

# eVALUatiOn Matters

A Quarterly Knowledge Publication of the Operations Evaluation Department  
of the African Development Bank Group

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NEA ONNIM NO SUA A, OHU

**"He who does not know can know from learning"**

*Symbol of knowledge, life-long education and continued quest for knowledge*

*Source: Cloth As Metaphor by G.F. Kojo Arthur*

*Adinkra Symbols of West Africa (<http://www.adinkra.org/htmls/adinkra/neo.htm>)*

**Annual Meetings Edition**  
**May 2013**



AFRICAN DEVELOPMENT BANK GROUP

# The Knowledge Management Issue

## A QUARTERLY KNOWLEDGE PUBLICATION OF THE AFRICAN DEVELOPMENT BANK

May 2013

### The Knowledge Management Issue

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independent and instrumental  
evaluations and partnerships for  
sharing knowledge

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# Welcome to this Special Edition of eVALUation Matters!!

## Why Knowledge Management?

**“KNOWLEDGE MANAGEMENT FOR Development Effectiveness”** was one of the key sessions of the AfDB 2012 Evaluation week (December 3-6, 2012). The discussion focused on the types of knowledge that development institutions should leverage, why, and how.

Vincenzo Zezza (AfDB Executive Director), the session chair, and panelists (Frannie Leautier, ACBF; Mukesh Chawla, World Bank; and Temi Abimbola, AfDB) shared rich insights from their experience in the field. They all agreed that the major shifts taking place in Africa require speedier actions in providing development solutions. Consequently, multilateral and bilateral institutions have to adapt in light of the speed of change and cycles of change, to remain effective (Frannie Leautier). More effective knowledge management can help these institutions meet this challenge. This special edition provides space for contributors to pursue the conversation started during Evaluation Week.

The backdrop to the conversation is the same as it was during Evaluation Week: with respect to knowledge management, development institutions face challenges that are similar to those of other organizations: lack of common understanding of the meaning of knowledge management; difficulty getting full management support and staff buy-in; and budget constraints. However, they also grapple with constraints stemming from the fact that development interventions often involve several partners who have



to work together and share knowledge across different contexts, cultures, and realities. This is further compounded by a development environment that is complex and changes constantly on the social, economic and political fronts.

This changing context is aptly described in Frannie Leautier's article "Knowledge and Development: The Role of Monitoring and Evaluation", in which she describes the major shifts taking place in Africa and how these shifts are putting a premium on



learning from evaluation. These “Key shifts involve the changing role of the average citizen, political leaders, and the media in the governance of learning and knowledge exchange. To remain effective, multilateral and bilateral institutions have to adapt, especially in light of the speed and cycles of change, to do as they learn and decide as they assess.”

Knowledge management is not a new thing in development institutions. In fact, in this issue, we get an inside look at knowledge management in action at the African Development Bank, the Asian Development Bank, and the African Capacity Building Foundation. But, Rakesh Nangia, Director of the Operations Evaluation Department at the AfDB

asks in “Knowledge Management at the AfDB: “Are we there yet?” This collection of articles provides suggestions on how to “get there”.

We have expanded the conversation to include development and knowledge management practitioners from academia, other organizations, and the private sector.

Carla O’Dell, co-author of *If Only We Knew What We Know: The Transfer of Internal Knowledge and Best Practice* (The Free Press 1998); and author of the *New Edge in Knowledge* (Wiley 2011) provides useful guidelines on how to “get there” in “Knowledge Management Lessons Learned” and “Developing a Knowledge Strategy that Senior Leaders can get Behind.”

Chris Collison, co-author of *Learning to Fly. Practical Knowledge Management from Leading and Learning Organizations*. (Wiley 2001) writes in “Where Evaluation and Knowledge Management meet, Marketplaces, Rivers and Staircases!” that “A successful knowledge marketplace also requires a supply—sources of knowledge, packaged in a meaningful and accessible way. Perhaps more importantly, the marketplace also requires a demand for that knowledge”. In “Can you tell what it is yet,” Chris writes: “You know knowledge is being effectively managed when...”

So, on knowledge management: Are we there yet? Can we tell what it is yet?

Felicia Awuontom

“Knowledge management is not a new thing in development institutions. ... But, Rakesh Nangia, Director of the Operations Evaluation Department at the AfDB asks in “Knowledge Management at the AfDB: “Are we there yet?”



# Knowledge Management at the AfDB: Are we There Yet?

## The Journey

**ARE WE THERE** yet? Parents of young children heading off on a much—anticipated vacation expect this dreaded question and usually have a standard response. However, the discerning reader of this publication will immediately realize that this is a trick question. We will never get “there”, for once we believe we are “there” we have confirmed the end of learning. “The quest for knowledge is constant and the journey is the destination”.

As with all long-distance journeys, a pause in this journey is also important. A time to reflect and understand the overall direction. What constitutes knowledge Management (KM)? How do certain institutions excel while others struggle? Is it the nature of the business that demands KM (necessity being the mother of invention) or are there other cultural and social factors in play? What types of institutions need to be knowledge institutions? And what are prudent

### *On Becoming a Knowledge Institution*

The concept of KM seems to be a warm, fuzzy, intangible—yet it is very real when it comes to making a difference be it in the corporate or the development



*Rakesh Nangia, Director, Operations  
Evaluation Department, AfDB*

steps they should take to get “there”? While these are some of the questions this issue of eVALUAtiOn Matters seeks to dig deeper into, this article aims to focus on our institution—the African Development Bank Group and humbly suggest some thoughts that could help it define its own KM strategy and direction.

world. But what exactly are knowledge institutions? Don’t all organizations have to be knowledge institutions at some level? Is this a recent phenomenon or

*From experience to knowledge ...  
From knowledge to action  
From action to impact*



merely old wine in new bottles? As we mull over the concept of knowledge institutions, several prominent consulting firms immediately spring to mind. A further reflection brings to mind well-known think tanks and academic institutions. Digging deeper brings out some corporate firms in a range of sectors best known for innovative products. However, Multilateral Development Banks (MDBs) don't exactly come to the tip of the tongue when we think of knowledge institutions. Yet, MDBs have been making serious efforts in this area. Although some have been at it for almost two decades and even created new organizational structures to aid this effort, progress has been slow and halting.

Before considering why progress is slow and how it can be accelerated, let's begin with a very simplified model for managing knowledge. While knowledge will always be explicit or tacit, and audience types and pedagogical models vary, a simplified KM system should have three basic characteristics: (i) Creation; (ii) Dissemination; and (iii) Utilization of knowledge. MDBs typically do very well on the first category- the knowledge created is mostly experiential and much less new research-oriented. Given the large number

### *Our Crystal Ball*

As an old saying goes, "Never predict, especially the future". However, educated guesses are critical to the success of any business. Thus, as we look into our crystal ball, a few things become clearer. Africa is one of the fastest growing regions in the world, and many signs point to a continuing and even accelerating trend, with the speed of growth in Africa overtaking that of Asia. Africa is known for its wealth of natural resources and additional new discoveries of oil and gas should not come as a surprise. All demographic models point to Africa remaining the youngest continent for several decades; population

of initiatives and opportunities in a sizable development "playground", this is not a surprise. However, the dissemination of this valuable knowledge and consequently its utilization to improve development outcomes is poor at best. While poor dissemination models that do not necessarily consider adult learning modes or the audience needs are partly to blame, lack of selectivity and focus are also part of the problem. Although selectivity is a constant mantra at MDBs, tough choices are rarely made. MDBs tend to take on far more issues than they need to (no one else can or will do it) and then suffer from "mission creep", unfounded mandates and, of course, a lack of focus. The familiar "jack of all trades" metaphor comes to mind.

Thus, as we go forward with the African Development Bank Group and its desire to emerge as a leading KM institution, keeping these lessons in mind, as well as delving deeper into some of the successful institutions, including their organizational structure, culture and other attributes will be important. Having discussed the importance of staying focused, this article will practice it and focus on selectivity and present some ideas for consideration.

growth is expected to level off as child and maternal mortality trends continue to decline. On the flip side of the coin, despite significant gains, Africa hosts 19 countries classified as "fragile states"—the most in the world. The situation is expected to remain unpredictable—who would have expected the recent upheaval in Mali? The promise of further economic growth associated with a youthful population can also turn into broken dreams, fuelling frustration and political instability if the youth fail to access decent employment. Although regional trade has improved, Africa remains the least integrated continent. This should



change, but constraints, including both hard and soft infrastructure, tend to make it difficult.

This is an interesting crystal ball. The Bank needs to cover so many diverse aspects to help its Regional Member Countries. Expertise on trade agreements and regional integration, framework for creating jobs, addressing gender inequalities, the broad infrastructure needs and thus the knowledge of developing

## *Making Tough Choices*

Given our crystal ball, this could cover a wide range of subjects. However, I would argue that it is best for the Bank to target three key areas and build a team of experts as its core. Gaining momentum for these core teams through global recognition would be a first step. The choice of the three key areas should be guided by at least two principles: needs of the clients and the Bank's comparative advantage. Neither are static, and this only implies focused and quick action. The three areas suggested are: (i) Fragile States; (ii) regional Integration; and (iii) managing natural resources.

**Fragile States:** Despite the unfortunate stigmatizing term, fragile states have rather special needs. The Bank recognized this early and prepared guidelines for supporting post-conflict states in 2001, followed by adoption of its first strategy for these countries in 2008. Simultaneously, it created the Fragile States Facility, which channels the funds to implement the strategy. With these steps, the Bank raised awareness of the special needs of fragile states in its activities and allocated substantial additional financial resources to respond to those needs. Thus, there is a strong comparative advantage. More than one in three countries in Africa are classified as fragile states. Given the vulnerability of falling into cycles of violence which are not necessarily confined to borders, addressing

effective public private partnerships, helping fragile states move out of desperate circumstances and on to the path to prosperity. The demands for knowledge, expertise and support are endless. But this is where a strategic prioritization is critical to success. The Bank cannot do everything and should focus on doing a few things and doing them well. Be the best in the business in those special areas. What should those areas be and why?

the special issues related to state building are vital for the continent.

**Regional Integration:** Africa remains the least integrated continent on the globe and can least afford it. Although some positive signs of removing barriers to intra-regional trade has been seen in certain Regional Economic Communities (RECs), intra-Africa trade has only increased marginally over the last ten years—and this too from a low base. Comparing Africa's intra-regional trade share of around 10% to the developing countries in Asia (17%) and the European Union (60%) shows the challenge Africa is facing. However, some analysis indicates that informal intra-regional trade, not captured by official statistics, may be much larger. Uganda, for example, was estimated to have *informally* exported goods worth \$231 million to 5 African countries. This accounts for around 86% of the country's total formal export to the same countries (Lesser and Moisé-Leeman 2009). More knowledge is needed on such informal trade: how big is it, why does it exist, and how can we formalize it to ensure that it benefits governments through tariff revenue and inflow of foreign currency? Regional integration takes on even greater urgency when we consider that almost a third of the continents' countries are land-locked. Being





landlocked adds four days to land distribution of exports and nine days to imports compared with equivalent distances within the seaport country. Large investments in regional infrastructure will yield sub-par results if the soft infrastructure issues are not addressed simultaneously.

**Managing Natural Resources:** The history of the Dutch disease goes back more than 50 years. Yet, history also shows that many countries failed to incorporate the lessons of experience. Ensuring that the windfall gains of these new found resources are invested appropriately and do not cause unexpected

(and unnecessary) structural shifts to the local economy is challenging even in a sound governance framework. In many of the RMCs, the manufacturing sector is in its nascent phase and most likely to be hurt if appropriate actions are not taken prior to these potentially large inflows. Our RMCs will seek advice in several areas ranging from legislative to fiscal. This is one area that is fast emerging as a knowledge gap but one where the Bank has the least experience. Although there is a great deal of explicit knowledge on these subjects, the Bank also needs to pull together the tacit and experiential knowledge to help structure sound, pragmatic solutions.

### *Risking it All*

You may not necessarily agree with the priorities outlined above and your crystal ball may lead to different choices. This is fine. But, the strategy of focusing on a few areas with the objective of building a reputation and momentum is important. However, this strategy of focusing only on three key areas to develop core teams that will serve the entire continent does come with associated risks. The rapidly shifting landscape may make these areas obsolete even before the core teams have a chance to make a difference. The chosen strategic areas may not contribute directly to the cross-cutting themes of inclusive and green growth espoused by the new

Ten-Year Strategy. The teams may be too stretched, or, worse, our RMCs take no notice and seek help from other sources, including those prominent consulting firms. The tacit knowledge acquired by these core teams fails to move beyond the small inner circle. We could identify several more strategic and implementation risks. Naturally, the Bank will try and mitigate them, but there are no guarantees that all risks can be managed. However, it is still better to build momentum and stake our reputation as the "go-to" institution in a few areas rather than use a shot-gun approach that yields questionable results at best.

Rakesh Nangia is the Director of the Operations Evaluation Department of the African Development Bank. Prior to joining the AfDB, he spent 25 years at the World Bank, where he held several positions including Director of Strategy and Operations for the Human Development Network and Acting Vice-President for the World Bank Institute.

He attended the Indian Institute of Technology in Delhi and Harvard University and holds degrees in business administration and engineering.







# KM at the ACBF, the AfDB, and the AsDB

The African Capacity Building Foundation: Knowledge and Development:  
The role of Monitoring and Evaluation

The African Development Bank—  
An Effective Knowledge Institution

The Asian Development Bank:  
Knowledge Solutions for Better Development Results

## Knowledge and Development: The Role of Monitoring and Evaluation

**SEVERAL MAJOR SHIFTS** are taking place in Africa and are putting a premium on learning from evaluation. Key shifts involve the changing role of the average citizen, political leaders, and the media in the governance of learning and knowledge exchange. To remain effective, multilateral and bilateral institutions have to adapt, especially in light of the speed and cycles of change, to do as they learn and decide as they assess. Countries have evolved different approaches to learning and sharing knowledge for development results. Entities like the African Capacity Building Foundation (ACBF) that support capacity building in Africa have a special role to play as partners in this environment.



Frannie Leautier, Executive Secretary, African Capacity Building Foundation

### Major Shifts Taking Place in Africa

Africa has been going through a transformation in the last two decades that is driven by a number of factors, but four drivers stand out in particular—people, economic structure, natural resources, and technology.

#### **The first dynamic has to do with people.**

Urbanization has resulted in a concentration of middle-income consumers in mega, large, and secondary cities, where the demand for higher and better quality service levels is putting performance pressures on the public service to deliver. No higher has the demand for efficient service been than in food delivery in cities, as food security questions at different times have raised the level of study on how food distribution systems in African cities work (Guyer, 1987). Middle class families have been demanding better quality education for their children and the increased life

expectancy has also raised the demands for sophisticated health care. Educated farmers, with at least four years of schooling, are using agricultural inputs in more sophisticated ways, raising the productivity of agriculture (Weir, 1999). Farmers are also better informed about market opportunities with the emergence of commodity exchanges in a number of countries (Everitt, 2012). There is evidence that



*Urbanization has resulted in a concentration of middle-income consumers in mega, large and secondary cities, where the demand for higher and better quality service levels is putting performance pressures on the public service to deliver.*





*... changes are particularly visible in the increased flow and exchange of ideas enabled by the easy and cost-efficient use of mobile communications*

...

*African economies now rely more on sophisticated knowledge inputs, not only for transforming agriculture but also for effective extraction of natural resources.*

information about health and nutrition is also better utilized, as there are more and more knowledgeable mothers, with at least primary education (Hobcraft, 1993).

The size of African cities is growing, as is the number of cities, and so are the demands for efficient infrastructure. The population of African cities is set to triple over the next 40 years according to UN-HABITAT (2010). Demands for well functioning transport services are also evident as increased congestion causes rising delays and costs for distributing goods and meeting service standards, fueled by a large increase in car ownership.

As a result, local, municipal and state governments alike have to step up their performance to meet rising expectations on service volumes and levels. Regional and continental bodies also need to raise their game in solving numerous cross-border issues. Likewise, multilateral and bilateral agencies need to have better methods for assessing the effectiveness of different approaches to service delivery, so as to speed up the process of achieving development results.

**The second dynamic has to do with the changing structure of the economy** in many African countries.

Such changes are particularly visible in the increased flow and exchange of ideas enabled by the easy and cost-efficient use of mobile communications. But it is also visible in the growing level of low and medium scale manufacturing and the mix of traffic types on important African expressways and major Transport corridors. African economies now rely more on sophisticated knowledge inputs, not only for transforming agriculture but also for effective extraction of natural resources. Manufacturing capability is growing across several countries, and policy-makers are become better at handling technological shocks. Available data indicates that African manufactured output roughly doubled over the decade of the 2000's and that African goods are going more to emerging economies than to traditional partners (African Economic Outlook, 2013). Companies across Africa are developing new business models and are using all sorts of combinations of multi-sectoral knowledge for success. This is no better demonstrated than in the growing innovation in using mobile platforms for all sorts of solutions in service areas.

Regional integration and trade, including south-south trade rely on reducing information asymmetries and getting policy coherence, all of which seem to be on the resolution path in many countries. Benchmarking tools available to countries are helping analysts make appropriate comparisons, as they can acquire deep knowledge on the pathways to development being applied in different country settings. How and with whom to benchmark is a critical question to be addressed in assessing the achievement of development results and an area that experts in evaluation need to be more and more conversant with.

**The third factor relates to the abundance of natural resources**, especially in light of recent discoveries. Shifts in the geographic location of natural resource wealth and the pressure this has for agriculture and economic diversification are causing changes



in the patterns of social stability and economic prosperity across countries. The role of knowledge,

and indeed of capacity to manage such resources effectively is binding (ACBF, 2013).

### *Drivers of Change: Capacity to Transform Agriculture*

Patterns of food production are changing across Africa with increased ability of countries to put in place effective agricultural strategies. How agricultural production is used to balance the dependence on natural resources is also an area of growing importance for policy makers as it requires superior capabilities to design and manage aspects like food markets, food price information, and agro-ecological data. While countries have made progress in providing access to information and indeed in getting the private sector effectively engaged in transforming agricultural products like forests into timber and furniture, challenges remain in getting the skills needed and training and innovation across the board for effective diversification of economies (ACBF, 2012). Indeed the capacity to manage access to land, water and energy put a premium on scientific and policy knowledge, and requires experimental methods of assessing what works and what does not.

**The fourth driver is technology.** Advances in communications technology, approaches to the knowledge economy, and in the use of science and technology for development are changing Africa. Ability to access information easily is impacting on the advertising and telecommunications markets and is visible in the well-studied innovations in the banking sector. Technology is rendering the “experience economy” real as evidenced by differentiation across consumer groups and countries by taste and

preference of goods more easily available through mass-market brands (Léautier, 2012).

Differentiation can be seen in the diverse patterns of consumption of chocolate in Africa from countries like Algeria to South Africa (Redruello, 2010). There is also a parallel in the growth of demand for organic products for local consumption and for export, because of the easily available health information. In cities, mouth-to-mouth advertizing by phone and sms is creating markets for previously exclusive local businesses, further speeding up change patterns. Similarly, the use of messaging systems to spread information is also putting pressure on public service performance, as citizen report cards go mobile. In Johannesburg, motorists driving over potholes can report them online, by dialing on a cellphone or via a mobile site (Madumo, 2011).

