

Cross-Discipline Research Publication

2017 State of Knowledge Management

Ignore Culture's Impact to KM Success at Your Peril

TSIA and Coveo: Empowering Business Transformation

TSIA is a research and advisory firm on a mission to help technology companies achieve profitable growth and business outcomes by effectively leveraging their services. With the world's largest vault of data-driven research and insight covering eight different focus areas including support services and customer success, TSIA's thought leadership empowers over 35,000 service executives worldwide, including 80% of the Fortune 100 technology firms, spread over 65 countries.

Coveo is on a mission to help businesses transform by ensuring that every employee, support agent, customer, partner, and website visitor is empowered to do their best. They are committed to helping organizations unlock the power of their enterprise knowledge, by leveraging AI-powered search to ensure the best, most relevant information is surfaced in the course of every interaction.

By combining TSIA's dedication to helping technology companies optimize their services and Coveo's passion for technical innovation, coupled with their commitment to empower business transformation, you'll have the resources you need to unlock the full potential of your people, processes, and technology.



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Executive Summary

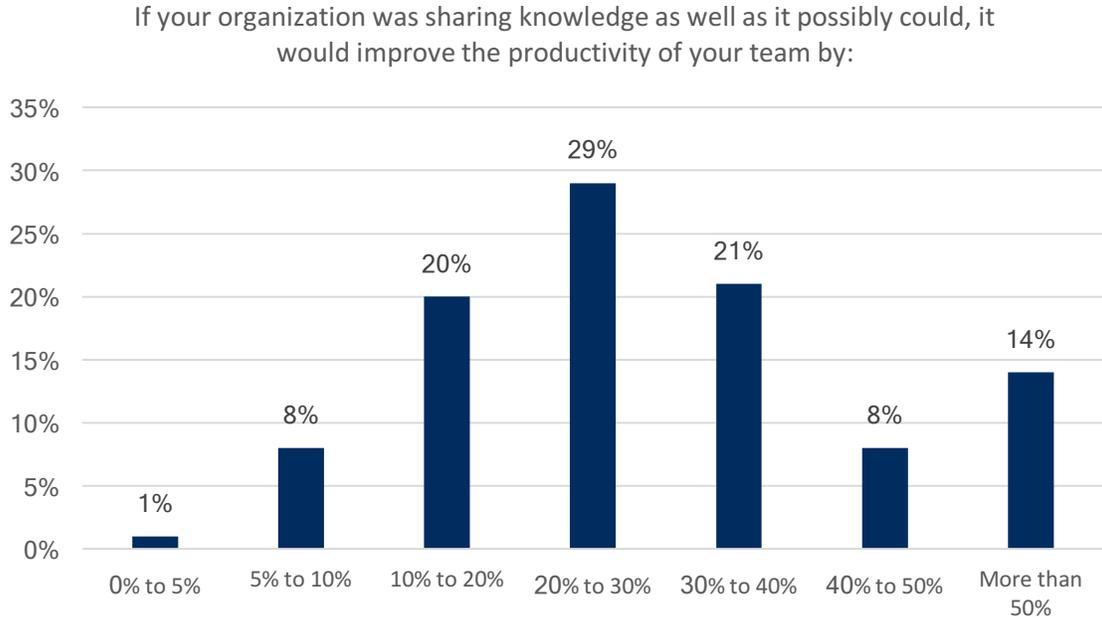
TSIA's fifth annual knowledge management survey is complete, with over 300 responses received from across TSIA's eight service disciplines. Technology for knowledge management has been at the top of the planned spending list each year for the last decade, and the survey results demonstrate why: 43% of respondents think they could improve employee productivity by 30% or more if they were sharing knowledge more efficiently. After many inquiry conversations and advisory projects with TSIA members, it has become clear that the single biggest determinant of knowledge management success is having a corporate culture that rewards knowledge sharing. In this year's "State of Knowledge Management" report, TSIA will focus on the practices common to firms with the strongest knowledge-sharing cultures. While changing corporate culture works best as a top-down initiative, companies interested in overhauling their approach to capturing, sharing, and maintaining knowledge should adopt these pacesetter practices, and as the ROI from these practices becomes clear, use those results to lobby with the executive team to begin sending a stronger message to employees that hoarding knowledge is no longer a path to success.

