



## Tickling Knowledge Management's G-Spot



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One of the most frequently asked questions about knowledge management (KM) is the simple yet eloquent "So why do I need it?" For the answer, I increasingly look to the "G" spot, globalisation.

Most economic commentators who look at the impact of globalisation focus their analysis on capital flows. However, globalisation is also remorselessly driving rapid shifts in intellectual property.

One of the most impressive features of The Coca-Cola Company in the mid 1990's was the velocity it was able to move knowledge about its brands, distribution, manufacturing and packaging around the globe. Moreover, the company was able to customise this knowledge for local implementation.

Australian organisations going offshore in search of export markets or simply scale advantages inevitably undergo a stiff learning experience. Competency gaps which can be glossed over domestically are often brutally exposed by international competition.

Knowledge management can play an active role in aligning an organisation's business model with its execution. It can help the organisation focus on high impact knowledge, re-engineer its processes, re-orient its people and free up decision making.

Few vantage points offer a view right across the breadth of a firm as knowledge management. As neither a classical operational unit, nor a traditional shared service team, knowledge management may more readily approach

contentious strategic issues  
dispassionately.

Often, it is knowledge management that finds itself aiding the organisation in transitioning to a business model better able to cope with globalisation's ruthless transparency. For example, in migrating from a transaction dependent revenue base to a relationship based business.

Like globalisation, the massive shift in Australia's economic base from a manufacturing to a service economy experienced in the last few decades of the 20th century will play a major role in determining knowledge management's value.

In an economy dominated by the services sector, KM's two key challenges are:

1. How fast can I learn?
2. How quickly can I apply that knowledge to my market environment?

In this situation, knowledge management may prove to be the "swing" factor that determines an organisation's ability to effectively service its customers or constituents.

Once the first blush of an intellectual property led competitive advantage begins to fade, prosperity potentially hinges on an organisation's ability to unlock the value represented by its people.

Whether it's the next round of productivity gains or a more fundamental approach to capacity utilisation, knowledge management is proving a reliable path in achieving structural change.

This is particularly so as we move away from traditional obsessions with forcing our people to work around technology in favour of building less ambitious technology around our people.

Over its comparatively short development span, knowledge management has all too often given the appearance of an well rehearsed answer in search of a sexy question. So what's changed?

Well, there are still plenty of senior executives happy to pose our opening question. Happily knowledge management is now able to demonstrate a far better

appreciation of the strategic context  
around that question. As in real life, KM  
works better when it invests the time in

preparation before taking aim on the G-  
spot!

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**Footnote:** First published by The Australian Financial Review's *BOSS* magazine on 16 June, 2002.