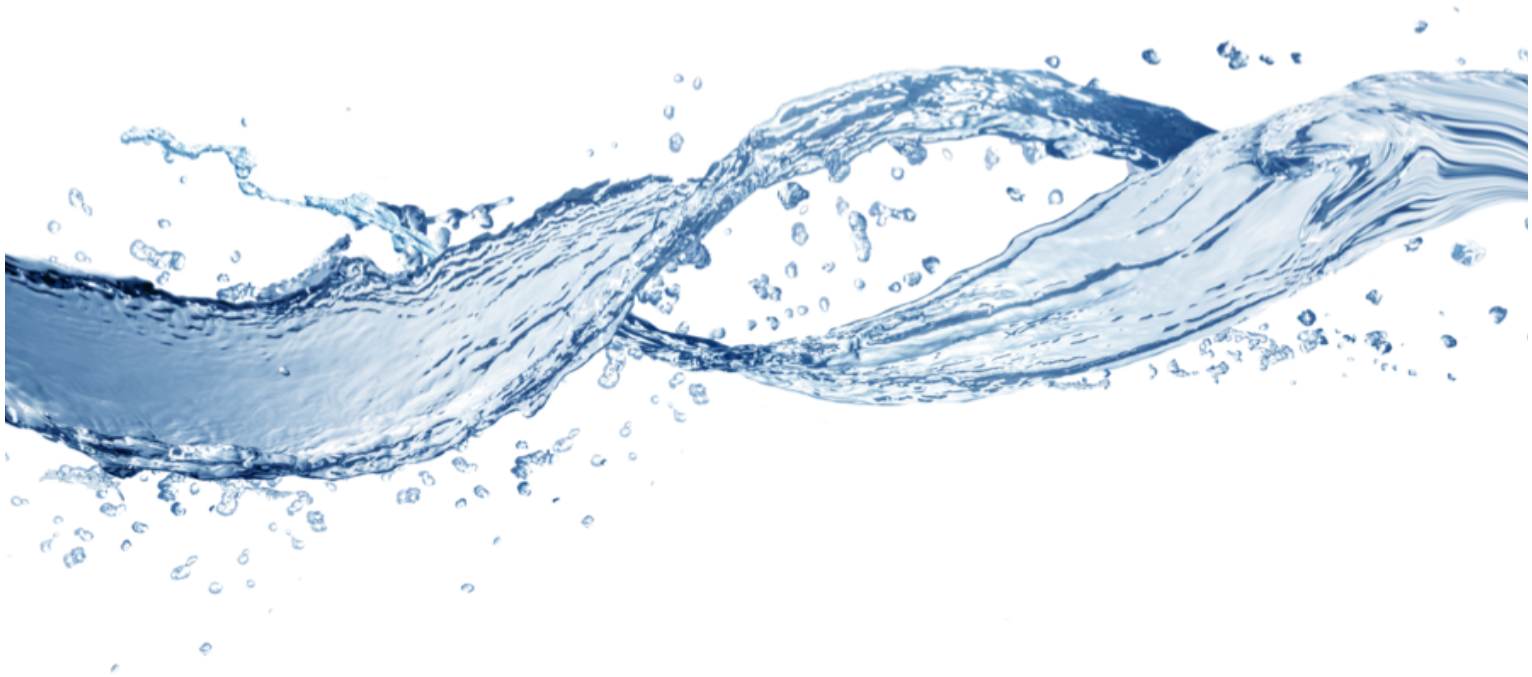




Is the Water Cooler the 21st Century Fountain of Knowledge?

How to effectively capture and disseminate valuable knowledge in your organisation



A white paper that discusses new digital opportunities to fulfil the promise of Knowledge Management and move away from the status quo, where an estimated 90% of the knowledge within an organisation still remains within the heads of its employees.

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WHY DOES HYDRA THINK KNOWLEDGE MANAGEMENT IS IMPORTANT?

What is an organisation other than a structure that deploys knowledge in the form of an individual or a team, to either perform a task to add value or solve a problem?

Why are Hydra raising their thoughts to these often extensively covered subjects?

Hydra believes that whilst technological advancements have pushed knowledge management beyond dusty folders piling up bookshelves, there remain two significant dimensions that escape analysis, leaving a void for organisations that want to improve control and increase the efficiency in the activities and processes they deliver.