Knowledge Management: Why It Matters

Knowledge management used to only be a support topic. And while admittedly the TSIA Knowledge Management Survey is heavily weighted toward support, participation in the survey has expanded across disciplines. This year, only 39% of respondents were from support services. Customer success accounted for 20% of respondents, and professional services members made up 15% of respondents. Though the use cases for knowledge management may be best understood in support, clearly all service organizations—especially in light of the growing number of Millennial employees who fully embrace and expect collaboration—understand that improving the capture, sharing, and maintenance of knowledge can accelerate employee and customer processes.

The survey asked, "In your opinion, if your organization was sharing knowledge as well as it possibly could, it would improve the productivity of your team by how much?" The results can be seen in *Figure 1*.

Figure 1: Knowledge Management Potential

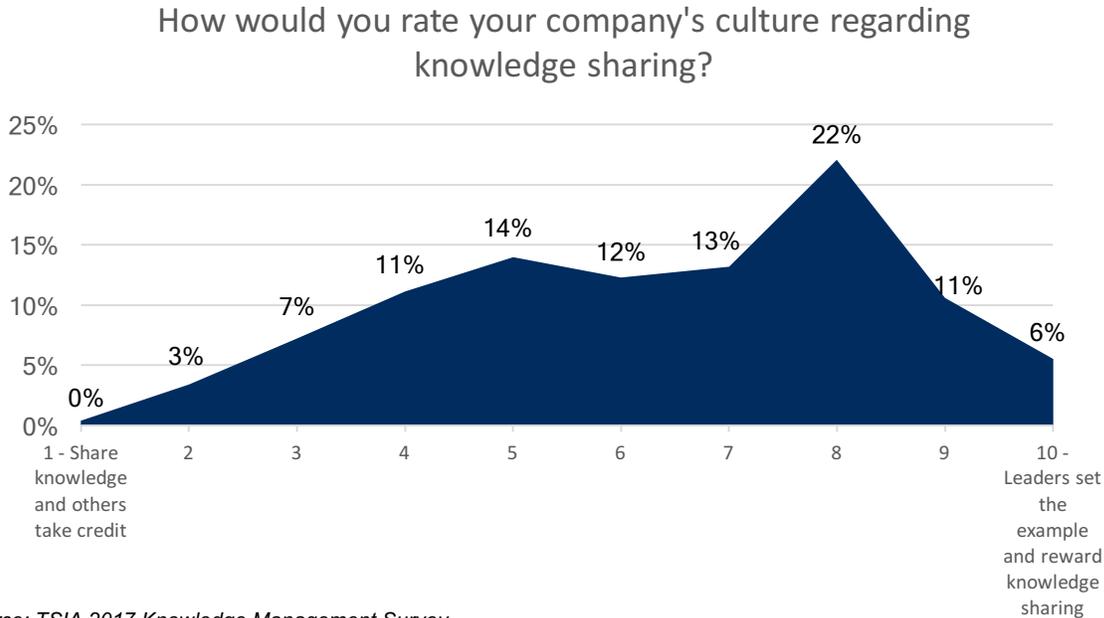


Source: TSIA 2017 Knowledge Management Survey.

A full 43% of respondents said that improving knowledge management (KM) would boost productivity by 30% or more, with 14% saying an improvement of 50% or more was possible. This is why interest and planned spending for KM and related technologies has been high for the last decade: firms see it as a lever they can pull to dramatically accelerate employee and customer processes. So then why do so many companies struggle to achieve these improvements? While there are certainly many contributing factors, TSIA Research believes that the underlying key to success for KM programs is corporate culture.

The survey asked respondents to rate their corporate culture regarding knowledge sharing on a 10-point scale, with 1 representing “share knowledge and others take credit,” and 10 representing “leaders set the example and reward knowledge sharing.” The results can be seen in *Figure 2*.

Figure 2: Respondents Rate Their Knowledge-Sharing Culture



Source: TSIA 2017 Knowledge Management Survey.

The average score was 6.37, flat compared to last year's 6.35. A total of 35% of respondents rated their culture as a 5 or below, indicating the deck is stacked against them when it comes to KM success. Last year, there was an increase in the average culture rating, from 6.07 in 2015 to 6.35 in 2016, and TSIA Research had hoped that this trend would continue.

When talking to members who are struggling to be successful with KM initiatives, culture is almost always at the root of the problem. TSIA Research often hears comments like the following:

- "We can't get Level 3 to contribute knowledge because they think they will be eliminated if they do."
- "The frontline agents don't want to share what they learn because having unique knowledge is the only way they can get promoted."
- "Some of the employees would rather go to the lab and figure it out themselves instead of asking for help, so they keep reinventing the wheel."

