

Insights of Knowledge Management in a Global Recession



Annual Knowledge Management & Intranets
Conference 2009

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Engineers do NOT design bridges to stand up



Engineers design bridges not to fall down



Engineer against failure

A visionary Angus Struan Robertson



Focussed on preventing failure



An industry characterized by failure



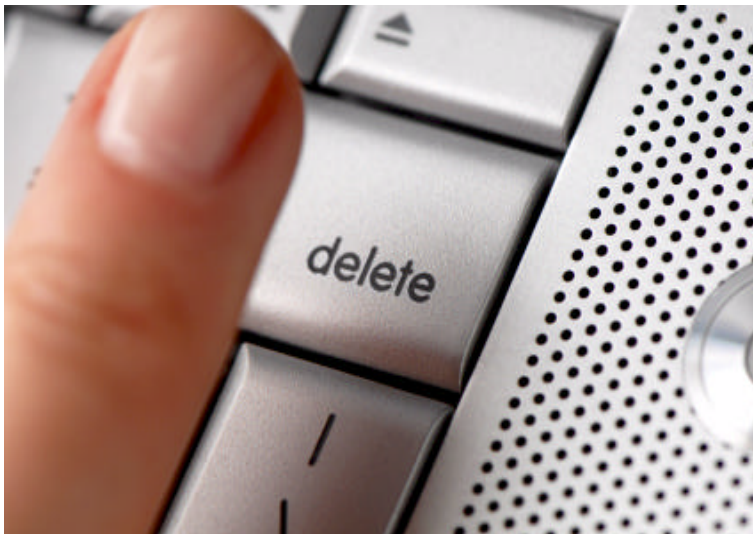
“19 out of 20 E.R.P. Implementations do NOT deliver what was promised”

Duncan McLeod

Extreme failures



1. Seven years and half a billion dollars -- international chemicals company
2. \$400 million -- multinational shoe corporation
3. Multinational entertainment giant -- \$878 million
4. Major supermarket chain -- \$195 million



Pending disaster



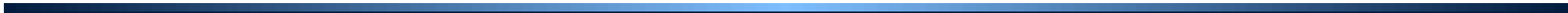
"I.T. is the next corporate disaster waiting to happen"



