

# Measuring the benefits of knowledge management at the FSA

by Ros Jones

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*This paper was first presented to students at City University in June 2002 and introduces research currently being undertaken at the FSA. The views expressed in this paper are those of the author and should not be attributed to the FSA.*

## 1. Introduction

The theme of this paper is evaluation of knowledge management. Evaluation is part of the progression of definite themes there have been in knowledge management.

A few years ago, when I first heard the term “knowledge management”, I was working at Simmons & Simmons which is a large law firm in the City of London. I was working as a know-how officer then and I could see that the work I was already doing was knowledge management. So I was quite sceptical about this apparently new management technique of knowledge management since we had been doing it for years and what could it possibly teach us?

Since that time, it's been interesting to watch the development of knowledge management topics as they're published in the journals. The progress has been quite clear. First we had the debates about defining knowledge as opposed to information. These debates were (and still are) sometimes pretty heated and I don't believe any unanimous agreement has ever been reached. (1) Then we had the IT vendors of knowledgeware which fell out of favour with the realisation that knowledge management is more about people with IT as a supporting role. Then there was the rise of the knowledge management strategy and the journal articles demonstrating that no knowledge management project would succeed unless it was firmly aligned with the business strategy. (2) And now we've arrived at measurement. How do we demonstrate that knowledge management has worked? How can we justify all that money spent on the knowledge management IT tools - and our salaries?

I decided to undertake a measurement initiative about six months ago but when I scoured the literature to see whether any similar work had been done on which I could draw in my own work, there was very little. Recently, though, I have been aware of more and more articles giving examples of attempts to measure the impact of knowledge management on a business. (3) I don't think anyone else knew about my work and decided to write articles for me! It does seem that knowledge management practitioners are working through a collective developmental business cycle. And, in my opinion (now a convert), this reinforces its importance as a management science. Of course, there is also the argument that perhaps the cycle reinforces the faddishness of knowledge management and that once the cycle completes, we'll move on to the next one. But let's see what the next knowledge management theme to emerge will be.

In this paper, I'll be describing some work I've been doing on measuring the benefits of knowledge management. Before that, though, by way of background, I'll say a bit about

my job at the FSA and why I think lawyers have always been doing knowledge management to some extent. I'll say a bit about the FSA and then about the knowledge management work I've done there – the knowledge management audit and strategy. Then I'll explain why we moved on to measuring knowledge management. I'll briefly look at some models for measuring knowledge management and the model that I've adopted (or adapted). I'll mention some obstacles encountered along the way and tips for overcoming them.

I joined the FSA as an associate in March 2001. I work in General Counsel's Division (GCD) which is the FSA's in-house legal division. The purpose of my role was (is) to draw up and implement a knowledge management strategy for the lawyers in the division. Before I joined the FSA, I worked at Simmons & Simmons for 12 years so I have a fair amount of experience of working with lawyers. I know the resources they need and the way in which they work. I also know the type of people lawyers tend to be and I think this is very important when you're trying to change the ways things are done.

## **2. Lawyers and knowledge management**

To some extent, lawyers have always been "doing" knowledge management if knowledge management for lawyers is the collection and reuse of knowledge applied to similar circumstances. Put very simplistically, when a lawyer is presented with fresh instructions from a client, they are very rarely completely novel instructions but either identical or a variation of previous instructions. The lawyer then applies the knowledge used in the previous cases - called precedents in "legal-speak". This might be the decision of a court in a similar case or the decision of a regulatory body. The lawyer applies his knowledge of how the legal system works, considers the precedents and draws on them to produce "new" advice. This is a form of knowledge management because the lawyer rarely has to start from scratch or reinvent the wheel; he simply reuses legal knowledge.

Some people who work in other sectors might argue that this is not their understanding of knowledge management. Knowledge management means something different to them and their organisation. And so we return to the debate about the definition of knowledge management. In any knowledge management project, I think it is worthwhile beginning at the first stage mentioned above and defining knowledge management. In my work, I have adapted a definition taken from Elizabeth Orna's book "Practical information policies" (4) and define knowledge management as concerned with:

- what lawyers need to know to advise successfully;
- the knowledge and skill belonging to the lawyers;
- ensuring that collective knowledge and skills are maintained, safeguarded and developed in accordance with the emerging needs of the FSA;
- ensuring that knowledge is transformed into information to make it accessible to others;
- systems and technology to support people in using their knowledge. (p11)

Knowledge management in law firms leads to an efficient way of working which is particularly important when it comes to billing. As we know, lawyers' charge out rates

are pretty high - in a top City of London firm, a partner's time may cost you £350 per hour and more. If he can produce his advice in half that time, it is good for the client who only gets billed £175 and is likely to return for further advice when the occasion arises. Similarly, it is good for the law firm as the partner can spend the saved half hour on the next instructions.

