



# How do I Build a Successful Knowledge Management Business Case for our Organisation's Internal Needs



Knowledge Management Software



## How do I Build a Successful Knowledge Management Business Case for our Organisation's Internal Needs

Successful Knowledge Management projects have typically started off with the business identifying a need to improve a process, activity or interaction in relation to capturing and finding information. Many projects need to have a solid business case that clearly demonstrates the value and / or savings to be made by implementing a Knowledge Management system. This white paper highlights some areas that other clients have examined in order to build their knowledge management business case.



Knowledge Management projects typically involve the capture and management of information, either leveraging existing knowledge or being able to capture tacit knowledge (that resides in people's heads). Knowledge typically needs to be shared and communicated to different divisions within and across an organisation. Most knowledge management projects are trying to ensure that information is provided quickly at the point of need to facilitate, empower and enhance a person's role, using accurate and up to date knowledge. Ultimately employees should be able to find and share information quickly and easily. The first stage of building your knowledge management business case is to clearly define the aim of the project.

Other clients have found it useful to look at each section of the current knowledge management process to identify:

#### Capture:

- How quickly can you capture information that is required?
- How much time is spent formatting documents and information to be presented to the knowledge user in an easy to consume format?

#### Manage:

- If your organisation could manage their information more effectively, what would be the impact?
- How many hours are wasted looking for information that already exists?

#### Communicate:

- How effectively are you communicating key pieces of information and knowledge at the point of need?
- How quickly can you organise your processes and systems to ensure you can find and share information effectively?

#### Share:

- How quickly can you share information, edit and reuse knowledge articles to inform better decision making?
- How do you ensure that your organisation has a continuous cycle of knowledge improvement?

The important elements to consider when creating your own business case for Knowledge Management should be what are the options available to your organisation?



“The first stage is to have a clearly defined project aim.”



## Generating your own Business Case - Where are you and what does the future look like?

It is far better to generate and personalise your own business case based on your organisational needs rather than trying to understand and benchmark yourselves against other companies. Trying to measure yourselves against someone else does not give you the opportunity to truly examine your own constraints and processes and how these can be removed or improved.

Knowledge Management should be thought of as a journey: understand where you currently are (assess, benchmark and understand what your current situation is), then where are you trying to get to (what do you want to achieve and what benefits will they bring the organisation?).

A company's information estate is often more valuable than tangible physical assets and the issue is that they are located somewhere within the organisation - if only they could be found!

Due to the very nature of Knowledge Management, the savings that need to be made for any Knowledge Management Business case should consist of:



- 1. Quantitative savings** such as time saved in hours,
- 2. Metrics** that can or are currently being measured,
- 3. Qualitative savings** - service improvements, satisfaction scores and quality improvements, anything that is subject to people's opinions (staff, clients, stakeholders, customers etc). These can add real value, giving you a true picture and understanding of the overall value derived from your Knowledge Management project.

Some organisations assess the options that they have when looking to implement a Knowledge Management system, these include:

- Build an organisational in-house tool
- Do nothing
- Buy a 3rd party Knowledge Management system

## Build your own

Some companies choose to build their own system as they believe that spreadsheets, sets of Wiki pages, Word and PowerPoint documents sitting on their intranet, webpages, file shares or SharePoint repositories can make up their own knowledge base. This is only a correct assumption if the end knowledge user knows exactly where to look for a particular piece of information at the time that they need it and what terms and tagging have been applied to those documents.

However, as the knowledge sources and knowledge base inevitably grow and evolve (which all good Knowledge Management strategies should encourage), no maintenance takes place across these disparate sources and the company ends up back where they started, wanting and needing to improve the ability for the knowledge consumer to find and share information more effectively.

Oftentimes, when a client does build their own software, that same potential client comes back to the Knowledge Management vendor a few years later after they have tried and tested the build option themselves and failed. They come to the understanding that they need to prepare a comprehensive Knowledge Management business case.

Once again the company embarks upon explaining their issues all over again, that this set of disparate sources are not kept up-to-date, are difficult to maintain and the people are still struggling to find and share information effectively.