Pending epidemic



There is a need for a new approach

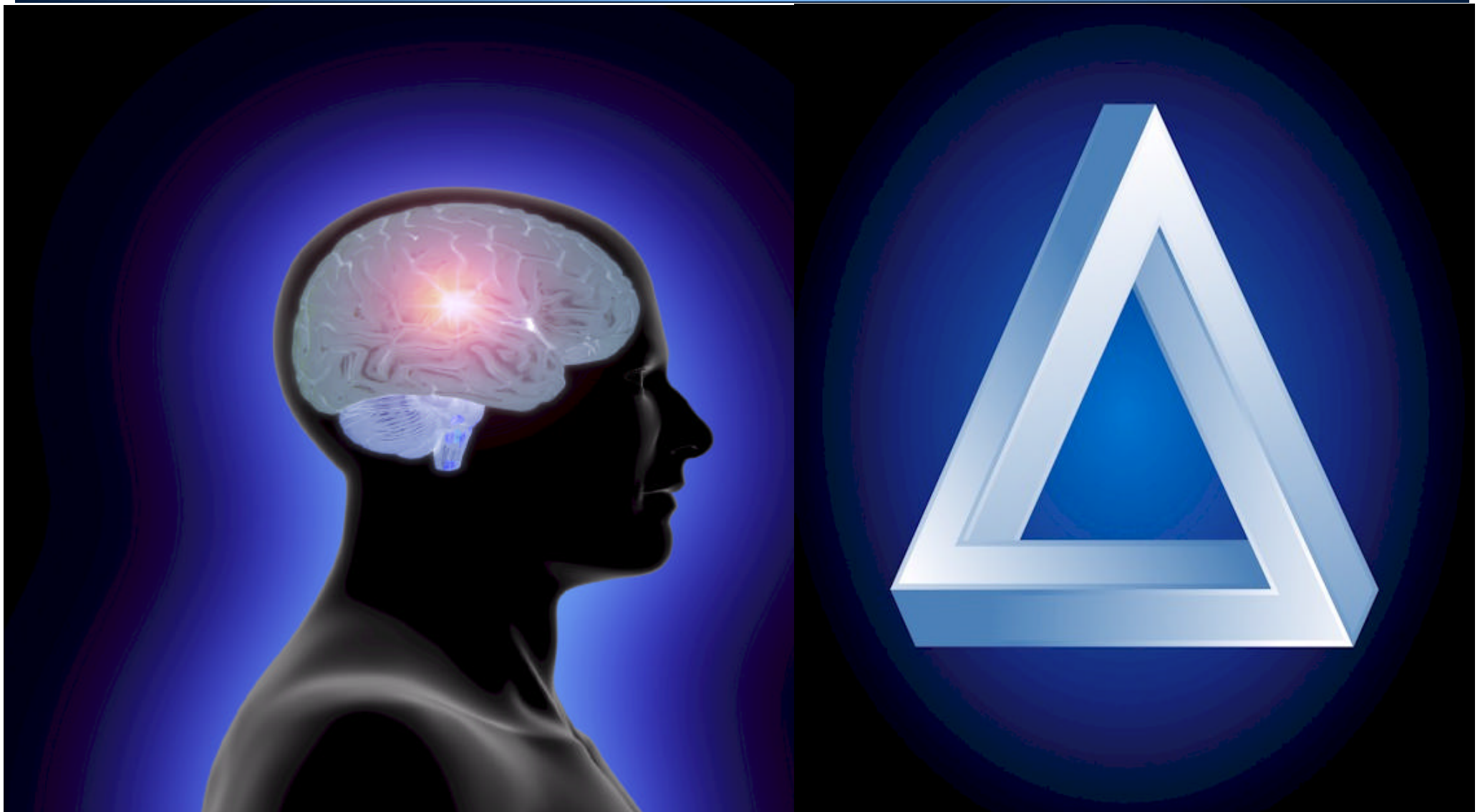




**Engineers do not design
bridges to stand up, they
design them**

not to fall down...

What is NOT an engineering approach?



Software as magic

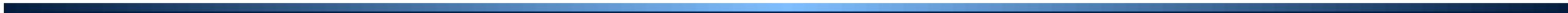


Positioning this presentation

Information technology can and should add value



What is strategy?



Strategy



Doing the right things

Tactics



Doing things right

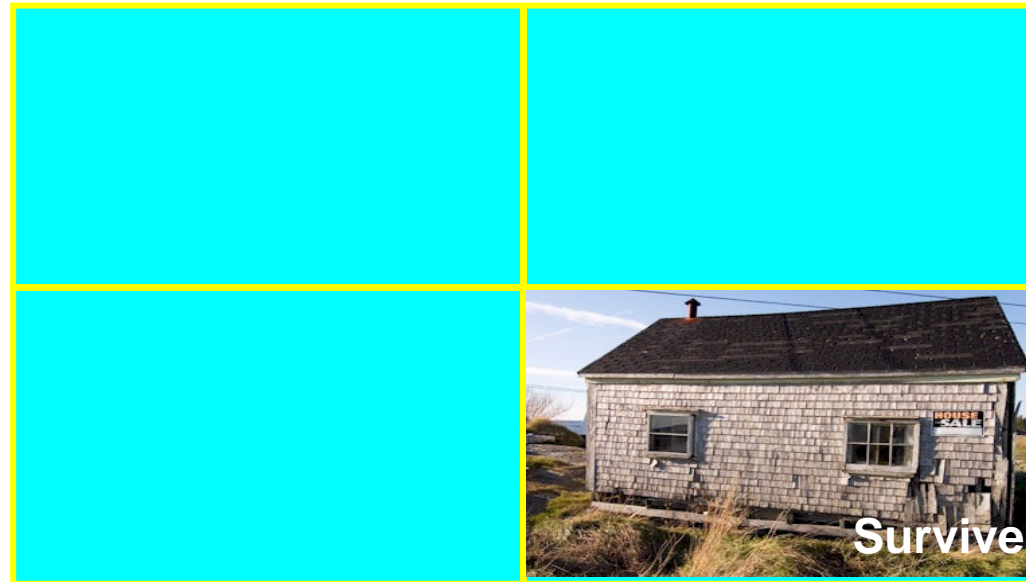
The relationship between strategy and tactics



