

Know What, Know How, Know Why: Implementing a Knowledge Management System – the Phillips Fox Experience

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THE BUZZ WORDS

The terms *knowledge, knowledge management, intellectual capital, corporate wisdom* and *knowledge creating company* are increasingly used in business organisations

There have been many attempts to define these terms. Some of these definitions equate knowledge with “*the information resident in people’s minds,*”¹ while others reduce knowledge to facts, rules and procedures²

WHAT DOES IT ALL MEAN?

One thing is certain, knowledge is a shape changer. To some, the term means experience or what is known; to others, the term expands to include individual insights, intuition, know how and hunches

For those of us working in the field of knowledge management (however defined), it is important to come to a decision on how **you** view knowledge and what the term includes.

This was the starting point for implementing FoxTrek, the knowledge management system of Phillips Fox. Whatever organisation you work in, ask yourself:

What is the knowledge I am managing and why?

Pursuing this question will involve you in the complexities of knowledge, for essentially there are two types of knowledge: tacit and explicit.³

Explicit knowledge is what has been managed for many years. Explicit knowledge is formal and visible. It is knowledge conveyed in books, images, documents, scientific formulas and computer programs. Libraries, classification systems and document management systems have helped us manage this type of knowledge. Business organisations have concentrated on codifying procedures and policies and publishing financial plans which are easily communicated and shared.

Tacit knowledge, however, has escaped us. Tacit knowledge is nebulous and difficult to manage. This type of knowledge is best described as the experiences of an individual; the

¹ *Delphi on Knowledge Management: Research and Perspectives on Today’s Knowledge Landscape*, The Delphi Group Inc., 1997 at 12

² Levitt, B. and March, JG “Organizational Learning”, *Annual Review of Sociology*, 14 (1988) 319–440

³ Allee, Verna *The Knowledge Evolution: Expanding Organizational Intelligence*, Butterworth-Heinemann, 1997 at 45–46

insights and know how gained from many years on the job; a hunch that a trend in the market place is about to change; a belief or a viewpoint; an inspiration

How is tacit knowledge communicated and shared? How do you capture the know how of an employee who is leaving the corporation after 10 years? This is the challenge for the knowledge worker

FACING OUR KNOWLEDGE

Before jumping on the bandwagon of knowledge management, we took the time at Phillips Fox to ask ourselves several questions

What types of knowledge do we possess?

Simply, the answer was:

- *explicit knowledge*: precedents and advices, library resources, client documents and information, financial information; and
- *tacit knowledge*: the expertise of a senior partner; the know how of a litigator who has been involved in major transactions; the personal relationship between a lawyer and a major client and the knowledge gained from that relationship.

With this answer in hand, we recognised that the firm's tacit knowledge was not always captured, communicated and shared. Sometimes a dedicated partner might take the time to provide 'on the job' training to a young lawyer, but this movement from tacit to explicit was not always the case

We decided to focus on the capture of tacit knowledge. Explicit knowledge was managed well by our document management system and Intranet. Our lawyers have access to this knowledge from their desktop, but access and sharing of explicit knowledge could be improved.

There is interaction between tacit and explicit knowledge. The key to the flow between tacit and explicit knowledge is *articulation* and *internalisation*. Articulation is being able to express the legal principles behind what a lawyer knows; internalisation is the ability of another lawyer to use this explicit knowledge, stimulate thought processes and creativity, extend one's tacit knowledge base and invent new knowledge. Ikujiro Nonaka refers to this process as the spiral of knowledge.⁴

We recognised that the fluid movement between tacit and explicit knowledge is the key to a company creating new knowledge which is innovative and competitive.

How do we transform a lawyer's personal knowledge into organisational knowledge which will be valuable to the organisation's strategic intent?

The Japanese approach to knowledge management is insightful. They recognise that an organisation is a living organism with a collective sense of purpose and identity.⁵ We defined our collective purpose as:

⁴ Nonaka, Ikujiro "The Knowledge Creating Company" *Harvard Business Review* (Nov/Dec 1991) at 99

⁵ Id at 97

To provide cost effective and innovative commercial solutions to meet our clients' needs

As a knowledge creating legal firm, we wanted to marry the concepts of knowledge with our corporate vision. Our aim is to continually create knowledge, share it widely and easily throughout the firm, and present this quality knowledge to our clients in the form of cost effective and rapid legal advice.

HOW ARE WE ACHIEVING THIS?

Technology is an important component of knowledge management. Technology is not the primary solution, but it can play a strong role in managing explicit knowledge and facilitating the emergence of tacit knowledge.

After examining our knowledge base and corporate vision, we looked at our existing technology and how it was helping us to transfer and share knowledge.

Phillips Fox has a strong history of being in the forefront of technology for legal firms, with our lawyers having desktop access to an intranet, the Internet, email and a sophisticated document management system. What was missing was the ability to conduct one search question across a number of information repositories. This functionality needed to be seamless to the user.

We decided to find a technology solution which would simply sit on top of our system architecture and pull back information from various information repositories. This information would be presented in a browser interface.

