


How Organisational Knowledge Empowers Enterprises

Why consolidating organisational knowledge is critical to business resilience. By John A. Jackson

A close-up photograph of a black London taxi cab, viewed from a low angle, resting on a colorful street map of London. The taxi is in sharp focus, while the map and background are blurred. The map shows various streets, landmarks like 'CITY OF LONDON' and 'ST MINSTER', and road numbers like 'A2154' and 'A200'.

Organisational knowledge – it's not a term commonly associated with business continuity, resilience, or disaster recovery, but it is a critical component.

First, let's briefly explore the concept of knowledge. Merriam-Webster offers several definitions of knowledge, including "the sum of what is known: the body of truth, information, and principles acquired by humankind." Take a London Black Cab driver as an example – they spend several years studying the streets and buildings so they can get anywhere by the fastest route by address or building name, all without GPS assistance. They each know what few others know – every nook and cranny of London. This indispensable body of knowledge gives them a strategic and tactical advantage in conducting their business.

Before I co-founded Fusion Risk Management, I was the general manager of a Fortune 500 enterprise that sold one of its subsidiaries. Of course, whenever a large acquisition occurs, due diligence is of utmost importance. The potential purchasing companies needed their teams to review all elements of the business to ensure everything was in order.

To do this, we created a “data room.” We took over a large conference room and filled it with filing cabinets, stacks of paper, and thick binders. This was the only way we could demonstrate a complete view of the business. In came hordes of people from a myriad of potential acquirers, and they spent several days to weeks painstakingly digging through these physical documents and putting all of the information they needed into spreadsheets. It’s hard to believe, but that was just in 2001. Things have certainly changed.

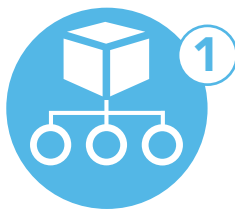
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The “data room” we put together now seems like a relic of the distant past. Today, a business can gather all of its data virtually and store it in one place, creating a level of efficiency that was completely unimaginable less than 20 years ago. Moreover, information can be stored in its raw form rather than embedded in documents, enabling leadership to gain valuable insights and make more informed decisions.

Any business that evolves beyond a few people in a single location runs the risk of developing information silos that different departments or people are responsible for. There is not a person or group that knows every process, asset, vendor, and dependency that allows the organization to operate successfully. It is inefficient and can cost a company time and money, while also creating unnecessary risk. This leads to a fundamental need to avoid the many pitfalls of a fragmented company through the use of organizational knowledge.

An organization improves over time as it gains experience, and experience enables an organization to equip itself with a broad base of knowledge to make the best decisions for continued success. When a company commits to ensuring all leadership and employees understand the process of creating, retaining, and transferring knowledge, it is much better positioned for that success. The concept is simple – the more we understand how an organization works, the better we can understand how it might break or fail. With that knowledge, we can best implement processes to protect and recover it.

Companies should consider five major factors when compiling and organizing all of their components into one repository and dashboard that integrates information from multiple sources into a unified display, an approach we view as a “single pane of glass.”



1 Knowledge Must Be Consolidated

We have all seen enterprise companies where no one had an understanding of what others in the business did. IT has no clue what the sales is doing, and sales doesn’t know much of what is happening in product development, and so on. People’s knowledge is limited strictly to the work they do on a daily basis. And that can lead to a myriad of problems.

If there is little to no interdepartmental communication, what will happen when a disaster – manmade or natural – strikes? It will be every department for itself; recovery and continuity efforts will almost certainly elongate or possibly fail due to a complete lack of coordination. Knowledge is power, as the old adage goes. When it comes to maintaining a streamlined and secure company, it is imperative all stakeholders have full knowledge of operations so that they can respond to any need across the organisation with confidence.

The processes undertaken by an enterprise on a daily basis can number in the hundreds. It is nearly impossible to maintain organisational knowledge without a single repository where all of these processes can be viewed.



2 *Command and Control*

Executives never want to feel they have lost control of a potentially damaging situation. Nothing can be accomplished in the face of a disaster if leadership doesn't have command over the events that are unfolding. Proactive planning and a firm grasp on every piece of information needed makes for the best chance at a full recovery in the least amount of time possible.

It is important to possess a software solution that pulls all of the necessary processes into that all-important single pane of glass, so everyone involved in the response has access to the most up-to-date information to efficiently execute a plan.