“Knowledge Management should be thought of as a journey; understand where you currently are, then where are you trying to get to”



A number of reasons for this include:

1. Finding information has not significantly improved due to the limitations of a keyword based search for each separate repository.
2. Difficult to remember which repository contains what information.
3. User adoption has been low, users fail to use disparate sources of information.
4. Not having a process in place to provide a workflow behind capturing new, or editing existing templated information.
5. Reporting about user behaviour and content usage is not possible.
6. The knowledge base has not evolved effectively as identifying knowledge gaps is difficult.

There is value in buying from Knowledge Management software experts as this allows your organisation to focus on what it's strategic objective is, in line with its own business model and value, rather than the development and build of another in house solution.

This issue is not industry or sector specific either. From large technology companies through to midrange companies, many think it would be cheaper to build their own without considering the ongoing maintenance costs that this will incur. The costs are not limited to the development, testing and maintenance but also the need to retain expertise to support it, which carries a financial cost, this is largely removed by using a specialist knowledge management vendor.



“If a business case had been thoroughly written, it would include the cost of doing nothing.”

## The cost of doing nothing

Organisations often realise that they have an issue with finding and sharing information, so they have asked many of the questions shown on page three of this white paper. However, organisations often fail to identify the cost savings and the real value and opportunities that a Knowledge Management system can bring and therefore they choose to do nothing. If a business case had been thoroughly written, it would include the cost of doing nothing, comparing the cost of keeping things as they are in wasted man time, versus the cost of investment and the added value and benefit of a knowledge management system.

There is a cost to a business for failing to improve and standing still. This is often missed from the business case options since the measurement of time is wrapped up in “the way we do things around here”, rather than taking the approach of what is it costing the business to do nothing?

As a very crude but easy benchmark that could assist in this calculation, you could time workers to understand on average how much time per day does it take to find information and knowledge that already exists?

Is it easier to pick up the phone and ask Sarah or Fred, “do you know what repository to look in?”, “where was it residing?”, “how easy was it to find?” Once found, are they able to easily provide feedback on the document or highlight any issues with quality?

As a guide, a McKinsey Report highlighted that for every 100 employees, 20 of them would be spending every day each month just searching for information and not contributing real value to the business.

What would your team, department or organisation do with the 20% of salary savings?

As a basic measurement, 20% of an organisation wage bill is the cost of standing still and not implementing a successful knowledge management strategy and software product.



“For every 100 employees, 20 of them would be spending all day each month just searching for information”





## Reducing cost throughout the lifespan of the project

With the correct technology accompanying the appropriate processes and organisational culture, a commercial Knowledge Management system provides a quick and easy way to achieve the project goals from the outset and beyond.

Often, in the long term this costs a lot less, particularly when taking into account the cost to do nothing, build costs and the time and effort to maintain a bespoke system.

With no build, testing and system refinement/enhancement costs, the implementation of a 3rd party tool will provide security, a future proofed investment, with the ability to influence future product direction.

And without the overhead of creating and enhancing a knowledge management system.



“With the correct technology accompanying the appropriate processes and organisational culture, a commercial Knowledge Management system provides a quick and easy way to achieve the project goals from the outset and beyond.”

## Universal Knowledge - Knowledge Management system of choice

Universal Knowledge, Knowledge Management software will help your company to find and share information and knowledge more effectively within and across your organisation, in a way that allows you to map your required processes within the tool, rather than being constrained by the functionality provided.

Therefore, it is important to recognise the value of having a Knowledge Management system which can be configured to your needs.

Content is always the primary starting point when looking to understand what knowledge you want to bring into the knowledge base. For this reason KPS provide a workshop to ensure that all key stakeholders are provided with the opportunity to learn about best practise content structures. Many options are available for different content types with a flexible and personalised Knowledge Management workshop.

KPS offers more than its software product Universal Knowledge; KPS consultants share expertise which has been gained, across a range of industries. With a range of successful implantations over the last decade, best practise is highlighted and shared in a way that best fits with your individual organisational goals and strategies.

Universal Knowledge will also assist you to streamline and reduce your operational costs, drive up productivity and enhance your customer service offering (regardless of whether this is referring to internal or external customers). However, any Knowledge Management project should ensure that the continual improvement cycle is taken into account. After all, any knowledge project should be seen as the same as the lungs in your body - breathing in the good stuff and exhaling the bad.



