

# Knowledge Management



**A guide to help you consider your current approach to knowledge management with a view to building your organisational capabilities**

The value of knowledge is difficult to measure and this perhaps explains why many tourism enterprises have to date placed little emphasis on formalising knowledge management as a key business activity, but this is changing as more come to realise that the success of every important management activity from strategic planning to employee engagement is dependent upon having access to knowledge of some kind. In addition, as the competitive environment grows in complexity, it will be those organisations which can access and then utilise the right knowledge for best effect which will potentially gain the greatest competitive advantage.

# Knowledge Management

This guide seeks, in plain terms, to help you to consider your current approach to knowledge management with a view to building your organisational capabilities in important areas. The content covered includes:

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# 1. Introduction

You don't need anyone to tell you just how fluid the business environment is these days and you will be all too well aware that to keep pace with those changes you - and your managers and employees - need to keep learning and building your capabilities. If you were to summarise the short and medium terms challenges facing your business, they will likely include some or all of the following concerns:

- ✓ Balancing short and longer term challenges to grow profitability.
- ✓ Competing at a time of low growth rates – the need to deliver value.
- ✓ Getting the most from your people.
- ✓ Creating memorable experiences for customers.
- ✓ Differentiating your business from the competition.
- ✓ Broadening your market base.
- ✓ Continuously improving operational efficiency.
- ✓ Making the most of technology and e-business.
- ✓ Finding ways to compare your performance with others.

In seeking to meet these challenges a multitude of responses is clearly required, but underpinning every single one of those responses will be knowledge: up-to-date, relevant and accurate knowledge which aids planning and decision-making will be vital to your potential for success. It is for this reason that the issue of knowledge management has become a pressing concern for large and small tourism businesses alike.



## 2. What is Knowledge Management?

There are many definitions and indeed models of Knowledge Management (KM), ranging from the basic to the complex, but for the purpose of this guide it can be defined as a 'planned process which enables an organisation to proactively collect and share knowledge relevant to the needs of the business and those working within it'. This definition immediately raises questions about what information is relevant, and how it can be collected and shared, and it is concerns of this nature which will be addressed in the coming sections.

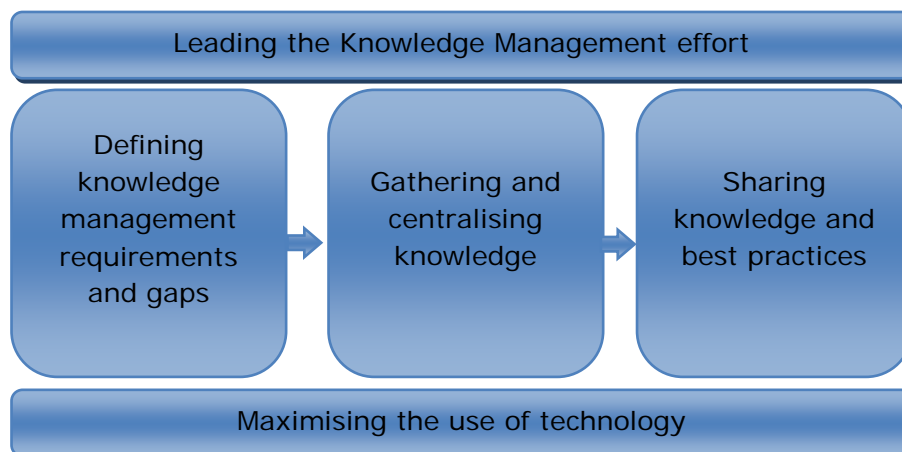
If you think about it, there is already a wealth of knowledge floating around your business at present in many

formats. Some of it is stored in the heads of those working with you, whereas other knowledge banks may include manuals and guides used within the business.

Without getting too theoretical about it, *tacit* knowledge describes the knowledge that people carry in their heads, whereas *explicit* knowledge is knowledge that has been, or can be stored in certain media like databases, documents and reports, e-mail messages, images, presentations, etc. Immediately, an important challenge of knowledge management arises based on these definitions: how can tacit knowledge in particular be captured and shared?

### 2.1 Key considerations in Knowledge Management

There is no universally accepted model of knowledge management but important considerations in a tourism context would include:



This is undoubtedly a basic framework, but it can make a difference in your business if you apply the principles outlined in this guide. A number of points are worth noting at this point. Knowledge management must be championed from the top and should never be tackled in a piecemeal fashion; it requires leadership, extensive planning and mapping out before you seek to formalise it as a process.

Of course, it's not a task that has a defined start and finish point, but you must address all the components of the above framework in unison as you move forward; for example, there is no point gathering knowledge, if there are no effective platforms in place for sharing it. Whether you take the leadership role, or delegate it to someone else, you, and the full management team, need to be actively involved in the process.