While everyone has access to *explicit* knowledge, that which is generally known and well documented in product manuals, release notes, and best practice guides, *explicit* knowledge, that which we learn through performing our jobs, is locked inside our heads. The core concept of knowledge management is incenting employees to share that tacit knowledge, so every single fact, lesson, or best practice learned by an individual can be leveraged by the entire company. Rewarding workers for hoarding

knowledge means employees must research the same problem again and again, extending talk time and resolve time for support issues, ultimately impacting productivity and the customer experience.

Pacesetter Practices Unique to Companies with High KM Culture Scores

When analyzing the data from the 2017 Knowledge Management Survey, TSIA Research filtered the results based on culture scores to identify pacesetter practices that are unique to companies with stronger knowledge-sharing cultures. The results showed that in practically every case, processes and capabilities that TSIA Research recommends for improving KM programs were adopted at a higher rate by companies with stronger KM cultures. To underscore the importance of culture, *Figure 3* shows how survey respondents rated their overall employee-facing and customer-facing knowledge management and collaboration programs on a 10-point scale, with 1 representing “needs a lot of work,” 5 representing “good,” and 10 representing “awesome.”

Figure 3: Rating Corporate KM and Collaboration Programs



Source: TSIA 2017 Knowledge Management Survey.

In every case, companies with stronger knowledge-sharing cultures have knowledge management and collaboration programs that rate higher than companies with poorer KM cultures. These overall ratings are based on many aspects across people, process, and technology. In the following sections, practices highly adopted by companies with strong KM culture will be presented in three categories: processes, content quality and findability, and forward-looking elements.

Critical KM Processes for Success

Getting your processes right is always a major step toward the success of any new program. In this section, we will look at some critical processes that TSIA has been recommending for some years, with data illustrating that these processes are more highly adopted by companies with strong KM cultures.

Formal Training and Process Adoption

The starting point for most new KM projects, whether you are making changes to technology, processes, or both, is formal training. This allows all employees to be trained on the goals for the programs, how it will positively impact employees, as well as details on creating new content, searching for existing content, and how to improve content that may be outdated or vague. From a support perspective, [Knowledge centered support \(KCS\)](#) is a common standard used for collecting, sharing, and maintaining tacit knowledge, and tracking KCS adherence is a good way to see if companies are investing in formal KM processes.

As seen in *Figure 4*, nearly half of respondents from companies with low KM culture scores, 45%, have not even heard of KCS, which is a great indicator that the company is not investing in training for employees to kickoff effective knowledge and/or collaboration programs.

Figure 4: Knowledge-Centered Support (KCS) Training and Adherence



Source: TSIA 2017 Knowledge Management Survey.

Professional Services and Knowledge Management

Interest in knowledge management has certainly expanded beyond support services, and another service discipline investing in KM is professional services. As the percent of PS engagements that are fixed cost and repeatable are on the rise, documenting best practices and lessons learned from customer engagements is very important to better inform consultants doing similar projects in the future. The survey asked how PS teams capture new best-practice content and lessons learned at the end of each customer project or engagement, and the results, sorted by culture score, can be seen in *Figure 5*.

Figure 5: Capturing Tacit Knowledge from Customer Engagements



Source: TSIA 2017 Knowledge Management Survey.

Only 8% of companies with low culture scores have a formal process to capture new tacit knowledge at the end of a customer engagement, compared with nearly a quarter (24%) of companies with higher culture scores. A total of 40% of firms with lower culture scores don't capture any best practices or lessons learned today, meaning consultants have to waste resources solving problems over and over which have been identified and resolved by other consultants previously.

Employee Goals and Incentives Based on KM Activity or Outcomes

Employees have a great many demands placed on their time and attention, and if they aren't being incented and rewarded for doing particular tasks, those tasks tend to fall through the cracks. It is critical that employees have goals in performance reviews for knowledge sharing and participating in KM programs, and bonus programs are also effective in keeping KM front and center. TSIA recommends linking goals and incentives to KM outcomes, not activities. Focusing on activities, such as the number of articles submitted, is a good way to get a lot of garbage in the knowledgebase. A better approach is to base performance metrics on KM outcomes, i.e., highest rated documents, documents linked to the most support cases, etc.

As seen in *Figure 6*, 79% of companies with low culture scores have no link between knowledge management program participation and employee compensation or performance goals, which sends a clear message to employees that KM is a "nice to have," but not something important for them. If you are struggling to make knowledge sharing successful at your company, without formal training or goals in performance reviews linked to KM participation, it is unlikely your program will attain success.

Figure 6: Linking KM Activity/Outcomes to Employee Performance

Do you tie KM activity/outcomes to employee performance and/or incentive compensation?



