KNOWLEDGE
MANAGEMENT

Remarks of Alan S. Kay, Editor in Chief, *Knowledge Management*
E-government seminar, June 1, 2001

Good morning. My name is Alan Kay; I am the editor in chief of *Knowledge Management* magazine, published in San Francisco. My thanks to ITAM's Center for Competitiveness Studies and Guillermo Musik for his kind invitation to participate in this fascinating seminar.

Those of you who work in the public sector hardly need me to tell you that yours is not an easy road. You operate at the intersection of several factors, each of which is in tension with the others:

- there are rising citizen expectations and an overall trend toward democratization
- there are tightening budgets
- in many cases, already are or soon will be shrinking workforces.

Happily, I have a suggestion to offer you. If e-government is your goal, consider deploying a knowledge management strategy. In fact, let me make that a considerably stronger statement: if you plan to make citizen access to government information and problem-solving a part of your strategy, you cannot succeed without a knowledge management approach.

And even if e-government is not your goal – if all you seek is a way to run your agency or administration more efficiently and cost-effectively, consider KM.

I am here today to argue three key points:

1. that not committing to a knowledge management strategy is a failure of government's responsibility to spend the public's money wisely and effectively to deliver services
2. that knowledge management is really not about technology tools, whatever Lotus and Microsoft and, indeed, many at the Big Five consultancies may say, but rather about changing institutional culture
3. that creating a knowledge-aware and ultimately knowledge-based culture is incredibly difficult, and failing to understand that is an almost certain commitment to failure.

Thus, a commitment to e-government is in fact a commitment to a radical deconstruction and reconstruction of the culture of government.

Knowledge management is a common-sense concept that has suffered from having far too many words thrown at it, too many abstractions, too many fancy philosophical phrases. It is, simply, a strategy and a set of processes for identifying the uniquely valuable information an organization has and making sure that that knowledge is being used in the best ways to accomplish the organization's goals. According to one formulation, it's the ability to get the right information to the right people at the right time.

Knowledge management is not new. It has emerged as a strategic approach in the last five years for two reasons:

First, because technology tools and the Internet have opened up a vast new scale of possibilities;

and second, because a changed private sector economy has favored those companies that have successfully restructured themselves to be able to
- respond to market demands more quickly
- minimize costs (and thus lower prices while retaining margins)
- and keep their unique business knowledge as employees leave.

But we are not talking about the private sector. Why do governments deploy KM solutions? According to one survey reported a year ago, it was to improve internal operations and improve customer service. Knowledge-enabling initiatives have allowed agencies to respond faster to changes that are taking place within the government and to leverage innovations across organizations at a faster clip.

It is, as I say, common sense. The most substantial store of value in any agency is what it knows. That knowledge is in the aggregate worth far more than the physical assets of the agency, whatever they may be. But most of that knowledge is unstructured, meaning it is not stored in relational databases. In many cases, that knowledge is in documents, whether those are Word files or papers stored in binders or filing cabinets. Most of that unstructured knowledge, though, is tacit knowledge – knowledge that lives in the heads of the workers themselves. This is the knowledge that in another time was transferred in the apprenticeship process.

If the agency does not know what that knowledge is, does not know where it resides, does not have it stored and accessible to someone else who may need it, a job of work may not get done as well as it would otherwise. Someone will have to start from scratch to research that knowledge, and so time and money will be wasted. Others who have related knowledge cannot comment on it, react to it, or join in a collaborative process to develop from that knowledge a repeatable, teachable Best Practice.

And, most important for us today, if that knowledge remains tacit, it cannot be used in a portal environment to provide the best problem-oriented help that ought to be available.

A knowledge management solution delivers improved efficiency by allowing workers to work smarter and work faster, and makes it possible to lower costs. It allows the retention of knowledge as experienced workers leave through downsizing or retirement, and so improves the efficiency of operations.

In government, as in the private sector, there's often only one person who knows how to manage a system, do a certain process, develop a certain kind of program. As Shereen Remez, who was until recently the CKO of the U.S. General Services Administration, observed, "When those people leave, they leave with their knowledge between their two ears. Unless you can capture that knowledge before they leave, you lose it."

I've left at the rear of the anteroom copies of the January 2001 issue of our magazine, which includes a story on knowledge management in the U.S. federal government. In it, we tell the story of the steps the GSA took to ensure than when it manages the next national census in 2010 it will be able to use the knowledge amassed during the 2000 census. That story, and all of our other coverage as well, is available on web as well at www.destinationKM.com.

According to the Gartner Group, one of the foremost technology market analysts, spending for e-government the U.S. at federal, state and local levels will grow from US$1.5 billion last year [2000] to more that US$6.2 billion by 2005. Much of that money will be spent on tools to process, manipulate and manage knowledge.

This is the appropriate spot to offer a cautionary reminder: the evidence of the last decade of computerization is that technology tools are just that – *tools*. Ultimately, e-government is about putting knowledge to work to make government more efficient and service citizen needs more effectively. The knowledge must be identified, located, captured, codified, structured and stored; tools can help with these tasks, but without the knowledge, they're useless, like a fancy car without a driver.