### **3. The FSA**

The FSA, however, is not a commercial organisation and so billing of legal advice doesn't happen. The FSA is an independent body which regulates the financial services industry in the UK. The reform of financial services regulation in the UK and the creation of a new regulator, chaired by Howard Davies, were announced by the Chancellor of the Exchequer on 20 May 1997. The Chancellor announced his decision to merge banking supervision and investment services regulation into the Securities and Investments Board (SIB). The SIB formally changed its name to the Financial Services Authority in October 1997.

On 1 December 2001, the responsibilities of a number of other organisations transferred to the FSA. These were the:

- Building Societies Commission;
- Friendly Societies Commission;
- Investment Management Regulatory Organisation (IMRO);
- Personal Investment Authority (PIA);
- Register of Friendly Societies;
- Securities and Futures Authority (SFA).

The UK Listing Authority has also joined the FSA. The FSA is therefore now the UK's financial services "Super Regulator".

New framework legislation was necessary to replace the many existing laws and regulations: this became the Financial Services and Markets Act (FSMA) which received Royal Assent in June 2000 and came into force on 1 December 2001. FSMA is only "framework" legislation. This means that the Treasury implements many sections of the Act by means of Statutory Instruments. There are over 100 statutory instruments under FSMA. There are also many EU directives and regulations which must be borne in mind in the regulation of financial services. In addition, the FSA has produced, in consultation with financial services practitioners, a 17 volume Handbook of rules and guidance. Not only, then, is the scope of the UK financial sector regulated by the FSA extremely far-reaching, but the legislation, rules, policies and regulations are dense and highly complex.

### **4. General Counsel's Division and knowledge management**

In June 2002, the legal team at the FSA who advise on the many different areas of the legislation and Handbook in GCD comprises 44 lawyers. Their individual and collective knowledge are crucial to the FSA and it is therefore very important that that knowledge should be managed and supported so that it is applied efficiently and also retained as much as possible.

Unlike commercial law firms, then, where knowledge management is used to increase profit margins, in GCD knowledge management is used to collect and preserve important legal and policy advice. It is also used to help the division work more efficiently.

When I joined GCD, there were some inefficiencies. This was mainly because:

- the division was not new but was made up of lawyers from all the former organisations, for example the Bank of England, the PIA, SIB and the Building Societies Commission. They all had their own different ways of working, most of which they'd been repeating for years and years without changing.
- The division is divided into five departments which specialise in different areas of financial services law. When I joined, each department was in a separate location around the building. Our building has 15 floors and each department was on a different floor, sitting with the people they chiefly gave advice to. So, for example, the Bank of England lawyers sat on the 14<sup>th</sup> floor with the Deposit-taking division and the Investment business lawyers sat on the 10<sup>th</sup> floor with their client division.
- In addition, at the time I joined, everyone was frantically working to get all the statutory instruments which would implement the new Financial Services and Markets Act through Parliament, and working on the 17 volume Handbook of Rules and Guidance. All this had to be done by 1 December 2001 with very few lawyers and only so many hours in the day. So there was no time (or energy) for them to address their working practices.

It was hoped that knowledge management could help resolve the inefficiencies.

## **5. Main findings from knowledge management initiatives in GCD**

### **5.1 Knowledge audit**

My first task was to carry out an information and knowledge discovery exercise or audit. In my first two weeks, I set up meetings with every single lawyer and support staff within GCD. This was very time-consuming but essential so that I could very quickly get an idea and feel of what the issues were. I asked each person about their job and what their responsibilities were, what information they used, what information they needed, how they gained their knowledge, what they did with their new knowledge, what were the information flows, what obstacles they encountered, what technology they used, if they needed training and so on.

