



# **Knowledge Management is like Sorting Socks: KM for Nonprofit Organizations**

A white paper from Annkissam

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## **Introduction:**

We know that jargon about knowledge management is meaningless to most nonprofit executives. Everyone has knowledge and everyone manages what they know, but not everyone knows or cares that this activity has a formal name.

If you have ever named a document, alphabetized a list of names, or sorted your socks by color, you have managed knowledge. Likewise, if you have ever sent the email address of one colleague to another, or compiled a list of emergency phone numbers for staff members at your nonprofit organization, you have managed knowledge. You may not need to use formal, or fancy, knowledge management practices, unless your nonprofit organization's lack of knowledge management is threatening its ability to meet its mission. But even a small amount of knowledge chaos can cause considerable pain. It is wise to understand your current informal process for managing knowledge, and to consider the effectiveness of this system. How does the system you are using now work and how well does it work?

## **What is knowledge management?**

Knowledge management (also known as "KM") can be quite sophisticated, theoretical and complex, but it can also be very practical and simple. It can be defined as follows.

**Knowledge management is the process of choosing and using tools and systems to effectively gather, organize, share, and use information; of any topic and any type; within and between individuals, organizations, and groups.**

**(Rachael Stark MSLIS, Information Librarian and knowledge management consultant to Annkissam, 05-29-2014)**

Most small and medium-size nonprofits do not have the resources to invest in a complex, expensive, and time-consuming knowledge management system, such as an enterprise scale CMS or Constituent Management System. Fortunately, such investments are usually unnecessary; there are strategies and tactics that can be scaled to the size of your operations.

We understand that you need to manage your knowledge, but you do not need to get lost in complexity while you do so. Therefore we offer you this guidance.

**What are some signs that lack of knowledge management is undermining your organization's effectiveness?**

- When a staff member gets sick, takes a leave, retires, resigns, or goes on vacation, then other employees are unable to locate crucial information.
- The executive director (or another top-level staff member) is scheduled to retire, but his/her most crucial organizational knowledge is not written down, and there is no strategy in place for conveying it to his/her successor.
- Project teams generate multiple versions of key documents, but it's hard to gather all the changes in one place. No one knows for sure which version is the final one, and the wrong version may be used by accident.
- Staff members don't know which colleague to approach with questions on a specific topic.
- No one in the nonprofit organization is certain about the history or current status of its relationship with a specific project, funder, or partner.
- Manuals of policies and procedures exist, but staff members have difficulty finding the relevant passage in them when they have a specific question that urgently needs to be answered.
- Staff members don't know about existing resources and reports that could help them make good strategic decisions.
- Standard information that is needed for a routine operation must be gathered by hand from disparate paper and electronic sources each time it is needed.
- The organization has scaled up to national operations. Now that the staff members are geographically distant from each other, they have difficulty sharing or obtaining information from their colleagues.
- Staff members feel frustrated, rushed and overworked because information is hard to find, or because they are never confident they have the right version.
- It is difficult to determine whether the nonprofit organization is meeting its mission fully, partially, or not at all.
- If the nonprofit organization is meeting its mission, it is difficult to ascertain what factors are making this possible, and what factors are extraneous.

**What is the solution?**

1) *Organizational commitment to knowledge management*

Knowledge Management need not be a huge and overwhelming task, but it does take ongoing time, effort, attention, and support. This can be difficult and tedious. There is no technology or tool that can replace the human effort involved. KM involves taking a hard look at the nonprofit organization's data, information, and knowledge - with the goal of deciding what needs to be retained and how the remaining information should be organized. It means that leaders, staff

members and board members must commit to learning, using, and helping to maintain the new structure.

*2) Expert assistance in managing knowledge and organizing information, and in bridging between nonprofit organizations and technical tools*

Seek help and advice from experts who can play a bridging role in the nonprofit sector between the people who use information and technology, and the people who create it. They can negotiate and “translate” between people and groups with different skills, perspectives, expertise, and terminology. Seek help and advice from consultants or staff members with skills in library science, knowledge management and nonprofit technology strategy.

*3) Technical implementation of a knowledge management system*

Matching the right tool to the right job is essential to managing knowledge effectively. For a large and complex organization, a large and complex commercial tool may make sense. For a very small organization, a well designed and conscientiously used file naming system and spreadsheet may suffice. For nonprofits of medium size with medium sized information sets, KM tools specifically designed for nonprofits may be a practical choice. Nonprofits need to weigh the advantage of easier scaling in the future - when size of information may expand and complexity of information may increase - with systems that feel manageable in the present.