“Universal Knowledge will also assist you to streamline and reduce your operational costs, drive up productivity and enhance your customer service offering”





## Practical Support and Help to build your Knowledge Management business case

Within any Knowledge Management project there are a range of components that you will need to take into consideration. Before we consider these elements, identifying the aim of the project is the first and most important, not only for buy-in from key Stakeholders but also to the end users of the Knowledge Management software;

- **Project Aims**

### **What is your Knowledge Management project trying to achieve?**

Whilst this may change as you learn about Knowledge Management benefits and as you seek additional stakeholder engagement, you will need to have a clear aim or vision of what your project is trying to achieve so this can be clearly articulated to each stakeholder.

First of all, think about:

- How do your knowledge assets currently fail the business?
- What information issues are you are struggling with?
- Why is it difficult to find information at the point of need?
- Can you search using your own words?
- Where is your information stored?
- What content and repositories make up your information estate?
- Are your existing documents automatically tagged?
- Does your information estate evolve through usage?
- Is machine learning taking place across your information estate to promote documents used?

It would also be good to understand:

- What metrics do you need to prove your ROI – brainstorming with key stakeholders can gain some different perspectives from various business units and key knowledge consumers.
- What metrics do you currently measure or would like to measure?

- **Seeking Buy-in**

**Requirements Gathering & Stakeholder expectations**

We have touched upon these aspects earlier. Bringing in key stakeholders to gather requirements helps to enhance buy-in of the project further downstream. Caution should be applied though as this does need to be handled carefully. It is great if all stakeholders can provide input on how a Knowledge Management system will help them, however just because a feature is requested, this needs to be balanced with the value that will be derived from that element. Hence the need for strong project leadership.

- **Strong Leadership**

Any Knowledge Management project needs to have strong leadership - decisions that can be made quickly, with an overall understanding of the impact of why decisions have been made to either leave document sets in a certain repository, or if a migration exercise needs to take place. Without strong leadership and a strong communication plan, projects will fail. If not managed effectively scope creep can also be an issue. The nature of knowledge management projects means that key stakeholders should be involved, however projects should be managed and the key aims and objectives should be clearly communicated, regardless of when stakeholders join the team.



