



**Fly with it:** Knowledge management refers to all the strategies that organisations can use to capture, share and create new knowledge. Singapore Airlines' internationally acclaimed customer service excellence is built on rigorous data collection and analytics linked to business goals. PHOTO: AFP

# Harnessing the benefits of knowledge management

The KM toolkit can help startups become smarter, more innovative organisations

By **THOMAS MENKHOFF**  
and **JENNIFER CHONG**

**A**SK a startup founder what keeps him or her up at night and you'll hear a range of answers: "I don't know if we can make payroll" or "I need to figure out how to acquire more customers". Chances are they won't say, "I need to improve knowledge management in my organisation." In fact, they probably have never heard the term. While phrases such as "minimum viable product" (which refers to a product with a minimum set of features that allows lean startups to get feedback from early adopters on its vision plans) or "A/B testing" (website optimisation approach) are thrown around by many tech startup founders, "knowledge management" (KM) hasn't quite made it into their vocabulary. That's a shame because KM is a powerful tool to improve business results.

Knowledge management refers to all the strategies that organisations can use to capture, share and create new knowledge. KM approaches include benchmarking, internal best practice transfer or efforts to create cultures that incentivise innovation. Singapore is home to various KM-enabled businesses.

Singapore Airlines' internationally acclaimed customer service excellence is built on rigorous data collection and analytics linked to business goals. The Health Promotion Board's Health Ambassador Network relies on robust systems of pushing health information out through volunteers, and feeding information from communities back to the board. Finally, the Infocomm Development Authority of Singapore has created a useful information repository and collaboration platform to connect CIO offices across Singapore's government.

While KM practices in such large organisations are well documented, KM in start-

ups has thus far been poorly understood. Startups are particularly interesting because they grow rapidly and pivot their business models. This creates a constant need to quickly get new employees on board or to find different ways of engaging customers.

In our research, we interviewed several startup founders in Asia to understand to what extent KM is used in their organisations and the challenges that they face. The most immediately apparent finding was that none of them had heard of the concept.

Of course, all of them had an innate sense of what it meant – everybody manages knowledge, but it's a matter of how, how much and whether they prioritise it. Rather than designing an overarching KM strategy, the startups we spoke to had implemented KM practices that were reactive, piecemeal solutions to immediate challenges that they faced. Sometimes these initiatives were successful in achieving a business goal, but often they failed due to the lack of an overarching KM strategy.

Here's an example: One of the larger startups that we spoke to had been expanding its e-commerce operations into several countries. Initially, they had no framework in place for the veteran country heads to share knowledge with the new country heads. Naturally, the new country operations repeated many costly mistakes that could have been avoided. Recognising how wasteful this exercise was, the regional office set up weekly conference calls among the country heads to facilitate information sharing.

What resulted, however, was that the heads rarely shared any valuable information during these calls because the right knowledge sharing culture was not in place. The heads were directly competing with each other to have the best key performance indicators, and they were not incentivised to help the other country heads, especially if they didn't like them! Instead

of sharing information with all of the counterparts, they would reach out to their friends individually – outside of the structure of the weekly call – to share helpful tips. The attempt to encourage knowledge sharing was stymied by the fact that the company did not consider knowledge management holistically, as indicated by the insufficient alignment of the company's business model and knowledge management enablers such as a culture of sharing based on effective reward management approaches.

Even though they didn't have a term for "knowledge management", some startups utilised interesting approaches that helped them to leverage knowledge assets to improve business results. To locate and capture strategic knowledge, some used social media tools such as digital story-telling. Others used yellow pages applications, enabling employees to find staff with particular competencies, or created knowledge maps to visualise internal knowledge assets, including information bottlenecks and knowledge brokers.

## Collaborative innovation culture

Key to the effective sharing of explicit or tacit knowledge is the development of a collaborative innovation culture with room for experimentation, real learning and risk-taking.

One of the startups we spoke to had built up a very spirited team culture that encouraged communication and real-time sharing with the help of a feedback gathering application called TinyPulse. Gathering employee feedback and prompt issue management by top management had a positive impact upon engagement levels. Others used wikis to enhance collaboration between teams to avoid "making the same mistake twice".

Through a wiki, teams captured and shared important know how and lessons learned such as product launch experiences. Another startup used idea logging

("everything from customer requests to creative ideas") enabled by an issue tracking application (for example Jira).

With regard to new knowledge creation processes in startups, customers do take centre stage. By utilising customer relationship management systems such as SugarCRM, more established startup teams can capture actionable customer-related information needs and feedback, which can then be analysed to improve product offerings or to change business strategy.

A powerful customer service solution is nanoRep, which provides customers with instant, self-service answers to online products' inquiries. It tracks prospect traffic and quantifies the total number of buyers and non-buyers who visit a site as well as the conversion rate (computed by dividing sales transactions by gross traffic counts). Results can be used to increase the number of buyers by understanding why people don't buy (for example because of insufficient product information) or by avoiding technical glitches during peak hours.

In the daily hustle and bustle of running a startup, founders may be hard-pressed to find time to plan and execute a KM strategy. However, without proper strategies to leverage internal or external knowledge such as open innovation opportunities, they could be missing out on game-changing business opportunities. Startups would do well to explore how the KM toolkit can help them become smarter, more innovative organisations.

*The writers are, respectively, professor of organisational behaviour and human resources at the Lee Kong Chian School of Business, Singapore Management University (SMU), and academic director of SMU's Master of Innovation Programme; a graduate of Dartmouth College with high honours in economics who is currently launching her own startup, a leather goods brand called Linjer*