This was an interesting exercise. I learned far more from these personal, face-to-face meetings than I would have done through questionnaires or e-mail: each conversation was different because everyone had different points to raise. While I would initiate each meeting in a similar way, and had a checklist of questions for which I needed answers, I allowed each interview to progress naturally. In this way, I got a feel for the personalities of each lawyer – for example, who had strong opinions (and what they were), who were most likely to be uncooperative, who would be important allies. In addition, the social aspects of this exercise were an important first step in the changes I was soon to introduce to the division as it was an opportunity for me to build rapport and demonstrate that I am

a friendly, non-threatening sort of person. I was also assisted in my introduction to the FSA when people referred me to other useful contacts in other important areas, in particular the library and the Information Systems department. (5)

Once I had completed the interviews, I drew up a report of my findings. Some examples of the findings are set out below:

**Cohesion.** Probably due to GCD's geographical fragmentation, the Division had been operating as separate departments in areas such as knowledge sharing, file management, information flows and IT. There was a need for greater cohesion and knowledge sharing as the departments moved under the same legislation. One of the first remedies was the decision to co-locate the entire division onto the seventh floor where we now sit.

**Information Centre.** Service and support provided by our Information Centre were often considered slow and patchy. Relations and service could be improved by centralised liaison so that the needs of GCD were better understood. This is where people skills come in. Once good relations had been developed with the head of the library, service definitely improved.

**Disparate electronic resources.** There were numerous disparate electronic information resources which had been built in a piecemeal manner within GCD to support various special requirements. However, lack of communication meant that there was little common knowledge of them cross-divisionally. People had to be made aware and continually reminded of all the resources available and how to use them.

**New technology.** New technology is still being implemented throughout the FSA. Until this was rolled out in GCD, some new IT projects had to be put on hold, for example GCD's intranet site which I have since designed and built. Unfortunately, the FSA leans towards bureaucracy and there are procedures and forms to be filled for just about everything. Persistence and tenacity are crucial!

**Know-how database.** The existing file management system was operated inconsistently across GCD with access rights not available outside each department. This inhibited the knowledge-sharing process. I designed a new centralised know-how database. The know-how material in this is highly selective and classified according to the needs of GCD as a whole. However, again, roll out of the database was very delayed awaiting the go-ahead for me to use certain knowledge management software. Before this happened, I set up an interim knowledge base using Windows Explorer. Everyone is encouraged to contribute know-how. Those contributing know-how are acknowledged and rewarded.

**Information overload.** E-mail is the preferred method for disseminating information and for seeking, giving and receiving knowledge. Many people complain of information overload and of having insufficient time to read and deal with e-mail; this can lead to important matters not being actioned in the time required. The new know-how database can alleviate e-mail requests for knowledge to some extent by providing a central knowledge base from which legal advisers can retrieve the knowledge they require (although there may still be a need then to contact the relevant know-how contributor to clarify any issues).

**E-mail.** A considerable proportion of know-how was currently stored as e-mail in Outlook folders. This is an inefficient method of knowledge management as it prevents

others from accessing the knowledge. It can also lead to loss of knowledge, for instance, when the knowledge-holder leaves GCD or the FSA itself. Knowledge acquired by e-mail has to be saved as a Word document and contributed to the central knowledge base.

**Information flows.** Information and knowledge did not flow freely across GCD. For example, some individuals felt that they did not know enough about the new legislation. More cross-divisional training was required so that those with special knowledge could share it wholesale to anyone requiring it. Training sessions on the FSMA were organised and offered throughout the FSA. The whole of the FSA was trained in this way at a level depending on their need to know.

**Newsletter.** I produce a weekly know-how bulletin which is an efficient method of current awareness. It is brief, digested, and bullet-pointed and highlights key legal events, publications, decisions, consultative texts etc.

## 5.2 Knowledge management strategy

My findings then led naturally to my knowledge management strategy. It was important to inform everyone of what my plans were if I was to obtain support. I needed to demonstrate that I would help resolve the various problems being encountered. In return, they would be expected to share their knowledge by contributing any legal know-how they produced which could usefully be used by others advising on a similar issue.

It's important to keep a high profile if you want people to incorporate knowledge sharing practices into their routine working day. From time to time, GCD has an "away-day" where the division meets outside the office environment to discuss current topics and to plan for the future. An awayday was scheduled to be held one month after my start date and I was asked if I would like to speak. This was an ideal opportunity for me to present the main findings of my initial discovery exercise and inform people of the knowledge management strategy I had formulated. It was an extremely positive exercise.

