

a 'visual interview' ran monthly in a management journal intended to attract skimming executives able to **scan** among various entry points

each word on the two-page **spread** from headline and subheadline to interview response and closing is a quote by the subject arranged alongside a thematic image—itself part of a larger **montage** flowing as the eye does across the spread—telling the **story of his vision** in images and words

the subject's **mug and bio** are at upper right

an 'unanswered' web-dialogue-starting **question** is at lower left

its **hierarchy and layout** easy on the **scanning** executive with a **beginning**, central-focus **middle** and lower-right **closing**

WORKINGKNOWLEDGE Visual Thinking with Karl-Erik Sveiby: A Pictorial Interview by Stuart Silverstone

“What's the key to implementing knowledge management? Distill human competence

Knowledge management is all about applying a strategy. It is a very active process, more like a verb than a noun. It has been said that knowledge as an activity is 'a process of knowing.'

Place your work in a historical context.

In the mid-'80s I designed a framework in a book called *Managing Know How* where I used the terms 'human capital,' 'customer capital' and 'structural capital' to signify that these assets have a monetary value called 'knowledge capital.' By around 1990, about 10 listed companies in Sweden presented their knowledge capital in terms of legal assets in their annual reports. Then when Scandia published in the English language its annual supplement based on this concept, calling it 'intellectual capital,' the world outside of Scandinavia became dramatically aware of the concept.

How did your framework evolve?

By that time, I had gradually grown uncomfortable with this notion based on the huge difference between knowledge and money. If you share your money with me, we each have half. If you share your knowledge with me, together we have double. An organization that is primarily knowledge-based and knowledge-driven, with very little tangible assets or physical production, is driven by knowledge flows and not by physical flows.

Any unanswered questions?

What is the real value of the KM solutions applied today? We see lists of hundreds of KM problems for which large consulting firms claim success. We have still to establish whether there is success or whether these are just replays of established management truths. There is very little that has not already been claimed. What is new, however, is the difference in the ways you can see your organization. Which procedures do you apply first? Which ones do you apply at all? Which ones exclude each other or neutralize each other?

Visit www.knmag.com to join the discussion.

Are KM ideas working?

Once you have taken 'knowledge inside the head' and captured it outside the individual, it becomes static. Nothing happens to it unless it is changed by someone else. So the minute you capture a piece of tacit knowledge, it starts to deteriorate and depreciate because it is no longer moving with influential developments in outside society. The promises that knowledge management proponents are making about storing information are largely exaggerated. We haven't seen any good objective research in the field of ascertaining to what extent these kinds of systems actually support any kinds of goals.

What's the impact of these ideas?

Based on these understandings, the HR department says that everything will be great in knowledge management if we share. The IT department sees knowledge management as the next step beyond information management, so you find great and wise kinds of database theories. People who never even think about their own experience of knowledge have an implicit notion similar to either of these two. Unfortunately, these two kinds of thinkers don't speak to each other. They meet at conferences and the IT people sit on their hands while the anthropologists and psychologists talk about learning.

Is there a relevant model here?

Look at an organization as if it consists of nothing but knowledge and the outcome of all of this knowledge is money. If we focus on using the knowledge properly, and money will come as a result. I call the activities that we plan and do based on this notion a 'knowledge-focused structure.' This way of looking at an organization is a knowledge perspective. Just as you can see an organization from a machine perspective or as a factory or as a battlefield. There are many analogies or perspectives you can use. It is useful to do this in the context of knowledge management.

What is your KM process?

There is a sequence and it usually starts by me asking questions. What is your output? What is the outcome here? What impact do you have with your customers? So we have to distinguish among output, outcome and impact, and it is not until you achieve the impact of changing a client's behavior that you have actually transferred knowledge. This is the beginning of it all.

How do you measure knowledge?

Measuring intangibles and valueables is just one aspect of the value of your organization. The most important part is having a strategy and following it so you will know if you are proceeding in the direction you intend. For measuring the values, I have a process I call 'intangible assets,' which combines a process with the software that supports it.

What about the future of KM?

The challenge is to tap into the vast potential that exists in leveraging the real knowledge in people—sharing the capacity to act that will create better places for people to work.

Karl-Erik Sveiby, a longtime manager, consultant and author in Australia, is considered one of the founders of KM. As owner of a large publishing company in his native Sweden, he wrote his first book in 1986 about knowledge organizations. In 1989, again writing in Swedish, he published *The Invisible Balance Sheet*, documenting his original practices measuring intangible assets. *The New Organizational Wealth* (Berrett-Koehler, 1997) summarizes his business and consulting insights. His international clients include Hewlett-Packard, Oracle, Ericsson and PricewaterhouseCoopers. Here he shares his overview of KM.

JUNE 1999 KNOWLEDGE MANAGEMENT 41