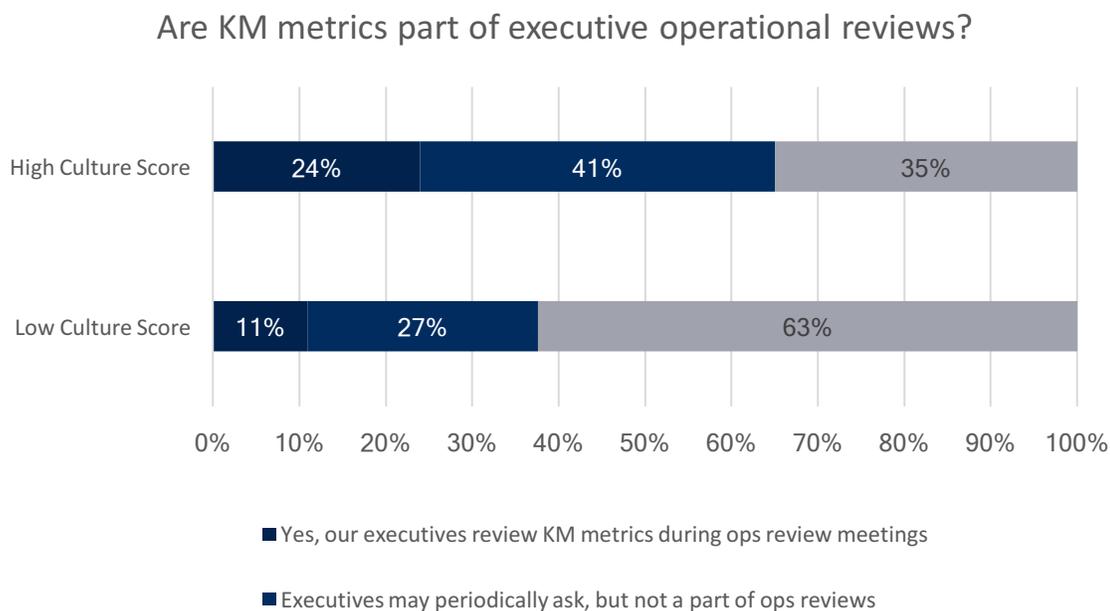
Source: TSIA 2017 Knowledge Management Survey.

Including KM Metrics in Executive Reviews

A final important process element to consider for successful knowledge sharing, and another indicator of a culture dedicated to knowledge success, is whether company executives include KM metrics in operational reviews. Ideally, knowing the huge ROI potential for effective knowledge sharing, executives should be tracking the progress of KM initiatives, as well as impacts to financial, productivity, and quality metrics.

As seen in *Figure 7*, nearly two-thirds of companies with low culture scores, 63%, say that executives do not review any metrics related to the knowledge management program during operational reviews. Clearly, corporate culture is driven from the top down, and if executives do not think KM is important, this message is directly or indirectly communicated to employees, making it difficult to change individual behavior or departmental culture.

Figure 7: Executive Reviews of KM Metrics



Source: TSIA 2017 Knowledge Management Survey.

Content Quality and Findability

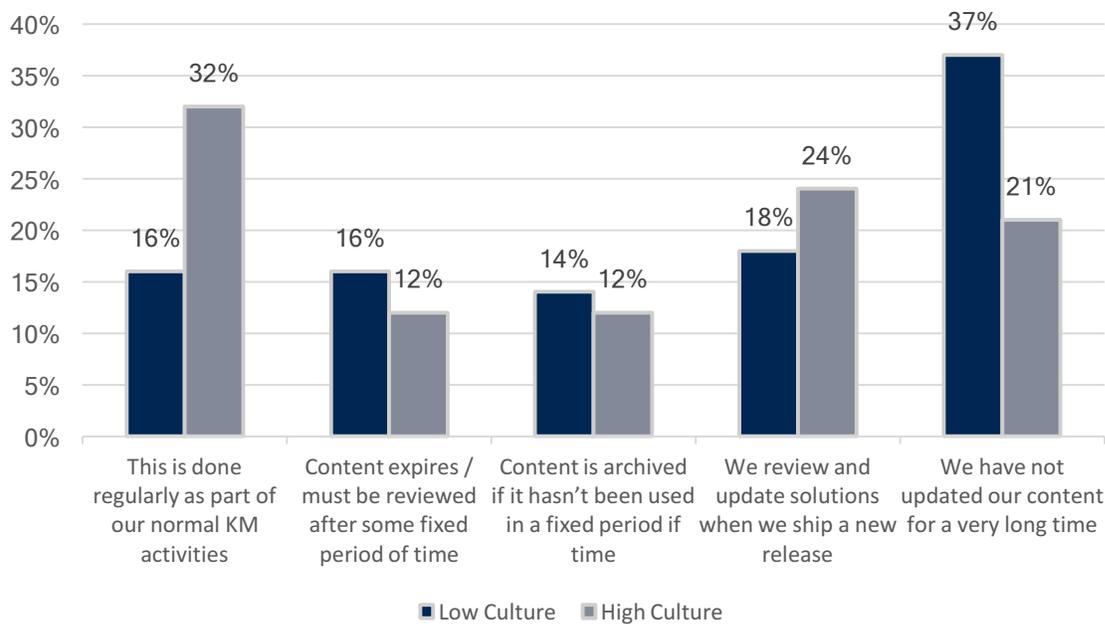
The quality of content has a big influence on long-term adoption of knowledge. If users, both employees and customers, frequently do not find the needed information, or are overwhelmed by outdated, poorly written, or duplicate content, they will stop attempting to use the content and will look elsewhere for the