The relationship between strategy and tactics

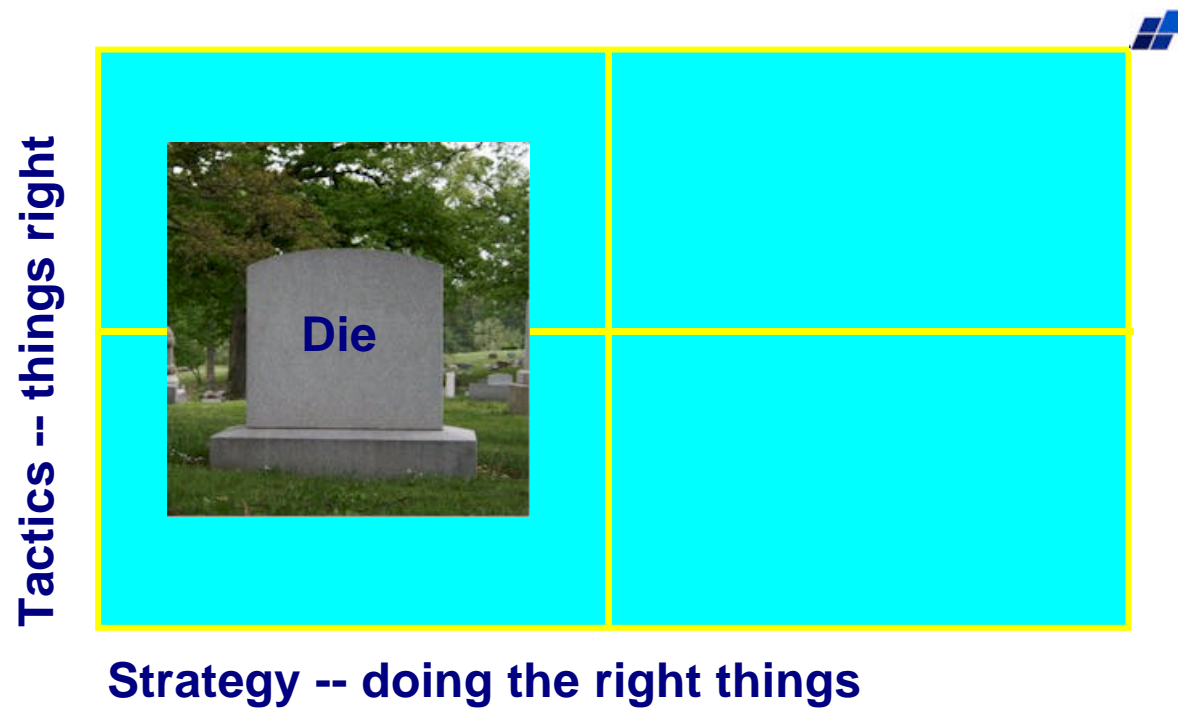


Tactics -- things right



Strategy -- doing the right things

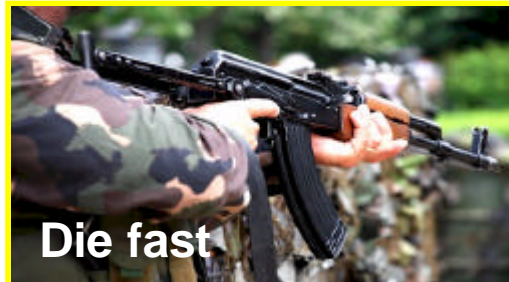
The relationship between strategy and tactics