*4) Organizational culture that allows, encourages, and rewards people for gathering, organizing, sharing, and using knowledge, rather than punishing them for doing so*

- Organizational culture can reward systematic knowledge sharing, or it can reward information hoarding, information thieving, and knowledge bottlenecks.
- If individuals see that they gain the rewards that flow from knowledge they share, they are likely to share again. If instead they see the rewards given to someone else, they likely will not.
- If individuals are rewarded when they “spill the beans” and share knowledge, they are likely to spill all their knowledge beans into the common pot. If instead they are rewarded for being the only person who knows something, they are likely to hoard knowledge, so they will continue to look like the only knowledgeable one.
- If knowledgeable individuals see their KM work flow incorporated into an efficient overall work flow and realistic work hours, they are likely to keep their information current. If instead they are punished with lengthy required documentation tasks added to already long work hours, they may find ways to appear less knowledgeable in the future.
- If individuals see that they are rewarded and not punished for sharing all kinds of information - including information that may feel uncomfortable or unflattering - they are likely to share all they see. If instead they face disapproval or dismissal for sharing uncomfortable knowledge, they will stop sharing what they know.
- If knowledge is shared easily, fairly and smoothly between different people, projects, offices and departments, then the connections between them can be strengthened. If instead everyone hoards what they know, then they can become isolated, disconnected, and stuck in a silo.



Good management of knowledge can lead to more efficiency, more effectiveness, less waste, less frustration, less turnover of staff, better connections between people, and better outcomes of programs.

If work flow and organizational culture are geared toward allowing people to gather, organize, share, and use knowledge without adding unduly to their work loads, then they are more likely to start doing it. If people are systematically rewarded - and not punished - for gathering, organizing, sharing, and using knowledge freely and openly, then they are more likely to keep doing it.

A transition to knowledge sharing as the norm can be stressful. Fortunately, there are incentives for persevering. Knowledge sharing has additional advantages for nonprofit organizations, beyond the obvious potential for improving the day to day effectiveness of their operations. As workflow and outcomes are subsumed under knowledge management, it can nurture a more collaborative and transparent environment in which staff members see how their work contributes to the larger goal of making the world a better place.

### **Are you ready for this commitment?**

- Are you prepared to reward people for what they know and what they share rather than rewarding them for who they know and who they are?
- Are you prepared to change your organizational culture so you can “spill the beans” on your knowledge? Are you prepared to allow others in your organization to do so?
- Are you prepared to work in an environment where knowledge flows freely and is shared?
- Are you prepared to make knowledge management someone’s job and give them the resources they need to do it successfully?
- Are you prepared to budget some of the time of every person in your organization to allow them to document and share what they know?
- Are you prepared to budget money and staff time for the transition to a knowledge management system?
- Are you prepared to budget money and staff time for the maintenance and improvement of a knowledge management system to sustain it over time?
- Are you prepared for your nonprofit to undergo six to twelve months of organizational change and adjustment?

### **How can you find help?**

At their core, most for-profits are based on selling something and most nonprofits are based on giving something away. This fundamental difference in mission can lead to very different attitudes toward sharing knowledge. People are paid for their knowledge in many different coins. Making money from selling a good or service is an obvious type of payment. But people can be also be paid more indirectly for their knowledge. Knowledge can equal social power, status, respect, reputation, attention, job security, funding security, access to people to ask for favors, or the ability to avoid having to ask people for favors.



Sharing knowledge may not cost a nonprofit money in a direct way, but it can feel like a cost nonetheless. Successful KM efforts are based on people feeling that the benefits to individuals and groups are greater than the costs. If KM is to succeed, then people must see benefit up front, and must continue to see benefit over time.

There is no single, comprehensive list of all knowledge management professionals with expertise in the nonprofit sector. A nonprofit might find help from people with job titles as varied as librarian, knowledge manager, information architect, consultant, circuit rider, nonprofit technology strategist, knowledge broker, technology implementer, or applied anthropologist. Many of these fields have web pages, journals, conferences, listservs, and communities of practice that can connect nonprofits with the expertise they need. Leads to resources can be found in the KM Professionals, Resource and Citation document and web page.

Each field has its own terminology. The same activity - collecting names of interested people and inviting them to an event - might be called outreach by a nonprofit, marketing by a business, and publicity by a school. Case management and work flow management might have much overlap, as might a task list and a to-do list. Recognizing the help you need, no matter what outfit it is wearing, is a big part of effectively finding help.