The implication of such changes in the role of citizens is the growing importance of research, data and dialogue to improve discourse, policy debate and economic governance across the communities that produce the primary products and those that consume them in cities or export destinations. Sophistication in the use of technology also puts pressure on evaluators as there is little room for mistakes and judgments on results come in faster than they can be evaluated or assessed.

### *Changing Role of the Citizen from Consumer to Regulator of Services*

What do these shifts mean for the role of the average citizen on the governance of learning and knowledge

exchange, particularly for the purposes of learning from monitoring and evaluation?



**Citizens in Africa today have better access to information and can play an important role in holding politicians accountable.**

A study done by the ACBF (2012) shows that the majority of countries now have an effective and institutionalized dialogue mechanism for linking domestic institutions, civil society and the private sector on a variety of development issues. Citizens can now sift through and extract what is really critical for their lives and for decision-making, through the large mass of information they currently receive. Technologically adept young people (the digital society) coexist with the visual generation and the oral society, to present a complex mix of how policy-makers can effectively reach society for development purposes. There are also different levels

of literacy—from the economically elite, financially literate, and media savvy people that policy-makers come into contact within day-to-day life. Groups of active citizens can drive change in faster ways than previously possible with major consequences for leadership and management of development processes. The Madumo (2012) example of the “Dial Direct Pothole Brigade” in South Africa brings the idea of citizen participation in service delivery to a new level, where private sector institutions cooperate with provincial and local government to solve a common problem. Such sophistication among citizens requires leaders to be inclusive and consultative and evaluation methods to include mechanisms for dialogue and participation.

*Responsibility of the Media Increases in Light of these Shifts*

The changes discussed so far also have impact on the media, which has several roles with respect to development (Islam, 2002). These include the need to inform, educate, engage, connect, shape, observe and report. The media also has a primary function, which is to create platforms or vehicles for fruitful debate and discussion to enable cohesion and consensus on critical issues and channels for disseminating key ideas to improve discourse, policy debate, and economic governance. The focus of the media in many countries these days is in the strategic use of new media so that crowd sourcing can be done in an ethical manner and with the appropriate standards of responsibility. The media houses need to undertake actions so that they can work with and develop

champions (including media champions) that can increase citizen engagement and also provide digestible information to society.

So what needs to be done for the media to play an effective role of supporting monitoring and evaluation in the new environment? The first area is to gather African media stakeholders and provide an engagement platform with the state, civil society, citizens in general, and politicians. This is being done effectively by the Africa Media Leaders Forum (AMLF), which in 2012 focused its discussions at a gathering in Dakar, Senegal on strengthening media and governance through citizens’ engagement and innovation (allafrica.com, 2012). Second is to develop a code of conduct and a set of ethics that all stakeholders in the media abide by. Third is the need to make a special effort to bring to light information and debate on issues critical to Africa’s development—such as regional integration, climate change, the role of women, and new ideas to enhance productivity.

*Citizens in Africa today have better access to information and can play an important role in holding politicians accountable.*

## *Speed of Change Versus Cycles of Change: Lessons from the Arab Spring*

The pattern of change in North Africa has also signaled a weakness in how development results are measured. The overdependence on measuring economic growth rather than job creation, leads to false comfort in surface indicators of success. After the 2008 financial crisis, there are many questions on what data should be collected to assess the level of economic development or indeed what strategies should be followed generate employment (Fulton, 2010) as the choices have different political economy implications. Refinement in evaluation methods also need attention, as a breakdown by types of employment seems to be critical to capture the dynamics of different interest groups—like the educated unemployed and the share and importance of the self-employed. What partnerships are needed between universities and the private sector also loom large in the gaps in assessing how well education systems are linked to the tools for managing the labor market.

Development institutions need to broaden the outcomes to be achieved and sharpen the link between activities and results. Consider, for example, the differentiated access to employment by gender or the fact that high growth does not always lead to high capacity for economies to create jobs. Access to information about development outcomes in Northern Africa and the ability to compare with other countries led to spontaneous organization and cohesion amongst the youth. Such speedy reaction was visible in the private sector in the early adaptation to brand evolution but has been slower in political economy contexts. Development institutions need to learn from other disciplines how to be spontaneous and adjust to fast changing phenomena, especially in the evaluation of impact of low probability events on large-scale change.

## *Examples of Change in Approach by Development Institutions*

A number of organizations have taken on board the challenge of developing learning ecosystems that are best suited for evaluating development programs. The World Bank has developed the “Solutions Bank” under its new President, which recognizes that the best solutions to economic and social problems often lie with the individuals and communities coping with these challenges in their daily life (World Bank, 2012). The AfDB has learned from its evaluation of support to fragile states and is embedding learning into “just in time advice” as well as learning across countries and different experiences (AfDB, 2012). ACBF has been experimenting with learning systems that can be used for evaluation and for mid-course correction. One such model is the network of 96 universities supported by ACBF. These universities work together to reform their curricula using an ecosystem

of learning together. The ecosystem is known as EPMAN, the Economic Policy and Management Network. ACBF also delivers in partnership with Sciences Po a Leadership Course titled “Leadership in a Globalized World” which connects Sciences Po in Paris to five universities in Africa. Participants co-develop solutions to a variety of development case studies in a real life setting using methods that include scenario planning, negotiation games, and participatory visioning.

Other organizations that have perfected ecosystems for evaluation and learning are the network of innovators or social entrepreneurs seeking solutions to development problems, known as the Ashoka Fellows (Drayton, 2006). There are also several networks of policymakers—learning together by exchanging tacit







*Development partners and actors like ACBF can support processes and platforms that engage the citizenry, decision makers and the media in key aspects—development strategy, policy reforms, and innovation.*

knowledge in peer-to-peer settings—such as the WBI South-South Knowledge Exchange Portal (WBI, 2012). Other examples include the newly launched Sustainable Solutions Development Network (SDSN), which is a network of skilled experts in various disciplines who are transcending boundaries—to solve conflicts and deal with challenges like climate change (<http://unsdsn.org/>).

### *What can Entities like ACBF do to Support the Citizens, State and Media in Africa?*

Development partners and actors like ACBF can support processes and platforms that engage the citizenry, decision makers and the media in key aspects—development strategy, policy reforms, and innovation. This includes support to umbrella organizations such as the Non Governmental Coordinating Council (NGOCC) in Zambia, which have been evaluated to be accountable despite challenges in coordination and communication (Mufane et al, 1996) and effective in bringing policy to the people. ACBF can also undertake research and ensure data and benchmarks are available for improved discourse and policy debate. The work to publish the Africa Capacity Indicators Report (ACIR) each year and the variety of working papers on subjects of interest to development is a good example of knowledge sharing by ACBF. Supporting policy and platforms that improve dialogue and debate and lead to better

**Successful learning ecosystems share five characteristics—scanning, questioning, sharing tacit or craft knowledge, creating novel ways of working, and active orchestration** using effort and time (Senge et al, 2008). Such learning environments combine effectively guided and directed approaches but the processes are not controlled from a centralized location. ACBF is working with the AfDB to manage an ecosystem in what is a community of practice for evaluation and learning in development in Africa known as AfCOP. The role of ACBF in AfCOP is to connect sources of knowledge and innovation, as well as develop case studies, guidelines and analytical tools on emerging good practices on managing for development results. Such practices are collected using a combination of platforms including on-line ones and shared in annual forums as well as on a daily basis.

policymaking and development results is another area. For example, at the African Union, the ACBF has supported the purchase of voting systems that have made decision-making more streamlined and transparent.

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# The African Development Bank—An Effective Knowledge Institution

**KNOWLEDGE MANAGEMENT CONTINUES** to be an important part of the African Development Bank's (AfDB; the Bank) development agenda. However, designing and implementing an effective knowledge management system in the Bank (and in general) is complex and requires a Bank-wide approach.

This article seeks to advance our understanding of the Bank as an effective knowledge institution and the importance of knowledge management, by discussing three issues: (i) What are the characteristics of the Bank as an effective knowledge institution?

## 1. The AfDB as an Effective Knowledge Institution

For the AfDB, practicing knowledge management, that is, generating, mobilizing, disseminating, and applying knowledge is anything but new. Since its inception in 1964, AfDB staff have undertaken activities such as project analysis, sharing of development experiences internally and externally with stakeholders, and preparing and disseminating flagship reports. However, it was not until 2005 that the knowledge management effort was formalized with the approval of the Bank's first Knowledge Management Strategy (2005 – 2007). The effort gained momentum in 2006 with the creation of the Office of the Chief Economist, which received a mandate to strengthen knowledge management in the institution and to turn it into a 'knowledge bank'. Accordingly, the Bank's vision in the second Knowledge Management Strategy (2008 – 2012) was to become the 'Premier Knowledge Bank for Africa'.



*Mthuli Ncube, Vice President and Chief Economist; Zuzana Brixiova, Advisor to the VP; and Basil Jones, Assistant to the VP*

(ii) Why is this objective important? and (iii) How will it be achieved?

As the meaning of the term is evolving, we need to reflect on what the 'Bank as an Effective Knowledge Institution'—in line with the Ten-Year Strategy (2013 – 2022)—would look like. As a knowledge institution, the Bank would also be a learning institution. As such, it would be continually renewing and enhancing its own ability to generate cutting-edge and robust research that is relevant for regional member country (RMC) policymakers and operations.

Endeavoring to become an effective knowledge institution does not at all imply that the Bank should rely solely on 'in-house' generated knowledge. The role of the Bank as a knowledge institution would be complemented by that of a knowledge broker. This involves linking entities or individuals (both producers and users of knowledge) that otherwise would not connect with each other.



The fundamental question knowledge brokering raises is how the AfDB should undertake the boundary work of communicating, mediating, and translating research into policy and practice. By being a “knowledge broker”, the Bank would act as an

intermediary between researchers who produce knowledge and policy makers who are its prospective consumers. As a knowledge broker, the Bank would act as a facilitator, skimming through and synthesizing and passing on information.

## 2. *Why Should the Bank Continue to be an Effective Knowledge Institution?*

The Bank’s comparative advantage—to become the ‘Premier Knowledge Institution for Africa—is anchored in its involvement with countries at the project and, increasingly, at the upstream policy level. This, together with its location on the continent, provides the Bank with unique insights into the workings of African economies and their evolving needs.

The rising role of knowledge management in the Bank’s activities is consistent with trends in the global economy and in Africa, where knowledge is becoming a source of wealth creation.

## 3. *How can the Bank Become an even more Effective Knowledge Institution?*

For an effective knowledge institution, the role of well-functioning knowledge management—creating, gathering, disseminating and using knowledge—cannot be emphasized enough. However, the three types of knowledge that co-exist in the Bank (explicit, tacit, and embedded) and their different audiences (internal, external for selected audiences, and external for all) make this management simple in principle but complex in practice. Explicit knowledge is codified and recorded, tacit knowledge is gained from development experience, by interacting with partners, clients, and colleagues, while embedded knowledge is developed through preparation of project documents or assessment of lending operations. While the main responsibility of knowledge

management within and outside the Bank is with the Economics Complex, knowledge activities have increasingly permeated other departments.

### **Past Achievements**

The Bank has already done remarkably well in some parts of knowledge management, in particular, generating and disseminating explicit knowledge as a public good (that is, products shared freely with external audiences), as demonstrated by an open-access, user-friendly statistical data portal, covering all key development areas.

The Bank has also made strides in operationalizing research. Economic briefs produced in the Research Department are key sources of information for the Bank’s operations.

### *Looking Ahead*

To enhance the Bank’s role as a knowledge institution, the Office of the Chief Economist has established a

*For an effective knowledge institution, the role of well-functioning knowledge management—creating, gathering, disseminating and using knowledge—cannot be emphasized enough.*

cross-complex Knowledge Management Committee (KMC), which acts as an advisor and strategic thinking body on knowledge management. In 2013, a Knowledge Management Strategy will be prepared to align knowledge management with pillars of the Bank's Ten-Year Strategy (2013 – 2022)—inclusive growth and transition to green growth—to further raise the development effectiveness of the Bank's operations.

## *Key Elements of the Strategy*

### **a. Creating a knowledge culture**

It is well recognized that the most valuable knowledge in the Bank is tacit—in the minds of the staff—and is typically gained through operational or evaluation experience. A 'knowledge culture', where employees see value in generating, gathering, disseminating and applying knowledge in their everyday work is thus needed to tap into this invaluable resource.

### **b. Encouraging innovation**

The Bank will generate, mobilize and share cutting-edge innovative knowledge on critical development challenges facing the continent and move towards becoming Africa's Premier Development Institution. For example, Africa has already shown its ability to innovate by becoming a global leader in applying

mobile technology to banking, agriculture, health and government (m-banking, m-agriculture, m-health and m-government). As this example of m-technology application shows, today's successful innovations are often driven by addressing unmet consumer needs in emerging markets.

For the Bank, with its increasing presence on the ground in its RMCs, the changing nature of innovation creates an opportunity to catalyze Africa's creativity and innovativeness potential, both at the country and regional levels.

### **c. Forming strategic partnerships**

The Bank will rely on cooperation with suitable partners from the public and private sectors, NGOs, international organizations, other MDBs, and academia, to achieve its knowledge goals. The Bank will create, jointly with other MDBs, a knowledge management working group to share experiences and best practices.

The concept of innovation has changed from the traditional notion of science or technology-based invention to bringing together existing knowledge and creating something new, and so has changed the role of AfDB in stimulating it.

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# Knowledge Solutions for Better Development Results

**DEVELOPMENT BANKS ARE** evolving to respond to emerging development challenges and the needs of client governments. This is particularly evident in the demand for knowledge products and services. While client governments once mainly required financial resources, they are increasingly looking to development banks for knowledge support to help reduce poverty and achieve strong, sustainable, and inclusive growth.

Meeting this demand requires blending know-how with financial resources, and the performance of development banks will increasingly be judged on how effectively they achieve this.

The Asian Development Bank (AsDB) is becoming a more knowledge-oriented institution—especially since adopting a knowledge management agenda in 2004. Significant staff and budget resources are now devoted to knowledge activities, while knowledge solutions are one of five drivers of development change identified for enhanced operational focus in the AsDB's long-term Strategy 2020, approved in 2008.

All this is a work in progress—as a recent Independent Evaluation Department study of AsDB's performance in knowledge building shows.<sup>1</sup> Development banks have much to learn from each other's experiences in becoming stronger knowledge institutions. The study's findings—successes



*Vinod Thomas, Director, General, Independent Evaluation Department, Asian Development Bank*

and areas for improvement—could be of wider interest to practitioners using knowledge solutions to improve development results. Five lessons are listed below.

1. **Expanding knowledge agendas need high-level strategic direction.** AsDB adopted multiple knowledge management approaches without sufficient coordination and coherence, and there was a lack of clarity and common agreement on the knowledge management roles of different organizational units. Weak high-level strategic guidance and ownership has constrained the development of knowledge management at ADB.
2. **The priority needs of countries and clients are the key factors in shaping knowledge strategies.** This is a challenge given rapid

<sup>1</sup> Independent Evaluation Department. *Knowledge Products and Services: Building a Stronger Knowledge Institution*. November 2012. The full report can be downloaded at <http://www.adb.org/sites/default/files/SES-KPS.pdf>



changes in physical, financial, and economic environments. The identification of knowledge needs, especially at the country level, must be strong, and be supported by effective feedback mechanisms to elicit client needs and demands. Close coordination with key development partners can help achieve this by filling in knowledge gaps and avoiding the duplication of knowledge efforts.

3. **More effective distribution of knowledge products and services can strengthen knowledge use.** This can be done through traditional and social media, seminars, and other forums and by using monitoring and feedback to gauge client satisfaction and willingness to use knowledge captured. Knowledge products need to be easily accessible. For instance, ADB publications (and those of the Independent Evaluation) are available for free download.
4. **It is important to evaluate what has worked and what has not.** Monitoring and feedback mechanisms gauging the satisfaction of clients—the primary audience of knowledge products and services is crucial for generating influential knowledge products. The quality of knowledge products needs to be carefully tracked and the impacts evaluated. An external review of 85 recent ADB publications found a third of them to be of good to high quality.
5. **Better capturing tacit knowledge can strengthen knowledge sharing.** Development organizations are hubs and repositories of valuable tacit knowledge gleaned through years of learning and staff experience. Enhanced intranets, social media tools, online forums, and similar platforms are encouraged to generate and share



*More effective distribution of knowledge products and services can strengthen knowledge use.*

knowledge. At ADB, communities of practice established for this purpose hosted over 400 seminars and events during 2009–2011. That said, the evaluation found that much of ADB's tacit knowledge is not adequately exploited, and this impeded efforts to create a competitive advantage for its knowledge products and services among developing member countries. A well-functioning technical skills registry for staff can provide a clearer picture of the stock of tacit knowledge within an institution.

Successful knowledge products and services enrich the discourse on development issues and become inputs to policymaking. ADB's flagship economic report, Asian Development Outlook, makes such a contribution, and has become an important resource in the debate on Asia's post-global crisis strategy. In all these products, the participation and collaboration of stakeholders is important for producing useful and influential knowledge material.

It is now accepted that knowledge is key to linking distinct development efforts and for achieving better outcomes and greater impact with development resources. But knowledge management remains a complex and evolving area for many organizations. The evaluation study recommends a sizable strategic push on this front for ADB—rather than fine tuning—to leverage recent gains in its knowledge management agenda and to instill a knowledge culture.





### **Special Evaluation Study: ADB's Knowledge Products and Services**

This evaluation identifies lessons to help the AsDB become a stronger knowledge institution. It looks back to assess past accomplishments against expectations, as well as looking forward to determine what features are essential to make AsDB more effective as a knowledge institution and how these features can be adapted to the changing context of the Asia and Pacific region. Recommendations for better knowledge management at ADB include improving incentive structures, improving enabling technologies and strengthening the identification of knowledge needs.

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# Practice What you Preach: Lessons Learned

Knowledge Management Lessons Learned: An APQC Overview

Making a Market in Knowledge

Where Evaluation and Knowledge Management Meet,  
Marketplaces, Rivers, and Staircases!

# Knowledge Management Lessons Learned: An APQC Overview

**THE AMERICAN PRODUCTIVITY AND QUALITY CENTER (APQC)** has been studying and implementing knowledge management (KM) approaches for over 15 years, learning from more than 400 organizations. This article condenses some of what APQC knows about KM into a few basic lessons learned.

## **Lesson 1. Secure Senior Management Support for KM by Building a Strong Business Case**

Knowledge management is a systematic process designed to connect people to one another and to the knowledge and information they need to achieve results. When embarking on a KM strategy, one faces the typical business questions that any good senior executive should ask about a new initiative, such as:

- Why should we do this (i.e., *what is the business case*)?

## **Lesson 2. Move Beyond “Knowledge for Knowledge’s Sake”**

The goal of KM is not to share knowledge for its own sake, although that is a valuable byproduct of the process. Start with the business problems or opportunities, and then identify the processes that seem to be the source of the “knowledge problem.” For example, we’ve seen issues ranging from repeated customer complaints about a process that doesn’t get fixed, the same mistake being made repeatedly across business units, loss of knowledge due to retirement of key people, difficulties with bringing new people on board, or



Carla O'Dell

- Who is going to be responsible (that is *what roles and resources are necessary*)?
- How will we know if it makes a difference (that is *How do you measure the results*)?