The real challenge of e-government, and therefore of the knowledge management reengineering of government, is to change the workplace culture. Knowledge has use value for the organization only if it is shared. Expertise can serve as a shortcut to a solution only if it is shared. Collective problem-solving can occur only if individuals are willing to work as collaborative teams. The collective wisdom of employees who have learned how to cope with similar situations can be brought to bear if they're willing to trust their colleagues enough to participate in communities of practice.

Trust is the key, and so the challenge is to built an organization-wide culture of trust that will allow two or three or more people who have never met to share what they know and think, willingly and without fear that it will harm their own careers. Learning from mistakes can happen only in a trusting culture.

I'm sure it's obvious to you that without this sharing of knowledge, e-government as a customer-oriented problem solving approach cannot work. The knowledge silos will remain, and the citizen will once again be forced either to address government in its own bureaucratic terms or to go away frustrated.

Some of you may be familiar with a report released earlier this year on e-government by Accenture, the former Andersen Consulting. It is entitled "Rhetoric vs. Reality – Closing the Gap." The proliferation of e-government web sites, the report observes, "has not made it any easier for people to do business with government, as agencies have simply replicated industrial age organization structures online, without any attempt to consider how the user will behave online as opposed to when they were in-line. Private sector experience has shown that consumers behave differently in the online world; in the one-to-one environment of the internet, they seek providers who organize services around their needs."

There is no management task in the working world more difficult than to change an organizational culture. Typically, that culture mirrors the cultural rules the employees learned growing up. That includes "rules" like
- hoarding is good
- I am valued for what I know that others don't
- He or she with the most toys wins

These are not the values of a knowledge-sharing culture. The process of changing them is far beyond the scope of what I can address here today, and I would be playing that same cultural game myself if I told you I knew how to do it. But it involves building an investment in the collective goal, and it very much involves creating meaningful incentives. In other words, individuals must have a real stake in the outcome of the change process and the ensuing business processes.

I'm sure you'll note that the need for individual buy-in and a change in collective consciousness makes a cultural migration a very different process from a technology tool deployment. Trying to change culture from the top down is about as likely to work as relying on viral distribution to deploy a new version of your organization's e-mail program.

A culture of sharing and collaboration can be built, and systems to derive value from knowledge can be put in place, without using much modern chip-based technology. But technology tools certainly can help. And tools there are a-plenty:

knowledge bases to store harvested knowledge
communities of practice management systems
expertise locators

and three categories that are of particular importance to us here today:

collaboration tools – groupware like Lotus Notes, virtual meeting rooms like e-Room's offering, lots of collaborative project management systems. If you have a chance, check out the collaboration capabilities of the new Version of Microsoft Office, Office XP, for a glimpse of how important Microsoft thinks workplace collaboration is.

Just-in-Time knowledge delivery – Just-in-time knowledge tools are the completion of the knowledge circle. They're e-learning tools used not for training but for delivering to the employee precisely the organizational knowledge he or she needs when and where it's needed. In this context, learning content is explicit knowledge in tactical nuggets.

And then there are **portals**. From the technology perspective, portals represent KM more than any other tool set, because they integrate knowledge, personalize it for each user, deliver it, and can provide a venue for collaborative work. Second generation portals will support transactions and a deeper level of personalization. Portals are, literally, the portal to e-government.

Here's what Gartner Group analyst French Caldwell, a knowledge management expert, says about e-government:

On the positive side: "E-government promises of operational costs savings, improved service delivery and positive transformations of the government workplaces are real."

On the negative side: "A high rate of e-government project failures in the next several years may be unavoidable."

The bottom line: "-government transformation is manageable."

More than that, though, I would argue – a knowledge transformation is necessary. The Accenture report identified five characteristics of an e-government leader:
- Having vision and also implementation capability
- Taking a citizen-centric approach
- Introducing CRM
- Moving from publishing online to offering interaction and transactions
- Offering a single point of entry – in other words, a portal

I cannot claim for KM that it is likely to be the key driver in creating a citizen-centric approach; that's your job to carry into this process. But for the other four items, a knowledge-centric strategy is essential. It's the only way to keep from re-inventing the wheel.

Let me close by noting that the revolution, the paradigm shift, is in the doing, not the naming. "Knowledge management" is a problematic description to use these days. Why? Because it means many things to many people, and so any discussion must first establish agreement on the meaning of the term. Because the term, which properly describes a business strategy and associated processes, was highjacked several years by those tools vendors, and more recently by Lotus and Microsoft, and we are only slowly winning it back. And because it sounds like an abstraction, or something a consultant would recommend, or like a relative of Business Process Reengineering.

One need not talk of knowledge management to do knowledge management. But to succeed, in business or e-government, one must do knowledge management. One must do it as a strategic undertaking, understanding that it will involve changes in every operational process and, most importantly, a change in the organizational culture. Technology tools are necessary to accomplish this goal today, but deploying them is not by itself accomplishing this goal. The tools are necessary; they are not sufficient.