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Future-Proof Your Business with Knowledge Management

How operations leaders can turn company knowledge into a strategic advantage

Why Operations Leaders Must Prioritize Knowledge Management

Most businesses don't consider knowledge management the domain of their Chief Operating Officer. In reality, most businesses don't consider knowledge management the domain of any C-suite executive or senior leadership team member. It's rare for organizations to have a Chief Knowledge Officer, and even companies with dedicated Knowledge Managers often approach knowledge management at the team or department-level rather than making it an org-wide initiative.

But as the ways we work change—and as teams scramble to get more value out of existing resources in the face of an economic downturn—businesses can no longer afford to take a scattershot approach to knowledge management.

Why Should Company-Wide Knowledge Management Be a Priority Now?

Knowledge management is, at its core, the practice of capturing, organizing, distributing, and leveraging an organization's collective knowledge. It's a means of turning knowledge into a renewable resource: something that is constantly being generated, enhanced, and delivered in a way that can be put to use. It should be an always-on activity, but at many companies, it's still an afterthought. While a 2021 Deloitte study ranked knowledge management as one of the top three issues influencing company success, only 9% of surveyed organizations said they felt ready to address it.[1]

The need to prioritize company-wide knowledge management has only become more pressing now. One of the most urgent reasons for centralizing knowledge management is to stem the loss of the knowledge from departing employees—both those let go in organizations reducing their headcount and those voluntarily leaving for other opportunities.

The Impact of Layoffs

If you've been tapped into any news sources in 2022 and 2023, it's been hard to avoid hearing about the massive layoffs from corporate giants like Amazon and Salesforce. And it's not just tech giants that are laying off employees during the economic downturn: consumer discretionary goods, manufacturing, hospitality, and other sectors have also been hard-hit. One survey of 1000 business leaders, with results published in December 2022, found that 6 in 10 respondents anticipated having layoffs in 2023.[2]

Many businesses are discovering the hard way that when their employees leave, they take valuable knowledge with them—leading to operational disruptions and lost productivity.

While they're intended as a cost-cutting measure, layoffs cause an average productivity drop of 12%[3] and a job performance decline of 20% as remaining employees grapple with added responsibilities and lost essential knowledge. [4]

The Revolving Door of Voluntary Turnover

In businesses and sectors that aren't anticipating massive layoffs, knowledge loss is still a top concern due to voluntary turnover.

The Great Resignation peaked in November 2021 with a record 4.5 million U.S. workers leaving their jobs.[5] While quit rates have decreased somewhat, employee turnover still remains high post-pandemic. And almost half of U.S. workers plan to look for a new job in 2023, according to a survey from business consulting firm Robert Half.[6]

According to economists, voluntary turnover has led to a notable decrease in productivity over the past two years as businesses have had to dedicate more time to training and passing on knowledge to new hires (and, in many cases, rebuilding the knowledge they lost when their former employees left).[7]

The Risk of Slowing Down with Hiring Freezes

Companies that aren't conducting layoffs or losing a significant swath of employees through voluntary turnover may still be slowing down or freezing hiring to reduce risk in the face of economic uncertainty. And that means their team members are likely being asked to do more with fewer (or the same) resources to continue driving business growth. In this case, knowledge isn't necessarily leaving the company—but it may be siloed within teams and underused. To increase efficiency, these businesses need to unlock and expand access to the knowledge resources that exist across the organization.

How Ops Leaders Can Reduce Risk and Future-Proof Their Business

Phrases like "economic uncertainty" and "knowledge loss" may be conjuring up dark rain cloud imagery, but it's not all doom and gloom. Operations leaders now have an opportunity to help their organization become more resilient, no matter what industry they're in. And those businesses that increase their resilience and efficiency now are the ones that will outpace their competitors and get back to growth faster.

Because of the cross-functional nature of business operations roles, COOs and other operations leaders are uniquely positioned to drive the types of company-wide knowledge management efforts that will help future-proof their business.

In this guide, we'll take a look at four key knowledge management areas that operations leaders can focus on to reduce risk and improve efficiency:

1 **Retention**—Preserving both institutional knowledge and (more challengingly) the knowledge that exists in the minds of employees.

2 **Access**—Ensuring all employees can tap into the knowledge they need to do their work, whenever and wherever they need to do it.

