

# Do you know how to manage know how?



THE KNOW HOW TO POWER KNOW HOW

David Griffiths, PhD Founder K3-Cubed Ltd

# In the beginning Knowledge Management was created.

This has made a lot of people VERY ANGRY,

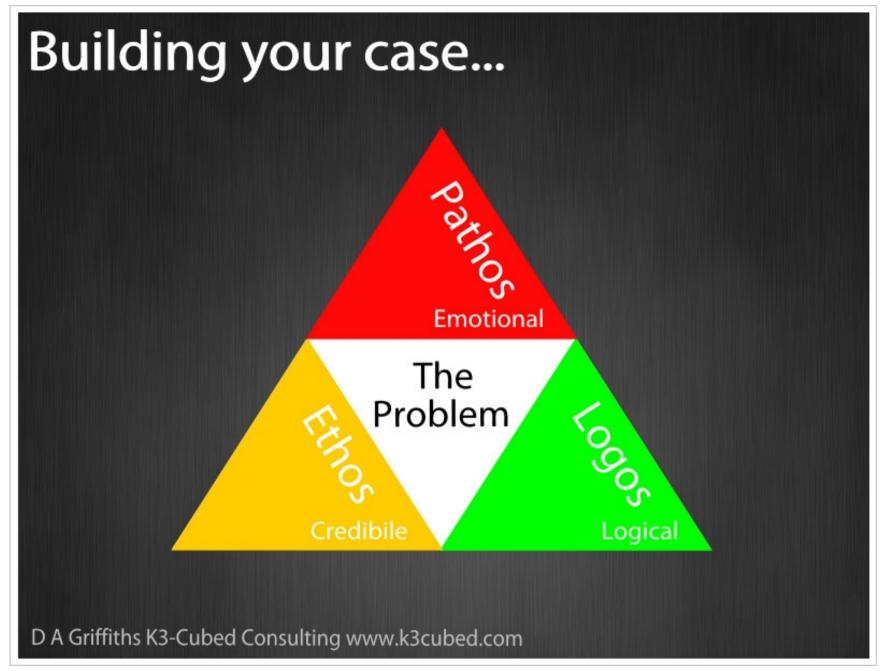
and has been widely regarded

as

### a bad move

Douglas Adams, sort of (The Hitchhikers Guide to the Galaxy)







# Service Provider Tools-centric (separation) traditionalists Solutions Provider Capability-centric adventurists





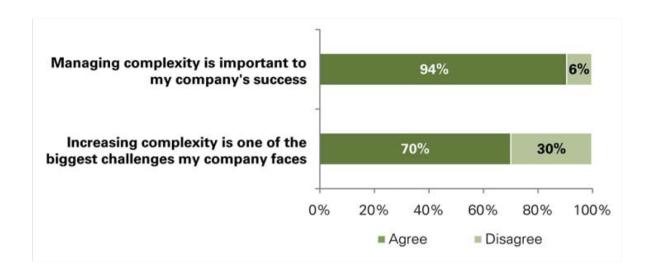


	Agree	Disagree
We believe substantial opportunities exist to improve both sustainability and profitability	81%	5%
Our ability to adapt to change is a significant competitive advantage	75%	10%
Innovation is more important than cost reduction for long-term success	74%	10%
Preferences of younger generations are forcing us to change our culture and processes	69%	12%
We are very good at innovation	68%	14%
Customers are less loyal to brands than they used to be	67%	17%
Over the next three years, our spending on IT must increase as a percent of sales	65%	13%
Our management actions favor long-term results over short-term earnings	64%	19%
Excessive complexity is raising our costs and hindering our growth	63%	17%
Increased price transparency has had a major impact on our pricing strategy	61%	12%
We will pursue sustainability initiatives even if they increase our costs	60%	17%
Healthcare costs will significantly impact our number of full-time employees over the next five years	57%	19%
Over the next three years, we will focus more on revenue growth than cost reduction	57%	21%
It feels like economic conditions are improving in our industry	57%	21%
Social media has improved our relationships with customers	56%	17%
I am very concerned about how we will meet earnings targets in 2013	55%	24%
Our top management is comfortable taking greater risks for higher returns	53%	24%
I am very concerned about the impact a cyber attack could have on our business	50%	26%
Insufficient consumer insight is hurting our performance	50%	24%
Our current information systems are constraining profitable growth	49%	27%