answer—usually externally. In this section, we will look at some best practices for ensuring quality content, and making that content easy to find.

Regular/Automated Content Maintenance

Regular content maintenance requires dedicated KM resources, something many companies do not have. It is not uncommon for a KM program to launch with great success, but slowly resources are pulled off for other projects, and content grows stale. Technology can help, with reports showing articles that haven't been accessed for months, or articles that are frequently accessed and immediately dismissed, indicating they are old, incorrect, or have a misleading title. TSIA's Knowledge Management Survey asked, "How often is your knowledge management content updated to edit or remove unused or outdated content?" The results can be seen in *Figure 8*.

Figure 8: Knowledge Maintenance



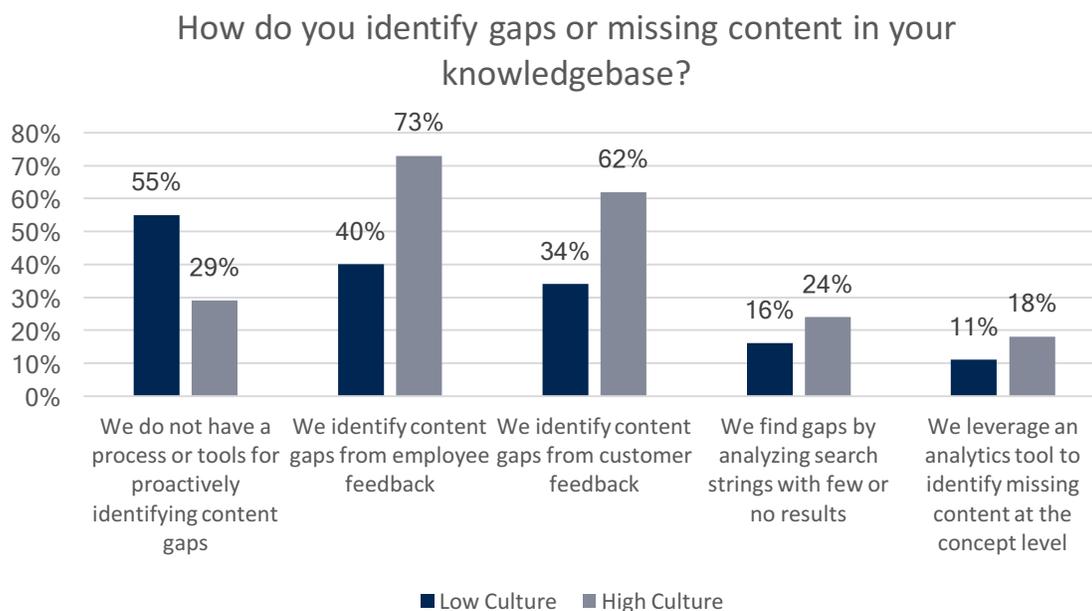
Source: TSIA 2017 Knowledge Management Survey.

Nearly a third of companies with high culture scores, 32%, are doing regular knowledge maintenance, compared to only 16% of companies with low culture scores. More than a third of companies with low culture scores, 37%, admit they have not updated their content for a very long time.

Content Gap Analysis

While maintaining aging content is critical, another important practice is identifying content that customers and employees need that is missing from your knowledgebase or other content repository, i.e., content gap analysis. *Figure 9* shows how companies are currently tackling—or ignoring—content gaps.