Most nonprofit leaders, employees, volunteers, and board members are knowledge workers - at least in part. If the quality of the knowledge and information they use improves - and it becomes easier for them to gather, organize, share, and use that knowledge and information - then the organization is far more likely to succeed in its mission. Knowing this seems self evident, but putting into practice may not be.

Librarians can be powerful allies for nonprofits who wish to manage their knowledge well. At their best, libraries offer a welcoming and helpful environment filled with information resources that are good quality, well organized, well labeled, easy to find, and easy to use. Librarians with expertise in nonprofits can help make the knowledge in your nonprofit like resources in the best library - well organized, easy to find, and easy to use.

Successful knowledge management projects can require dedicating a portion of each employee's time to maintenance and improvement of the system. For many nonprofits, the time and effort needed to begin and maintain knowledge management can feel overwhelming. Fortunately, it is possible for knowledge managers to gather and organize the knowledge of others.

Staff or consultants can be hired to interview and observe staff, make notes on what they do, and take dictation on what they say. Leadership, managers, line staff, and board members can have their knowledge collected rather than having to enter their own data. Allowing people to speak their knowledge while someone else takes notes can streamline the process a lot, but it still involves time, effort, and commitment.

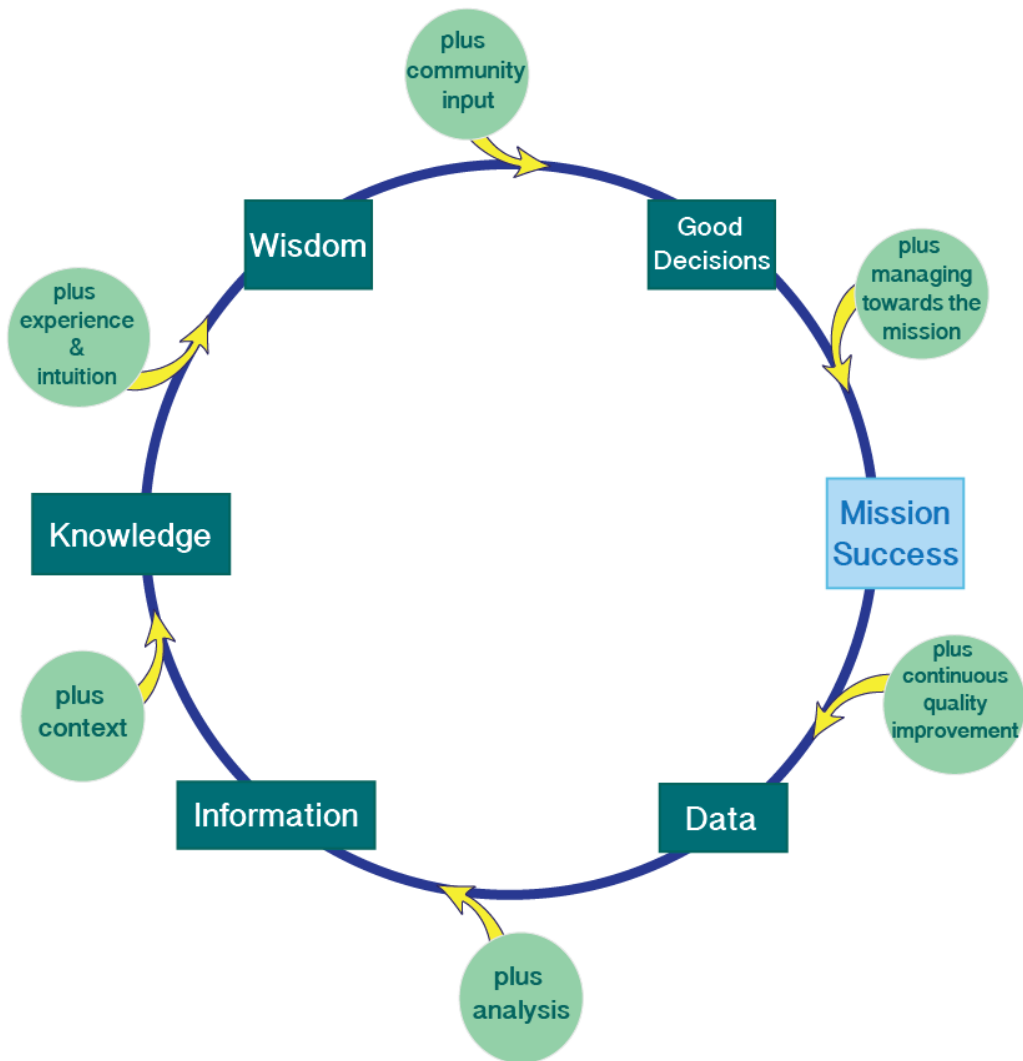
Make sure that anyone you hire

- Knows nonprofits in general
- Respects nonprofits in general

- Understands and respects the larger legal, regulatory, tax, and financial realities within which nonprofits exist
- Understands and respects the organizational culture of your nonprofit
- Understands and respects the mission of your nonprofit
- Understands and respects the operations of your nonprofit

