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In just over two months' time, this year's KM Europe gets underway in Amsterdam. As the countdown to the event enters the final stages, **Simon Lelic** talks to keynote presenter Verna Allee about her career and the issues she feels will shape knowledge management in the years to come.



Verna Allee

Verna Allee has been at the forefront of the knowledge-management movement for well over a decade. Driven by a fascination with organisational systems and collective intelligence, she was consulting on concepts that would later crystallise into organisational-learning theory even before Peter Senge published his seminal book, *The Fifth Discipline*, in 1990.¹ "When the interest in knowledge management began to heat up, I had already been working on organisational-knowledge issues for some time," says Allee. "But my work was somewhat different. I was looking at knowledge complexity and addressing how different types of work require different foundations of knowledge, employ different cognitive modes and use different tools." She concedes that this early period was one of experimentation and discovery, during which she sought to fine tune her theories and test her approaches through various benchmarking and re-engineering projects. But it was time well spent, providing her with a proving ground for the knowledge processes and systems-mapping methods she was developing.

Through her activities in the early 1990s, Allee made contact with the likes of Karl-Erik Sveiby, Hubert Saint-Onge and Leif Edvinsson, whose own work in the field served to inspire her and galvanise her efforts. "It intrigued me that many of these early practitioners and

thinkers, including Gordon Petrash, Arian Ward, Bipin Junnarkar and others, who were so active in the mid-1990s, did not actually start with a focus on knowledge," she explains. "They began by asking, 'How is value really created and what might happen if we treated human competence, relationships and informal structures as real assets?'" This was a radically different view of business, she continues, one that was more heavily focused on developing strategic capabilities than traditional business analysis and management practices. It was also a question that gave Allee hope that there might be a way to reconcile our business and economic models with the fabric of society. "Without this perspective of intangibles and value creation, knowledge management becomes just another version of information management."

Allee has since worked with a wide variety of organisations, from global corporations to entrepreneurial start-ups to government agencies. Two projects in particular, though, stand out in her own mind as having been the most personally rewarding. "The first was surfacing the archetype of knowledge complexity that I described in my first book, *The Knowledge Evolution*²," she says. "It was an enormous undertaking to analyse different theorists across different disciplines, but it was fascinating to see the same pattern of understanding

playing out in so many different fields.” The second centred on her work developing the ‘HoloMapping’ methodology she describes in her latest book, *The Future of Knowledge*.³ HoloMapping is essentially a means of mapping the role of knowledge and intangibles in value creation. “It has been especially satisfying that the same simple approach works well for analysing everyday work processes as well as complex strategic relationships and value networks,” says Allee. “It also gives people a way to link everyday work activities to both financial and non-financial scorecards. I believe our most important challenge is to take our new understanding about knowledge, intangibles and systems thinking into the next generation of management tools.”

Much of Allee’s current work involves helping clients of Verna Allee Associates, of which she is president and founder, get off to a good start with their KM project, or overhauling an initiative that isn’t delivering on its potential. In her own words, she helps people to devise knowledge strategies, develop indicators and scorecards for tracking progress, and install tools and support systems for communities of practice and value-network analysis. But despite the centrality of KM-based principles in her work, Allee regards herself as a business consultant rather than an adviser on knowledge management *per se*. “My first concern is the health and vitality of organisational systems,” she explains. The consulting projects with which Allee is involved also serve to ground the extensive research and writing she undertakes. This, she says, is her real passion. “I am always asking, what is ahead? What is the larger pattern that is emerging, and what do we need to be able to understand and work with in the next few years?”

As part of her search for answers, Allee is focused on developing a deeper understanding of how what we have learnt so far about knowledge and intangibles can be applied at a societal level to address complex global issues. It is a topic she and her colleagues are approaching from several different angles. The first is by learning more about how global action networks can be more effective. “In addition, we are trying to understand what really happens when larger value networks evolve as small NGOs and other associations begin to find each other and link up,” she continues. “The way knowledge and intangibles are leveraged across these networks has a lot to do with how effective they are.” Allee has also been advising the

European Commission on a project called ‘New partnerships for sustainable development in the knowledge economy’, which seeks to develop a vision of 360-degree accountability, transparency and participation around indicators for sustainable development that will enable tangible change at a city and regional level. “We are taking KM, intangibles and communities of practice to the societal level,” she enthuses.