The relationship between strategy and tactics



Tactics -- things right



Strategy -- doing the right things

The relationship between strategy and tactics



Tactics -- things right



Strategy -- doing the right things

Failure

Critical factors to manage to prevent failure



- 65%
1. Information technology mythology (30%)
 2. Lack of executive custody and inappropriate policies (20%)
 3. Lack of strategic alignment (15%)
 4. Lack of an engineering approach (12%)
 5. Poor data engineering (10%)
 6. People / soft issues (8%)
 7. Technology issues (5%)



Remember that technology is value inert



The critical factors for success

(% Relative contribution to success)



1. Executive Custody (25%)*
 2. Strategic Solution Architecture (18%)*
 3. Strategic Alignment (16%)*
 4. Business Integration and Optimization (14%)
 5. Project Management (12%)
 6. Data Engineering (10%)
 7. Technology Components (5%)
- Outcome
- Journey

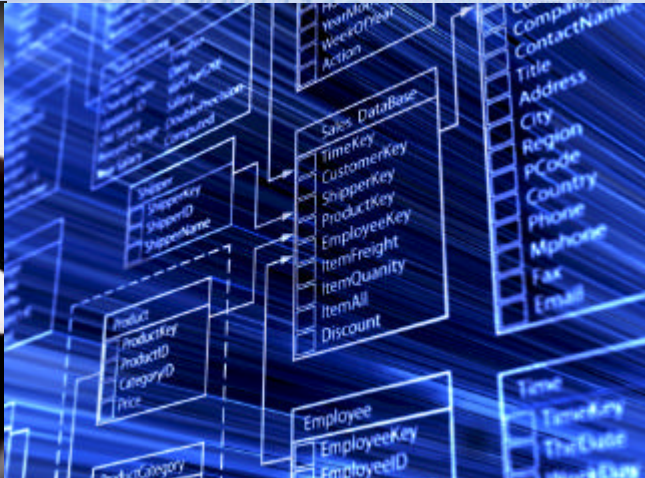


* First 3 = 59%

What is the essence of capturing knowledge in an electronic environment?



Clean up your data



The content is the same -- always -- binary code



85% of what executives use to make strategic decisions is NOT in your operational databases



AN INDUSTRY CHARACTERISED BY FAILURE WHY DATA ENGINEERING IS CRITICAL



"Attendees of Gartner's Business Intelligence Summit in London last month were not surprised to hear that most enterprises are still failing to use business intelligence (BI) strategically. Gartner's survey of over 1300 CIOs returned some unimpressive findings about the state of BI implementations: Gartner's vice-president of research summed up the situation nicely by saying: "Most organisations are not making better decisions than they did five years go."

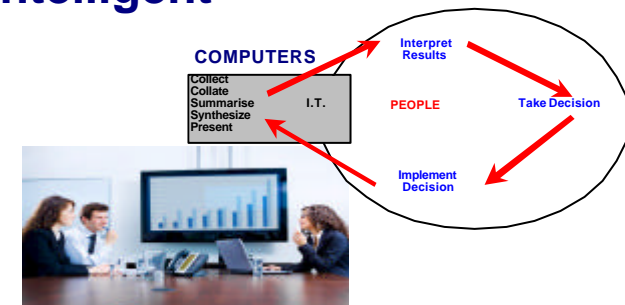
BUSINESS INTELLIGENCE

Article published in Computer Business Review Africa May 2005 published by Network Times.

DATA ENGINEERING



- ✓ The definition of information content
 - ✓ in a way that is structurally (taxonomically) fundamentally meaningful to human beings who understand the business
 - ✓ and the translation of this content into structured codes which faithfully and accurately reflect human understanding in a way that the computer can manipulate
 - ✓ with minimal human intervention
 - ✓ so that the computer system appears to be intelligent