Executives often have a vision of how solving their knowledge problems will enhance the future success of the organization. Link KM to their specific needs and vision, not some general plan to “make it easy for employees to share knowledge.”

a lack of access to experts by sales people trying to make complex sales.

Pick no more than three major projects to start. Build a business case or case for action based on measurable results. And for heaven’s sake, don’t build an IT platform until you have a KM process that works. It’s a waste of money and creates a scorched earth legacy that may cause future KM efforts to have a hard time growing. Make the process work before you try to enable it with IT.



### **Lesson 3. Determine what Knowledge is Critical**

Organizations are typically swimming in enormous amounts of tacit and explicit knowledge, only some of which is valuable and durable enough to offer future competitive advantage and justify the cost of retaining and transferring it. Building large repositories and content management systems to house all possible knowledge is a fruitless endeavor.

Knowledge comes in two basic varieties: explicit and tacit, also known as formal/codified and informal/uncodified knowledge. Explicit knowledge is easy to write down and comes in the form of books and documents, formulas, project reports, contracts, process diagrams, lists of lessons learned, case studies, white papers, policy manuals, and so on. Some explicit knowledge may not be useful without the context provided by experience.

### **Lesson 4. Knowledge is Sticky**

Knowledge is sticky: Without a systematic process, dedicated people, and a robust infrastructure, it will not flow. It is a mistake to adopt a KM approach (such as communities of practice or an expertise location system) without first understanding the flow you are trying to enable. The first step in any KM initiative

is to understand the desired knowledge flow. Once you know how and what knowledge needs to flow (and from and to whom), then you can enable the process with standard KM approaches such as communities of practice, best practices transfer, lessons learned programs, and so on.

Tacit knowledge can be found in interactions with employees and customers. Tacit knowledge is hard to catalog, highly experiential, difficult to document in detail, ephemeral, and transitory. It is also the basis for judgment and informed action. Organizations concerned about knowledge loss usually fear that tacit knowledge has not been captured (made explicit) or transferred so that others may benefit from it.

The KM approaches for managing explicit knowledge may be more mechanical, whereas tacit knowledge is more difficult to capture and reuse. Some approaches, such as well-designed communities of practice, may address both types of knowledge. The trick is to determine exactly what and where the knowledge is and by what means it can be “captured” and transferred.

### **Lesson 5. If you Build it, they will not Necessarily Come**

Technology applications do not, in themselves, motivate people to share knowledge or change behavior. Technology is indispensable to KM in modern organizations, but the road to effective knowledge sharing is littered with abandoned “KM solutions” that were implemented too early. These vehicles quickly run out of gas, if they start at all. It is critical to select and implement technology as part of a larger, systematic KM change initiative, enabling a proven knowledge

flow among people who are intrinsically motivated to share and learn from others.



*... measure along the value chain continuum, starting with the inputs or costs, then measuring the participation/activity and correlating that with outputs and business outcomes*



Having said that, there are wonderful tools to enable collaboration and help maintain corporate memory and knowledge, from enterprise collaboration

software to Web 2.0 applications such as wikis, blogs, and social networking solutions. Use them wisely.

### *Lesson 6: Focus on Breaking down Structural Barriers to the flow of Knowledge—not on Changing “The Culture”*

Knowledge management is about enabling what most people want to do naturally—share what they know and learn from others. The barriers to sharing are often structural: There is not enough time, the process is cumbersome, people do not know the source or the recipients and are not sure they can trust the information, or people know instinctively that tacit knowledge is richer than explicit knowledge.

To ensure the success of KM initiatives, work on these barriers, rather than on the psychological makeup of

your employees or your “culture.” Whenever possible, embed knowledge sharing, capture, and reuse into the work itself and provide value to those who participate in KM initiatives. Employees should feel that their professional development has been accelerated and find it easier to get their work done. Rewards and recognition are important, but they will not take the place of knowledge-sharing approaches that work and provide value to the people who use them. A knowledge-sharing culture is the result, rather than the prerequisite, of a successful KM strategy.

### *Lesson 7: Measure*

APQC stresses the importance of beginning with organizational measures of success; in other words, understand the desired business outcomes and then work backward to design KM activities and measures that focus on those outcomes.

APQC suggests measuring along the value chain continuum, starting with the inputs or costs, then measuring the participation/activity and correlating that with outputs and business outcomes. The APQC measurement framework shows the relationship

*APQC stresses the importance of beginning with organizational measures of success; in other words, understand the desired business outcomes and then work backward to design KM activities and measures that focus on those outcomes.*



among inputs (investments), process (KM-related activities and behaviors), and outcomes (organization objectives). Examples of inputs include time, salaries, and IT costs. Process changes might include cycle time, participation, and contribution to a body of knowledge. Examples of outcomes important to the organization might include employee and customer retention, reduced costs per transaction, or increased revenue.

Measures also need to be appropriate to the particular KM approach, its objectives, and its stage of development. AKM approach primarily focused on communities of practice would measure costs and impact differently than one focused on using a content management system. A KM initiative whose goal is to improve sales force effectiveness would measure proposals and sales, but such measures would be irrelevant to an initiative focused on building new knowledge in an engineering discipline.

In addition to quantitative measures, organizations need success stories that illustrate the knowledge flow in human terms, and from which they can justify past and future investments and give their management a vision of what is possible.



*In addition to quantitative measures, organizations need success stories that illustrate the knowledge flow in human terms, and from which they can justify past and future investments and give their management a vision of what is possible.*

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# Making a Market in Knowledge

Lowell L. Bryan, McKinsey & Company

## For companies and their employees alike, knowledge is power—and profit

**JUST LIKE PEOPLE**, companies in today's economy find that their primary source of competitive advantage increasingly lies in the unique proprietary knowledge they possess. Companies and individuals may have equal talent and access to public knowledge, but the special value that comes with unique understanding provides a real edge. The bond trader who is the first to understand an opportunity to arbitrage securities across two different markets can earn extraordinary returns until other traders figure out the secret. A company thoroughly familiar with how to compete in a particular geographic market—China, say—has huge advantages over competitors lacking that familiarity.

Put simply, there is great value in sharing, across a whole company, proprietary insights into customers,

competitors, products, production techniques, emerging research, and the like. In practice, of course, companies find it far more difficult than do individuals to take advantage of all this knowledge. An individual's knowledge is self-contained, always available. But in companies—including small ones—it can be hard to exploit the valuable knowledge in the heads of even a few hundred employees, particularly if they are scattered in different locations. In a large, diverse company, the task expands to cover thousands of highly educated professionals and managers spread across a variety of specialties, locations, even countries.

But difficult as it may be to profit from this diffused knowledge, the power that such large-scale interaction yields can dwarf what individuals or small teams, however brilliant or effective, can accomplish.

### *Misguided Management*

Many companies have long been reasonably proficient at distributing knowledge by using technology no more advanced than the telephone and the fax machine. In the past decade, as advances in communications, software, and computers opened entirely new possibilities for sharing knowledge rapidly and efficiently, many leading companies, academics, and management consultants came to believe that the future belonged to large companies that could manage knowledge. The promise of bringing all of a company's proprietary knowledge to bear on every

problem or issue it faces led executives to invest billions of dollars in what came to be called knowledge management.

Of course there was progress. But if the goal was to use a company's best proprietary knowledge to solve every problem it faced, knowledge management, as generally applied, has barely begun to fill the bill. Most companies have tried one of three approaches to managing knowledge, with mixed success. Indeed, many companies have tried all three.



### **1. Build it—they will use it**

Some companies have relied exclusively on big investments in document-management systems, shared servers, and other technology solutions, believing this approach to be enough to let employees unlock knowledge. The result, simply, brings inefficiency. The sheer volume of documents at large companies today is overwhelming, and many such documents are out of date, poorly written, or otherwise difficult to parse. Even a diligent search by a determined knowledge seeker is likely to produce only a few valuable, easy-to-access insights.

### **2. Take it from the top**

Companies with large corporate staffs try to push knowledge to users, often via internal Web sites. The effort can be worthwhile when the idea is, for example, to distribute top-down messages about best-practice approaches or new product features. Still, the limitations of any central-planning approach apply. Do the people writing the documents know what knowledge seekers really want, or are they guessing? Are the content producers the real experts? Do most corporate staffs even know who the experts are? The typical result: knowledge pushed out in this way is not very valuable to most frontline employees and certainly not to those with the best skills and knowledge.

### **3. Let a thousand Web sites bloom**

A third approach has been somewhat more successful, particularly for those companies that accept decentralized technology spending. It is to let organizational units solve their own knowledge problems.

## *A Market Problem*

The truth is that the real value comes less from managing knowledge and more—a lot more—from creating and exchanging it. And the key to achieving this goal is understanding that a company's really valuable knowledge resides largely in the heads of

What large company doesn't have pockets of a few hundred people with common interests—such as employees working in a particular product group or on a common design problem or sales professionals serving the same industry? The knowledge creators and seekers in these units usually know one another and exchange ideas easily. The units in turn use whatever technology solutions they favor in order to develop small, specialized approaches to managing knowledge. Authors earn peer recognition, motivating them to produce and share more content. Usually, a senior person in the group cares enough about the exchange to invest in the technology and staff needed to build an effective, high-quality internal Web site or portal that gives knowledge seekers easy access.

This decentralized approach works because it facilitates exchange among small groups of workers with common interests. Still, as a solution to the exchange of knowledge across a broad organization, it often produces mixed results. For every example of a small organizational unit with terrific success in sharing specialized knowledge among a narrow group of people, there are usually large numbers of outright, and often expensive, failures. The obvious flaw is that the proliferating approaches and technological tools have few common protocols or standards and typically remain useful only to small groups of workers interested in very specialized topics. For most companies, this approach will provide just a fraction of the potential benefits of exchanging knowledge on a company-wide scale.

the most talented employees. Moreover, they will be unlikely to exchange their knowledge without a fair return for the time and energy they expend in putting it into a form in which it can be exchanged. Then it must also be worth the price of seeking it.





In short, effectively exchanging knowledge on a company-wide basis is much less a technological problem than an organizational one: encouraging people who do not know each other to work together for their mutual self-interest. There is, of course, a well-known, well-tested solution to making it possible to exchange items of value among parties who don't know each other. We call it a market.

Large public markets for knowledge have long existed, of course, through books and articles and through public services such as libraries. More recently, companies such as Amazon.com, America Online, and Yahoo! have served as external markets for public knowledge. But there are no equivalent internal markets for the valuable proprietary knowledge lodged within a company's own frontline employees.

So how does a company create effective internal markets when the product is something as intangible as the valuable knowledge gained from experience and personal thinking? Working markets need, among other things, valuable objects for trading, prices, exchange mechanisms, and competition among suppliers. Often, there are also standards, protocols and regulations, and market facilitators to make markets work better.

### **A valuable object to trade**

Markets will form only around items valuable enough to justify the time and effort of buyers and sellers. Common knowledge, by definition, hardly needs trading. The opportunity lies in trading distinctive knowledge (see sidebar, "Knowledge or information?").

From a buyer's perspective, the knowledge to be acquired from the market must be more insightful and relevant—as well as easier to find, gain access to, and assimilate—than alternative sources. Usually, knowledge available through most internal knowledge-management systems fails this test.

The trick is motivating authors to produce content that meets this standard. Almost all content produced by most companies—whether short internal memos or documents packed with charts—needs to be backed up with oral discussion. Companies must give the reader, who has no opportunity to talk with the expert, more insightful, more relevant, more accessible knowledge. The answer is a new internal equivalent of a signed article, in which the author is motivated to produce a high-quality document that is easily accessible to any user. Once knowledge is in this form, it can be traded in the market. This "knowledge object" allows a "buyer" of knowledge to understand an author's thinking without the parties having to talk to each other. The bad news for most companies is that documents generally fail to meet this standard.

### **Pricing knowledge**

Defining the item being traded creates the conditions for pricing the exchange. Authors, who are the suppliers to the market, need something that justifies their "costs," or effort, in return for creating the knowledge object. In internal knowledge markets, the price that authors receive is usually the enhancement of their own personal, internal reputation. Providing knowledge that catches the eye of peers and superiors and helps the author build a reputation can provide plenty of incentive. Buyers—those who seek knowledge—will have the motivation to go to the market if they believe that they will find valuable knowledge at a price, in time and effort, that is lower than, say, making numerous phone calls to locate an expert.

### **An exchange mechanism**

The company's role now is to provide an exchange mechanism so that authors and knowledge seekers come to the market out of mutual self-interest. Meeting this goal requires investments in a technology infrastructure and in the staff to maintain it, in order to make the exchange possible.



## Knowledge or Information?

Effective knowledge management begins with drawing a distinction between information and knowledge, because these terms are often used interchangeably. If information is the raw material—the input—used to make decisions, knowledge is what provides the context for how people think. As people approach a traffic light that has turned red, they take in that *information* and decide to stop. They do so because they have a *knowledge* of what red, green, and yellow mean.

Companies gain a competitive advantage from information by providing the right information to the right managers at the right time. If information isn't timely, it is often useless. For most of the past several decades, corporate investments in IT provided employees with information useful to their jobs. These investments paid off, for the most part. Not so for knowledge-management investments.

In a large company, a competitive advantage from knowledge is gained through the productive internal exchange of insights that help employees think differently as they make decisions and take actions. This is a far higher bar than the one for exchanging information, because people must be persuaded by the quality of the thought, the facts, and the logic presented that the knowledge they are being asked to acquire is superior to what they already know.

Beyond personal experience, people acquire knowledge through formal training, dialogue with others, or reading, viewing, and listening to codified knowledge content. “Knowledge management” usually refers to a company's investment to improve the internal exchange of proprietary knowledge, through dialogue or codified content. McKinsey's work in building knowledge markets focuses on this latter form of knowledge exchange—particularly the electronic exchange of knowledge through codified content among managers and professional staff.<sup>1</sup>

Knowledge by nature has a much longer shelf life than information does. Knowledge about how a competitor acts in the marketplace, for example, can be valuable to a company for years. But even the most distinctive and proprietary knowledge, such as that held by a company's best professionals, undergoes an eventual decay curve that terminates at the point where it becomes common knowledge. A professional possessing secret information on a key business issue may initially have no incentive to dilute its value by sharing it. But as others learn what once was secret, there eventually comes a point in the half-life of proprietary knowledge when it has greatest value to a company if its insights become easily and broadly available across the organization.

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<sup>1</sup> A subject closely related to knowledge management is distance learning, which focuses on electronically assisted education and training.



An internal knowledge market has special characteristics. For starters, the company is the ultimate beneficiary of the effort to form and maintain a knowledge marketplace. Therefore the company, rather than the knowledge-seeking buyer, is responsible for rewarding authors to ensure that they are motivated to produce valuable knowledge objects.

Ensuring that authors are paid appropriately for their knowledge is often the hardest part of this equation. Internal knowledge can provide an employee with a performance advantage over his or her peers. But once that knowledge is codified, others can assimilate it, thereby negating the author's advantage. The trick, therefore, is to provide incentives so that individuals who contribute their distinctive, valuable knowledge enjoy greater internal recognition and success than they would have experienced if they had kept their knowledge to themselves. Thus, the company must create a culture in which smart people are expected to contribute valuable codified knowledge. Part of this culture is a reward structure—recognition, pay, and promotion—in which distinctive performers who contribute knowledge earn more than their noncontributing peers.

This requirement also means that companies must protect individual intellectual-property rights. Those who develop knowledge—not the people they report to or those who borrow the knowledge to make presentations—must be identified and credited as the authors. This provision is important not just for equity's sake but also to provide incentives for the best thinkers, whatever their seniority or position, to produce further high-value content in the future. There is nothing more demotivating to young people seeking recognition than for some senior figure to take credit for their thinking.

### **Keeping up competition**

Inside companies, dialogue is the preferred method for exchanging valuable proprietary knowledge. If

knowledge seekers find a willing expert, they can quickly pinpoint and acquire the knowledge they need. Whether meeting with them one-on-one or in a group, the knowledge provider usually has a sense that payment will come in the form of appropriate recognition from peers and superiors.

So why can't companies rely just on dialogue? Often the expert doesn't think through the problem rigorously or convert knowledge into a form that sufficiently helps the knowledge seeker. An even larger problem is that knowledge seekers may not know how to find the right person. But the biggest problem with relying solely on dialogue is that it takes time, particularly on the part of the person with the knowledge. If topics generate great interest, experts in a large company simply don't have the time to both do their jobs and talk to everyone interested in discussions about knowledge. By producing a knowledge object available to everyone, however, an expert is freed from that time burden. A knowledge object can at least provide a basic grounding before higher-level discussions take place.

Dialogue will always be a primary source of the knowledge exchanged in companies. But the promise of the knowledge marketplace lies in its potential to increase vastly the reach of distinctive knowledge, to the benefit of the entire company rather than just a few individuals. Since knowledge buyers can get what they need from several sources, however, a knowledge marketplace will work only if it can deliver a satisfying product. This requirement in turn means keeping authors motivated to produce high-quality content. In practice, that stimulus will take the form of competition among authors for recognition.

All markets, including knowledge markets, thrive on competition. As with any kind of intellectual property, knowledge objects compete for attention at the level



of quality and popularity. Experience shows that companies providing recognition for those who produce the highest-quality knowledge objects (as judged by experts and senior management) or the most popular ones (as measured by download volume) ensure that internal authors will be motivated to compete with each other on both dimensions.

### **A set of standards**

The market's transaction costs—the time and effort involved in creating and seeking knowledge—must be bearable. For internal knowledge markets to pass this test, companies need to develop standards, protocols, and regulations to lower costs that act as a deterrent to both buyers and sellers. Standards can include everything from the templates used to define the content that goes into a knowledge object to the taxonomy used to define how documents are categorized so that a search process will turn up relevant content. Protocols include everything from rules determining which kinds of knowledge will be traded in the marketplace to what kind of document qualifies as a knowledge object that can be traded there. Regulations include whatever internal compliance mechanisms are put in place to reinforce these standards and protocols.

### **Market facilitators**

To date, the bulk of corporate investment in knowledge management has gone into providing the staff to build and maintain the technology platform. But that is not enough. In a true knowledge market, people are needed to apply standards and protocols and to exercise judgment in enforcing the regulations. These people become marketplace insiders, like brokers and specialists in a stock exchange, who facilitate the market's operation through familiarity with its mechanics. They don't have to constitute a large bureaucracy; no more than two dozen facilitators are needed to run and regulate an internal knowledge

market at, say, a large investment bank. The alternative—relying upon authors and knowledge seekers to follow protocols and standards and to regulate themselves—simply does not work: they lack the familiarity, the interest, or the time.

One group of market facilitators comprises the knowledge-service employees at the center of the marketplace. They can, for example, ensure that each document traded there has an attached tag to provide the information enabling the search process to be effective, as well as enough context to let readers preview a document before they download or read it. It is also helpful to have editors who, through a little dialogue with authors, are efficient at adding text to a set of exhibits in order to convert them into a knowledge object of sufficient quality.

Another group of market facilitators consists of “knowledge-domain owners.” In a large company, there can be hundreds of these domains, each representing different subsets of users with common knowledge interests. These are the kinds of decentralized units whose efforts to serve their common interests have produced the limited successes in knowledge sharing discussed earlier. Defining knowledge domains is a way of trying to replicate the conditions that have led to these decentralized successes but through an approach that utilizes the common standards and protocols of a company-wide marketplace. The “owner” of a knowledge domain is usually a senior executive who might make specific workers from the unit responsible for content listed in the knowledge market. They determine what meets the standard as a knowledge object or what if upgraded could meet the standard. They are also responsible for stimulating the creation and codification of new content by experts who have an interest in that knowledge arena. And they usually maintain and remove obsolete content and identify any knowledge gaps that need filling.