My knowledge management strategy was produced particularly for GCD. The FSA has already set out its overall knowledge management strategy. However, I made sure that my strategy was linked to the FSA's and also that its aim was aligned with the aims of GCD and ultimately with the regulatory objectives of the FSA.

The knowledge management strategy for GCD is the "engine" for:

- maintaining, managing and applying GCD's information resources; and
- supporting GCD's knowledge base and all who contribute to it to maximise effectiveness and achieve the key business objectives of GCD. (6)

The strategy has an aim or mission statement which is to support all members of GCD to a standard enabling them to give high quality advice and constructive legal support, on time and in plain language, to help the FSA achieve its regulatory objectives.

The rest of the strategy comprises a detailed action list setting out how I planned to develop knowledge management in GCD. The action headings are:

1. Co-ordination
  - Promote divisional centrality to encourage co-ordinated effort, pooled resources and expertise

2. Know-how database and intranet  
Design and maintain know-how database with searchable online access simultaneously to all sources of information required by GCD
3. Knowledge sharing culture  
Encourage, develop, strengthen and reward a knowledge-sharing culture
4. Current awareness  
Ensure all members of GCD are kept up-to-date with developments in law
5. IT and training
6. External relations

It's often a good idea to provide delivery dates so that you can monitor your progress (and be monitored of course!) (See note (2))

### **5.3 Quick wins for buy-in**

All the literature advises that it is useful to look for suitable quick wins to encourage buy-in to knowledge management. Get something really useful done quickly so that people can see that you mean business and that knowledge management is going to help them. For instance, I immediately produced a current awareness bulletin which I now circulate every Friday. This is supposed to reduce information overload and save time because it means that the lawyers no longer have to plough through all the journals, case reports and newspapers to ensure they are kept up-to-date with developments in the law. I have had very positive feedback from this. The more you demonstrate that knowledge management is going to help people in their work, the more inclined they will be to share their knowledge with you.

## **6 Measuring knowledge management in GCD**

The knowledge management strategy is an on-going iterative process. By asking for feedback on a regular basis you will know that you are providing services that people really want. The strategy must keep up-to-date with new developments internally and externally.

### **6.1 Why measure?**

This is where measurements come in. They can be used to provide hard facts that something is working. If it's not working, you have to find out why and take steps to remedy the situation. For example, if usage figures show that no-one is using the new knowledge database, you have to wonder why: is it because people need more training on how to use it? Or because people prefer to speak directly to known experts on a particular issue rather than rummage through a database for something which may or may not be there? Or because the knowledge you are codifying is not what your users need? Sometimes you have to ask yourself quite brutal questions like this, especially if you're working alone. There is no-one else to blame if the knowledge database you were so clever at building provides no benefit whatsoever.

So I decided to measure the benefits of my knowledge management activities, mainly to monitor whether they are and remain relevant to the GCD lawyers, my users. For this

purpose, measures are not used to prove the value of knowledge management, but to check progress and monitor the continued evolution towards a knowledge management culture.

There are other reasons why it was decided to measure the benefits of knowledge management in GCD.

**FSA objectives.** Under FSMA, the FSA is obliged to carry out its functions in a way that is consistent with its four statutory objectives. The aim of GCD's knowledge management strategy is:

*To support all members of GCD ... to help the FSA achieve its regulatory objectives.*

The FSA's key objectives are set by Parliament and its success will be judged by how well it meets them. Every division has established a strategy or aim which is directly linked to the overall objectives of the FSA. Each division therefore works to enable the FSA to meet its regulatory objectives.

Performance evaluation is an integral part of the FSA's business planning cycle. With effect from the financial year 2001-2, the FSA is obliged to report on the extent to which, in its opinion, its four statutory objectives have been met. In addition, it must report on its consideration of the seven "principles of good regulation", the first of which is "the need to use its resources in the most efficient and economic way". (7)

In line with this first principle of good regulation, I have assumed that knowledge management will assist GCD in the efficient and economic use of its resources, in particular its knowledge. This assumption is based on my experiences at Simmons & Simmons where knowledge management activities were applied and benefits were noticeable.