3 **Cross-Functional Collaboration**—Connecting people and knowledge across teams to increase productivity and drive innovation.

4 **Action**—Putting the company's unique collective knowledge to work in driving business decision-making.

Knowledge Retention: Derisking Your Business

In a 2022 survey, Bloomfire customers ranked knowledge retention as their top priority with their knowledge management strategy.[8] It's not hard to see why knowledge retention is top of mind for business leaders. Whether they're feeling the pain of knowledge loss due to turnover or looking for ways to arm a distributed workforce with the knowledge they need to work more efficiently, business leaders (and especially ops professionals) must take a critical look at the ways their company captures and preserves knowledge.

Knowledge retention should be a foundational piece of any knowledge management strategy. After all, businesses need to capture their institution and people's collective knowledge—which exists in a wide range of formats—and centralize it before employees can begin putting it to work. Having documented processes for preserving knowledge and establishing a culture of knowledge sharing ensures that valuable information and expertise stays with the company and helps new hires get up to speed faster.

The Cost of Doing Nothing

If you're waiting until employees give their two weeks' notice to try to document their knowledge, it's already too late. There's no way for employees to make all their valuable knowledge transferable over the course of a couple of weeks, especially if they have been with the company for years or have unique subject matter expertise.

A Panopto study found that 42% of workplace knowledge is unique to individuals, meaning that if there's no plan in place to capture and preserve knowledge on an ongoing basis, that knowledge leaves when employees do.[9] Remaining employees are left struggling to fill knowledge gaps, and new hires must play guessing games if they're unable to tap into the documented knowledge of their predecessors. This leads to a decrease in productivity that costs the average large U.S. business $47 million a year, according to the Panopto study.

How Operations Leaders Can Build a Knowledge Retention Strategy

While it's clear that building a knowledge retention strategy must be a priority for ops leaders, it's easier said than done. Some institutional knowledge is straightforward to document and share—think step-by-step how-to guides, official product documentation, or company goals, mission, and vision. But knowledge that employees gain from experience—sometimes referred to as tacit knowledge—can be more nebulous. For example, an experienced customer service rep may be able to quickly resolve an issue because it's one they've addressed before, or a market researcher may be able to develop an engaging presentation based on what they've seen resonate with their stakeholders in the past. These employees are able to leverage this knowledge to do their best work, but it's not always easy to articulate and share with others.

However, just because knowledge retention is difficult doesn't mean it should be written off as a lost cause. Operations leaders can improve knowledge capture and preservation within their organization by targeting the three pillars of a good knowledge management strategy:

1 **Process**

2 **Technology**

3 **People**

Process

As an ops leader, you can work with department leaders to develop processes for ongoing knowledge capture (rather than waiting for employees to do a brain dump right before they leave the company). These processes should make it as easy as possible for employees to document different types of knowledge in the flow of work. For example, different department leaders could task team members to develop templates for any knowledge that can be documented in a repeatable format. You could also task a cross-functional team with investigating and developing different processes for preserving more difficult-to-capture knowledge (e.g., through video interviews, Q&A posts, and so on).

You may also work with hiring managers to build knowledge documentation into job descriptions when appropriate. This will help ensure knowledge documentation becomes a core responsibility rather than an afterthought.

Technology

Knowledge management software gives you one centralized, searchable place to store and access all the knowledge assets your people are creating. If your organization doesn't have a company-wide knowledge management platform, or if you are running into knowledge-sharing limitations with existing solutions like SharePoint and Google Drive, you can assemble a cross-functional buying group and serve as its executive sponsor.

As you work with this team to develop a list of requirements, keep in mind what capabilities you need to effectively capture and transfer knowledge (refer back to any processes you have developed for retaining tacit or experiential knowledge). For example, if it's important for your organization to have subject matter experts answer questions once rather than repeating their answers in one-off conversations, you'll likely want to look for a solution with a built-in Q&A tool. If you know you'll be relying heavily on video content, you'll want to look for a solution that automatically transcribes videos to make spoken words searchable.

People

For your knowledge retention processes and technology to be effective, your people need to embrace them. Introducing any new processes or technology requires change management: your leadership team (and any knowledge management project leaders) need to clearly communicate what changes are coming, what the new expectations are, and why this change is being made. You'll also need to make it clear how the change benefits employees (i.e., by saving them time and ensuring they have access to the knowledge they need).