These two dimensions are:

1. The dynamic nature of knowledge
2. The effect of shifting relevance.

ANALYSIS

Before the written word, story tellers wandered from place to place teaching communities about their history, meeting where people gathered, usually near a source of fresh water. A fountain, or fount of course, is a source of a desirable entity (water) and this inspired the figurative use of the fountain of knowledge. A meeting place where stories were shared would overlap with the idea of wisdom being imparted. Today, thousands of years later we still meet and share our recent experiences, but today it's either by the coffee machine or the water cooler!

As human beings, we are social animals and we learn mostly via the stories we tell each other. We are also designed to absorb information through the act of sharing with peers rather than receiving hierarchically structured training. We absorb information that is contextualised by stories, personal experiences and anecdotes that we can then use in an appropriate setting, identified thanks to similarities in the context mentioned above. Thus, proper knowledge sharing within an organisation needs to retain the best qualities of the “water-cooler conversation”:

1. The best knowledge is created through individuals completing activities and therefore gaining experience, **90% of all knowledge within an organisation is in the heads of individuals¹.**

¹ Beazley and al, 2002

2. Information is best absorbed in the proper context. Not as a vast amount of data but in smaller bits that are relevant to a specific action that is being completed / analysed at that specific moment.

3. Information flows shift and the knowledge itself is dynamic, **in today's fast paced world information degrades very quickly**, unless it is constantly refreshed.

4. Social media and the digital evolution has made life so convenient for us, but equally it has altered both what and how we learn. Technology has made us **lazy because we expect to receive information that is relevant and immediate rather than actively searching for it**. When was the last time you memorised a phone number?

5. The **most powerful way of learning is from experts**, story tellers who have first-hand knowledge based on experience.

These qualities are all present in the very successful apprenticeship process that forms the core of technical recruitment in Germany's world-beating *Mittelstand* ('medium-sized') companies, an approach that has been imported to the UK over the last few years. The foundational idea is that working alongside experts will make you an expert in turn, or at least significantly speed up the process of learning because you are able to **absorb knowledge that is highly contextualised and driven by experts**.

Smaller organisations can naturally adopt an informal structure of knowledge sharing as the size of the team makes communication very easy, even without a formal process. However, larger organisations face an exponentially more complex environment given their size and geographical dispersion. I therefore may not be aware of an available colleague that knows the answer to a specific issue I am facing, let alone who he or she is. Plus, I don't have the time (and probably the inclination, if we are honest) to constantly study all the possible information available, just in case I may need it one day.

As knowledge is dynamic and needs to be made relevant to the context in which it's consumed, it's crucial for an organisation to find a mechanism that can **accumulate knowledge in an organic way and distribute it effectively** when needed. Knowledge needs to be captured effortlessly during the normal exchange of ideas and information, for instance from a discussion forum where co-workers share ideas and help each other. It also needs to be dynamically and constantly refreshed to keep it relevant.

In addition to this, two more powerful characteristics of innovative digital platforms have a large impact on knowledge management: firstly, new digital platforms now allow you to monitor precisely who has done what activity, thus **automatically identifying the experts** in each single activity, giving the organisation a good "knowledge map" of existing expertise. Secondly, an integrated digital platform generates the ability to capture exceptions: every time there is a deviation from a standard process, this deviation can be analysed to discover root causes and produce knowledge and data to minimise future occurrences and/or impacts. **Exceptions are one of the more undervalued sources of information and insight.**

Knowledge, in a sense, cannot be separate from the activities that use and apply that knowledge, thus a digital platform that marries knowledge capture, deployment and control with results and exceptions will be exponentially more powerful than the same tools operating separately within an organisation.

With an integrated digital platform of this kind, every time you execute and repeat an activity it brings with it a new opportunity to learn because the context is always slightly different, it becomes an R&D opportunity. Projects are not one-off activities anymore but continuous “experiments” that allow the collection of data that will improve future performance.

As individuals, we learn by doing and every time we do something we become better at it. We need to transfer this process of learning by doing at an organisational level. A driver learns by driving and accumulates knowledge by facing different conditions, but a self-driving car will benefit from the experience of all associated cars that are sharing the knowledge collected over millions, and actually, billions of miles. Inevitably self-driving cars will overtake the ability of any single driver by benefitting from this exponential learning process. **The successful organisations of the future will be the ones that learn to learn exponentially, and use their shared knowledge on a path of continuous improvement.**

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