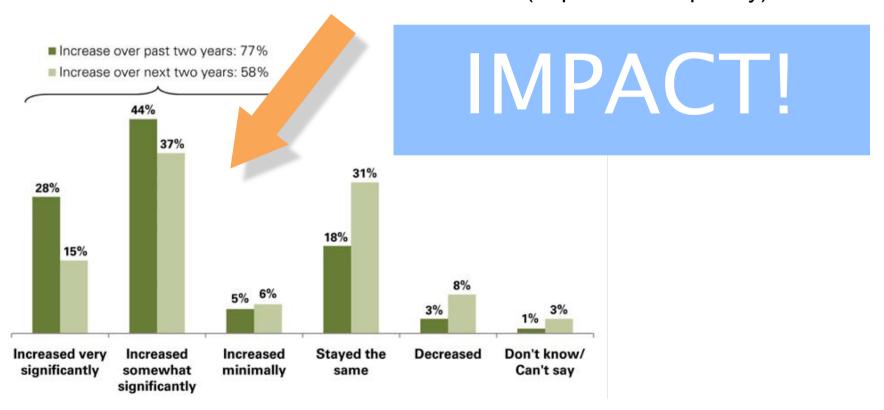
Source: Bain & Company's Management Tools & Trends survey, 2013

## © Bain & Assoc 2013 Management Tools & Trends (n=1200+ Global CEOs)





#### © KPMG (Impact of complexity)





#### Complexity can create new opportunities

#### **Opportunities created by complexity**





#### Actions companies will take to address complexity over the next two years



<sup>\*</sup> Due to rounding, graphs may not add up to 100%

© KPMG (Impact of complexity)



## GDP

# HOUSTON

Integrated Reporting

Eco Finance

Sensing complexity:
Variety
Connectedness
Interdependence
Ambiguity
Flux



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Figure 1: The Guiding Principles and Content Elements.

(www.iirc.org - The International Integrated Reporting Council, 2013)



## IR Probability? HIGH















IR IMPACT? HIGH



Considering our past financial results and our financial outlook alone does not adequately capture our ability to respond to today's challenges or how we create value. Instead, our future success hinges on how well we holistically navigate the social, environmental, and economic contexts in which we operate.

SAP, IR 2012



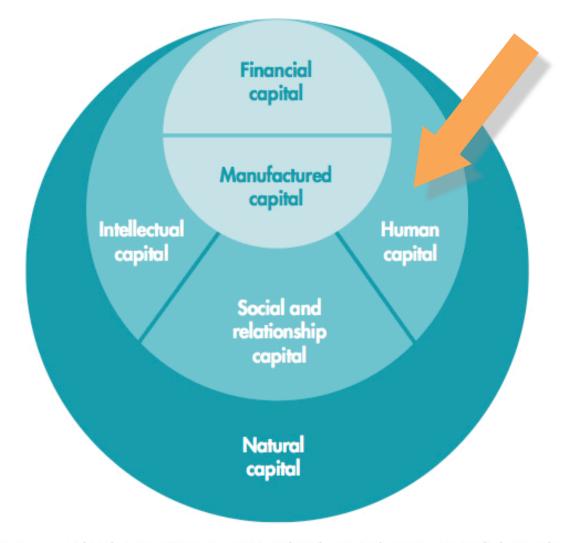


Figure 4<sup>3</sup>: This diagram is one way to visualize the capitals; it is not intended to imply a hierarchy that must be used for <IR>. While financial and manufactured capitals are commonly reported on by organizations, <IR> takes a broader view by also considering intellectual, social and relationship, and human capitals, all of which are linked to human activity. <IR> also captures natural capital, which provides the environment in which all the other capitals sit.