As an executive champion for this change, you can help drive buy-in from the top down by demonstrating the behavior you want to see. For example, you could record and publish a welcome video in your new knowledge management platform and post weekly or monthly updates so employees see this platform as the organization's go-to source for sharing knowledge and insights.

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Access: The Right Knowledge at the Right Moment

With a knowledge retention plan in place, the next area operations leaders should focus on is knowledge access. After all, the knowledge your organization has preserved is only valuable if employees can access and leverage it to support their work and decision-making.

The big challenge with knowledge access is ensuring employees can find the knowledge they need, the moment they need it, without suffering from information overload. They shouldn't have to guess where the information they need is located—or question whether a file titled "Final Version_7" or "Final.Final.7" is the most up-to-date version of a resource. And they certainly shouldn't have to waste time opening dozens of files or navigating a maze of shared drive folders to land on the most relevant piece of content.

Making knowledge accessible means giving employees one go-to location—a single source of truth—for the company's collective knowledge. All knowledge in the platform should be searchable, and employees should be able to find content that matches their search intent, regardless of whether they know the specific file names or tags applied to the content.

When employees can find what they need quickly, in the flow of work, they reduce the time they spend on administrative tasks and gain more time to focus on high-impact activities, increasing your organization's overall efficiency.

Barriers to Access

At a high level, the goal of an operations leader is to maximize their organization's efficiency, ultimately driving growth and improving the customer experience. Unfortunately, an organization can't become as efficient as possible if its people are spending long hours on administrative or low-impact activities that aren't a core part of their role. And in many companies, employees spend significant time searching for information they need to do their jobs.

According to research from McKinsey, the average knowledge worker spends close to 20% of their workweek searching for information or trying to track down the correct colleagues to help them with specific tasks.[10] Notably, this research was conducted before the global pandemic—meaning it doesn't take into account the new norm of remote work and decentralized teams that may make knowledge access even more challenging.

Lost time is not the only negative outcome of poor knowledge access. When employees regularly waste time going down information search rabbit holes, they can become understandably frustrated and dissatisfied with their jobs, leading to higher turnover. Additionally, poor knowledge access increases the risk that employees will tap into outdated or inaccurate information. When people share this inaccurate information with customers or use it to make business decisions, the business may face both reputational damage and serious financial consequences.

How Operations Leaders Can Improve Knowledge Access

While improving company-wide knowledge access requires participation at the department and team level, operations leaders can drive the effort from the top down.

Kick Off a Knowledge Audit

The first step to improving company-wide knowledge access is to understand where knowledge lives in your organization, how it flows between different groups, and where there are bottlenecks in the knowledge-sharing process. This starts with assembling a cross-functional team to conduct a knowledge audit. At its most basic level, the knowledge audit should take stock of all your company's knowledge assets, where they are located, who has access to them, who needs access to them, and what assets are outdated or missing. You and your audit team may also decide to send out a survey or conduct employee interviews to better understand how people are currently accessing the information they need and where there are points of friction.

Develop a Company-Wide Knowledge Management Initiative

Carrying out a knowledge audit should enable your cross-functional team to identify friction points or broken processes and make recommendations for improvement. From there, it's up to you to evaluate and prioritize these recommendations—and then empower your team to act on them.

Act as the executive sponsor for this company-wide knowledge management initiative. While you may delegate action items to your cross-functional team members, you should schedule regular check-ins to ensure the project stays on track and team members have the resources they need. You should also focus on establishing buy-in for the initiative across the executive team by communicating the value of company-wide knowledge management—and the cost of doing nothing.

Communicate the Importance of a Single Source of Truth

If your company-wide knowledge management initiative involves rolling out a new KM platform to serve as the single source of truth for your organization, you can drive engagement with this platform by being vocal about it. This can start before the platform even launches: work with your cross-functional team to communicate with the rest of the organization about the upcoming change and why the organization is making it.

When the platform does launch, become a visible contributor to help drive the knowledge-sharing behavior you want to see. For example, you could post a welcome video in the platform reiterating the value of having a single source of truth for company knowledge. You could also publish weekly or monthly updates about operational improvements the organization is making so employees see that you're not just invested in launching the new platform: you're invested in building a culture of knowledge engagement.