Figure 9: Content Gap Analysis



Source: TSIA 2017 Knowledge Management Survey.

Companies with high culture scores primarily rely on input from employees (73%) and customers (62%) to identify content gaps. Nearly a quarter, 24%, are looking at search strings with few or no results, since this indicates customer interest in the topic. Of the companies with lower culture scores, more than half, 55%, have no processes or tools in place to identify missing content.

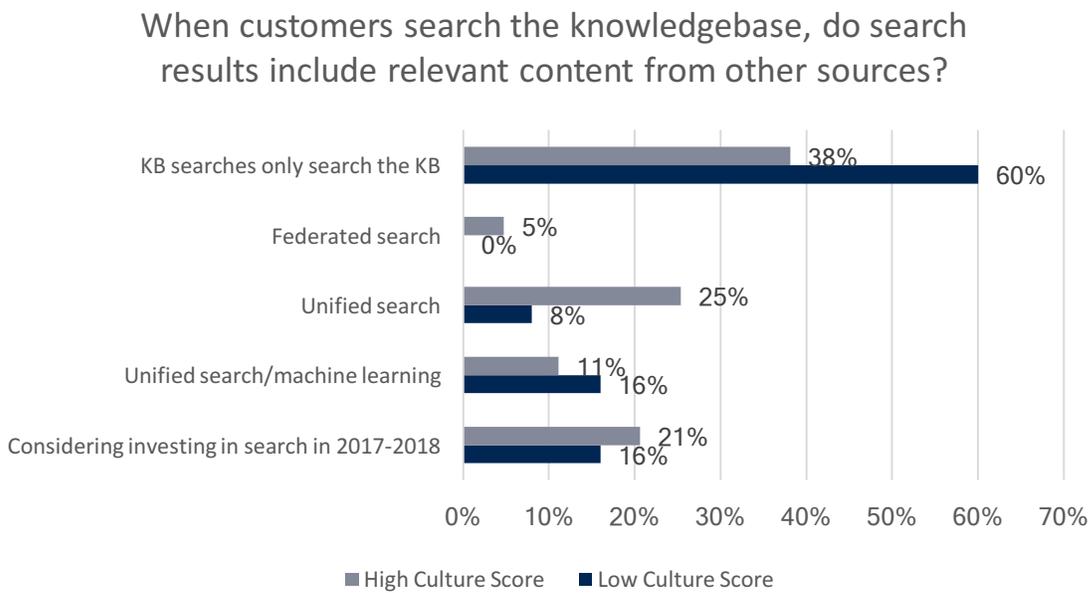
Search Strategy

Having the best content in the world is of little value if no one can find it, with members describing some knowledge repositories as a “black hole of content.” With so many content repositories out there (CRM case notes, knowledgebase(s), product documentation, release notes, online communities, etc.), having some approach allowing employees and customers to search multiple repositories at once is required. There are three primary approaches to unified searching:

- Federated search.** The search tool uses whatever search capabilities are inherent in each content repository to look for matches, and then “federates” all the results into a single display. This is a good first step, but is only as good as the search tool in each repository—which may be poor.
- Unified search.** This approach directly indexes all the content in each repository, so searches are more accurate regardless of the storage systems and applications used. Unified search tools include filtering options to narrow down results by author, date, type, source of content, etc.
- Unified search with machine learning.** Advanced analytics allow unified search platforms to “learn” over time what users are looking for regardless of how a search string is phrased or spelled, based on what content was selected previously for similar searches, increasing accuracy and shortcutting the process to find content.

As the number of content repositories continues to grow, and online communities begin to rival knowledgebases in depth and breadth of information offered, companies need to identify an approach to bridge the gap between all repositories, with unified search being the preferred approach. This is especially important for customer self-service, as customers can’t be expected to know which repository they should search to find needed information. The search approaches used by survey respondents for customer self-service can be seen in *Figure 10*.

Figure 10: Self-Service Search Strategy



Source: TSIA 2017 Knowledge Management Survey.

According to the survey results, 41% of companies with high culture scores have adopted an advanced search strategy, with an additional 21% planning an investment in search technology in the next one to two years. compared to only 24% of firms with lower culture scores that have advanced search technology. A total of 60% of firms with low culture scores say that searching the knowledgebase only retrieves content from a single source, which negatively impacts both customer self-service success and deflection.