Intellectual capital: Organizational, knowledge-based intangibles, including:

\_

"organizational capital" such as tacit knowledge, systems, procedures and protocols

)

Human capital: People's competencies, capabilities and experience, and their motivations to innovate, including their:

\_

alignment with and support for an organization's governance framework, risk management approach, and ethical values

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ability to understand, develop and implement an organization's strategy

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loyalties and motivations for improving processes, goods and services, including their ability to lead, manage and collaborate

(www.iirc.org - The International Integrated Reporting Council, 2013)



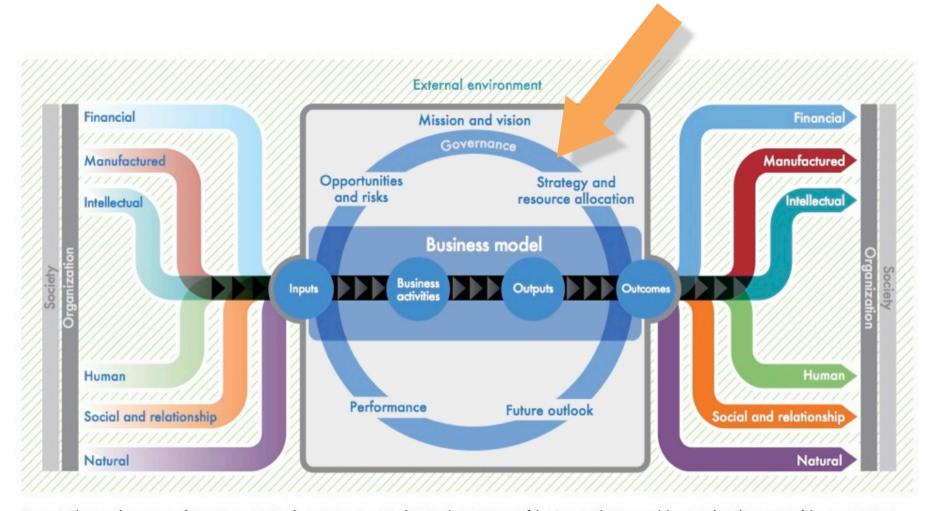


Figure 3: The complete picture of an organization's value creation process, showing the interaction of the Content Elements and the capitals in the context of the organization's external environment.

(www.iirc.org - The International Integrated Reporting Council, 2013)





Many "knowledge" and "organizational" intangibles are not captured on the balance sheet but may be vital to a robust business model. It is important to explain their capacity to create value.

•

Employees, a key element of human capital, can be an organization's greatest asset, but disclosures often overlook their contribution to long term success.



Many business models require not only a dedicated and committed workforce but also one with specialized knowledge or skills. The importance of human capital may be reflected in a discussion of the morale, motivation and diversity of employees and how key skills are maintained, such as through training and development programmes

(<u>www.iirc.org</u> - The International Integrated Reporting Council, 2013)



Complexity involves variety or diversity

Variety or diversity brings about problems

**Problems require problem solvers (talent!)** 

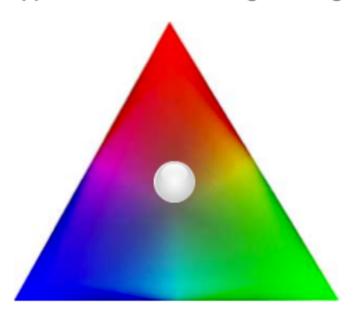
Problem solvers need to be able to swarm... they need to be connected

"Variety requires variety, but no more than is necessary to sync the firm with the external environment"