The essence of capturing information

Organize your data





From chaos to order



Classification and cataloguing information

Examples of coding



Highly sub-optimal

10060	I&D skin abscess:simple
10061	I&D skin abscess:compl.
10120	Foreign body - removal,simple
11401	0,6 - 1,0cm
11402	1,1 - 2,0cm
11403	2,1 - 3,0cm
11420	< 0,5cm
11421	0,6 - 1,0cm
11422	1,1 - 2,0cm
11423	2,1 - 3,0cm
11440	< 0,5cm
11441	0,6 - 1,0cm
11730	Simple:single
11731	Simple:second
11732	Simple:each additional
11750	Removal nail bed
11765	Excision nailfold, eg. toe
11770	Excision pilonidal cyst:simple
12001	< 2,5cm
12002	2,6 - 7,5cm

Optimized

ReasonCode	Description
C.	ORDER CANCELLED
CC	Order Cancelled Credit Control
CS	Order Cancelled by Consumer
CT	Order Cancelled by Customer
D.	DAMAGED OR DEFECTIVE
DF	Defective Product
DM	Damaged Product
DP	Damaged Packaging
DT	Consumer Complaint
P.	PRICE ERRORS OR DISCONTINUED
PD	Discontinued
PI	Incorrect Price
S.	SUPPLY ISSUES
SD	Order Duplication
SF	Customer Non-Franchise Holder
SI	Incorrectly Supplied
SK	Overstock
SL	Late Delivery
SO	Oversupplied
Z.	OTHER
ZN	Not Known

Strategic analysis

Soft information acquisition systems



1. Market critical success factors

- On post cards
- Ideally reference number linked to record
- Unlocks strategic business intelligence

2. Employee / worker critical success factors

- Post cards or electronic capture points

3. Other soft information



Long term consistent usage of the SAME measures is vital to obtaining REAL decision support value

Strategic analysis

Soft information acquisition systems



Example

	Critical Success Factor	First Weight
1	Health : Is my health important? Stay well / Get well soon!	9
2	Professionalism of practitioner; standard of medical care	34
3	Efficiency of clinic operation, pleasant and convenient	20
4	Staff service, caring, competent, etc	21
5	Administration, medical aid claims processing, debtors, etc	10
6	Value for money	6
	TOTAL	100

Strategic analysis

Soft information acquisition systems



Example

	Critical Success Factor	Real Weight?	First Weight
1	Health : Is my health important? Stay well / Get well soon!	35	9
2	Professionalism of practitioner; standard of medical care	20	34
3	Efficiency of clinic operation, pleasant and convenient	15	20
4	Staff service, caring, competent, etc	18	21
5	Administration, medical aid claims processing, debtors, etc	7	10
6	Value for money	5	6
	TOTAL	100	100

Strategic analysis

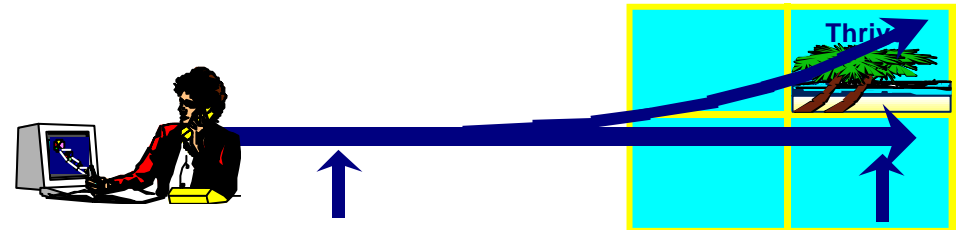
Soft information management



1. Critical competence (knowledge and experience)

- Accelerated development of all personnel
 - particularly previously disadvantaged personnel
- Identify soft knowledge and experience that really determines what makes a person successful
 - provide human resource development in these areas