## *Knowledge Markets at Work*

The idea of rigorously applying market principles to knowledge-management activities is relatively new. As a result, there are few examples of companies that have fully adopted the concept. Among those that have, however, the potential appears to be great.

Consider the case of J. M. Huber, a large privately owned US company with three diversified business sectors. In 1995, its top management introduced an “after-action review process” to capture the lessons learned from projects and events and thus to improve its future performance. Lessons may be specific to a particular business sector when they pertain to areas such as manufacturing processes and procedures. Other lessons—for instance, those pertaining to strategy, safety, or marketing—may be useful across all three business sectors. Members of project teams conduct postproject meetings to answer three basic questions: What happened? Why did it happen? What can we do about it? At the end of the meeting, the team emerges with an action plan and a list of lessons learned to improve future performance. These findings are submitted to a common electronic-document library accessible to all employees through a portal.

Today the process has become part of Huber’s culture, and the database contains more than 8,000 reports. Why? Because managers can reach knowledge seekers interested in the same subjects while simultaneously building a reputation with colleagues in other

divisions and with top management. Once the market formed, the self-interest of the knowledge creators and knowledge seekers took over. Huber’s management says that this exchange of knowledge was instrumental in improving company performance.

There is another type of situation that illustrates the appeal of knowledge markets for groups of high-talent professionals whose work is almost completely knowledge based. This type of situation can be found, for example, in the R&D units of pharmaceutical companies, in the exploration and production units of petroleum companies, in investment banks, and in professional-services organizations such as law and accounting firms.

One such firm had long used a system to share knowledge among its professional staff. As the firm undertook a rigorous effort to apply market principles to this system, content was improved and old material culled, knowledge-domain owners were named, market facilitators were introduced, and the technology platform was upgraded. Signs of productivity gains began appearing almost immediately. Within a few months, the average number of monthly downloads of documents per professional more than doubled, from three to seven. The average number of searches per document downloaded, however, dropped from 5 to 1.2, meaning that users were now finding what they wanted with nearly every search.

## *A Large Potential*

Anecdotal as this account of some of these early efforts may be, the potential for knowledge sharing and productivity gains is plainly there. Some 48 million of the 137 million workers in the United States alone can be classified as knowledge workers; a single

company can employ 100,000 or more. Even small companies employing no more than a few hundred knowledge workers have the potential to create company-wide markets to facilitate the creation and exchange of knowledge. Logically, though, the



largest opportunities would appear to reside in the largest, most diverse, most geographically far-flung companies that employ significant numbers of professionals who are unlikely ever to meet—let alone to exchange relevant knowledge.

That said, the challenge of creating an effective company-wide knowledge market is daunting. It may take \$20 million to \$30 million in annual incremental spending to launch an initial-prototype knowledge market in a large company. Most of this sum would go to creating the knowledge-services staff whose members would act as market facilitators. The cost-benefit analysis for this kind of expense would face the same subjective measurement problems that executives have with efforts to assess the impact of IT expenditures. But with US companies spending trillions of dollars annually on the salaries of knowledge workers, not to mention the technology that supports them, anything that would boost their productivity by even 1 percent would justify the investment.

In practical terms, taking the first steps toward building a knowledge market requires the formation of an initial company-wide market in at least one knowledge arena. It could be strategic knowledge about the behavior of competitors, for example, or proprietary functional knowledge concerning marketing or human-resources issues.

Next comes establishing a library that has at least some high-quality knowledge objects. Without that

minimum, users will not find it worth their time to go to the knowledge marketplace to search for content. The value of a knowledge marketplace depends primarily on the quantity and quality of the content available to attract demand. Who makes use of a library with only ten poorly written books on the shelf? However, experience indicates that even as few as 750 to 1,000 high-quality documents can attract enough demand to start an effective marketplace. Usually, getting one started will involve a systemic effort to find and upgrade the best existing content in the knowledge arena, plus an effort to supply fresh content that meets the quality standard and shows the potential of scaling up. This endeavor requires top management—through visible recognition, a mandate, or both—to motivate employees with distinctive knowledge and the best communications skills to produce highly valuable showcase content voluntarily. Happily, once a vibrant knowledge market is created, it takes on a life of its own even if it starts small.

The proprietary knowledge that resides in the minds of a company's top professionals is a source of competitive advantage. An effective, efficient, company-wide knowledge market can deliver this power in ways that past efforts at knowledge management have failed to do. By creating a market mechanism for knowledge and a culture that encourages employees to share valuable knowledge with peers, companies can aggregate internal supply and demand from the many small, subscale knowledge-management systems that already exist within them.

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## Where Evaluation and Knowledge Management Meet, Marketplaces, Rivers and Staircases!

**FOR A MARKETPLACE** to thrive, there are at least four essential elements:

- Supply—someone needs to have something to sell.
- Demand—customers with an interest in what the supplier has to offer.
- A shared currency—to enable trade to happen—whether this is bartering, cash or credit.
- A common language—such that the buyer has the same understanding as the seller, and both agree on the levels of quality and value before a transaction is made.

The same is true when it comes to knowledge-exchange. A successful knowledge marketplace also requires a supply—sources of knowledge, packaged in a meaningful and accessible way. Perhaps more importantly, the marketplace also requires a demand for that knowledge. This is often a sticking-point, particularly when “not-invented-here” behaviours begin to surface.

When the human body is faced with an organ transplant, it naturally generates antibodies which attempt to reject this “foreign body”. Sometimes the same can be said of our behaviours when we are faced with an idea or a good practice from another part of the organisation, or even from outside the organisation. Our antibodies reveal themselves in comments like:

- *“Ah, you don’t understand—we’re different here, we couldn’t possibly learn from you.”*



*Chris Collison, Independent Management Consultant and business author with over 17 years of experience in knowledge management, networks and organizational learning*

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- *“That might have worked for you in that context, but it will never work here!”*
- *“We have our own unique culture—unique problems.”*

Sometimes what lies behind this mindset is a reality that *actually we quite like coming up with unique answers*. It’s far more satisfying to invent our own solution than it is to borrow and adapt solutions from elsewhere—where is the fun in that?

So supply and demand are both important, but there is often a lack of equilibrium. Frequently I hear from organisations who lament “Chris, we have a knowledge-sharing problem. Can you help us?”. I usually start by challenging whether they actually have an “asking problem”—and that if they can make it simple, safe and desirable to ask for help, then the sharing will naturally follow.





A shared currency? In these days of more open standards for exchange, this is less of an issue—at least for the sharing of documents. For the sharing of knowledge through conversation, often the shared currency is that of time—time for the conversation to happen.

This brings us to the question of a common language. How often do we miss opportunities to share and learn because we see the world differently, and have no framework to describe what good looks like, what basic levels of capability are—so we talk past each other, or make connections based on assumptions which ultimately prove unfruitful. Serendipity isn't a strategy!

This is the basis of a technique for knowledge-sharing which originated in British Petroleum and was rapidly adopted by the United Nations UNAIDS programme. Geoff Parcell, who worked with me on BP's pioneering Knowledge Management team was seconded to advise the UNAIDS team on the introduction of knowledge management techniques to improve the effectiveness of their programme. His first step was to help the various stakeholders—UN officials and experts, non-government organisations and people

living with AIDS—to articulate and agree upon a common model. This model (or self-assessment tool) described the key capabilities or practices essential for a community or city to prepare for and respond to HIV/AIDS.

The ten Practices were: Acknowledgement & Recognition, Inclusion, Care & Prevention, Access to treatment, Identifying Vulnerability, Learning & Transfer, Measuring Change, Adapting Response, Ways of Working and Mobilising Resources.

For each practice, a description of five levels of capability was agreed upon, ranging from a very minimal, foundation level through to a very high level of maturity. Hence a self-evaluation model was created, using straightforward language (easily translated) and commonly agreed terms. The entire model would fit on a single sheet of paper.

The image below shows a group at a Ugandan fishing village reviewing the self-assessment and scoring their own community against the 10 practices on a scale of 1-5 (inset).



Each community involved in the programme would discuss and agree upon their scores for the ten practices, and also on any areas of improvement for immediate focus, setting a target score for these priority areas.

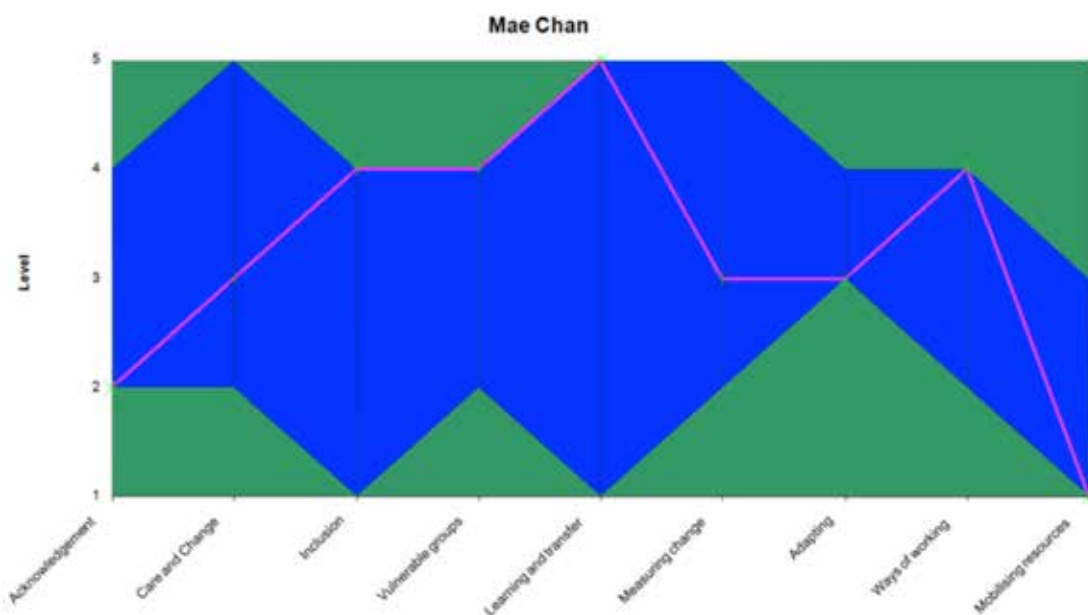
Equipped with this information, the UNAIDS programme was easily able to identify individual strengths and weaknesses, “positive deviants” who could share details of unusually effective practices and communities with a huge appetite for learning. Rather than being a body which preached policy and best practice, it now had a role as a facilitator of exchanges of good practice, supporting local adaptation and learning. This was a revolution!

In order to accelerate this sharing revolution, the UNAIDS team used a visualisation technique known as the River diagram. Very simply, the River diagram displays the range of scores (maximum and minimum) for each practice, using the metaphor of the blue river (which is the envelope of performance), and the green river banks (which are outside the experience of those who were evaluated—representing

capabilities which were currently out of reach, or those which everyone had exceeded.) The example below shows this blue “range of capabilities”, with the scores from one community—Mae Chan in Thailand, plotted against it.

It becomes easy to see how Mae Chan has strengths and also weaknesses relative to the other communities whose data was included in the scoring—particularly in the areas of Acknowledgement and Mobilising Resources.

Looking beyond the specific scores for Mae Chan, the shape of the river itself contains important messages. Where the river is widest, this must represent the largest opportunity for sharing and learning between groups. Perhaps a conference, peer-assist meeting or a network should be established to facilitate this sharing? Where the river is generally low—for example, “Mobilising Resources”, then a central intervention—perhaps a training programme would be relevant to lift everyone’s capability collectively. *Further details on how to construct a River diagram using this model are available on YouTube by searching for “River Diagram”.*



To further capitalise upon the sharing and learning opportunities arising from this common evaluation, an additional visualisation was used: the Stairs diagram. This model places different cities on a “capability staircase” using two numbers: The height (y-axis) is indicated by the level of capability on the self-assessment, in the same way as the River diagram. The x-axis represent the desire to improve, and is a measure of how much a particular city wanted to improve. This was the size the gap between their current and desired capability.

The picture below shows this distribution model applied to a number of Ugandan communities. It quickly becomes evident which groups should be brought together to share and learn together on the basis of an appetite for learning, and a good practice to share. In this example (which uses fictitious data), Arua and Moroto had much to learn from Mbarara, and also from Kibaale, Pallisa and Busia.

These tools of evaluation, based upon an internationally agreed self-assessment and the visualisation mechanisms from the River and Stairs diagrams were responsible for a significant shift in how local communities respond to the threat from HIV/AIDS. It provided them with others to reach out to and learn from and share with in a more targeted way than was ever possible before.

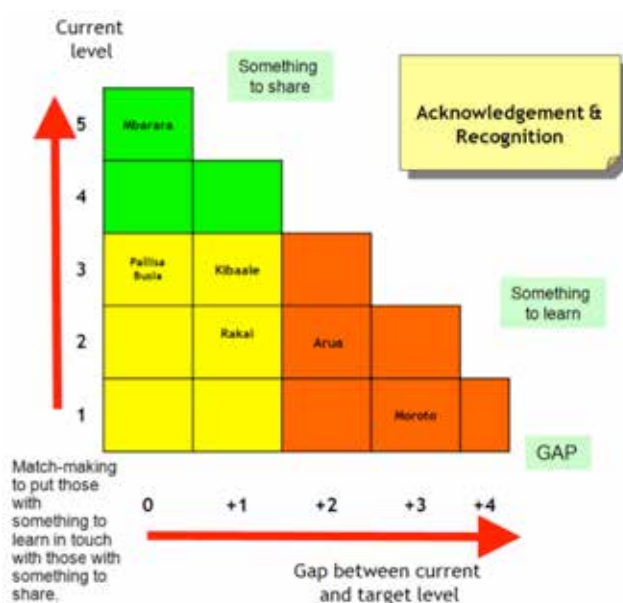
The UNAIDS programme runs regular knowledge-sharing events, and has spawned an online “AIDS Constellation” space where different communities share stories and videos relating to their experience—all linked back to the evaluation model. Evaluation (largely self-assessment in this case) has become a catalyst for knowledge sharing. There is no doubt that lives have been saved as a result.

Beyond the UNAIDS programme, this technique has been used by a wide variety of companies and organisations, including infection control in hospitals in the UK, power station maintenance and safety management across Europe, chemical manufacturing in multi-national agri-businesses, supply-chain effectiveness in a UK bank, and the fight against malaria by the World Health Organisation.

### What might it make possible for a Development Bank?

Some call it the “River of Life”; others call it the “Staircase to excellence”. To me, it’s simply an effective, holistic example of where Knowledge Management can measurably impact performance—and everyone wants to buy that!

**Picture credits:** Geoff Parcell, Practical KM.



# First Things First: KM Strategy

Developing a Knowledge Strategy that Senior Leaders can get Behind

The African Development Bank—The Knowledge Broker ...  
The Transformation Bank?

Knowledge Management at the AfDB: Are we there yet?

# Developing a Knowledge Strategy that Senior Leaders can get Behind

*How to create, evaluate, and improve your KM strategy over time*

**15 YEARS AGO** when knowledge management was still a new idea, companies launched knowledge management (KM) programs based solely on vision and promise. But in a climate that increasingly emphasizes productivity and effectiveness in all aspects of business, KM is not exempt from scrutiny. To receive support and funding, your KM program must be founded on a solid strategy and business case that demonstrate a deep understanding of your organization's critical knowledge needs.

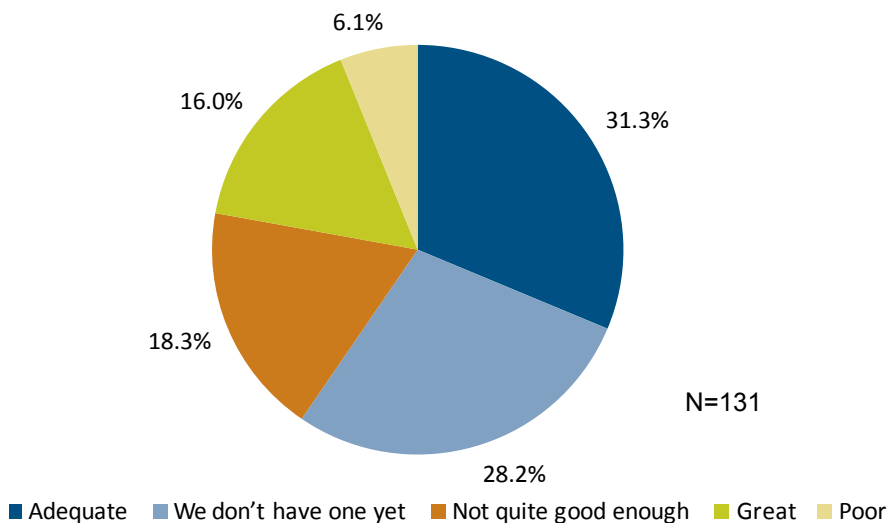
Despite strategy's role as a fundamental building block, many organizations still struggle with or neglect this component of their programs. When APQC polled an audience of KM practitioners in



*Carla O'Dell, Chief Executive Officer, and Lauren Trees, Research Program Manager, American Productivity and Quality Center*

2011, more than half said that their organizations either didn't have business cases for KM or that their business cases weren't adequate for their needs (Figure 1).

## *How Well Is Your Organization's Business Case for KM Working?*





*When building a knowledge strategy and business case, the first step is to determine why you're pursuing KM in the first place. What problem is the organization trying to solve, and what advantages will knowledge-sharing tools and approaches provide?*

### **Start by Asking “Why?”**

When building a knowledge strategy and business case, the first step is to determine why you're pursuing KM in the first place. What problem is the organization trying to solve, and what advantages will knowledge-sharing tools and approaches provide?

You should look closely at your organization's strategic goals and talk to executives about what's keeping them up at night. The following five questions can guide your conversations with senior leaders and focus attention on the right problems and opportunities.

- Does the current available knowledge allow us to compete in the near term?
- What knowledge will we need to innovate and meet longer-term customer needs?
- What market differentiator(s) can be improved if knowledge and expertise are better shared and transferred?

### **Create a plan of Action**

Once you've established the purpose behind your KM program and the knowledge-sharing approaches most likely to support your goals, the next step is to articulate a business case. A good business case

Even those who know they need to improve their strategies often go about it the wrong way. Clients routinely come to APQC and say, “My business unit wants to implement communities of practice. Can you help us build a strategy around that?” Their intentions are good, but selecting a KM approach—like communities—before you know what you're trying to achieve is a bit like a doctor prescribing medicine before coming up with a diagnosis. You have to define the problem before you design the solution.

- Are there current and pending challenges or issues that are knowledge-related?
- What does success look like for a KM endeavor?

The answers to these questions will help you define the reasoning behind your KM program along with leadership expectations, near- and long-term opportunities, and potential challenges. This, in turn, will point you toward the right KM tools and approaches. For example, if your organization is vulnerable to knowledge loss due to retirements, mergers, or downsizing, you may want to develop approaches to capture and retain that critical knowledge. But if your organization is expanding, it may make more sense to focus on virtual communities that connect new hires to experts and expertise. No matter what your organization's knowledge goals are, you must ensure that the KM tactics being implemented are linked to targeted objectives and aligned with your organization's overall strategic direction.

answers the same who, what, when, where, why, and how questions that characterize all informative writing. Explain exactly what you propose to do, why it's important, and how you'll get it done.