The solution we chose was the Fulcrum Knowledge Network which allows an organisation to create a knowledge map. A knowledge map is a snapshot of an organisation's various information repositories or databases e.g. advices, precedents, HR information and library resources. The knowledge map can include access to external information such as selected Internet sites. These information repositories form the knowledge base and can be searched as one.

GETTING DOWN TO BUSINESS

The technology chosen, the next step (and perhaps the hardest) was to design an interface which is easy and attractive to users. The out-of-the-box application was customised with several questions in mind:

- how does a lawyer search for information?
- who should design the interface?
- should we have a theme and name for our system?

Lawyers' searching patterns

Years of experience as a precedents manager has taught me that lawyers are good at searching for information, but they tend to search in simple patterns.

A lawyer wants to know: what advice is there on s 52 *Trade Practices Act*; what information is there on material personal interest; do we have a business acquisition agreement; where

can I find a governing law clause; are there any advices drafted by a particular partner whose expertise in plain English is well known?

Lawyers are not concerned with the complexities of Boolean or proximity searching – they want fast, no fuss access to information which will help them resolve their client's legal problem

We have designed our interface so that several concepts are available on one screen:

- **selecting** (information repositories to choose from)
- **searching** (search box with a selection of search operators)
- **viewing** (viewing the results list or the full text of an advice)

This design allows users to quickly select the information they wish to search, execute the search, and browse through the results list or view the full text. The interface also gives lawyers the option of searching within a selected document.

Who designed the interface?

The success of a knowledge management system is largely based on whether users feel they have contributed to its design and functionality. If they have contributed, users are more likely to understand the system and what it will search. A feeling of ownership will lead to users wanting to use the knowledge base.

We set up a user group to assist us in building the interface. Most organisations have a plethora of user groups, so it was with reluctance that I formed the group. The user group represented a cross section of lawyers – from the computer literate, to those who had rarely picked up a mouse. Partners who were keen to have a knowledge base were chosen as facilitators of the group and we found this encouraged senior associates and junior lawyers to attend and contribute.

It is important for knowledge managers to explain in detail what is to be achieved and why, otherwise you run the risk of a user group becoming bogged down in minutiae. This detail includes defining explicit and tacit knowledge, along with the corporate vision. This shared understanding of what the knowledge base will consist of, and what the company stands for, will go far in gaining widespread acceptance.

The group met fortnightly. The first interface they were presented with was the customised one I designed. This interface was rudimentary with icons taken from the Internet, but the basic concepts were apparent. At each subsequent meeting, the group was presented with a mock up of the interface which incorporated their suggestions. We identified priorities and features of the system which would meet user needs.

The user group is being eased into the concept of knowledge. At this stage, our users are more concerned with what is being searched; how they use the interface to search; and how fast results will be retrieved. Over time, we believe that providing information such as '*a senior partners tips for success*', will facilitate the transfer of tacit knowledge, particularly to our younger lawyers.

What is our theme?

The user group felt that our knowledge management system should have an identity or a theme. After much brainstorming, we could not move past a “fox” icon, given the name of the firm. A graphic designer was commissioned to develop fox icons and user buttons for the interface. Fortnightly, the user group saw the changes to the interface and the different icons. This approach worked well as the group had a keen sense of being the ‘pioneers of design’.

The Internet is a large part of many people’s working and research lives, particularly in a law firm. As much as possible, I wanted to emulate the attractive designs, icons, buttons and images found on Internet sites. This would result in an interface which was familiar and intuitive to lawyers who search the Net regularly.

Our theme evolved, colours were chosen and a name was given to our knowledge system – FoxTrek. Although there was a trekkie or two in our group, FoxTrek is not based on Star Trek. The user group felt the name reflected our purpose – to go on a trek for knowledge, find it, reuse it, invent new knowledge and to become an innovative, knowledge creating legal firm.

PILOTING THE KNOWLEDGE SYSTEM

The user group piloted the system for a number of weeks. By this stage, I decided to design pre-launch publicity which included posters announcing “FoxTrek is coming”. The result was a number of calls from lawyers asking to be included in the FoxTrek pilot group. These lawyers were not part of the original user group and had little idea of what FoxTrek was or its purpose. Their interest had been piqued by user group colleagues telling them about the new knowledge management system.

A pilot group is essential. When a firm has a number of interfaces and applications, the simplicity of one interface which searches across all information repositories is actually quite difficult to adapt to.

The knowledge manager has to ensure that performance speed is as swift as users expect it to be. Training sessions have to be designed which focus on what knowledge is and how it is being captured and shared throughout the organisation.

The organisation must recognise that the traditional ways of viewing knowledge as the processing of formal information is no longer with us. Knowledge creation is a process which focuses on making tacit knowledge explicit – in other words, know what, know how, know why.

THE FUTURE

We are set to roll out FoxTrek firm wide. This is an exciting challenge. We will be measuring the success of our system and no doubt enhancements will be made to the interface. Knowledge systems must be evolving if they are to meet the needs and demands of an organisation’s shared understanding of knowledge and its re-creation.