledge workers to participate in the practice's KM initiatives. Incentives may take different forms – example, stipulating a rate for recording time spent on KM activities such as categorising and profiling information for input into the practice's knowledge base; and making contributions to the practice's knowledge base a function of the fee-earners performance review. Management should "sell" the KM initiative as a path to more challenging work and tangible rewards. When your knowledge workers can see the value in the exercise for themselves, resistance to change are more easily overcome.

### KM as a Journey

Finally, you must realise that the KM process takes time to show results. This is particularly true for large corporations with several departments all operating under different competitive pressures. KM is not a quick fix in response to the urgent demands of the moment. It is an investment in the future success of the enterprise.

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*BiziBody Technology, a collaboration partner of Intellitrain Pte Ltd, is a specialist practice management and technology solution provider to the legal industry in Singapore. BiziBody Consultants are former law firm knowledge managers with in depth knowledge of practice risk management and knowledge process workflows. Our clients include the Law Society of Singapore, law firms and corporate legal departments and the Singapore Law Courts.*

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