List the people and resources involved, describe the benefits and risks, and lay out a timeline with clear milestones. Your leaders are more likely to support your proposal if you back it up with solid data and realistic estimates.

APQC recommends clearly defining the reach of your program. While it's possible to build a business case for KM at the local level, this strategy does not help build capacity for the future. You need a centralized foundation for replicable models that will help you avoid redundant efforts. ("Design once, use again" is the mantra of the best KM programs.) Make the case for an enterprise KM program with standardized approaches, not a loose collection of local, unscalable KM initiatives.

Your business case should also emphasize how the organization will profit from knowledge sharing and collaboration. Instead of making vague claims or

enumerating every potential benefit of KM, hone in on the specific goals and problems you identified earlier. Be sure to emphasize how knowledge will be used, not just how it will be captured and shared. No matter how much knowledge an organization documents, it does not benefit until that knowledge is used to innovate, improve products and services, reduce costs, shorten cycle times, and so on.

Hard numbers can make your business case more compelling, so be sure to assign dollar values to your inputs, the outputs you expect, and the projected impact of KM on productivity and revenue. But as you make your estimates, remember that all KM approaches—especially those with IT components—require maintenance, regular updates, and staff support. If you want your ROI calculations to pan out, assess your current IT capabilities to ensure that anticipated KM support costs are realistic.

### *Measure and Validate over time*

Once your program is up and running, you must prove that your KM tools and approaches actually do what you hypothesized they would. This is accomplished by measuring KM investments and outcomes, including hard and soft measures.

Many different measures can be used to track KM performance, and the ones you choose will depend on your KM approaches and objectives. If your business case centers on decreasing time-to-competency for new employees, then you will want to track how often those employees are using the KM systems and whether they are learning and developing more quickly than before. Similarly, if your goal is to improve sales efficiency, you might track sales and cycle time metrics.

Whatever the strategic reasoning behind your business case, measures should be chosen with your core objectives in mind. APQC has found that many leading organizations base their business cases on a subset of measures clearly associated with cost savings or revenue generation, treating benefits that are intangible



*Once your program is up and running, you must prove that your KM tools and approaches actually do what you hypothesized they would. This is accomplished by measuring KM investments and outcomes, including hard and soft measures.*







*Whatever the strategic reasoning behind your business case, measures should be chosen with your core objectives in mind.*

or more difficult to measure—such as improved

**Getting it done: Knowledge Analytics<sup>SM</sup>**

If you're in the midst of launching KM or you have an older program that's stalled, it may sound like a lot of work to go back to the starting gate and revamp your strategy. But our research and experience confirm that the rewards are worth it, especially if you take advantage of practical tools to help you along the way. One of the newest and most revolutionary tools is Knowledge Analytics<sup>SM</sup>, a framework for KM strategy development, implementation, and

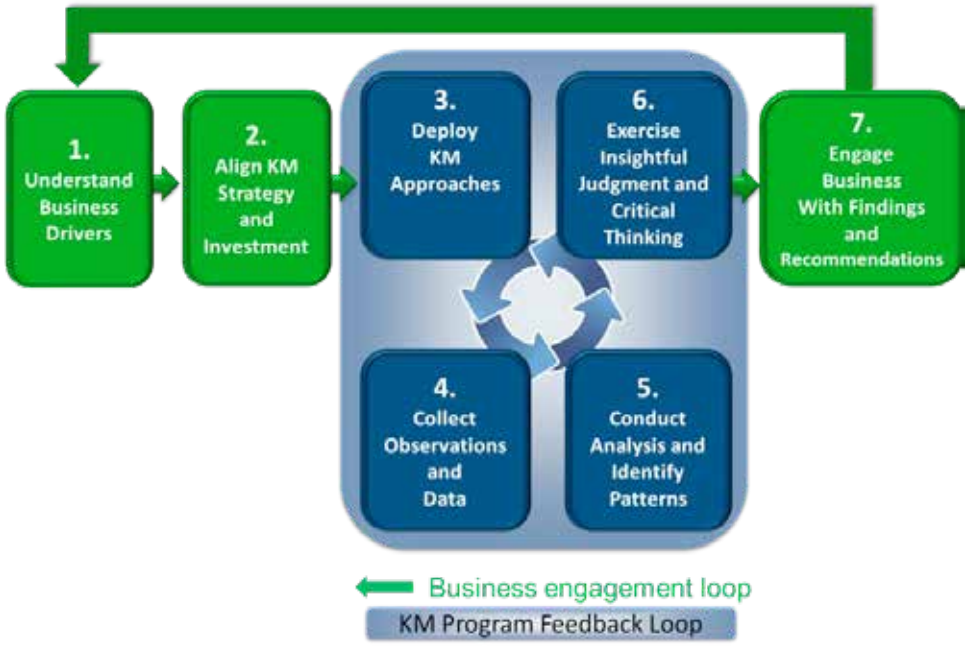
communication, decreased time-to-competency, or superior customer relationships—as significant correlates that come with the financial gain.

If the KM team can supply hard data to validate its business case and demonstrate the impact of KM on performance, it will be in a good position to secure continued funding and/or argue for the expansion of the current program.

assessment created by APQC in partnership with its 2011–2012 KM Advanced Working Group.

Knowledge Analytics is a seven-step process (Figure 2) that shows you how to make smart investments by combining data from KM and other parts of the business. In the first two steps, you hone your strategy and business case along the lines we've discussed. You also make hypotheses about how planned KM

**Knowledge Analytics Process**



investments will impact business needs. The next two steps are all about implementation: getting your KM tools and approaches up and running and collecting the data to fuel your analysis. Appropriate data may come from anywhere in the organization, depending on your original hypotheses.

The fifth step is where things get really interesting. Here, you apply a variety of analytic techniques to identify patterns relevant to the KM program, the business drivers, and the hypothesized relationship between the two. The sixth step is critical thinking to evaluate the patterns you've uncovered and determine their significance to the KM program and the business. In the final step, you circle back with your leaders and talk about the implications of the findings.

Going beyond simply showing value, this new way of thinking can reveal how KM approaches interact with and illuminate a much broader spectrum of questions facing today's organizations. For example,

can you detect broader trends from the conversations occurring in your communities of practice? Can you learn what new requests your customers are making by looking at what employees search for? Can you use work force demographics and patterns of sharing to predict and prevent the loss of critical knowledge? And can you identify people with expertise not obvious on their résumés?

By bringing together disparate data sources, Knowledge Analytics guides you to make the right decisions about knowledge sharing and collaboration investments. It also allows you to predict future outcomes based on patterns of behavior and performance. If you apply Knowledge Analytics effectively, your business leaders will be able to spot relationships early on and seize business opportunities that might otherwise be overlooked.

Knowledge Analytics was developed in collaboration with APQC's 2011-2012 Knowledge Management Advanced Working Group.

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## The African Development Bank—the Knowledge Broker ... the Transformation Bank?

**WE WRITE THIS**, with 28 large cardboard boxes stacked in the corridor, emblazoned with the removal company's slogan: 'You deserve the best'. Therein lie a large proportion of the paper records of the Department that occupied the office space before the Strategy team moved in. In amongst the rubble, we know that there will be pearls of great price. What to do? How do we manage this knowledge?

There are still some who say that Knowledge Management is basically about filing—or more accurately 'Everything you always knew about filing, but never quite managed to achieve.' They remember elusive advice, from as far back as their first job. 'Keep everything in good order—everything that is current, everything that has gone before. Not just what you did, but what the others did, too. Don't let people file too much on their own: try and build up something that belongs to all, which all can access. Know where to find things—in cupboards, perhaps, but better still on computers—and, most importantly, how to use them when you do find them. And while you're at it, why not share some or all of it with others, with outsiders—in fact with as many as you reasonably can? Why horde good information? There is something in there for everyone.'

There are others who publish journals about Knowledge Management, set up websites on the subject, and write impenetrably academic articles about it, referenced to the hilt.

Both have a point. Knowledge management is an art and a science, simple in principle and complex in



*Kapil Kapoor, Director; and John Phillips, Lead Strategic Communications Adviser, Strategy Department, African Development Bank*

practice. It is indeed about knowing things or where to find them, and using that knowledge to the maximum effect. There are distinctions between knowledge bankers and brokers, knowledge generators and knowledge sharers, but when that knowledge is designed to transform lives, it becomes something not far short of a crime when it is not used and shared to maximum effect. This is, after all, the knowledge on how to treat disease, to support small businesses, to grow crops. To do the groundwork ... to raise the money ... to build the road ... to link the towns ... to join the countries ... to build up the region ... to change the continent. This is the road that takes the children to school, the pregnant mothers to hospital, the crops to market, and the truck-loads of goods from country A to country B, via country C.

That is ultimately the reason why the African Development Bank aspires to be Africa's premier knowledge institution, and to use that knowledge to transform lives.

'Transformation' is the central theme of the of the Bank's new Ten Year Strategy covering the period 2013 to 2022: a vision of a transformed and transforming Bank at the service of a transformed and transforming continent.

One key element of the Strategy is its novelty in answering *what* we will do and *why*; another answers the question '*how?*'

The Strategy sets out the view that while the Bank should continue to be Africa's development partner of choice—financing transformative projects in countries and regions, especially in the field of infrastructure in which our reputation and status is unquestioned—we need to be firmer in our foundation, and in the principles and practices that guide us. Based on the fact that economic growth does not become real transformation until it is shared by all, and until it is sustainable in preserving the natural world, then the overarching goals of the Strategy emerge. First, it makes clear that all our work should be 'inclusive'—for women as much as for men, for younger people as for older, for rural communities as much as urban, for fragile economies and for the more developed—and second, that all of it should support the gradual transition towards 'green growth'. So by using our knowledge to improve the quality of growth—making it more inclusive and gradually greener—we will support Africa's vision of stability and prosperity.

The Strategy also states that while the Bank should continue to lend and grant money, it should do other things as well—not least because its own funds (some \$5 billion a year in a continent-wide economy worth \$2 trillion) can only go so far. Given its uniquely African character and its unique skills and networks, this means that—more and more—it needs to set about attracting others' funds, on top of its own, from

the public and the private sectors, from home and abroad. Its accumulated knowledge will be instrumental in doing this. It also means that the Bank needs to be a voice for Africa and for African development, and that in projecting that voice it should rely on the foremost element of its African character—that is, on its experience and networks. So by using our knowledge to be both a broker and an advocate, we will again support Africa's economic transformation.

Hence the aspiration not just to be a Development Bank, but to be a Knowledge Broker, certainly, and more: a manager of knowledge, a generator of knowledge a thought leader, an agent of transformation—dare we call ourselves a Transformation Bank?

And hence, in turn, the need for a definitive Knowledge Management system, maintained and nurtured, and shared far and wide. The science that began with management theorists like Peter Drucker in the 1960s and Ikujiro Nonaka in the '90s deserves the Bank's full attention, and in 2013 it will further articulate its Knowledge Management strategy.

Knowledge, we know, is power, and—in the democratic societies to which we aspire in Africa—as a Bank which is expert in infrastructure, we can mix metaphors by saying that power should be shared by everyone on the grid. It mobilizes all the prepositions by being of, by and for the people. Gaining and using knowledge is not bound by the confines of school: just as the science of Human Development has a sworn belief in the power of education, so does the



*One key element of the Strategy is its novelty in answering what we will do and why; another answers the question 'how?'*





*A cosmic and alarmingly rapid revolution in information technology has unearthed a world of possibility for this to happen, and yet there is no guarantee that it will do so. The Worldwide Web is perhaps a microcosm of life: a gift of incalculable wonder and enormous potential, which is invariably underused and abused.*

science of Economic Development swear by the processes of continuous learning and the sharing of experience and wisdom.

A cosmic and alarmingly rapid revolution in information technology has unearthed a world of possibility for this to happen, and yet there is no guarantee that it will do so. The Worldwide Web is perhaps a

### *Internally, what does the Bank aspire to do with its knowledge?*

First, to collect and collate all the knowledge and experience that we have generated over 50 years. How many development organizations can lay hands on the Country Strategy Paper of 20 and 30 years ago, in preparing the one of today? How many have lost access to years of valuable know-how when individuals have left and taken their wisdom with them? At issue is the optimal usage of our intangible assets, and intellectual capital.

Second, to ensure that all of our different channels and bodies of information are coordinated. How many development organizations maintain separate databases of project data, or financial data, or evaluation data, which fail to talk to each other, and which

microcosm of life: a gift of incalculable wonder and enormous potential, which is invariably underused and abused. Technology also brings with it the serious problem of information overload: a US academic research program two years ago concluded that the average white collar daily data bombardment is equivalent to that of 174 newspapers. As such, discernment is a major factor in managing, presenting, sharing and above all using knowledge. The task is to use technology and judgment to the full by spreading the democratizing and life-giving power of knowledge.

The simplest definition of Knowledge Management is that it is how an organization manages its knowledge better, for its own benefit and that of its stakeholders. Those stakeholders are internal and external. And when the latter embrace the one billion people on the continent of Africa—and by extension their relationships with the six other billion people on the planet—then the stakes of knowledge management are extremely high.

are known only unto themselves? How many fail to connect and create communities of knowledge between headquarters and field offices, or indeed across different departments working on the same set of development challenges?

Third, to evaluate the knowledge we have, allowing us to see and plug the gaps. Above all, this necessitates the intellectual work needed to inform investment decisions worth millions of dollars, basing them on the sharpest and most current intelligence of economic, social and political analysis. In this way our internet and intranet sites need to be monumental but living and organic repositories of knowledge and wisdom, in which all 2000 Bank staff take pride and ownership.



## *Externally, what does the Bank aspire to do with its knowledge?*

We want to make every morsel of knowledge, and every single dollar that we spend, go the furthest possible distance. The last half-century has left too many examples of development done with faulty or insufficient knowledge for this to be anything other than a paramount task.

First, and most importantly, we want to add to the canon of development knowledge from which this continent will benefit. Our own research work and publications program—with its commodities, economics, market and policy briefs—breaks new ground. The *African Economic Outlook* is already receiving significant attention, and it and the *African Development Report* can be beacons for African development in the way that the World Bank's annual *World Development Reports* are for the global development community. Recent *AEOs* and *ADRs* have brought fresh research and interpretations to Africa's challenges in area like ports and trade logistics, youth employment, and natural resource management. The work of the African Development Institute, and the information available at the Bank's dataportal website, are further substantial Bank offerings to the body of knowledge about the continent. So too are all our country and sector reports, data, and field and project experiences. Just as important are case studies and creatively animated stories from the field—our external communications work can generate knowledge substance, with style.

Second, we want to be brokers of knowledge, maximizing the power of our reach among governments, businesses, NGOs, universities and other communities. The annual African Economic Conference goes part of the way, but we can go further. The Bank has funded the African Virtual University, linking Open Distance and eLearning institutions in over 30 sub-Saharan African countries. Online fora offer

extraordinary opportunities to share knowledge. The 'D-groups', for instance—online development spaces built around email lists and online shared workspace—globally host 2,500 groups and 100,000 members, well over half of them from the Global South.

Perhaps the biggest single leap the Bank could take, towards becoming a true knowledge broker and a force for transformation, is to develop a truly portal knowledge website. Its current site houses quality knowledge, but it is first and foremost an institutional site. 'The Bank did this; the Bank thinks this.' As a portal site, it would be the definitive forum for African development—a Google to the nth degree, a sample page of a portal website would link to a further ten pages on different websites, reflecting a multiplicity of views and sources of information.

A random search of the website unearths the limits of what an institutional site can do. 'Gabon agriculture', for instance, reveals a refreshing and workmanlike taste of the Bank's engagement in that sector in that country ... extremely important, no doubt, but not a definitive guide to the background to the sector, to the role of the government and local players (the Ministry of Agriculture, the Faculty of



*First, and most importantly, we want to add to the canon of development knowledge from which this continent will benefit. Our own research work and publications program—with its commodities, economics, market and policy briefs—breaks new ground.*







*The African Development Bank can already lay serious claim to being a knowledge institution for Africa. It's Disclosure and Access to Information Policy is a key element of that—but its new Knowledge Management strategy will take it further down the road towards ever better management and use of its own and others' intellectual capital.*

Agriculture, the farmers' cooperatives, the community associations...), to the role of other international players, to comparative information on neighboring and other countries, to the best thinking of experts and academics and teachers and trainers around the world. A portal website is a living, breathing, growing thing. 10 'institutional' AfDB web pages could become the 100-page definitive site on the subject, and there are 100s, if not 1000s, of individual topics which would merit a similar 'portal' treatment. This would cost very serious time and money, and is perhaps the biggest test of how far the Bank is really committed to being a true knowledge organization. It has started to take the portal route—for instance with the websites of the African Water Facility, or the new African Financial Markets Initiative—but it has only just begun.

Third, we want to bring our knowledge directly to the countries we serve, knowing that its value often outstrips the face value of the funds we can bring to the table. Liberian President Ellen Johnson-Sirleaf addressed the Bank in February 2013 about the value of a partnership with a Bank that is as much a trusted partner and a source of wisdom, as a source of valuable funds. She viewed much of the Bank's

engagement in Liberia as a product of applied Bank knowledge and its convening power, for example in helping her country arrive at solutions for the energy sector and in so doing dramatically bringing down the cost of electricity (which costs 15 times the rate in the US), in a country in which only 2% of people have access to electricity. This is the transformative power of knowledge. In the same way, she attributed emergency Bank aid in the face of a caterpillar plague in her country as the result of knowledge and the willingness and speed to deploy it, as much as of finance. Meanwhile Angola has an annual oil industry worth billions—what, realistically, can the Bank add? The answer is knowledge: in the management and governance of natural resources and their revenues, gained over generations. The Bank has so far assisted 10 countries to implement the Extractive Industries Transparency Initiative, and has plans to scale up significantly in this area.

Fourth, we want to be conduits in a global information exchange, by which South may continue to share with and learn from North, but so too in which North learns from South, and—perhaps most significantly of all—South learns from South. We operate on the premise that there are no globally uniform paths to development, other than the empowerment of people. The Bank has the capacity to learn from and to teach its friends in the developing South, exchanging ideas on different models of growth—market-led and state-led, built on public-private and sometimes public-private-third sector partnerships, based on agriculture or industry or manufacturing or services, or any combination. The Bank's task is to trade in the global information marketplace, and come home with as much of the produce as possible. It is already producing research on the way that experiences have been shared by Africa and China, and Africa and India.





Fifth, as the voice for development in Africa, we want to use our knowledge to be global advocates and global conveners. We were these, for instance, in the wake of the global financial crisis which began in 2008, when the Bank brought together the Committee of 10 Ministers of Finance and Central Bank Governors. Likewise, in the Bank's role as an ambassador for Africa at the G20 in Seoul in November 2010, and in its mobilizing role in the public sector-led Program for Infrastructure Development in Africa, the private sector-led Infrastructure Consortium for Africa, and the North-South transport corridor.

The African Development Bank can already lay serious claim to being a knowledge institution for Africa. It's Disclosure and Access to Information Policy is a key element of that—but its new Knowledge Management strategy will take it further down the road towards ever better management and use of its own and others' intellectual capital. In all this, it supports the great goal of the economic transformation of Africa. By standing on the firmest foundations of Knowledge, the Bank can exercise a Wisdom Function for Africa.