**Leveraging the implementation of the strategy.** Because the KM activities which made up the strategy were meant to remedy the negative findings of the initial KM audit, I assumed that, once the activities were carried out, benefits to GCD and individuals within it would be readily noticeable. At Simmons & Simmons, I knew that these activities did lead to more efficient and economic use of resources. However, after some months, it was obvious that there were impediments to the implementation of the knowledge management strategy. For example, while a core group of lawyers was freely sharing knowledge, and contributing to the knowledge base, this behaviour was not yet the norm. I felt that by publishing the benefits measurements, this might lever the implementation process, for example publishing how many items of know-how each lawyer had contributed might add an element of competition and encourage more lawyers to contribute. My theory was that this would lead to an escalation of measurements, boosting the implementation of the strategy to re-demonstrate the benefits until GCD had fully adopted knowledge management.

## 6.2 Measurement models

In the early literature I found very little evidence of work already undertaken on measuring the benefits of knowledge management. I found lots of lists of the benefits

likely to arise once a knowledge management strategy had been implemented. But these just left me asking for the evidence that the benefits had been realised.

The problem in this area of course is the intangibility of some benefits of knowledge management. This is particularly relevant to the FSA because it is a public authority. It is not a profit making company so I could not claim, for example, that knowledge management had produced a Return on Investment of £xm.

Kaplan and Norton's Balanced Scorecard model of performance measurement is one of the more famous attempts to account for an organisation's intellectual capital and other intangible assets. This replaces what is increasingly seen as an outdated and largely inaccurate method of balancing profit and loss in the annual accounts. There are various reports around and campaigns to change the system of accounting as it is increasingly recognised that a huge percentage of an organisation's capital is intellectual and intangible and that traditional accounts do not give a true picture of a company's value anymore. Microsoft is a frequently quoted example. (8)

Skandia's IC model is well publicised. (9) Skandia was the first company to report its intangible assets in its annual accounts following pioneering work by Leif Edvinsson.

Although such models are less directly relevant for public sector bodies, they can be adapted. For example, the Balanced Scorecard works by translating a business unit's mission and strategy into tangible objectives and measures organised into four different "perspectives": financial, customers, internal business processes and learning and growth. There are other models around which use more or different perspectives. For each perspective, the Balanced Scorecard requires:

- a list of the objectives;
- a description of the measure for each objective; and
- an illustration of how each measure can be quantified. (10)

The framework for the model I devised for measuring the benefits of knowledge management was based on the Balanced Scorecard. I separated out the knowledge management strategy into identifiable targets or outcomes. I then set out the actions needed to achieve each outcome and a list of the likely benefits to the division, and individuals in the division, of the achievement of each knowledge management activity.

Because lawyers like definitions and a definition is a useful reminder of what you're measuring, I defined a benefit deriving from knowledge management *as anything which is to the advantage of an individual, GCD or the FSA, in particular in terms of contributing to their objectives.*

I then had to come up with quantitative methods of measuring each benefit. For example, if a benefit of the knowledge management activity of collecting know-how contributions onto a know-how database is that the division's knowledge is collected and safeguarded against loss, a measurement of that benefit would be the number of know-how contributions to the database. Over time, a rising number of know-how contributions to the database from an increasing number of users would presumably indicate an increased benefit of the know-how database. This would also be a measurement of the extent to which knowledge management had become part of the normal behaviour of individuals in

the division. On the other hand, no increase or a decrease in the number of know-how contributions would mean that the know-how database provided little benefit to the division. However, because I strongly believe, from my experience at Simmons & Simmons, that a know-how database is a vital tool in the role of knowledge management for lawyers, the assumption would be, not that knowledge management did not work, but that knowledge management had not yet become part of the normal behaviour of the division. Steps would therefore have to be taken to encourage the necessary change in working practices, ie to force the benefit to be realised.

I produced a table of performance indicators and targets as our measurement model. This summarises the outcomes the knowledge management strategy seeks to achieve, actions to be done to achieve them, the likely benefits arising from the actions and how the benefits will be measured so that the success or otherwise of the knowledge management strategy can be demonstrated.

### **6.3 Anecdotes**

Another useful tool for measuring benefits is the collection of anecdotes. For example, a measurement of the benefit of know-how collected and safeguarded against loss is the incidents of lost knowledge. The only method of collecting such information is by the reporting of lost knowledge by individuals in the division.