Measure ROI of Improved Knowledge Access

You and your team should track the return on investment of your knowledge management initiative: this will help you evaluate the initiative's success and communicate its value to the rest of the organization, ensuring it continues to be an area of investment. (Measuring your ROI is a best practice under any circumstances, but it's especially important during a period of economic uncertainty, when financial leaders are looking for places to make budget cuts.)

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One metric that many ops leaders choose to look at is the reduction in time spent searching for information per employee. For example, Bloomfire looked at our customers' 2022 platform data and determined that the average Bloomfire user saves 1.5 hours per week by decreasing the time they spend searching for information.

Once you know how much time your users are saving per week on average, you can use your company's average salary to estimate the annual cost savings of improved knowledge access.

Cross-Functional Collaboration: Improving Alignment

Improving cross-functional collaboration is a logical next step after developing a knowledge retention strategy and making knowledge accessible company-wide. When everyone has a shared view of the knowledge that exists across your company, they have a better understanding of what other teams are working on, how everyone's work supports company goals, and where there are opportunities to work together to meet those goals.

Developing an effective approach to cross-functional collaboration not only improves day-to-day efficiency, but also gives your company a competitive advantage over businesses that are still struggling with siloed teams. According to research shared by the Harvard Business Review, 75% of cross-functional teams remain dysfunctional, largely due to the lack of a systemic approach to collaboration and knowledge sharing.[11]

Cross-functional collaboration also encourages innovation by bringing together diverse perspectives and ideas from team members across the organization. For example, Deloitte reports that Carmax uses small product teams that can pull in employees from any pertinent department and include, at a minimum, a product manager, a lead engineer, and a user experience expert.[12] This allows their teams to move fast and develop new products while taking into account technical requirements, specific project needs, and customer expectations.

How Operations Leaders Can Improve Cross-Functional Collaboration

Ops leaders are uniquely positioned to drive cross-functional collaboration because working across teams is an essential part of their role. According to Sagi Eliyahu, CEO of ops team software Tonkean:

"Every operations team is responsible for far more than simply ensuring that their department runs smoothly. The processes they maintain inform how employees throughout the company spend their time—as they touch multiple points of the business."[13]

Sam Schneider, Chief Operating Officer at Bloomfire, sees an opportunity for ops leaders to set up the infrastructure for cross-functional collaboration to take place. "This can be accomplished with a purpose-built knowledge management system," she says. "That system drives alignment and transparency: teams can leverage, improve, and iterate upon the work produced by other teams."

Centralize Company Goals and Objectives

If your organization hasn't already established a centralized view of company-wide objectives and key results (OKRs), use this as your starting point for improving cross-functional collaboration. In addition to regularly referencing goals (and your progress towards achieving them) in company-wide communications and meetings, make sure all employees can access this information on demand.

If your knowledge management platform has a customizable homepage, consider highlighting your company mission, current goals, and OKRs at the top of the homepage so they remain highly visible. This will help employees see how their individual or team goals ladder up to larger company goals—and keep everyone rowing in the same direction.

Highlight Department Goals and Successes

In addition to highlighting company goals, work with department leaders to ensure they are making their functional area's goals, priorities, and success metrics visible to the rest of the organization through your knowledge management platform. Consider having department leaders identify team members to publish project updates and win stories in the platform as well so everyone has a better understanding of what their colleagues are working on—and where there may be new opportunities to work together.

Create a Feedback Loop

"The way teams collaborate needs to be interoperable," says Schneider. "If one team has their knowledge and workflows siloed off, you're going to create bottlenecks." She recommends proactively preventing these bottlenecks by developing a feedback loop. Meet with stakeholders from different departments on a regular basis to get their feedback on what's working and where there may still be barriers to successful cross-functional collaboration and knowledge sharing. This will help your organization continually improve collaboration with input from the different functional areas of the business.

> A purpose-built knowledge management solution drives alignment and transparency: teams can leverage, improve, and iterate upon work produced by other teams.
>
> -Sam Schneider, COO, Bloomfire

Action: The Ultimate Goal of Any Knowledge Management Strategy

We've already discussed how you can improve knowledge retention, access, and cross-functional collaboration within your organization. All of these practices should lead to the ultimate goal of any knowledge management strategy: driving action from knowledge.

On a day-to-day level, action is tied to efficiency. Team members access and leverage your organization's collective knowledge to do their jobs, whether they are relaying information to a customer, walking through a new internal process, or anything in between.