**What is the relationship between data, information, and knowledge?**

**“The Wisdom Cycle”**



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Definitions of these terms differ among computer scientists, librarians, philosophers, and others who are interested in the topic. Fortunately, nonprofit professionals can learn to use data, information, and knowledge to achieve long term strategic goals without being drawn into arguments about the technical differences between any of these categories.

We recommend a practical approach. In the diagram above, we show data, information, and knowledge as important components (although not the only components) in the success of a nonprofit organization. In this context, data can be quantitative (e.g., the number of clients who have met their personal goals in a human service program) or qualitative (e.g., the current status of a strategic alliance with another organization).

As seen in “The Wisdom Cycle” diagram, raw data can be analyzed, and become useful information. Putting information into larger context can create knowledge. Knowledge can be used, burnished with experience and plumbed with intuition, and become wisdom. Wisdom combined with community input can lead to good decisions. When good decisions are managed to the mission of the nonprofit, mission success can result. As the mission is successful, quality is continuously improved, more data is gathered and analyzed, and the cycle of success spins again.

Many experts in the nonprofit sector currently speak in favor of “the data-driven organization,” but we contend that data in itself is not enough. As shown in the diagram, data should be combined with analysis to create information; information should be combined with context to create knowledge. From there, a nonprofit organization should make progress toward wisdom, good decisions, and mission success - at which point, the cycle of continuous quality improvement begins again with data.

### **What are the conclusions we have reached?**

Well managed knowledge can make work easier and success more likely in nonprofits. Knowledge chaos and disorganization can cause a lot of pain. If you cannot find the information you need - or the correct version of the information - it can be difficult to do your work and succeed in your mission.

The right information tool for the right job. Different knowledge management strategies and tools will best match different sizes and complexity of information sets.

Knowledge management takes commitment of time, money, energy and attention, but need not be overwhelming. Help in managing knowledge can be found from professionals with a number of different job titles and areas of expertise. Staff members or consultants can gather and document the knowledge of others, if they are too busy to do so themselves.

Organizational culture is often the single most important factor in the failure or success of knowledge management. If people are supported and rewarded in sharing knowledge, they are much more likely to do so and to continue to do so. If they are thwarted or punished, much less likely to begin and continue.

KM need not be fancy or expensive to be useful. Even a modest improvement in the quality, organization and sharing of knowledge can make a big difference in how well a nonprofit meets its mission and succeeds.



### **Where can I learn more about knowledge management?**

An overview of formal knowledge management can be found here:

[http://en.wikipedia.org/wiki/Knowledge\\_Management](http://en.wikipedia.org/wiki/Knowledge_Management)

see especially - “Strategies”  
see especially - “Motivations”

For other perspectives on information use, gathering and analysis see also:

[http://en.wikipedia.org/wiki/Knowledge\\_broker](http://en.wikipedia.org/wiki/Knowledge_broker)

see especially - “Expertise”

<http://en.wikipedia.org/wiki/Storytelling>

see especially - “In business”

[http://en.wikipedia.org/wiki/After\\_action\\_review](http://en.wikipedia.org/wiki/After_action_review)

see especially - “To apply this tool ask yourself and the team”

[http://en.wikipedia.org/wiki/Communities\\_of\\_practice](http://en.wikipedia.org/wiki/Communities_of_practice)

see especially - “Communities of practice and knowledge management”  
see especially - “Social capital”  
see especially - “Individuals in communities of practice”  
see especially - “Motivation”

[http://en.wikipedia.org/wiki/Knowledge\\_ecosystem](http://en.wikipedia.org/wiki/Knowledge_ecosystem)

see especially - “Critical Interdependencies”

[http://en.wikipedia.org/wiki/Knowledge\\_management\\_software](http://en.wikipedia.org/wiki/Knowledge_management_software)

see especially - “Range”

### **Where can I find professionals and resources about knowledge management?**

For a list of specialists, organizations, articles, books, web sites and other resources on knowledge management, go to:

<http://www.nonprofitknowledgemanagement.com>

### **How can I reach you?**

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