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A Review of IT systems support for Knowledge Management

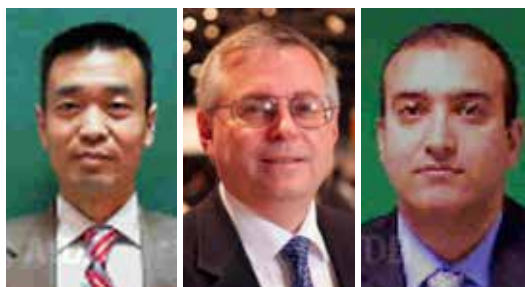
How Development Institutions can best use Social Media for Knowledge Sharing/Collaboration/  
Communications in Africa

# A Review of IT Systems Support for Knowledge Management

**KNOWLEDGE IS RECOGNIZED** today as one of the most important asset for companies and institutions. It has become the most crucial resource, innovation driver and competitive advantage. The main goal of knowledge management is to “improve organizational performance by enabling individuals to capture, share, and apply their collective knowledge to make optimal decisions” (Smith and Farquhar, 2000). Knowledge management has various components and aspects such as strategic, organizational, social, cultural and technological aspects. This paper addresses the technological aspect. Specifically, the paper provides an overview of the types of information technology (IT) systems and tools available in the market and in the Bank that support different knowledge management activities and examines their role in KM practice (section 2 and 3). In particular, it explores the use of the SharePoint (@baobab) platform the Bank’s Knowledge Management platform, as a customized team workspace / document repository, that facilitates of collaborative document development, will be explored in (section 4). The challenges towards an effective integrated knowledge management system are finally discussed in section 5.

## 1. Introduction

Knowledge Management (KM) involves the identification, creation, capture, organization, sharing and dissemination of information and knowledge people can use to create, make optimal decisions and improve organizational performance. KM plays an important role in the Bank’s development strategy. It acts as a catalyzer for the Bank’s operations, helping it to excel as a knowledge and learning institution in Africa. The knowledge has to be managed in a



*David Wu, Alexandre Samarin and Moez Charfeddine*

comprehensive manner (fig. 1) to allow the Bank to generate knowledge through partnership and networking; preserve and enrich Africa’s intellectual capital, and employ it in Africa’s development—the ultimate competitive edge for the Bank.

## 2. The need for IT systems in Knowledge Management

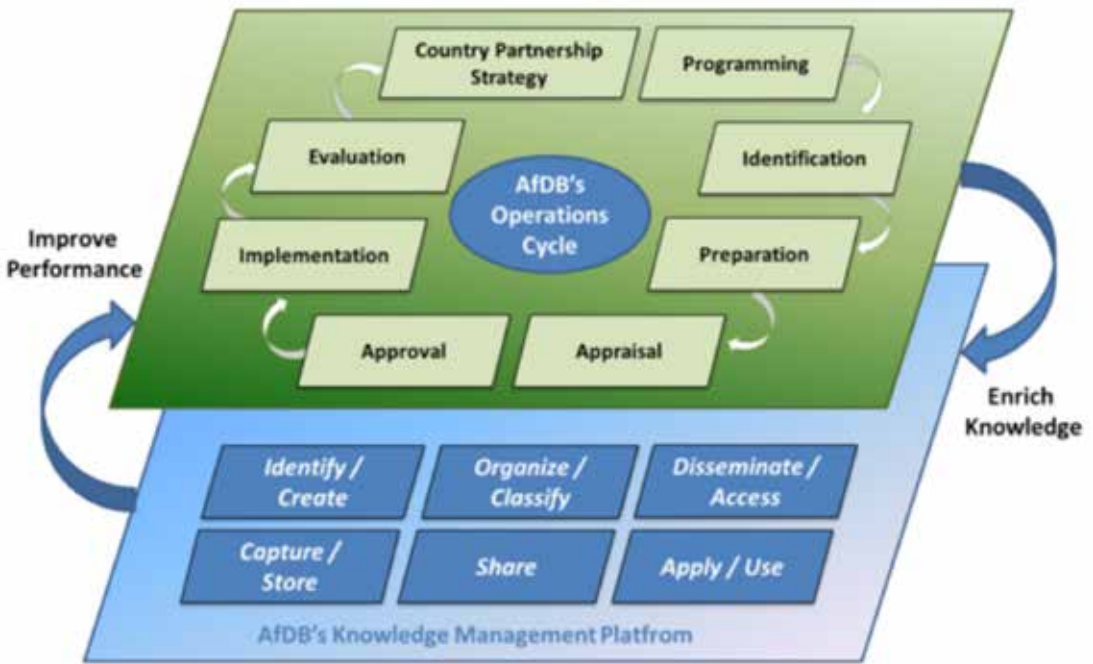
Knowledge has to be preserved and leveraged by individuals and by the organization. Knowledge items that the Bank needs to manage have different content (manuals, correspondence, projects documents, publications, etc.) and formats (text, pictures, audio/video...). The amount of information and knowledge that needs to be captured, stored and shared, the geographic distribution of sources and consumers in the context of decentralization, and the dynamic evolution of information makes the use of IT systems a necessity (Lindvall, 2003). Thus, effective IT systems play an important role in achieving the following:

- Enabling staff to collaborate and communicate, especially when in a work environment that is distributed in time and space.



- Promoting a collaborative and integrative approach to the creation, capture, organization, access and use of information assets, including the tacit, un-captured knowledge of people.
- Expanding the business value of content management by making sure that the right information gets into the users' hands at the right time and with the fewest possible steps.
- Providing integration between the technologies and mechanisms that are developed to support knowledge management processes.
- Providing centralized management of the Bank's core knowledge assets as well as supporting the seamless delivery and tracking of those assets.
- Making knowledge electronic, formalized and actionable so that it can be incorporated into working practices.

Fig. 1: Processes of the AfDB's Knowledge Management Platform



### 3. Types of IT Systems that Support Knowledge Management

To achieve its goal, knowledge management processes should be supported by a variety of IT systems, which play different roles in KM practices. Existing IT systems in the market and in AfDB can be categorized under eight (8) main types:

#### 1. Collaboration support systems—Sharing explicit knowledge and creating new knowledge

Knowledge management is fundamentally collaborative. Thus tools that allow people to share and co-author documents, make comments, engage in discussion, and so on, can be valuable aids to knowledge management and organizational learning (Jones, 2001). Using collaboration systems in project operations, team members create new knowledge via exploration and develop an understanding of the projects' known-why by providing document version control, disseminating information, and creating awareness about issues that can affect a project's

execution (Petter et al., 2007). The @baobab platform based on SharePoint software is the main collaborative solution implemented by CIMM (the AfDB IT Department) since 2011. It offers customizable team workspaces with advanced features for knowledge sharing and document development. These features will be presented in more detail in the next section.

## **2. Communication support systems—Sharing tacit knowledge across time and distance**

These IT systems let people connect virtually to meet, discuss, brainstorm, and share tacit knowledge. For example, Lync web conferencing software contains tools such as white boarding, audio / video, instant messaging (chat), and desktop / application sharing that allows users not only to communicate, but also to work together on knowledge assets as they collaborate. Lync is currently in pilot by CIMM with the collaboration of partnering business units. It will be deployed Bank-wide in Q2-2013.

Outlook is also a common communication tool for emails, which are certainly the most common means of sharing information today. However, this universal form of communication has some limitations: Inappropriate use of distribution lists can result in those who have no need of the information being submerged by unwanted messages; while others who would value the information may be omitted. Even appropriately circulated email costs the recipient time to manage and store locally (5). Moreover, the personal nature of email boxes makes it difficult for new project members to have access to historic information. Thus, the integration between Outlook and SharePoint @baobab, for example, is a valuable feature to preserve knowledge shared via emails.

## **3. Content and document management, information portals, knowledge bases—Capture and manage explicit experience:**

Content and document management technologies allow people to capture, codify, and organize documents as well as experiences and ideas in central repositories that enable seamless, intuitive access to the entire Bank. SharePoint @baobab provides the ability to categorize, publish, and manage documents and content. It also supports workflow around content, such as versioning, approvals, alerts / notifications and routing. The DARMS system, based on IBM FileNet software, also offers an archiving solution for AfDB documents.

## **4. Corporate social networks and experts' community portals: Capture, search and deliver—bringing knowledge to teams and communities:**

Connecting people to leverage their individual intellectual capital is another way IT systems are used in knowledge management. Social networks are a proven resource in building teams and in transmitting and maintaining knowledge in an organization (Jones, 2001). Expert networks and Communities of Practice are usually created for sharing and developing common skills, knowledge, and expertise, such as the AfDB Evaluation Community of Practice. They can exist in a division or department in an organization, across departments, or beyond boundaries of multiple organizations, depending upon their objectives.

Building team social networks and communities across a decentralized organization is possible using Web sites built with a personalized view, wikis, blogs, central search engines, public folders sharing, and so on. These systems offer a space for communities to exchange ideas and knowledge, and they are generally structured by topic. With features such as blogs, enterprise wiki, bookmarking (like it), team discussion and personal sites (My site), SharePoint @baobab supports the creation of corporate social networks and expert's communities.



## **5. E-Learning Management Systems: Disseminate explicit knowledge across time and distance**

Knowledge management aims to help people acquire new knowledge. It also packages and delivers existing knowledge through teaching. E-learning systems include computer-based and on-line training tools. CIMM, in collaboration with EADI (the African Development Institute), has implemented a new Learning Management System based on an open source solution called Moodle.

## **6. Business intelligence—turning business data into knowledge:**

Being able to quickly spot trends in financial and line of business data allows decision-makers to plan better strategies. Data-warehousing and business-intelligence features enable knowledge workers at all levels of the Bank to better understand their operations. SAP BW, for example, brings together information from finance, projects and process systems to present a transparent view of the Bank's operations. SharePoint BI services allow users to easily analyze vast amounts of data in their familiar browser environment. Based on the above systems, CIMM built a virtual resource center for ORCE. The system offers a projects portfolio dashboard that is easily accessible through @baobab.

## **7. Business process management & workflow systems—Execute processes, capture and enforce best practices:**

Business process management or workflow systems enable the creation of process-based applications to ensure that the practices are followed and measured. They have proved to be an effective tool in automating business processes and thereby helping improve knowledge worker and organizational productivity (Sarnikar and Deokar, 2010). Both SAP and SharePoint provide examples of powerful and

flexible systems for building workflow applications. Executable business processes will allow the Bank to: 1) drive and proactively monitor operations through the project cycle, and 2) provide information for various views (performance, financial, results, procurement, risk, compliance, etc.) on core-business. As an example, CIMM is working on the full automation of the project's procurement processes managed by the Procurement department (ORPF) within the SharePoint platform.

## **8. Experts systems and modeling / simulation tools—Using knowledge in decision-making and problem solving processes.**

These advanced IT systems allow the application of knowledge in problem solving and decision-making processes. They are based on modeling techniques in which the system under study is replaced by a model that describes the real system and/or its behavior. Simulation is used when conducting experiments on a real system would be impossible or impractical. Expert systems emulate the decision-making ability of a human expert.

## **4. The @baobab Collaborative Platform (SharePoint)**

SharePoint is a Microsoft portal product that enables a customized corporate platform to be created. It allows for multiple levels of secure access and a high level of functionality across a range of applications in knowledge / document management and collaboration (Millett et al., 2005).

CIMM has deployed a SharePoint platform called @baobab ([www.baobab.afdb.org](http://www.baobab.afdb.org)). The name @baobab refers to the famous tree that is revered in the African culture. In ancient times, kings, elders and leaders would hold meetings under huge baobabs to discuss matters of great importance.





Once created, documents can be captured and categorized according to a variety of taxonomies including site, document library and folder hierarchies, content types and document metadata. The search center allows users to find documents regardless of their stored location (Millett et al., 2005).

A critical feature of the SharePoint Portal is that it uses a web-based central repository for all work-based information, including documents, announcements, calendars, contacts, tasks, and discussions. Thus, it promotes a more effective team-based and virtual working environment covering a wide range of relevant business processes and operations (Chaffey 1998). It is intended for large workgroups seeking to manage their information and develop documents. As a customizable corporate web portal, it provides a powerful level of flexibility, enabling workgroups to develop appropriate local solutions in terms of their knowledge management requirements

Moreover, the integrated collaborative capabilities of SharePoint, Office and Exchange (Outlook) allow users to work together within their familiar productivity tools. These tools include capabilities such as shared calendars and tasks, team discussions, easy workspace creation, and documents management to help groups collaborate.

SharePoint @baobab also supports the creation of corporate social networks and experts' communities owing to such features as blogs, enterprise wiki, team discussion and personal site (My site).

### ***5. Challenges Facing an Effective Integrated Knowledge Management System***

Multiple studies on KM processes (see, for example, Gammelgaard and Ritter, 2005) looked at barriers

to knowledge transfer and retrieval and identified the following:

1. The lack of a single place to store and retrieve knowledge (fragmentation), when knowledge is dispersed throughout multiple IT systems and thus difficult to find by employees
2. Overload, when a tremendous amount of knowledge is available and is thus impossible to handle.
3. De-contextualization, when knowledge can be located but cannot be retrieved due to problems understanding the matter.
4. The complexity to identify useful knowledge since it was hidden behind cryptic filenames or folders.
5. The lack of motivation of employees to make knowledge available to others; this, in turn, made information technology repositories not up-to-date.

To put in place an effective and integrated knowledge management platform in the Bank, the following challenges need to be addressed:

- Fully electronic formats (imaging and scanning capacities);
- Standardized logical organization of business documents and information (taxonomies, metadata, filing plan, etc.);
- Formalizing and mastering flows and processes within and beyond the enterprise boundaries (Operations manual, processes repository...);
- Solid infrastructure and connectivity in different field offices allowing access at anytime, anywhere, and from any device;
- Implementing an integrated architecture with a centralized enterprise search engine;
- Delivering customized solutions to the business users based on the out-of-the box features of the platform and in a timely manner;
- Incentives and enablers for automation of manual work;





Building an effective knowledge management platform is an achievable vision using SharePoint. However, the Bank must invest in applying best practices in terms of platform governance, change management, integration, and so on. There are also difficulties associated with investing time in educating staff about the potential benefits of IT to their working patterns. People tend to prefer familiarity over change and incorporating new technologies into the workplace takes time and effort. It is recommended that managers recognise the benefits of IT and implement changes according to the specific requirements of their business units. Such implementation must be accompanied by sufficient training and education for staff to ensure that IT is being used effectively.

Experienced SharePoint users know that SharePoint is an excellent repository and knowledge management environment once documents make it into the right place with the right metadata. The challenge, however, often lies in the process of efficiently getting these documents into the SharePoint repository. An effective knowledge management system must make it absolutely “brainless” for a knowledge worker to move a completed document into the repository

## 6. Conclusion

In summary, IT systems can support effective knowledge management by providing a variety of tools and features for collaboration, communication, content / document management, social networks, etc. They provide the required foundation for managing knowledge assets and bringing people together in dispersed organizations. However, tools are not enough and effective knowledge-management practices requires a well-balanced approach, including: 1) the development of a systematic practice that will use the tools appropriately to monitor knowledge processes, anticipate and attend to feedback and outcome measures, design avenues for change, and then take action effectively, 2) the creation of incentives for sharing knowledge and having focused business goals in order to avoid many of the common barriers to effective knowledge management. While knowledge management offers cost savings, the real value is in more forward-looking and adaptive organizations. The Bank will see benefits in faster operations development, improved decision-making, more skilled staff, and enhanced services that better meet the different stakeholders’ needs.

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Moez Charfeddine is Project Manager of the SharePoint @baobab Project in CIMM. Before joining the AfDB, he worked in the telecommunications and information technology sector in Canada. He holds a diploma in engineering and an MBA in Information Technology Management. He is finalizing his Ph.D. in Operation and Decision Systems.



# How Development Institutions can best use Social Media for Knowledge Sharing/Collaboration/Communications in Africa

## Introduction

**BEFORE ANSWERING THE** question of how African development institutions can use social media to share knowledge, it may be appropriate to establish what development institutions are, why share knowledge, why social media.

### *Development Institutions*

This topic takes me on a memory lane to my undergraduate days that culminated in 1983 with a dissertation on the impact of NACB (Nigerian Agriculture and Development Bank) on the agricultural sector of Cross River State. I realized that commercial contributions to economic development are limited because of their short-term view of lending. Investment banks improve in their lending term but are still inadequate perhaps because of their primary profit motive. Sometimes too, government funds are inadequate to lend long-term for essential economic development. Thus development banks like the NACB come in and are able to attract funding from international agencies like the World Bank to needed areas. Among the clients of NACB involved in my primary research was a retired chief executives of a government department who was then in the fishing industry, poultry farmers and feeds producers and other agriculturists. I saw them perform at a scale to not only increase the food production but also generated employment to citizens.

Development banks are not the only institutions on the list of development institutions. At [A portrait of Abel Usoro, a Black man with short hair, wearing a dark suit jacket, a white shirt, and a blue and yellow striped tie. He is smiling slightly and looking towards the camera. The background is an indoor setting, possibly a library or office, with bookshelves and a counter visible.](http://www.</a></p></div><div data-bbox=)

*Abel Usoro, Lecturer, University of the West of Scotland, UK*

[devdir.org/files/AfricaA.PDF](http://devdir.org/files/AfricaA.PDF) is a 1,155 page directory of development institutions in Africa. The institutions range from international organizations, government institutions, private sector support organisations (including fairtrade), development consulting firms (including references to job opportunities and vacancy announcements), information providers (development newsletters and journals), to grant makers. So wide is the range of institutions that it would be difficult to cover in details how each of the institutions can use social media for knowledge sharing and collaboration. Nonetheless, the common denominator for development institutions is the aim to fight poverty and to improve people's lives. Development banks for instance played a crucial role in the rapid industrialization process of Continental Europe and Japan (Aghion, 1999). They counteracted underinvestment and under-transmission of expertise in long-term industrial (and I would add, agricultural) financing. How does knowledge sharing come into their business?



## Why Knowledge Sharing?

Knowledge or intellectual capital is increasingly recognized as a greater contributor than physical assets to organizational wealth (Hislop, 2013). Perhaps the most crucial aspect of managing this capital is sharing. Explicit knowledge is easier shared because it has been codified eg on computer databases but tacit knowledge is implicit and may not even be realized by the owner. In recognition of the importance of tacit

## Why Social Media?

Social media can be defined in the broadest sense as any online service that enables users to design, create, edit and share a variety of content. Some of the common features of social media are (Li, 2011):

- Blogging: users can upload materials (photos, diaries, videos etc) which are chronologically organized;
- Grouping: users can join a group of people with something in common such as same college, company or city.
- Networking: users can add or remove friends at any time;
- Instant messaging: users can send instant messages to their friends.