It is an ambitious project, and one that hopes to take knowledge-management thinking a real step forwards. Indeed, since her own career in the field began, Allee has been conscious that knowledge management is continuously evolving. “Knowledge management is developing in very much the same way that companies evolve once they begin to address the knowledge issue,” she says. “The first stages are focused on laying down a technology platform where people can talk with each other and exchange data across different systems. Early wins are at the operational level, in ensuring that people have access to the information they need to get their work done. The second level kicks in a bit later. This is a more tactical focus on the human aspects of knowledge sharing, with an emphasis on communities, social-network analysis, knowledge sharing and collaborative processes.” In Allee’s mind, most organisations continue to concern themselves with these two aspects of knowledge management. The next step, she says, is to take a deeper look at the business or strategic issues that grapple with how knowledge and intangibles can be leveraged in the business model.

“The greatest struggle is rethinking the business and getting away from mechanistic thinking to the perspective of the enterprise as a

living network,” Allee says. This, she feels, is an issue that has yet to attract the attention it deserves. “We are pitifully poor at conceptual thinking in business, especially in the US. When I ask people to describe to me their business model, they often ask me what I am talking about, and find it impossible to articulate a clear picture of how their business works.” Allee believes current thinking is caught very much in a linear, mechanistic vein – people simply do not know how to describe their business as a value network or a dynamic system. While practitioners have paid a lot of lip service to the concept of businesses as networks and industrial clusters, the process of incorporating these ideas into management tools is only just beginning.

It is a situation that Allee feels must change. “It is vital that we let go of our old ideas about organisational and corporate structures and begin to see the world of enterprise as it really works.” This, she says, means taking knowledge and intangibles more seriously than is the current norm, not just at the business level but at the micro level of teams and workgroups and the macro level of economic policy and theory. “Too much of what we hear about the knowledge economy is old wine poured into new bottles,” she adds. “The words are different, but the approaches, tools and methods are strictly industrial age.” Allee maintains there is also a growing moral imperative around social and environmental responsibility that is impacting upon the way businesses make decisions and how governments make and implement policy. We are, she says, moving into a world where every organisation will be held accountable for acting as a good global citizen. “This is the inevitable outcome of the knowledge era. The capacity to work consciously with the business model and reconfigure relationships through leveraging knowledge and intangibles is not an abstract exercise – it is an essential survival skill.”

It is a powerful call to action, one that Allee will be reiterating at this year’s KM Europe. “During my keynote address I will share some of my thinking around how the field is developing, and where it will go in the future,” she says. “I will try to provide a glimpse into how the failure of corporations and nation states to deal with global issues is opening up a pathway for a new system of governance. Value networks that skilfully leverage knowledge and intangibles are beginning not only to dominate the world of business, but also to become a real force of change across the globe. This offers those of us with a passion for knowledge a real opportunity to make a difference in the world.” Allee will also be running a masterclass at KM Europe 2003, during which she will go into greater depth about her unique methods and approaches to knowledge management. Participants will have the chance to experience how Allee’s value-network approach can be applied in real-world situations; as she says, it will be a very hands-on session focused on building tangible skills.

Allee will be presenting alongside the likes of Dorothy Leonard, Ciaran McGinley, Carla O’Dell, Dave Snowden and Fons Trompenaars, and has high expectations of the event. “The combined conference and exhibition format is the only way to go,” she says. For Allee, though, the most exciting prospect is having such a large proportion of the knowledge-management community gathered in a single place. “The real action is always in the hallways and the in-between places,” she says. “Wandering the exhibits is a great way to encourage the networking and conversations that build community.” Above all, of course, KM Europe will be a learning experience – a chance to benefit from the knowledge accumulated by some of the world’s foremost KM practitioners and to strengthen the networks that will foster the future development of the discipline. Even for someone with Allee’s level of expertise and experience, it will be an unmissable occasion. ■

References

1. Senge, P., *The Fifth Discipline: The Art and Practice of the Learning Organization* (Random House, 1990)
2. Allee, V., *The Knowledge Evolution: Expanding Organizational Intelligence* (Butterworth-Heinemann, 1997)
3. Allee, V., *The Future of Knowledge: Increasing Prosperity through Value Networks* (Butterworth-Heinemann, 2003)