On a big picture level, action is tied to decision-making. People at all levels within your organization must be able to use knowledge and insights to make informed decisions that support company goals and drive growth. Being able to tap into the wealth of knowledge within your organization means that your people are armed with the resources they need to tackle every aspect of work with their best thinking.

Making knowledge actionable isn't just a lofty goal for businesses to pursue when the economy is thriving. It's an always-on practice that drives meaningful growth and separates leading businesses from their competition regardless of the economic climate. In fact, research from Forrester found that knowledge- and insights-driven businesses are 2.8 times more likely to report year-over-year double digit growth than their less mature peers. [14]

What Operations Leaders Can Do to Drive Action From Knowledge

Driving action from knowledge starts with establishing a knowledge-centric culture. Team members should always:

1 Know where to go to find the right information at the right time.

2 Feel empowered to share their knowledge.

3 Feel confident when leveraging shared knowledge to do their jobs and make decisions.

A knowledge-centric culture requires participation at all levels of the business, but as a cross-functional leader, you are in a strong position to champion this culture across the organization.

Lead by Example

By building knowledge sharing and collaboration into your own role, you'll demonstrate the importance (and impact) of these practices to the rest of the organization. One way to do this is by being an active participant in your company's knowledge management platform. Document the knowledge you possess that will benefit others in your organization: this could be anything from key learnings from a recent conference to a write-up on a new operational change to an article on market trends from an industry publication.

You should also look for meaningful ways to engage with the knowledge your colleagues are sharing in the platform. For example, you might ask a question or comment on a piece of content, starting a dialogue and allowing your organization to build on its existing knowledge. You should also let knowledge contributors know when you (or any other decision-makers in your organization) leverage something they have shared when making a business decision. Consider sharing knowledge win stories in company meetings or an internal newsletter so team members can see the tangible impact of a knowledge-centric culture.

Advocate for a Mindset Shift

Sam Schneider, COO of Bloomfire, believes an outdated mindset is one of the biggest barriers to becoming a knowledge-driven business. "Most companies still see knowledge management as a bureaucratic exercise," she says. She argues that operations leaders should regularly communicate and demonstrate that knowledge is a strategic asset—and that preserving and using knowledge is a competitive advantage, not just a check-the-box activity.

She suggests that rather than just stating that team members should share their knowledge, ops leaders communicate the "why" behind knowledge management. This could include sharing key metrics and successes tied to your organization's knowledge management initiative.

"Once you see a successful knowledge program firing on all cylinders, that's where you see the program grow the collective intelligence of the company and it turns into its competitive advantage," says Schneider.

Establish a Dedicated Knowledge Management Team

Another barrier Schenider sees to becoming a knowledge-driven business is ambiguity around ownership. At many companies, no one department sees knowledge management as their responsibility, and there's no incentive to ensure that knowledge is captured, distributed, and used.

As a COO, you might not have any plans to pivot into a Chief Knowledge Officer role, but you can serve as an executive sponsor for your company's knowledge management initiative and advocate for establishing a dedicated KM team. This team might start small and could include dedicated knowledge managers or team members from different departments who are interested in taking on KM responsibilities as part of their career growth path. What's most important is having a team that is responsible for owning and continually building upon your company's knowledge program.

"If you invest resources and time into your knowledge strategy, you'll experience a flywheel effect," says Schneider. "You'll be able to continue optimizing your knowledge management program, which allows you to create standard processes to drive consistent experiences, increase efficiency through alignment of information across the company, and improve the employee and customer experience."

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>
> **-Sam Schneider, COO, Bloomfire**

Final Takeaways

When navigating economic uncertainty, the idea of resilience is often top of mind for business leaders. Companies must adapt to changes (internally and externally), maximize the value of their existing resources, and focus on operating efficiently so they can survive.

However, businesses with mature knowledge management programs have an opportunity to focus on more than just survival—they have an opportunity to pull away from their competitors and get back to growth faster.

Knowledge is your business's biggest strategic advantage. When successfully preserved, shared, and leveraged, it improves efficiency, drives collaboration, and enables your organization to make smart business decisions in good times and bad.

For operations leaders, making knowledge management a key focus is a critical step to future-proofing your business.

Capturing knowledge in its many forms is hard.

Building a knowledge-centric culture is even harder.

But nothing will have a bigger impact on your organization's future success or failure.

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