In addition, technology can help to smooth the knowledge gathering and sharing tasks and this does not necessarily require an investment in technology but you should at least ensure that you are maximising the

potential of the systems you already have in order to underpin the knowledge management process.

You might well be thinking at this point that you have survived in business for some time without a formal knowledge management process in place, so why bother developing one now? And you could be forgiven for thinking that. However, research has shown that effective knowledge management is growing in importance because businesses have come to understand that whilst products and services can be easily copied, knowledge is not so easily transferable from one business setting to another so there is potential advantage to be gained by making better use of information than your competitors do. In addition, knowledge management has been proven to deliver tangible benefits for organisations, such as improved management effectiveness through providing better access to information to support decision-making, or helping to generate efficiencies in business operations through improved understanding of quality and business improvement processes.

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## 2.2 Defining knowledge management requirements and gaps

It may sound somewhat obvious but the first step in developing the knowledge management capabilities within your company is to be very clear as to what knowledge is required to help you achieve your business goals and objectives. In fancy terms, this is often called a Knowledge Audit but you can start the process by considering the following questions:

What are the priority knowledge needs within your business?

In addressing this question, to start with think about the really core activities which drive business success and try to define the knowledge needed to support such activities as:

- Strategic planning
- Human resource management
- Quality and customer relationship management
- Financial management

Now, you will likely realise that this is a fairly time consuming process initially, but it is one worth undertaking when you consider that if you don't have the right information to hand then your decision-making in all these areas will likely be flawed and your business will suffer as a result. Involving the wider management team in this activity is also valuable here and can reduce the workload.

When you have a clearer idea of what knowledge is *ideally* required, consider the next set of key questions:

- ❑ What knowledge do you already have in the above areas?

- ❑ Where can you consider yourself to be knowledge leaders in these areas, where are you laggards?
- ❑ Where is that existing knowledge – in people's heads, or documented and accessible to all?
- ❑ What are the current knowledge gaps in your business?

It is also useful at this point to also reflect upon how such knowledge is currently transferred within your business and what works well and what doesn't in that regard. An effective knowledge audit can reveal your knowledge management needs and identify existing strengths and weaknesses in this area.



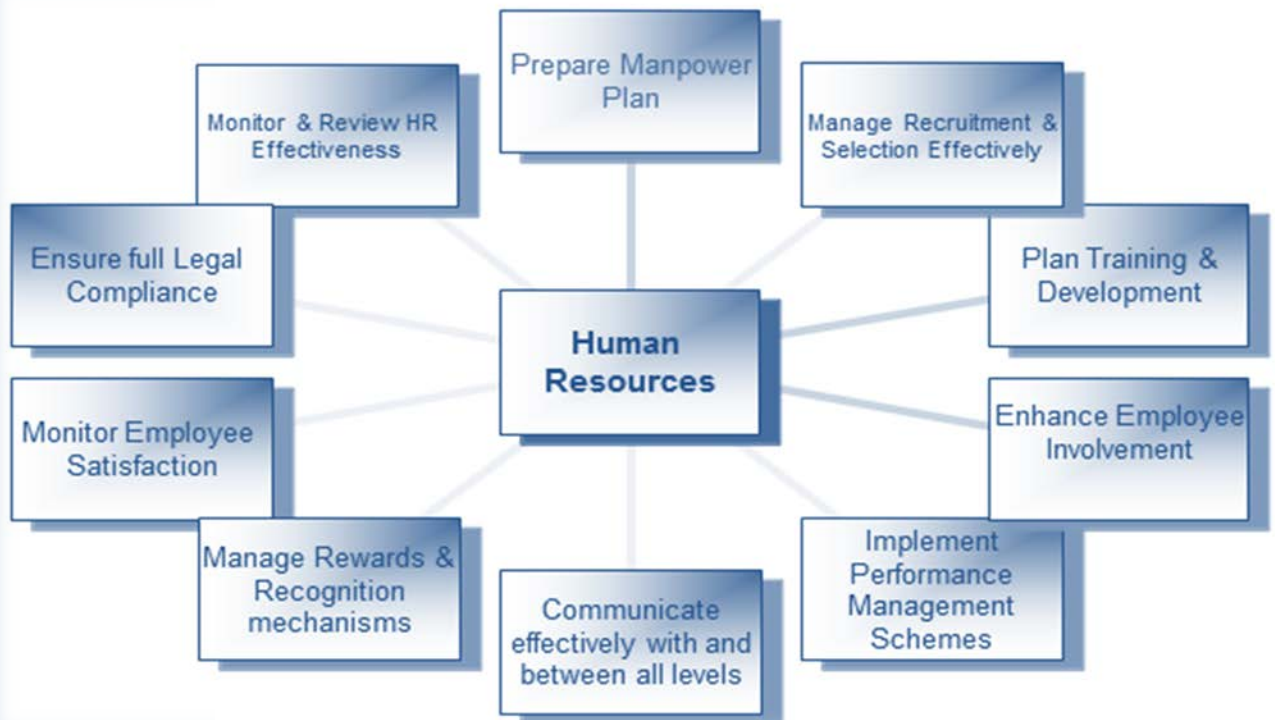
## 2.3 Gathering and centralising knowledge