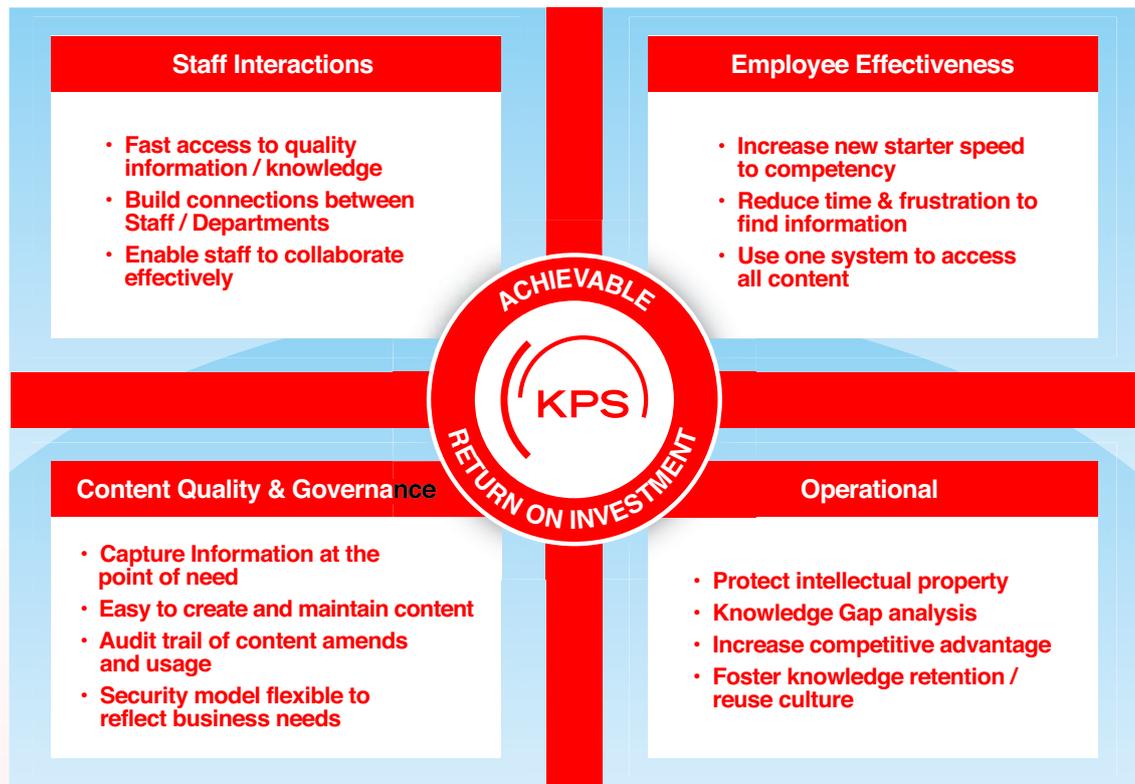


• **Value Creation**

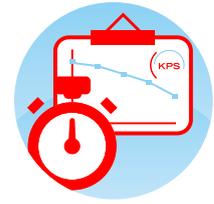
**Understanding the Value that your Knowledge Management software will deliver**

A matrix often helps to establish where the savings and service improvements within your organisation will be gained; for an internal Business Case the following Knowledge Management Value Quadrant helps to split out the benefits across two key areas the employee and organisation, split into four sections; Staff interactions and Employee Effectiveness. Organisational Benefits include; Content Quality and Governance and Operational.

**The Knowledge Management Value Quadrant benefiting the Employee and Organisation**



For traditional areas of customer service interactions where Knowledge Management practises are more established, key metrics such as Average Handling time (AHT), Reduction in Call Escalations and First Call fix rates would also be included in the knowledge value quadrant.



Another white paper is available for organisations that focus their knowledge management strategy more heavily on their customer service activity, contact KPS (Knowledge Powered Solutions) for more details.

## Successful Business Case Lessons

Ensure that the Knowledge Management Software is targeting an area that is able to demonstrate quick successes - from employee effectiveness improvements through to quality and governance measures to an internal department, saving significant time and resource by using one knowledge base.

Searching different repositories would be dramatically reduced by using Universal Knowledge.

Once successful, a roll out strategy for each department's usage has usually been defined during the knowledge management workshop.

Highlight any positive metrics gained, post implementation, to feed back to the business the benefits that the new knowledge management software is having on the business.



“With Universal Knowledge I don't need to know what repository to look in, I can access all knowledge from one knowledge portal”



## Summary

- Understand your own organisational strategy and how your knowledge management project will help you to achieve those.
- Clearly identify aims and objectives.
- Have strong project leadership.
- Understand and define the value that your knowledge management strategy and implementation of Universal Knowledge will bring to employees and the organisation.
- Have a clear idea of what you want the knowledge base to achieve and how Universal Knowledge will help you to save time, improve staff and employee engagement and Interactions.
- Map your knowledge management goals to your company strategy.
- Ensure content quality and governance is created and maintained, whilst simultaneously lowering your department's operational risks and costs.
- Gain stakeholder buy-in.
- Report back to the business on savings made.
- Feedback and lessons learnt.



“Ensure content quality and governance is created and maintained, whilst simultaneously lowering your department's operational risks and costs.”

## Further information

For more details on how to develop your business case, and to ensure you can present key metrics back to the business contact KPS today:

Telephone **+44 (0) 870 160 1993**

International telephone **1-855-361-8713**

or by visiting our website **[www.kpsol.com](http://www.kpsol.com)**



“Understand your own organisational strategy and how your knowledge management project will help you to achieve those.”



Knowledge Powered Solutions (KPS) offers knowledge management software (Universal Knowledge) that helps organisations deliver operational efficiencies and at the same time improve customer services by providing immediate access to information at the point of need. Benefits include significant increases in productivity, reduction in operational costs, reduced training times and increased speed to competency for agents. Customers and stakeholders receive consistent answers to their queries and issues for improved service quality.

Universal Knowledge is being used as a business critical tool within help/service desks, call/contact centers, web self-service and shared service operations around the world (UK, USA, Canada, Australia and Middle East). It is empowering agents to deal with a wider number of queries and enabling end users to self-serve 24 x 7.

Universal Knowledge enables organisations to capture and share their knowledge and expertise through a simple, easy to use end user interface.

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