Initially social media was for entertainment but its dynamism, interaction, collaboration, participation and trusting environment turn them into normal

knowledge, modern knowledge management systems do not stop at developing data or knowledge bases but also provide collaborative and communication tools. The basic email system and intranets facilitate knowledge sharing. However, to take advantage of the innovative interactive and content-sharing facilities of Web 2.0 which was launched in the early 2000s, social media has emerged as a very important tool.

business and organizational tools. The technological support of Web 2.0 social networks and virtual communities creates an avenue for people to learn together and share experiences (Elia et al, 2009). Utilising the engaging power of social media in virtual relationships, organisations are immersing themselves into “people’s internet” and learning to transform the “likes,” “shares” and “comments” into useful customer knowledge (Andriole, 2010). It is therefore common to see businesses launch Facebook pages, Twitter accounts, YouTube channels and blogs to endeavor to maintain relevance among competition and to establish and strengthen bonds with clients (Mitic and Kapoulas, 2012). Facebook was originally for sharing of personal information mainly with the use of blogging but organisations are using them too. LinkedIn is mainly for professional information sharing in the social networks. YouTube is for sharing of videos, Flickr for photographs, DocStoc for documents and SlideShare for presentations and these platforms also allow other’s evaluations and opinions on what are shared

RSS (Really Simple Syndication), podcasting, Atom (a web publishing language) and widgets are some of the new ways of broadcasting real-time text, video and audio information to customers or shareholders.

*Knowledge or intellectual capital is increasingly recognized as a greater contributor than physical assets to organizational wealth (Hislop, 2013). Perhaps the most crucial aspect of managing this capital is sharing.*

Wikis are special websites which allow entries and edits from different users. A good example is the Wikipedia (<http://www.wikipedia.org/>) which is internationally and freely written with the objective of collectively creating accurate and up-to-date common knowledge.

According to Bonsón and Flores (2011), social media is a good means for corporate dialogue even for financial institutions in this age that transparency is demanded of organisations.

### *How can Social Media be used for Knowledge Sharing in African Development Institutions?*

Many organisations such as IBM, General Electric and Shell have replaced cumbersome knowledge management systems with social media applications such as blogs (individuals' publishing sites that allow others to make comments online in chronological order) and wikis because they share the belief that social media is the antidote to many barriers in knowledge sharing (Grace, 2009). How can social media be used for knowledge sharing in African development institutions? Since social media is all about two-way communication, the question is, with whom? We can break down into these three main groups:

#### **Customers**

Development institutions have organisational and individual customers who they serve. For example, as already explained, a development bank can have individual and corporate customers to lend money to. A development institution can use RSS feeds to update the clients on new information from their websites. Tweets can also be used. In a wider sense, the general citizens of the society can be considered as customers of development institutions because eventually, the institutions want to alleviate their poverty and

better their welfare. Since mobile devices (phones, tablets and laptops) are becoming very common even in developing economies and they are the main carriers of social media, there is plenty of communication among citizens of different groupings. By tapping into these communications (eg through membership of groups) whether in the form of blogs or tweets, development institutions can guess their needs and their reactions to services provided. This useful information can aid them to



create new products and services or even to adjust current ones. The social media can also aid them to gain accurate knowledge of their customer profiles which is crucial for organizational survival (cf Cader et al, 2013)

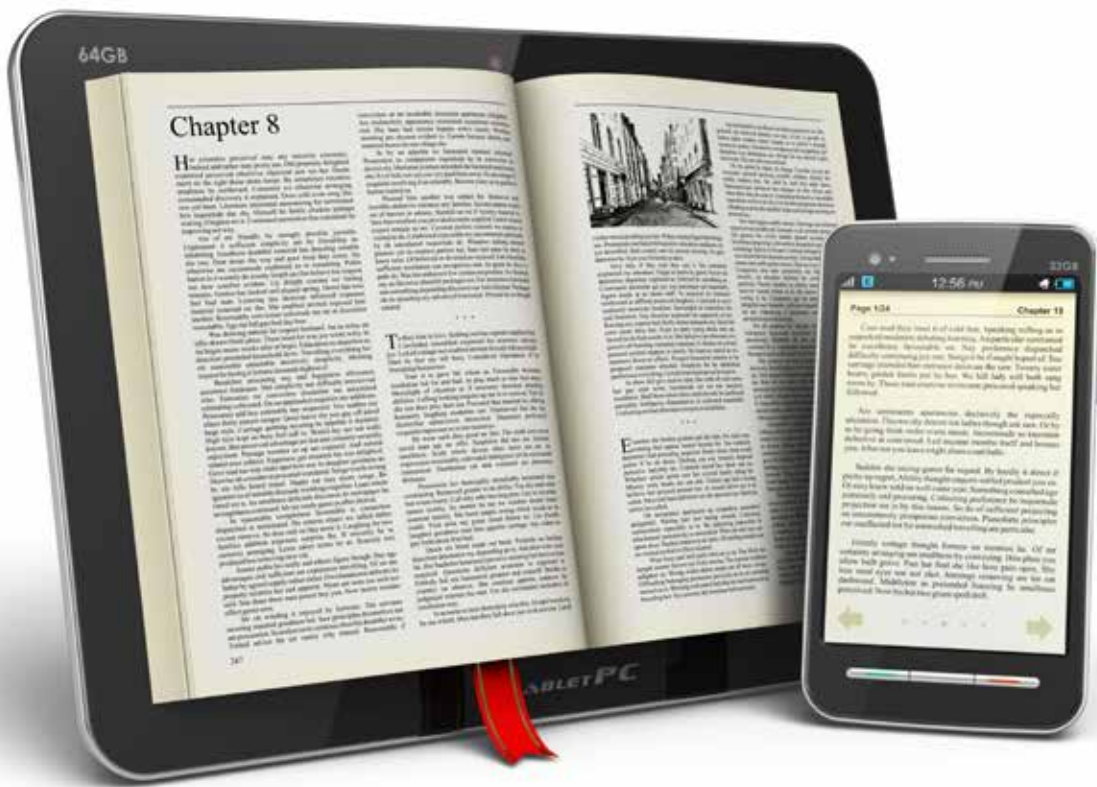
Development institutions can also set up Wikis to allow immediate and easy feedback on ideas and services. They can be used to monitor corporate social responsibility (Anonymous, 2012). Another interesting way social media can be used is to easily produce video material and post it on YouTube. That would more easily communicate to the public than just texts.

### Staff (internal)

Organisational members constitute important source of intellectual capital by virtue of their qualifications, skills and experience. Successful organisations are

those that can orchestrate these resources in a way that optimizes goals and objectives. Social media provides an easy and non-formal approach to unlocking this capital especially tacit knowledge. The University of the West of Scotland, for instance uses Yammer as a platform. Internal use of social media has not caught up as much as external. What development institutions may observe is that technology savvy staff have created a social media to share problems and solutions (Anonymous, 2013). In time, they may extend this effort to go beyond the organizational boundaries. Managers should take advantage and encourage the efforts including promoting staff use of LinkedIn to tap from internal and external knowledge stock.

For internal social media set up by institutions to work, institutions first have to adopt the qualities of a learning organization that makes members free



to express themselves. However, to avoid disruption of such freedom, reasonable boundaries have to be placed. For instance, unreasonable personal attacks (character assassinations) can be outlawed. The employees' social media can also be used to enforce, re-enforce or introduce useful organizational culture. There is a known challenge of getting members to share knowledge. The social nature of the network should engender willingness to share. Besides, managers should consider different rewards (both intrinsic and extrinsic).

### **Inter-organisational**

Most development institutions need to collaborate with sister organisations with whom they co-invest or operate and other organisations eg grant-makers. A Wiki can help the organisations to air their views on a common concern eg funding. Social networks

### **Conclusion**

Africa can be recorded as economically poorer than developed parts of the world. However, social media has penetrated there as its technologies (mobile devices and Web 2.0) make economic sense to both individuals and organisations. African development institutions can utilise its power of networking and collaborative knowledge sharing to communicate internally and externally to and from customers and stakeholders.

of communities of practice can also be set up are on individual basis but crosses organizational boundaries. For example, members across institutions who are in charge of organizing and managing events can share a social media to exchange information as well as to advertise their activities. The same social media, eg Face Book, can collect blogs (information) from their customers. Vuori and Okkonen (2012) found out in their research that a meay movitation for using intra-organisational social media is the making of every-day work easier and faster as well as the media ease of use. For instance, not only is it easy to send instant messages but also easy to produce high quality video and share (using YouTube).

Other ways that development institutions can use social media is for recruitment. Tweets can be used to advertise and LinkedIn can be used for head-hunting.

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# Show Value: Measure KM Initiatives

Can you tell what it is yet?

Effective Measurement of Knowledge Management Initiatives



## Can you tell what it is?

**I SOMETIMES FIND** myself wanting to use the catchphrase “Can you tell what it is yet” in workshops when clients are struggling to agree upon a definition of knowledge management for their organisation. It’s a real rarity to find a definition for KM with less than four commas which can be read aloud without at least one pause for breath.

“Can you tell what it is yet?”. I’m not convinced that a definition is the best way to tell what it is. Definitions explain, but don’t inspire. Even vision statements can be a bit bullet-point-trite at times.

There was a helpful thread in the sikm-leaders forum last week when someone asked for ten responses to complete the statement “*You know knowledge is being effectively managed when...*”

*You know knowledge is being effectively managed when...*

**Leadership.** Leaders in the organisation are role models, challenging people to ask for help, seek out, share and apply good practices this inspires curiosity and a commitment to improve. The organisation is learning!

**Learning.** People instinctively seek to learn before doing. Lessons from successes and failures are drawn out in an effective manner and shared openly with others who are genuinely eager to learn, apply and improve. Lessons lead to actions and improvement.

**Networking.** People are actively networking, seamlessly using formal communities and informal social



*Chris Collison, Independent Management Consultant and business author.*

I thought it was a really practical way to explore how it feels, and looks—how people behave, when KM is really working. Here are my ten suggestions:

networks to get help, share solutions, lessons and good practices. The boundaries between internal and external networks are blurred and all employees understand the benefits and take personal responsibility for managing the risks.



*It’s a real rarity to find a definition for KM with less than four commas which can be read aloud without at least one pause for breath.*





*Leadership. Leaders in the organisation are role models, challenging people to ask for help, seek out, share and apply good practices this inspires curiosity and a commitment to improve. The organisation is learning!*

**Navigation.** There are no unnecessary barriers to information, which is shared by default and restricted only where necessary. Information management tools and protocols are intuitive, simple and well understood by everybody. This results in a navigable, searchable, intelligently tagged and appropriately classified asset for the whole organisation, with secure access for trusted partners.

**Collaboration.** People have the desire and capability to use work collaboratively, using a variety of technology tools with confidence. Collaboration is a natural act, whether spontaneous or scheduled.

People work with an awareness of their colleagues and use on-line tools as instinctively as the telephone to increase their productivity.

**Consolidation.** People know which knowledge is strategically important, and treat it as an asset. Relevant lessons are drawn from the experience of many, and consolidated into guidelines. These are brought to life with stories and narrative, useful documents and templates and links to individuals with experience and expertise. These living “knowledge assets” are refreshed and updated regularly by a community of practitioners.

**Social Media.** Everybody understands how to get the best from the available tools and channels. Social media is just part of business as usual; people have stopped making a distinction. Serendipity, authenticity and customer intimacy are increasing. People are no longer tentative and are encouraged to innovate and experiment. The old dogs are learning new tricks! Policies are supportive and constantly evolving, keeping pace with innovation in the industry.

- EXCELLENT PERFORMANCE is 95% or better
- GOOD PERFORMANCE 87% or better
- POOR PERFORMANCE is less than 75%



**Storytelling.** Stories are told, stories are listened to, stories are re-told and experience is shared. People know how to use the influencing power of storytelling. Narrative is valued, captured, analysed and used to identify emergent patterns which inform future strategy.

**Environment.** The physical workplace reflects a culture of openness and collaboration. Everyone feels part of what's going on in the office. Informal and formal meetings are easily arranged without space constraints and technology is always on hand to enhance productivity and involve participants who can be there in person.

**Embedding.** Knowledge management is fully embedded in people management and development, influencing recruitment and selection. Knowledge-sharing behaviours are built-into induction programmes and are evident in corporate values and individual competencies. Knowledge transfer is part of the strategic agenda for HR. The risks of knowledge loss are addressed proactively. Knowledge



**Embedding.** Knowledge management is fully embedded in people management and development, influencing recruitment and selection.

salvage efforts during hurried exit interviews are a thing of the past!

Now your top ten will probably be different to mine (although you're very welcome to borrow and adapt them).

This kind of approach encourages us to look well beyond the technology which often disproportionately demands our attention.

*Taken from the Consulting Collison Column in an upcoming edition of Inside Knowledge. Reprinted by permission.*

**Chris Collison** is an independent management consultant and business author with over 17 years of experience in knowledge management, networks and organizational learning. He was part of British Petroleum's KM program, a team accredited with generating over \$200m of value through pioneering knowledge management; and Group Director of Knowledge and Change Management at Centrica. Chris is best known as the co-author of the bestseller "Learning to Fly. Practical Knowledge Management from Leading and Learning Organizations" (Wiley), which has become a standard work in the field of knowledge management. His second book, again co-authored with Geoff Parcell and (worryingly!) entitled "No More Consultants", was published in October 2009.



# Effective Measurement of Knowledge Management Initiatives

## An APQC Overview

**MANY ORGANIZATIONS STILL** struggle to measure the gains that knowledge management (KM) promises to offer. Executives are rightly asking, “What investment are we making in KM? Is it enough? Too much? What are we getting for our money?” The intangible nature of knowledge itself causes some KM practitioners to assume that the effects of KM will also be intangible. However, APQC has not found that to be the case.

According to our research, firms can and do effectively measure the impact of KM. In fact, those that invest the most and measure most rigorously are achieving a financial return on investment (ROI) of approximately two dollars for every dollar spent per participating employee—a healthy ROI by any standard. These returns are added to valuable intangibles such as an increased sense of belonging among employees, faster socialization of issues and change, cross-fertilization of ideas, and so on.

Below are five tips for creating and sustaining successful KM measurement programs.

### *Tip no. 1*

**Start with a measurement paradigm that links knowledge management efforts to business needs.**

Far too many KM measurement attempts focus exclusively on activity measures such as the number

of communities, the number of documents downloaded, and the number of people who participate. While these are critical indicators of the health and adoption of knowledge-sharing practices, they are not an end in themselves.

APQC suggests a different approach: A KM measurement system should incorporate business outcomes as the focal point for the strategy and a way to measure its effectiveness. Once an organization defines the business objectives for KM, knowledge flow processes—such as communities—need to be established and their activity levels tracked. The goal is to tie trends in activity measures to business outcomes. Clear business outcomes provide the ROI to justify investment in targeted KM approaches as well as the infrastructure, people, and technology that any successful initiative requires.

### *Tip no. 2*

**Select measures that are appropriate to your organization’s particular KM approach, objectives, and stage of development.**

In the early stages of deployment, any KM strategy needs measures that assess alignment with business strategy, acceptance, and behavior change, as well as a method to predict desired business outcomes and begin tracking them. However, the way in which an organization measures the particular costs and impacts of its KM program depends on the KM approach(es) adopted.



For example, a KM initiative focused on improving sales force effectiveness would track the reuse of effective proposals (activity) and sales (outcome), but such measures would probably be irrelevant to a KM initiative centered on building new knowledge in an engineering discipline. Likewise, an enterprise whose goal is to implement communities of practice would measure success differently than would an organization that wants to install a content management system.

### *Tip no. 3*

#### **Understand the relationships between inputs, process changes, and desired outcomes.**

The APQC value path model shows the relationships among inputs (investments), processes (KM-related activities and behaviors), and outcomes (organizational objectives). Depending on the particular KM activities being performed, examples of inputs might include time, salaries, and IT costs. Process changes might include cycle time, participation, and contribution to a body of knowledge. Examples of outcomes important to the organization might include employee and customer retention, reduced costs per transaction, or increased revenue.

### *Tip no. 4*

#### **Create a measurement system that actually works.**

Many organizations have lists of measures, but lack the necessary processes and accountability for collecting, organizing, reporting, and using the measures to improve their KM programs and drive funding and investment. In addition, a measurement system that captures intangible benefits such as social cohesion, job satisfaction, and time-to-competency will provide a more comprehensive view of KM efforts' success.

### *Tip no. 5*

#### **In addition to metrics, provide compelling examples of success.**

At every stage of KM deployment, organizations need examples of concrete accomplishments that can help justify past and future investments and provide management with a vision of what is possible. Collect success stories that illustrate the value path from inputs to outcomes.

### *The Bottom Line*

KM measurement is like a beautiful automobile. Although measurement has inherent esthetic and social value, its utilization value comes when it propels one from point A to point B—from ignorance to understanding or informed action. A measurement system that links KM activities to business impact provides a rationale for investment beyond the intangibles that KM brings to an organization.

#### **ABOUT APQC**

For more than 30 years, APQC has been on the leading edge of improving performance and fostering innovation around the world. APQC works with organizations across all industries to find practical, cost-effective solutions to drive productivity and quality improvement.

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# KM in Action at the AfDB

Knowledge Management, Change, People and Decentralization

Evaluation Knowledge Management at the AfDB:  
What we Should Know

# Knowledge Management, Change, People and Decentralization<sup>1</sup>

*“KNOWLEDGE MANAGEMENT IS about capturing, creating, distilling, sharing and using know-how. That know-how includes explicit and tacit knowledge. [...] It is not about books of wisdom and best practices, it's more about the communities that keep know-how of a topic alive by sharing what they know, building on it and adapting it to their own use. [...] Call it 'performance through learning', 'shared knowledge', or simply 'working smarter.'”*

*(Learning to Fly, Chris Collison and Geoff Parcell (2001)*

Knowledge sharing is not a new concept. Writing in 1945, Hayek noted that a business's most important asset was its ability to process information. More than two decades later, this was echoed by Drucker (1969), who wrote that, “Knowledge is the central capital, the cost centre and the crucial resource of the economy.” More important are the dynamics of information and knowledge; and how people assimilate it, exchange and combine it to make new things out of it. The purpose of this article is not to discuss

## *The Changing Global Context*

The global economy continues to experience tectonic changes that present both new opportunities and new threats to the prospects for international development. Over the last decade, African economies have moved to a higher, more sustainable growth path, which has in turn led to a reduced inci-



*Ebrima Faal, Regional Director, African Development Bank, Southern Africa Resource Center*

any particular strategy but to stimulate some thinking on the issue of knowledge **management** in the context of a rapidly changing global environment and a new dynamic in Africa. More specifically, knowledge management will be discussed in the context of the African Development Bank's (AfDB) regional resource center (RRC) pilot projects.

dence of poverty. In particular, trade liberalization is opening up market access for increased trade globally but especially within Africa. Intra-African trade has more than doubled, from about US\$49 billion in 2005 to about US\$109 billion in 2011. While this is a most welcome development, it also brings some significant challenges—including placing a heavy demand on the continent's infrastructure systems, particularly trade

<sup>1</sup> This article reflects the personal views of the author, not those of the AfDB Management or its Executive Board.





corridors and logistics supply chains. Agriculture is being transformed from a state driven system to one of value chain processes driven mostly by demand and the private sector.

Moreover, key challenges have emerged that are quickly moving to transform the landscape and the environment for doing business in Africa. These include an increase in resource driven economies, the population dividend and high urbanization. Coupled with the adoption and rapid penetration of mobile technology and greater financial inclusion, the explosion in remittances and investment flows from the diaspora to the continent is facilitating economic diversification and an escape from poverty for some. Yet not for all as the same phenomenon has meant social exclusion, leaving some communities divided. An Intergovernmental Panel on Climate Change report warns of an imminent crisis for poor farmers in marginal areas, as their traditional crops are increasingly susceptible to the effects of climate change. At the same time, knowledge about new and more sustainable natural resource management

approaches (conservation agriculture and organic farming, for example) is emerging.