### How would others describe your ability to share knowledge?

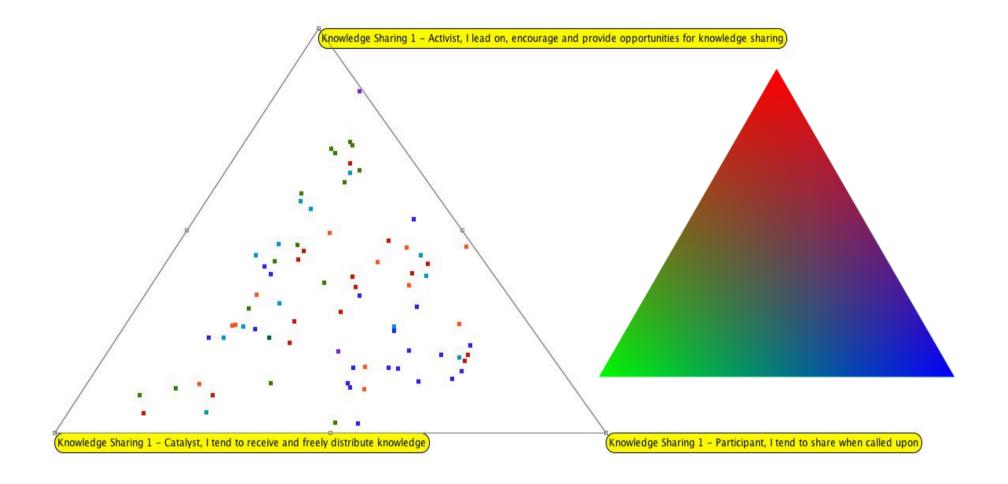
Activist, I lead on, encourage and provide opportunities for knowledge sharing



Catalyst, I tend to receive and freely distribute knowledge Participant, I tend to share when called upon