Because knowledge management is all about changes and changing behaviour, it can be some time before sufficient evidence has accumulated to show that a benefit has derived from the knowledge management strategy. Anecdotes can provide early indications that the strategy is working. In fact, this was the sole method of assessing benefits derived from the Knowledge Network project at the Office of the E-Envoy. I heard the leader of that project speak at a conference once and so I contacted him to ask whether he had measured the benefits of his knowledge management project. He pointed me to the Cabinet Office's website where there was a huge list of anecdotes from people in all government departments, explaining how the Knowledge Network had benefited them. (11) Storytelling is an increasingly popular way of providing evidence of the often intangible benefits of knowledge management. Stephen Denning is a well-known pioneer in this area. (12)

### **6.4 Questionnaires**

Surveys and questionnaires are also good ways of collecting qualitative data. Such feedback though does not provide hard measures of benefits. This is not necessarily a problem until you come to chart increases or decreases in benefits. The problem with questionnaires is translating responses into measures which can be compared over time. One method is to use a Lickert scale and to assign a score to each possible response on the scale. If you then repeated the survey a few months later, using the same questions and scoring methods, you could see whether there had been any change.

### **6.5 Cause and effect**

Another difficulty with measuring benefits of knowledge management is that it is not always possible to claim that knowledge management caused the benefit. Linking cause to effect, or knowledge management activities to business benefits is an acknowledged

difficulty. So you have to be aware of other factors which may be working in conjunction with or instead of your knowledge management strategy to influence the measurements.

## **7 Overcoming obstacles**

The main obstacles I've encountered in my work to implement the knowledge management strategy have been:

### **7.1 Attention time**

Changes and benefits have not happened as quickly as I had originally anticipated. This relates in some part to the problem mentioned above where there are only 44 lawyers advising the whole of the FSA which is over 2000 people. Since the new Act came into force in December 2001, the division has been inundated with requests for legal advice which leaves little time for some lawyers to think about, for example, searching the know-how database when it seems to them much quicker to speak to another lawyer. Much of this is because they feel it will take time to learn how to use the database. I am giving more 1:1 training – the lawyers are all at different levels of IT competence – and trying to demonstrate how wonderful and easy the system is. This is about grabbing and maintaining their attention while there are e-mails requesting legal advice bombarding their inbox. People skills, making yourself available and having (or seeming to have) a lot of patience are essential skills. I try to be available to spend time with individuals and it is a real triumph when, for example, someone I recognised as a knowledge hoarder suddenly contributes their legal know-how to the database.

### **7.2 Bureaucracy**

Bureaucracy can be a problem at the FSA as a whole. For example, it took me a year to get the IT tools I wanted for the division because of the processes that have to be adhered to in form filling, committees and approvals. However, balancing this is the culture in GCD which is the very opposite: very open and apparently willing to change. General Counsel himself has always been very supportive of knowledge management and top-level support is crucial if you are to gain buy-in from the other users. At a conference recently, the speaker told us that he had gone into an organisation to set up a knowledge management project. After having completed the audit and drawing up the strategy, the strategy paper had remained unread in his boss' desk for a whole year. So I consider myself fortunate.

### **7.3 Too early to tell**

My benefits measures have shown some good results so far. For example, the weekly newsletter I produce has received anecdotal praise supported by rising numbers of requests for the journal articles I summarise in it. So I know that people are reading the newsletter and the activity is beneficial.

Other activities have not shown much real benefit even though my feeling is that they should. I believe this is because it is still too early to tell. I've seen it written that it may take knowledge management strategies up to three years before benefits are really noticeable. I've been using the benefits measures to try to speed up this process, or to lever the implementation period. You can do this by telling everyone what you're doing.

The results can be impressive. For example, I have collected figures showing individuals' contributions of know-how to the database. Early on, I instigated a reward system which was a bottle of wine to the person contributing the most know-how every two months. (It seems we have a division of teetotalers as the reward made little impact.) Recently I told people I was collating the contribution figures and then (very nervously) emailed the chart with all the figures to everyone in the division. There was some initial uproar – from those who hadn't been contributing – and I thought I might have blown it. However, since then I have received more and more know-how, especially from people who had previously contributed nothing. So I believe that, in this case, the measurements did work to boost the knowledge management strategy. It's important, therefore, to tell people about your measuring activities.