2. Other soft information areas



Primarily a matter of designing and utilizing validation codes effectively

Unlocking value through the downturn



Reduce the things that cause I.T. to consume business value



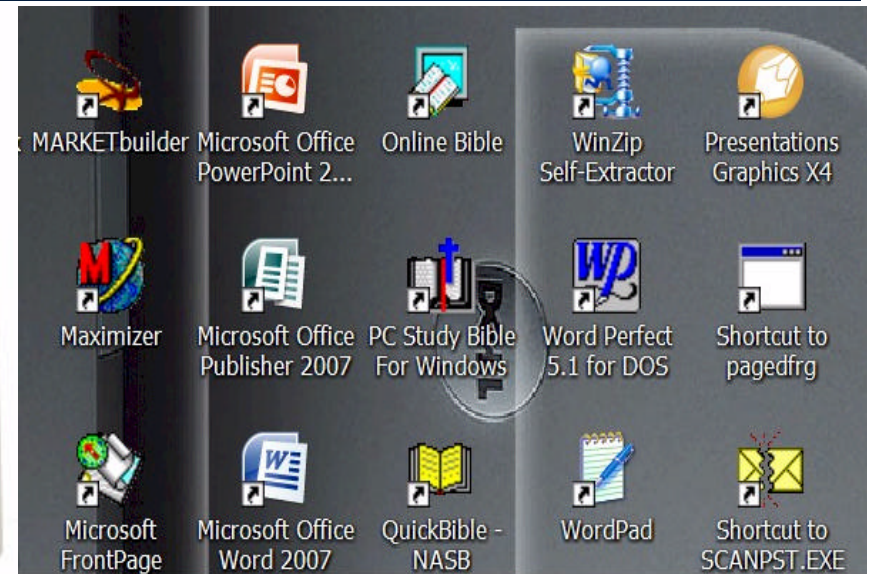
Fast moving aircraft technology

“BUT I.T. Is moving SOOOO fast we struggle to keep up”





