

# The KMAT: benchmarking knowledge management

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## **THE KMAT : BENCHMARKING KNOWLEDGE MANAGEMENT**

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Knowledge management is a discipline that promotes an integrated approach to identifying, managing and sharing an organisation's information assets, including databases, policies and procedures as well as unarticulated expertise and experience resident in individual workers<sup>5</sup>. The term knowledge management is used in the corporate world to differentiate between management of content (knowledge management), management of records (records management) and management of information technology and systems (referred to, incorrectly, as information management)<sup>9</sup>.

Consulting firms make money by consulting on knowledge management. However, they also save their clients money and time by helping them to share knowledge effectively, so that the work they do in different divisions, branches or countries, doesn't have to be redone by others.

The knowledge management trend seems to be catching up with its terminology, as we no longer manage only information, but also knowledge. In the corporate world, employees are sharing their thoughts in discussion databases using Intranets or groupware packages, with the Knowledge Manager acting as a facilitator. Project experiences are captured in databases that are accessible to consultants world-wide. The lessons learned on these projects can help others when they implement similar projects. Databases with employee profiles help consultants to draw on the know-how and skills of others around the organisation. This, we believe, is managing knowledge in the true sense.

In this paper, we will make reference to the latest terminology, namely the term knowledge management for information management, knowledge services for library and information services, knowledge centres for libraries, archives and other information centres and knowledge workers for librarians, archivists or other information workers.

According to Thomas Davenport, Director of the Information Systems Management Program, University of Texas at Austin, "Technology, by itself, isn't going to revolutionize knowledge management. The question is 'Does the organization share knowledge well?'"<sup>7</sup>.

How can educational institutions measure how well they share and manage knowledge? Arthur Andersen's "KMAT" (Knowledge Management Assessment Tool) is a *benchmarking* tool that can direct institutions toward areas that require more attention and identify knowledge management practices in which they excel.

Benchmarking implies the setting of goals by using objective, external standards and learning from others – learning how much and how <sup>2</sup>. A knowledge centre can use benchmarking to measure and compare their processes with those in other knowledge centres. The knowledge centre's performance can be increased by adopting the best practices of the knowledge centre's benchmarking partners <sup>8</sup>.

According to the "Software report", published in April 1998 by Interactive Information Services, finance, information technology and marketing departments in many organisations are fighting each other for responsibility to manage the company's information <sup>10</sup>. One would assume that those same organisations would have decided by now whose responsibility it is to look after their information needs. Surely, this should be the task of neither finance, information technology nor marketing departments, but of knowledge workers. Knowledge workers are also ideally equipped to benchmark knowledge management within the institution.

The measurement of specific operational procedures and personnel within knowledge services, divisions or departments is a way of obtaining feedback. Knowledge services need to determine their effectiveness in order to obtain financial assistance needed for their services, as the authorities that provide funding need to be convinced of their effectiveness and the appropriateness of their objectives <sup>11</sup>.

The benefits of benchmarking to the knowledge worker are that management can be shown the value of the knowledge management function in numerical terms. It shows that the knowledge worker is proactive and devoted to *total quality*. Benchmarking can help to set realistic, quantifiable goals based on superior knowledge service practices. The results from the study can be used to prevent a budget cut or knowledge service outsourcing. Benchmarking can help to increase the knowledge service's performance and improve its work processes. Benchmarking can result in a reduction of costs, improved customer service and increased system efficiencies. These improvements can help the knowledge service to attract new customers while retaining old ones and can enhance the reputation of the knowledge worker <sup>8</sup>.

There are different methods of benchmarking available to knowledge workers. We will discuss some of these below.

Competitive benchmarking entails measuring your functions, processes, activities, products or services against those of your competitors and improving yours so that they are better than those of your competitors. Competitive benchmarking is the most difficult form of benchmarking, as target companies are usually not interested in helping the benchmarking team <sup>2</sup>.

In cooperative benchmarking, an organisation that desires to improve a particular activity through benchmarking, contacts best-in-class firms who are usually not direct competitors of the benchmarking company, and asks them if they will be willing to share knowledge with the benchmarking team <sup>2</sup>.

In collaborative benchmarking a group of firms share knowledge about a particular activity, all hoping to improve based upon what they learn. A third party often serves as coordinator, collector and distributor of data <sup>2</sup>.

Internal benchmarking is a form of collaborative benchmarking that many large organisations use to identify best in-house practices and disseminate the knowledge about those practices to other groups in the organisation <sup>2</sup>.

The Knowledge Management Assessment Tool (KMAT) is a collaborative benchmarking tool, designed to help organisations make an initial high-level assessment of how well they manage know-ledge. The intention of the KMAT is not to do competitive or cooperative benchmarking, but to do collaborative or internal benchmarking.

Completing the KMAT can direct organisations toward areas that require more attention, as well as identify knowledge management practices in which they excel.

Three types of comparison reports can be generated using the KMAT. External benchmarking compares an organisation with the overall (multi-industry) KMAT database or a smaller customised group. Internal benchmarking compares an individual or division within an organisation with a group of their peers who have also responded to the KMAT. Average benchmarking compares the average of a group or individuals within an organisation with the overall KMAT database, or a smaller customised group (combines internal and external comparisons).

Ratings include performance and importance ratings. The results are interpreted according to a matrix with four quadrants indicating start, stop, improve and continue and prioritise and select.

The KMAT, which is based on an organisational knowledge management model, proposes ways that four enablers (leadership, culture, technology and measurement) can be used to foster the development of organisational knowledge through the knowledge management process. The model places all of the major knowledge management activities and enablers together in a dynamic system <sup>6</sup>.