## **8 Conclusion**

To conclude, I'd like to return to the beginning of this paper when I was the sceptic at Simmons & Simmons wondering what knowledge management could teach a know-how officer in a law firm. My answer is that studying knowledge management teaches you to think more about how you can do things differently to be more efficient. Lawyers have been doing knowledge management for ever but not as a concerted effort, ie it's always relied on the minority. Using measurements - hard figures to show what the benefits can be - should, if my theory is correct, increase that minority into a majority.

Ros has worked in the areas of information and knowledge management since 1994. She worked as know-how officer in the corporate law department of Simmons & Simmons, a large international law firm, where her role was to encourage lawyers to share their knowledge. Since 2001 Ros has worked in the in-house legal division at the UK's Financial Services Authority to set up and develop knowledge management systems and procedures to support the lawyers in their work.



Ros is currently researching how to measure the benefits of knowledge management as part of the MSc Information Science degree at City University, London. Her other research interest is knowledge behaviour in the workplace. Ros has worked in the areas of information and knowledge management since 1994. She worked as know-how officer in the corporate law department of Simmons & Simmons, a large international law firm, where her role was to encourage lawyers to share their knowledge. Since 2001 Ros has worked in the in-house legal division at the UK's Financial Services Authority to set up and develop knowledge management systems and procedures to support the lawyers in their work.

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(1) Examples of literature on the definition of knowledge management can be found in:

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- What is knowledge management, Karl E Sveiby, 2000 @ [www.sveiby.com.au](http://www.sveiby.com.au);
- Knowledge Praxis online journal @ [www.media-access.com](http://www.media-access.com);
- What is knowledge management? Dr Arthur J Murray, Thomas Bertels, Maarten Sierhuis, Denham Grey, Robert Taylor, Karl M Wiig, Donna Bible, Bob Hallsworth, R Gregory Wenig, Karl E Sveiby @ [www.km-forum.org/what\\_is.htm](http://www.km-forum.org/what_is.htm);
- Working Knowledge: how organizations manage what they know, Thomas H Davenport and Laurence Prusak, Harvard Business School Press, 1998.

(2) Examples of literature on the knowledge management strategy are:

- Integrating knowledge management and the business, Thomas Davenport, Knowledge Management, February 1998;
- Strategy as if knowledge mattered, Brook Manville and Nathaniel Foote, FAST Company magazine, 1996;
- Exploring KM implementation strategies, Victor Newman and Ben Adesola, Knowledge Management, October 1998;
- KM inside: powering strategic business initiatives, Katrina Pugh, PricewaterhouseCoopers, 2000.

(3) See, for example, the May/June 2002 issue of Knowledge Management Review which is devoted to the theme of measuring and managing a knowledge management project.

(4) Practical Information Policies, Elizabeth Orna, Gower, 1998

(5) There is considerable literature on knowledge auditing. See, for example:

- Working Knowledge: how organizations manage what they know, Thomas H Davenport and Laurence Prusak, Harvard Business School Press, 1998;
- Knowledge Networking – creating the collaborative enterprise, David T Skryme, Butterworth-Heinemann, 1999;
- The human face of information auditing, Liz Orna, Managing Information, May 2000 7:4, pp40-2.

(6) Practical Information policies, Elizabeth Orna, Gower, 1998, p10

(7) s2(3)(a) Financial Services and Markets Act 2000

(8) See for example:

- The knowledge capital of nations, Leif Edvinsson, Knowledge Management, April 2002;
- Return on investment is difficult to quantify, Philip Manchester, Financial Times, 28/04/1999;
- The knowledge dividend, René Tissen, Daniel Andriessen, Frank Lehanne Deprez, Financial Times Prentice Hall, 2000.

(9) See, for example, The knowledge capital of nations, Leif Edvinsson, Knowledge Management, April 2002.

(10) Translating strategy into action: the balanced scorecard, Robert S Kaplan and David P Norton, Harvard, 1996.

(11) Delivering for departments – an assessment of departmental benefits from the Knowledge Network, Joe McCrea, February 2002 @ [www.e-envoy.gov.yk/knsurvey.doc](http://www.e-envoy.gov.yk/knsurvey.doc).

(12) The Springboard: how storytelling ignites action in knowledge-era organizations, Stephen Denning, Butterworth-Heinemann, 2001.