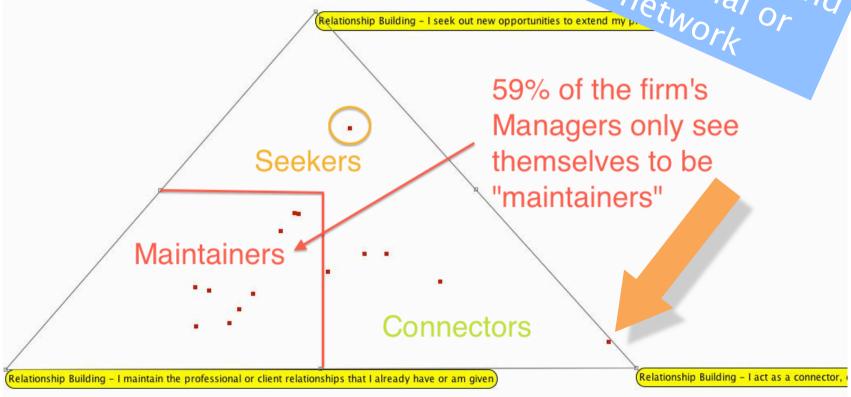
N/A





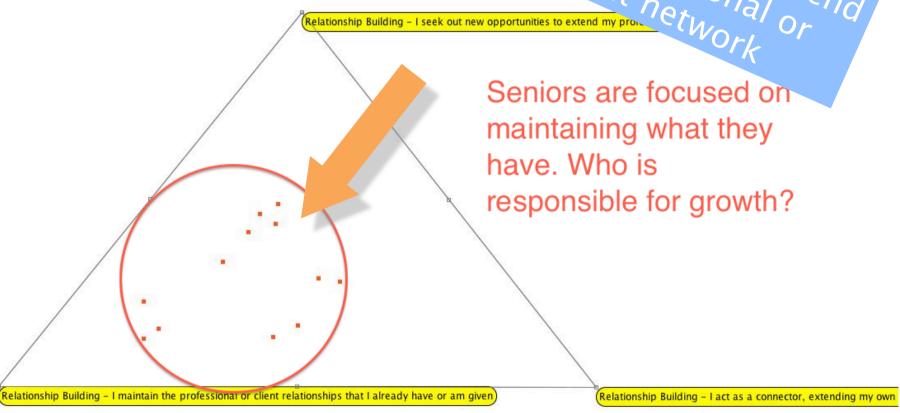






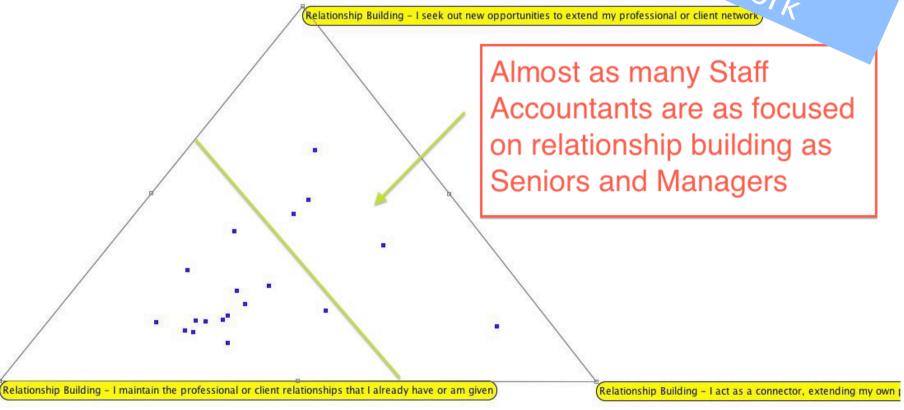
























#### A STORYTELLER'S GUIDE TO KNOWLEDGE

Occurrence Level 4: "[Link to] Level 1: "Recall conducting a project, elements and Sensing: Arrange/ [solving] a problem, details of story Responding: pesign/ Calculate/Define/Draw/ designing an Connect/Synthesise/Apply structure, such Identify/Illustrate/Label/List/ concepts/Critique/Analyse/ Match/Measure/memorise/ experiment, as sequence of Create/Prove Name/Quote/Recall/Recite/ analysing data and events. Recognise/Repeat/Report/ reporting results/ [rationale and State/Tabulate/Tell/Use/Who, what, when, why, where/ solutions... [Put context]... Synthesis/Evaluation Artefacts forward) a model to [Describe the Active Experimentation Knowledge/ inform and solve a factors of a (try what you have Comprehension practical or abstract given time and learned) situation" (Webb et Concrete Experience place]" (Webb et **Extended Thinking** al. 2005) al. 2005) Recall (Level 1) (Level 4) Depth Balance Analysis Level 2: Application Abstract "Identify and Reflective Observation Level 3: "Support Conceptualisation summarise the ideas with details (learn from experience) Skill/Concept Probing: Infer/ [critical] events Reflecting: Revise/ and examples... Strategic Thinking Categorise/Collect and display/ Develop a logical argument/ (Level 2) in a narrative... apply concepts in Identify patterns/Organise/ Assess/Apprise/Use of (Level 3) organise, other contexts" Construct/Modify/Predict/ concepts to solve non-routine represent and Interpret/Distinguish/Use problems/Construct/Critique/ (Webb et al. 2005) context cues/Make Explain phenomena in terms of interpret data observations/Summarise/ concepts/Compare/Formulate/ fand Show/Graph/Classify/ Draw conclusions/Investigate/ Separate/Cause & effect/ information]" Hypothesise/Cite evidence/ Estimate/Compare/Relate/ Differentiate/Expertise/ (Webb et al. How/Heuristics/Natural 2005) talent/Experience/Feel Range

K3-Cubed: Webb et al. (Depth of Knowledge levels): Kolb: Snowden (ASHEN): Bloom's Taxonomy (1956)

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# Can you afford to not "think different"?