Each of the five sections of the tool - leadership, culture, technology, measurement and process – encompasses a set of knowledge management practices. Educational institutions can have their performance rated and benchmarked with those of other institutions for each of 24 practices <sup>6</sup>.

Leadership practices encompass broad issues of strategy and how the organisation defines its business and uses its knowledge assets to reinforce its core competencies <sup>7</sup>. Knowledge management needs to be hooked directly into the way the organisation is managed <sup>4</sup>.

### **Arthur Andersen 1885 - 1947**

Our leaders have identified that the knowledge or know-how of our consultants is the product we sell. Similarly, technological universities sell the knowledge or know-how of their employees, rather than degree certificates.

Technology practices focus on how the organisation equips its members to communicate easily with one another, as well as the systems it uses to collect, store and disseminate information <sup>7</sup>.

The danger lies in over-investing or under-investing in technology. By over-investing one places technology ahead of the ability or the desire of people to use it, where the investment only acts as a balance sheet drag and becomes obsolete. There is no question that technology can assist knowledge management and one should guard against under-investing or waiting too long, because nay-sayers might fear that a new technology will come along tomorrow <sup>4</sup>.

At Arthur Andersen, there is a strong commitment to technology. Our virtual communities communicate via groupware. We have also developed an extensive Intranet called the KnowledgeSpace. We have spent a quarter billion American dollars on information technology within one year. 65% of our capital is invested in information technology, leaving 35% for other capital expenses.

Culture practices reflect how the organisation views and facilitates both learning and innovation, including how it encourages employees to build the organisational knowledge base in ways that enhance value for the customer <sup>7</sup>.

In some organisations, knowledge is not shared, because rewards, recognition and promotion go to those with knowledge, not those who share knowledge <sup>4</sup>. At Arthur Andersen, knowledge sharing is part of the performance review criteria and employees are rewarded according to the quality and quantity of information they've fed back into the knowledge management system.

At some organisations, employees are not in the habit of sharing, as they don't realise that what they have learned may be valuable to others in the organisation. Often, they don't know how to share knowledge or who to share it with <sup>4</sup>. At Arthur Andersen, a lot of electronic correspondence and discussion takes place and reports are generated and distributed electronically, via user-friendly technology, saving consultants time and effort. With the help of the knowledge coordinator, they soon learn how to source the information they need and how to contribute relevant information.

Measurement practices include not only how the organisation quantifies its knowledge capital, but also how resources are allocated to fuel its growth <sup>7</sup>. Knowledge is very hard to measure, due to its intangibility. GAAP accounting principles do not recognise it as an asset unless an organisation purchases it. Organisations view knowledge as one of their most important assets, but on their balance sheets it is usually expensed, not capitalised <sup>4</sup>.

Arthur Andersen has done a lot of research into knowledge measurement. We have developed tools such as the KMAT and the "Organisational learning inventory", and conducted surveys, such as the "Knowledge measurement survey". The European survey on knowledge measurement attitudes and practices was published recently, while the survey is currently being distributed in the United States and Canada. We plan to distribute it in Asia in the near future.

The knowledge management process embraces the action steps the company uses to identify the information it needs and the manner in which it collects, adapts and transfers that information across the organisation <sup>7</sup>.

Competency centres are at the heart of the knowledge management process at Arthur Andersen. These are virtual groups of consultants who share an interest in a specific industry, business process or competency, with a knowledge manager as facilitator and contact for any information needs that are relevant to the competency centre.

The Arthur Andersen Knowledge Management Model is very relevant to this IATUL Conference, “The Challenge to be relevant in the 21st Century”, as the sub-themes of the four days link up with the four enablers in the knowledge management model.

**Day 1:** Linking up with megatrends: to measure whether the leaders of the institution are aware of the changes that surround them and whether they are developing their plans for the future with them in mind, institutions can use the *leadership* measures in the KMAT.

**Day 2:** Riding the technology wave: to measure how well institutions are riding the technology wave, they can use the *technology* measures in the KMAT.

**Day 3:** Doing more with less: to measure how well institutions are reinventing themselves by collaborating and sharing knowledge, they can use the *culture* measures in the KMAT.

**Day 4:** How to remain relevant and stay in business: to measure how well institutions are placing their efforts in the right context and checking their results against the expectations and real needs of their clients, they can use the *measurement* measures in the KMAT.

Finally, we can assess the advantages of using the KMAT by focusing on its cost, the time that will have to be spent on the study and the quality of the results.

Technological university libraries have limited resources available for measurement surveys and benchmarking studies.

“Sorry, sir, our book has just been taken out” <sup>3</sup>

The KMAT is available free of charge from any of the 361 offices of Arthur Andersen in 76 countries. The processing costs \$250-00.

Technological university library staff may not have time to design and distribute questionnaires, process the results and maintain benchmarking databases.

The KMAT questionnaires are ready to use. The questionnaire should take about an hour to complete. After submitting your completed KMAT to Arthur Andersen, you will receive a Benchmark Results Report depicting your scores compared with those of the benchmark group(s) you have selected. Your full colour report will be mailed to you within seven working days of our receiving your results <sup>6</sup>.

The KMAT was developed jointly by Arthur Andersen and the American Productivity and Quality Center. The database currently contains data from more than 140 companies, ensuring benchmarking of the highest quality.

I look forward to your participation in our study.

### **Acronyms**

**IATUL** - International Association of Technological University Libraries

**KMAT** - Knowledge Management Assessment Tool

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