Retain your OS and Office Suite and use the same machines for 6 years+



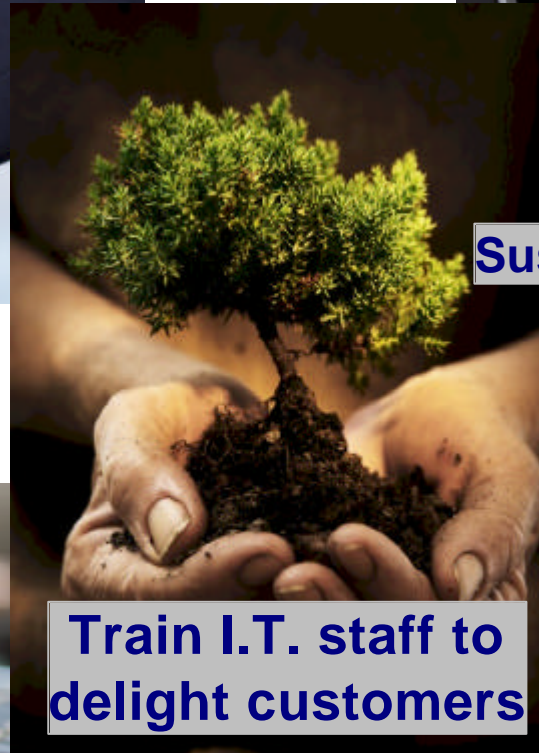
Unlocking value through the downturn



E.R.P. -- Invest for 20 years



Sustainable I.T. and E.R.P. support



Train I.T. staff to delight customers

***“boots in the mud”*
socialization**



Give people the tools



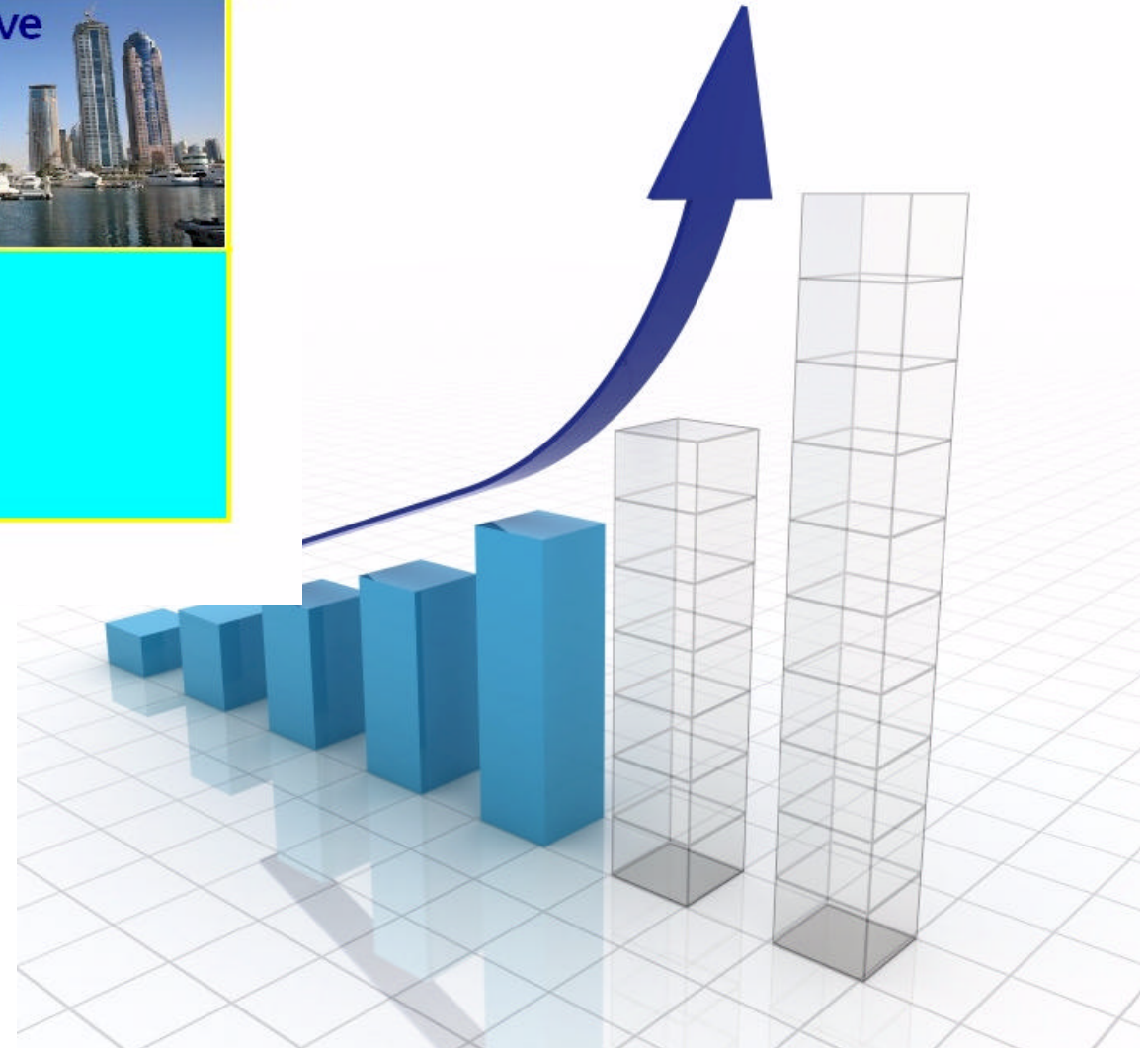
Identify your core strategic drivers and then strengthen them



Tactics -- things right



Strategy -- doing the right things



Insights of Knowledge Management in a Global Recession



1. Data engineering -- classification and coding is the single most critical component of a high value business system implementation
 2. Executives base decisions on 85% soft information
 3. Capture soft information in a structured manner
 4. Clean up your data
 5. Reimplement your E.R.P. do NOT replace it -- aim for 20 years plus
 6. You can keep pace with technology -- be practical
- ✓ What is your single most important insight from this presentation?
 - ✓ What is the single most practical action that you can take tomorrow to apply I.T. more effectively?



New insight that does not result in action within 48 hours is wasted

Design solutions NOT to fall down



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Acknowledgements and Dedication

Clients, associates and staff

Father and mother Angus and Thelma

Children Alexandra and Struan

**Fiona, Ingrid, Sandra, Helena, Julie and
Maria**

To the glory of the Eternal Creator

Psalm 136:5 "To Him who by wisdom made the heavens, for His mercy endures forever;"

Finding the missing pieces of your I.T. and strategy puzzles