These rapid and often dramatic changes and the overload of data in today's world are making knowledge management increasingly more important. The dynamic process of knowledge and wealth creation raises tremendous possibilities for enhancing productivity and competitiveness. But there is also a risk that firms and organizations that are not able to keep pace with rapid change will fall behind. Knowledge is, therefore, a vital asset that is crucial for achieving the AfDB's mandate. Arguably, the AfDB's effectiveness as a catalyst financier, partner and knowledge broker depends on improved knowledge capabilities and how it actively manages knowledge in the context of a rapidly changing global environment. The ability to manage knowledge in times of rapidly changing landscapes is important for three reasons. Firstly, it facilitates decision-making capabilities. Second, it builds learning organizations by making learning routine. And third, it stimulates cultural change and innovation.

## *People and Trust*

As has been abundantly clear from African folklore, knowledge management is about people and trust. The great Malian diplomat and author Amadou Hampâté Bâ aptly captures this in his eloquent and famous statement, "In Africa, when an old man dies, it's a library burning." The essence of this is that people

are naturally desirous of and want to share knowledge. Not only knowledge gleaned from successes but also from failures. A recent article by Andrew Trickett (Arup Thoughts, November 2011) points to knowledge management as the "conscience of the organization". It also argues that, "Effective knowledge management depends on a sense and a synergy of moral obligation by employer and employee."<sup>2</sup> Trickett observes that, "Organizations struggle with the legacy systems of command and control and need to recognize that today's knowledge worker is different from the old production line worker." He further argues that the key element in this employer-employee relationship is trust and that knowledge

*These rapid and often dramatic changes and the overload of data in today's world are making knowledge management increasingly more important.*

management thrives in organizations where there are high levels of trust between people within the organization. His main point is that people naturally want to share knowledge. But organizations tend to place barriers in their way.

What this implies for us at the AfDB in our quest to become the premier financial institution and knowledge broker on the continent is that people must know that sharing of knowledge and a high work ethic will be celebrated and rewarded. Also important is that while we should strive to share knowledge of success, we must also be comfortable to share our failures. The World Bank recently started a trend with its so-called “failure fairs”, events aimed at highlighting the reasons for failure of specific projects that helping colleagues to learn from one another’s mistakes.

“Failure—or the notion that we should publicly share our stories about what doesn’t work in our scramble to innovate—is becoming the New Cool,” writes Marcia Stepanek.<sup>3</sup> “Rather than launch a quixotic war on failure, some social sector leaders are saying that we should be using what we’ve learned to fail better, to learn from the past so that we may, collectively, meet the challenges we share.” In other words, we should search for “what has to die so that better



*How do knowledge management and pilot projects relate to the RRCs? The AfDB’s decentralization strategy is clear and simple—it wants the Bank to be close to its clients and provide them with timely and quality products, service and advice.*

initiatives might live”. Clearly, talking about failure can de-mystify success and de-stigmatize risk, catalyzing in-house innovators, and inspiring more of us to build systems that fail better. Successfully unpacking failure is also a beautiful demonstration of the notion of knowledge management.

Failure is not permanent. It is a temporary state in which one thing might not work now but something else may. Proponents of this kind of knowledge sharing believe it is possible to fail but to do so in a controlled environment where you are prepared for the possibility that things will not take off and that you do not swim in crocodile infested waters before you check out and understand the biological life that frequents the creek.

### *Knowledge Management and the AfDB’s RRC Pilot Projects*

This section briefly examines role of knowledge management in the success of the RRC pilot projects. If properly implemented, these projects by definition provide the perfect spirit for and example of successful knowledge management. A pilot project is

defined as an activity planned as a test or a trial. Providing potentially valuable insights, pilot experiments are frequently carried out before large-scale rollouts in an attempt to avoid time and money being wasted on an inadequately designed project. A pilot project is usually carried out in line with the spirit of the famous Dutch proverb that rings, “Think before acting, and whilst acting still think.” Should anything emerge as missing during the pilot study,

<sup>2</sup> “Knowledge management: a question of trust”, <http://thoughts.arup.com/post/details/255/knowledge-management-a-question-of-trust>

<sup>3</sup> “Failure: The New Cool in Social Innovation?”, *Social Enterprise*, March 27, 2010



it can then be added to the full-scale (and more expensive) experiment to improve the chances of a successful outcome. The pilot project's purpose is to produce a set of intelligent recommendations for the project.

How do knowledge management and pilot projects relate to the RRCs? The AfDB's decentralization strategy is clear and simple—it wants the Bank to be close to its clients and provide them with timely and quality products, service and advice. The RRCs in particular gather a critical mass of staff, for the time being in Nairobi and Pretoria, to meet these objectives. Potentially game changing, the RRC model requires significant mindset changes and resources, and therein lie the risks. To mitigate these risks, the RRCs need to operate with a great extent of latitude. This latitude will also go a long way in addressing the greatly increased need for new types of knowledge, delivering an expanded range of services and addressing a diversity and complexity of factors that will determine the development effectiveness of the AfDB and the RRCs themselves. Importantly, these shifts and new requirements are demand driven. Recipient governments and

field partners are increasingly emphasizing that the value they attach to decentralization depends on its ability to strengthen innovation, knowledge sharing and learning.

The RRCs will need to obtain and generate new knowledge in order to respond effectively to these pressures and to the rapid and often dramatic changes they produce. Where old ways and methods no longer provide an adequate response to changed realities on the ground, RRCs need to innovate in order to better serve their clients and partners. This in turn means that the AfDB must become more agile, and improve its systems and institutional readiness for continuous learning and sharing.

Finally, the “people” aspect of the RRC pilot project is fundamentally important. The mindset changes and the moral obligation the project requires from all staff and management mean that knowledge management in the context of the decentralization strategy is not regarded as a compliance exercise but a fully resourced and integral part of a new model embraced by the AfDB as a whole and demanded by its clients.

Ebrima Faal is the Regional Director for the Southern Africa Regional Resource Center at the African Development Bank. He is in charge of the Bank's strategy, operations, and analytical work in the region. He was a staff member of the IMF for 17 years (1992-2009). During that time, his work focused mostly on economic issues facing Asia, Latin American and Caribbean economies. In 1997-98, he was Adviser to the Minister of Finance and later President of the Republic of Guyana.

Mr. Faal obtained a commerce degree from Mount Allison University (Canada) and did his masters and doctoral studies at McGill University in Canada.



# Evaluation Knowledge Management at the AfDB: What we Should Know

## Introduction

**KNOWLEDGE MANAGEMENT (KM)** is key to the work of the Operations Evaluation Department (OPEV). This is because evaluation work is, in essence, knowledge work. One may consider the evaluation process a KM process, with different actors—evaluator, research assistant, manager, communicator—playing different roles at different phases of the process. Along these lines, one may describe an evaluator as a knowledge manager who uses, reuses, creates, manages, stores and shares knowledge through the various tasks that comprise the evaluation process (desk reviews, stakeholder feedback seminars, reference group meetings, content preparation, and other dissemination and sharing activities).

As sharing of both tacit and explicit knowledge occurs throughout the evaluation process, OPEV is adopting a more comprehensive and systematic approach to

### *The Case for a Robust KM Strategy*

Knowledge—about the Bank and about evaluation work—is OPEV’s key strategic asset. Indeed, the department is a rich repository of development knowledge gained from in-depth assessments of the Bank’s policies, strategies, and operations. To accomplish its mission, OPEV must share this knowledge with the Bank’s stakeholders in ways that foster uptake into the Bank’s operations and inform decision making. This is not an easy task. Nonetheless, OPEV has achieved some measure of success in increasing access to the knowledge



*Felicia Avwontom and Mohamed Manai*

evaluation knowledge management, one where KM activities are fully and seamlessly embedded in the evaluation process from start to finish. This will allow the full use of KM to support the strategic objectives of the department. For OPEV, knowledge management is more than the dissemination that occurs when an evaluation is completed.

it generates. While there is a need for more diversified knowledge products for different target audiences, the bulk of evaluative knowledge is readily available in the form of evaluation reports that are made available through different channels. With respect to tacit knowledge, OPEV is making strides in creating more opportunities for face-to-face exchanges, notably through the Evaluation Community of Practice and increased engagement with stakeholders throughout the evaluation process.





*KM will ensure that OPEV learns and innovates in its work to remain relevant and competitive*

It is clear that knowledge management gives OPEV the possibility to do more to ensure that its evaluations are influential—the objective of most evaluation departments.

But KM can do more for OPEV.

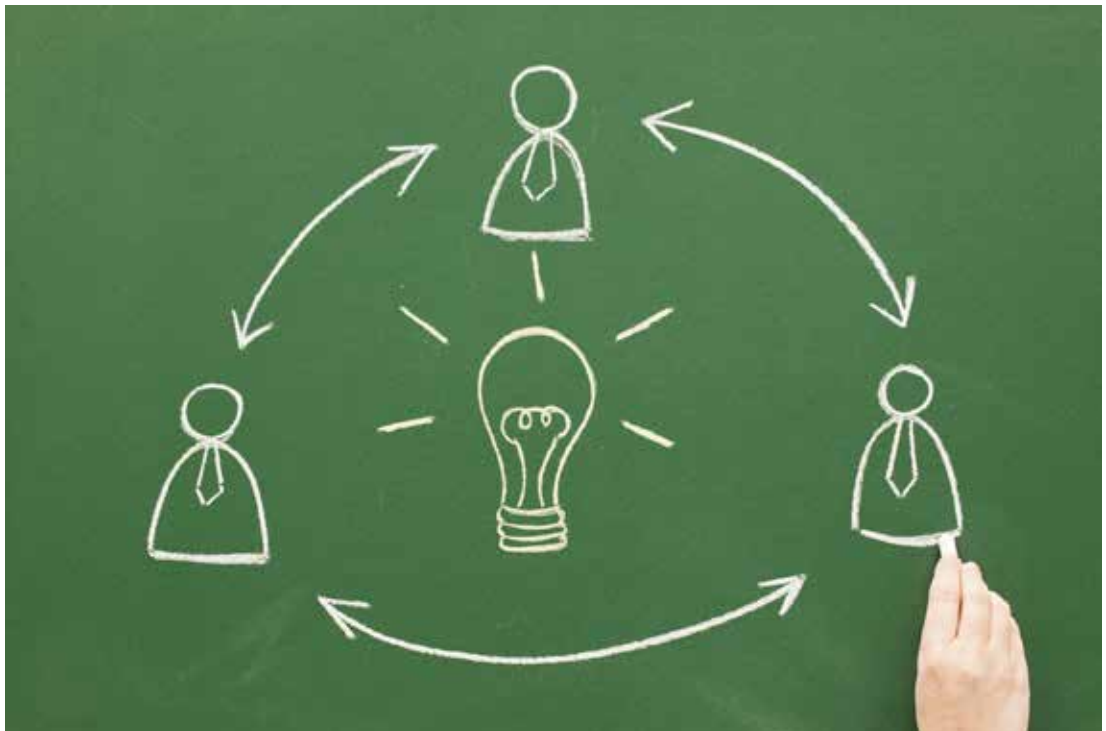
OPEV is also a rich store of knowledge about evaluation work—the collective experience of its evaluators—which it can leverage to strengthen its internal capacity to achieve its mission; and to contribute to progress in the field of evaluation.

In a book aptly titled “If Only we Knew what we Know”, O’Dell and Grayson contend that most organizations do not know what they know and are “sitting on ... beds of knowledge—hidden reservoirs of intelligence that exist in almost every organization, relatively untapped and unmined.” They note, however, that more and more organizations are

learning “how to mine knowledge with machinery called “knowledge management”. They are tapping into this hidden asset, capturing it, organizing it, transferring it, and using it to create customer value, operational excellence, and product innovation—all the while increasing profits and effectiveness.” Leveraging its internal knowledge is also an imperative for OPEV.

OPEV is thus moving away from a KM strategy that focuses on feedback and dissemination at the end of an evaluation exercise, towards a more comprehensive strategy that is fully integrated with and embedded in the evaluation process from start to finish. The strategy focuses on both internal and external KM.

The department is looking to strengthen management of its critical internal knowledge to ensure that it learns and innovates in its work to remain relevant and competitive—by “creating customer value, operational excellence, and product innovation”. This will ensure, that over time, OPEV can draw



on its collective experience to improve its internal operations and better accomplish its mission. In parallel, it is enhancing outward knowledge management to ensure that it achieves its strategic objective of producing evaluations that enhance learning, provide a basis for accountability, and promote an evaluation culture within the AfDB.

An added benefit is that easier access to knowledge generated by OPEV will increase stakeholders' satisfaction and influence their perception of OPEV in a positive way.

The overarching goal is to ensure that knowledge sharing becomes an “unconscious competence” (Collison) in OPEV. However, this requires that the department agree on what it means by knowledge management—this includes identifying what type of knowledge it wishes to manage; develop a comprehensive strategy that builds on and fully embraces the characteristics of evaluation work; and then focus on implementation and measurement of the strategy.

The key elements of OPEV's KM strategy are presented in the next section.

## Strategic Framework for Sharing Knowledge to Support the Production of Influential Evaluations

The department cannot be all things to all people. To be effective, for each evaluation, it will focus on its top two or three key audiences and on the critical knowledge that it needs to share with these audiences.

At a high level, OPEV's key audiences include AfDB management and Executive Directors; donors; Bank operations staff, and OPEV staff; AfDB regional and non-regional member countries; and the

development community, which includes the evaluation community.

The critical knowledge that OPEV needs to manage includes knowledge about the Bank's operations in relation to the achievement of its development objectives; knowledge about evaluation work; and knowledge about the department's internal operations.

Elements of the strategic Framework

### 1. Foster a Departmental Culture that is Conducive to Knowledge Sharing

The department will implement strategic, coordinated actions to foster the development of a department and institutional culture that is conducive to open communications and knowledge sharing. Measures will aim primarily at changing the mindset of staff—who create, share, and use knowledge and determine the knowledge sharing culture of the institution.

Measures will be implemented to: increase opportunities for face-to-face transfer of tacit knowledge within OPEV (communities of practice, lunch & learn events, after action reviews, Learning After Doing)

and with OPEV's audiences (Bank-wide communities of practice, feedback workshops, Evaluation Week); adopt the use of technology platforms (SharePoint) that facilitate sharing

and access to both tacit and explicit knowledge; strengthen communications, especially internal communications—a key element in any effort to change organizational culture to make it more open.

*The long-term goal is to ensure that knowledge sharing and communications become an “unconscious competence”*





Specifically, measures will (i) ensure that staff have a common understanding of the department's KM vision, objectives and how to achieve them; (ii) identify and eliminate barriers to knowledge sharing; (iii) encourage knowledge sharing behaviors by setting communications and knowledge management objectives and incentives for staff; (iv) enhance sharing of tacit knowledge by creating more opportunities

for face-to-face exchanges, and implementing technology that facilitates sharing, and (v) strengthen internal communications (information board, shared calendars, team meetings, internal communications policy, expertise locator). This will help knowledge flow up, down, and across the department, as well as outside the department.

## *2. Strengthen work Processes to Support the Production of Influential Evaluations*

Processes are important for successful management of knowledge as they simplify sharing, validation, and dissemination of knowledge. OPEV will standardize and codify its business-critical processes (for example evaluation, dissemination, communications, procurement), and ensure that informal ones are well understood.

It will strengthen its knowledge sharing processes and seamlessly embed them into work processes, in particular, the evaluation process. This will ensure that the right knowledge is available to the right person (including to OPEV staff) at the right time. Knowledge processes will be embedded into the evaluation process by identifying and leveraging specific evaluation milestones where knowledge sharing occurs naturally; and, maximizing opportunities

where communications occur with stakeholders and with OPEV staff.

Because of the importance of communicating evaluation findings to the Bank's stakeholders, the dissemination process will be further clarified and strengthened. Systematic development (from the approach paper phase) and implementation of a dissemination strategy for all evaluations will become the standard in the department. To this end, an integrated marketing communications approach that draws on KM and communication practices will be used for dissemination. This will allow the department to use the multiple communication channels and tools available today to reach its key audiences more effectively. Management action will be necessary to ensure that this is done, and that dissemination is considered an integral part of evaluation work.

## *3. Equip OPEV with an Appropriate Technology Infrastructure that will Foster Knowledge Management*

Technology is particularly important for access to explicit knowledge, but increasingly also for sharing of tacit knowledge. It helps to connect people and increases opportunities for them to share knowledge (blogs, discussion forums, email, etc.). OPEV will continue to maximise use of the robust technology platform provided by the Bank to ensure connectivity

(internet, intranet, collaboration platform) within OPEV and with its customers; strengthen collaboration and communication (SharePoint and related 2.0 technologies—wikis, blogs, discussion forums, etc.), and dissemination and communication (email, Internet, intranet, lessons learned)—and encourage exchanges among staff (bulletin board, wikis).





## *Conclusion: How KM Strategy will help OPEV Achieve its Mission of Producing Influential Evaluations*

- **Strengthen OPEV’s internal capacity to conduct evaluations**

Improved internal communications, knowledge sharing among staff, easier access to existing knowledge will ensure that OPEV knows what OPEV knows or needs to know to do its job better. Staff will know where to find information and critical existing knowledge in time to do their work faster; colleagues will know what other colleagues know and will be able to draw on their experience and expertise to do their work—resulting in a more competent and operationally efficient department.

- **Enhance dissemination and knowledge sharing**

Embedding communications and knowledge sharing processes into work processes, especially the evaluation process, will ensure systematic exchange of knowledge—at different phases of the evaluation—with OPEV’s audiences (the Bank’s stakeholders). This will be complemented by systematic dissemination planning (integrated marketing communications) for all evaluations.

- **Preservation of institutional memory:** A robust information technology infrastructure will facilitate knowledge capture and sharing, allow easier access to and use of existing knowledge, encourage sharing, and help with dissemination. All these, as well as the development of a central knowledge repository will ensure that OPEV knowledge is collected and stored in the same place. This will also ensure business continuity in case of unforeseen events, or staff departure.

- **Ensure stakeholder involvement and feedback and dissemination of evaluation findings and recommendations—to ensure that evaluations are influential**

Embedding communication and knowledge sharing efforts into the evaluation process, will keep stakeholders well informed about the progress of the evaluation and about the likely findings. This will encourage buy—in and foster use of evaluation findings and lessons.

- **Encourage learning and innovation**

Connecting people to people, and people to information/knowledge; encouraging and facilitating collaboration with stakeholders and with other evaluators will make it easier to learn from others and to find new solutions to common problems.

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# eVALUatiOn Matters

*From Experience to Knowledge ...*

*From Knowledge to Action ...*

*From Action to Impact*

**About the AfDB:** The overarching objective of the African Development Bank Group is to foster sustainable economic development and social progress in its regional member countries (RMCs), thus contributing to poverty reduction. The Bank Group achieves this objective by mobilizing and allocating resources for investment in RMCs and providing policy advice and technical assistance to support development efforts.

The mission of the **Operations Evaluation Department** is to enhance the development effectiveness of the AfDB in its regional member countries through independent and instrumental evaluations and partnerships for sharing knowledge

Operations Evaluation Department, African Development Bank

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