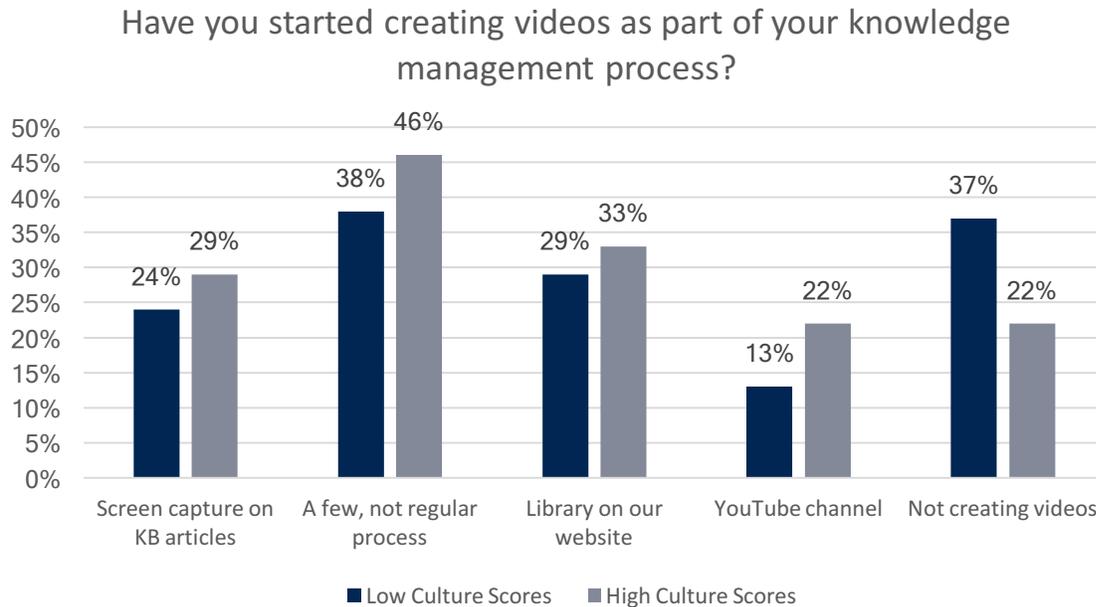
Future-Proofing Your Knowledge Management Strategy

In this final section, TSIA will discuss the shift away from reading long recovery procedures using a desktop computer. The success of YouTube for business purposes has shown that employees and customers would prefer to watch a video of a procedure and follow along, rather than reading a long, detailed written explanation. And content must be optimized for easy access using tablets and smartphones, which now are used to access the Internet more than laptops and desktops.

Incorporating Video into Knowledge Management

TSIA first published a report on leveraging video to boost self-service success in 2009, and since then adoption of video as part of knowledge management has become more common. Many users find videos easier to consume than a written procedure, especially customers attempting self-service. TSIA's 2017 Knowledge Management Survey asked respondents, "Have you started creating videos as part of your knowledge management process?" While adoption of video is much higher today than in 2009, companies with higher knowledge-sharing culture cores are more likely to be leveraging video than their lower culture counterparts, as seen in *Figure 11*.

Figure 11: Leveraging Video to Boost Knowledge Consumption



Source: TSIA 2017 Knowledge Management Survey.

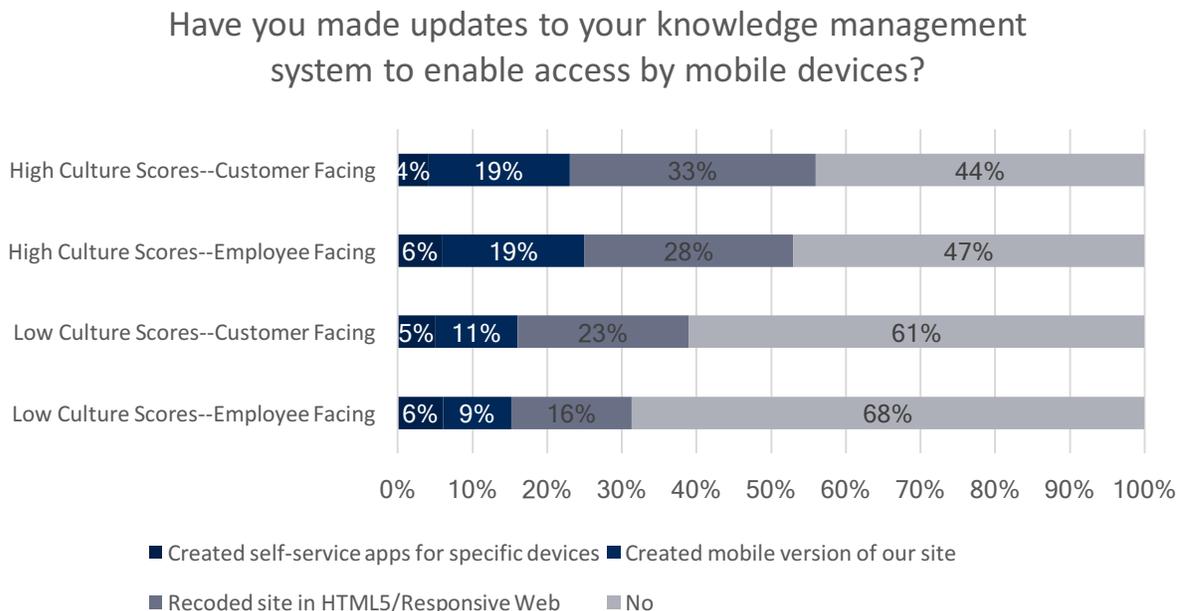
A total of 78% of companies with high culture scores are leveraging videos, including attaching a screen-capture video to a knowledge article, adding a video library to the self-service site, or managing a dedicated YouTube channel. More than a third of members with low culture scores, 37%, are not using videos in knowledge management at all.