Clearly you can't, nor do you need to, bridge the identified knowledge gaps overnight, but you must plan towards addressing them.

In doing so, explicit knowledge gaps are more easily bridged and there are so many sources of information available these days via the internet, trade associations, government agencies etc. that if you know what knowledge you are looking for, it's virtually impossible not to be able to find it.

Tacit knowledge is naturally more difficult to 'gather and collate' given that it's in people's heads, but it's not impossible to do so, and there is a strong argument to be made that this is even more important because as managers and employees leave, they often take the knowledge they have with them. One way of addressing this concern is to have each manager 'map' out the key activities within his or her area and this could look as follows for, say, Human Resources:





Once the key areas are identified, then the HR manager in this case should outline the specific tasks within each area: what should be done, by whom, when, and so on. In doing so, they build a form of Activity Guide or Operations Manual for their area, which will help to retain a degree of the knowledge within the business if they ever decide to leave. Of course, it doesn't capture everything, but it leads to a better scenario than if this task is not undertaken.

Other steps you can take to try to convert tacit knowledge into explicit, include:

### **Succession Planning**

For the benefit of your business you should always be thinking about succession planning in each department and ensure that the senior manager is constantly developing a second-in-command (even if they don't have the official title). This will ensure that if the senior manager leaves, there is a degree of knowledge retention.

### **Exit Interviews**

Well managed exit interviews can also help to retain some of the tacit knowledge that senior employees and managers possess, and as such should also happen when someone at that level leaves your business.

### **Consultant/advisor reports**

If you have occasion to use consultants or advisors from time to time, it is vital that you define clearly what you want back from them in terms of reports, so that you seek to get as much information and knowledge as possible, not just what they want to give you.

As you gather information, you do of course need somewhere to store it centrally and this should involve the creation of a central resource centre. Sounds fancy, but a resource centre can simply be an intranet, or a database, or even a small in-house library where all the explicit knowledge is stored centrally in a structured and coherent way which is easily accessed.

## 2.4 Sharing knowledge

How effective you are at sharing knowledge within your business is not solely about the tools and platforms available to you, but will also be influenced by the wider culture at play. Is there a high degree of openness amongst your managers and employees, or do some people have a tendency to hoard knowledge? Don't overlook this issue in terms of its impact on the knowledge management drive. Here are some of the ways in which knowledge can be shared:

### Access to the resource centre

Of course, all managers require access to the electronic and hard copy components of the resource centre and as such the information should be appropriately catalogued for ease of access. It should also be possible for managers to add to the resources over time when they have something of value worth sharing so the resource is constantly growing. Ensuring the security of your information is naturally always a concern, but that is an issue for the business as a whole and not just in relation to knowledge management so you should already have strong protections in place for important business information.

### Training and development

Naturally training and development has a vital role to play in the transfer of

knowledge and it is important that any training courses offered in your business, particularly at management level, help to bridge identified knowledge gaps. This requires greater collaboration with external training providers in terms of programme content and design.

### On-the-job training/coaching/mentoring

These activities help to encourage the sharing of tacit knowledge and as such they should be encouraged and widely applied.

### Meetings

Meetings are of course an ideal opportunity to share knowledge and this happens to some degree as a matter of course as part of normal discussions. However, it is also worth considering introducing a learning component to every management meeting whereby a short presentation is included on an important topic which you have identified as a knowledge gap.

### Manuals/notice boards/newsletters

In addition to their informational value, these various tools can be helpful in sharing a short, concise burst of knowledge and often this can be presented in a visual way.

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# 3. Conclusion

Knowledge management is an important consideration in modern business life as it can help transform intangible knowledge into tangible value, through enhancing management and employee capabilities which in turn leads to improved performance. Despite the challenges presented by knowledge management it is a growing concern for businesses and increasingly the availability of, and access to, knowledge will become a source of competitive advantage for businesses in tourism.





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Fáilte Ireland  
88-95 Amiens Street  
Dublin 1

[www.failteireland.ie](http://www.failteireland.ie)

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