Note that videos do not have to be professionally produced. Customers appreciate advice “from the horse’s mouth,” meaning frontline agents recording a short video from their cubicle is fine. The easiest way to get started is asking everyone who contributes knowledge articles to include a screen-cam video demonstrating a procedure or task, if possible, and add that attachment to the knowledge article when published.

Enabling Seamless Mobile Access to Knowledge

When considering how to future-proof your KM program, streamlining access to content using mobile devices is a requirement. Employees need access to knowledge away from their desks, and customers should be able to attempt self-service at any time using any device. As ubiquitous as mobile access is, many companies have yet to make serious investments to ensure seamless access to all content via mobile, as seen in *Figure 12*.

Figure 12: Leveraging Mobility to Boost Knowledge Consumption



Source: TSIA 2017 Knowledge Management Survey.

A surprisingly large number of companies with low culture scores, 61% on the customer-facing side and 68% on the employee-facing side, have made no updates to knowledge systems to improve access by mobile devices. Though some companies think that recoding websites in responsive design enables full mobile access, in self-service assessments TSIA has found that even responsive design websites include features that are difficult, if not impossible, to easily use from a mobile device. Longer term, TSIA recommends companies consider mobile-specific versions of their websites, and ultimately, mobile apps to access knowledge and content.

TSIA Recommends

As this report has shown, having a strong knowledge-sharing culture is a key indicator of the health of a company's knowledge management programs. When executives value knowledge sharing, there is more funding for pacesetter tools, and more emphasis on best-in-class training and processes. Though, ideally, culture change starts at the CEO and filters down, if service finds itself in a company that encourages knowledge hoarding, there are steps you can take to build a knowledge-sharing culture within your own department. Here are seven steps TSIA recommends for a bottoms-up approach to changing culture.

1. **Make the decision to change.** As the old saying goes, admitting you have a problem is the first step to improving. When making the decision to improve your department's knowledge-sharing culture, make a big announcement with lots of splash, making sure everyone is aware that change is afoot.
2. **Codify your cultural decision in writing.** Discussing in team meetings is not enough. Create a plan explaining why the change is necessary and exactly what behavior is expected moving forward, including the rationale for why this change is good for the company, the employees, and the customers.
3. **Change your hiring practices to reflect your (newly) stated values.** Add a knowledge-sharing focus to new employee screening, such as asking about how the employee works in groups, examples of collaboration, and testing writing skills.
4. **Improve your onboarding.** Introducing effective knowledge processes requires a lot of training. In addition to training all your employees, remember to include a focus on knowledge sharing in new employee training, so new hires are oriented to a knowledge-sharing culture from the very beginning.
5. **Measure using the right metrics.** Document how improving knowledge sharing is impacting your organization, both in volume and quality of content produced, usage statistics, and any movement in operational, financial, and quality metrics resulting from the new program.
6. **Create a sustainable reinforcement plan.** Include goals in employee performance reviews for participating in knowledge sharing so the behavior is reinforced, and introduce incentive programs to recognize employees who contribute the highest quality and/or most-used content.
7. **Sell your success upward.** The ROI for improving knowledge management comes from many sources. Productivity improves. Customer satisfaction scores go up. Employee satisfaction rises and attrition rates fall. As you begin showing positive improvements linked to your KM program, be sure to bring this to the attention of your managers and executives. With proof of the ROI, encourage executives to adopt better knowledge sharing across the enterprise.