3 *Visualisation and Decision Support*

There are many cases in which there are no clear and actionable steps for addressing a disaster. Businesses can choose to prepare for a potential recovery using either data (knowledge) or documents (plans). It is inefficient, ineffective, expensive, and risky to rely on documents when success versus failure can lie in the balance. Visualisation and decision support can serve as a force multiplier for your teams while documents can slow you down and cause you to make costly mistakes and possibly even outright fail.

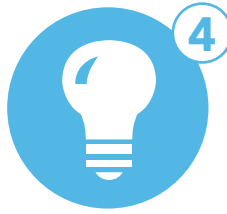
I have been involved in more than 500 recoveries, and, in the midst of these, organisations often do not use a cut-and-dried, point-in-time plan. A document like this will often sit on a shelf or a shared drive gathering dust. It is generally not updated and not shared widely among staff. In a dynamic and ever-changing company, there is little use for a stale asset such as this.

Organisations are vast and complex, and they evolve constantly. A company might start off as a small regional firm and grow into a national or multi-national business. And, as the company's departments, processes, staff, and employee rosters grow, the threats, risks, and impacts expand exponentially. Knowledge becomes more elusive and the complexity can be difficult to understand.

A living, virtual tool system can digest this information and update data in real time so that processes are always current and easily accessible. The ability to use that information to provide visual insights and deep analysis can materially change not only the effectiveness and efficiency of your teams but also the outcomes you achieve. In the face of a threat, an enterprise needs to be able to immediately contact key decision-makers, review all assets, and determine which locations have been affected. People need to be able to trust this information and make decisions in real-time. In other words, they can generate a reliable plan on the fly or be confident that existing plans are utilising current information while filtering out information that is not relevant to the situation at hand.

In this context, the alternative of dusting off a document no one has touched in months, or possibly even years, seems absurd. Anyone who is trying to contain a disaster is not going to waste time frantically leafing through page after page of old information trying to figure out the next step. They are going to need a store of recent data that is easily accessible and leads to an effective outcome as quickly as possible.

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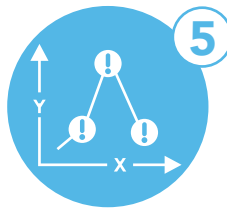


4 *Enable Wisdom*

Steve Jobs once said, "Great things in business are never done by one person. They're done by a team of people." That is the essence of organisational knowledge. If all processes are known and accessible by every executive and employee within a company, the likelihood of recovering when a disaster strikes is much greater.

Everyone involved in a business should be able to easily view best practices and know how to implement them in the face of a threat. When stakeholders can find all of the most up-to-date information via one pane of glass, they are much more likely to educate themselves on policies across all departments and gain that all-important wisdom – not just knowledge.

Some people might see wisdom and knowledge as interchangeable. However, that isn't the case. Knowledge by itself simply refers to information that has been acquired – it is awareness. Wisdom, meanwhile, is experience and the ability to convert acquired information into action. When we talk about "organisational knowledge," it is really a combination of both concepts.



5 *Vulnerabilities are Endless. Resources are Not.*

Try as we might, it is impossible to identify, let alone plan for, every disaster that might befall an organisation. You cannot solve them all, so you must prioritise.

Say you come up with 20 different scenarios in which your company is at risk. Some will inevitably be more likely to occur than others. It is important to determine which have the highest probability of occurring and which will have the most impact on your organisation should they occur and use that information as your guide.

Every enterprise, no matter the size, has limited resources to dedicate to its business continuity efforts. The threats that have the highest probability of occurring, along with the highest potential impact, are obviously the ones that will require the most attention and planning. It can be viewed as a simple line graph that helps you determine how to delegate time, money, and staff.



Enterprise Knowledge Base

There is a myriad of information that can make up organisational knowledge, but based on personal experience, consider the following:

<p>ENTITIES</p> <p>The business units of the organisation</p>	<p>PERSONNEL</p> <p>Human resources of the organisation</p>	<p>RESOURCES</p> <p>Assets, physical items, or intellectual property of the organisation</p>	<p>AUTHORITY REFERENCES</p> <p>Regulations and standards which govern how the organisation conducts business</p>
<p>SITES</p> <p>The physical locations from which the organisation does business</p>	<p>TEAMS</p> <p>Groups of staff and external personnel focused on a specific set of actions</p>	<p>THREATS</p> <p>Events or situations that could occur which could impact the business</p>	<p>IMPACTS</p> <p>The effect on the business of a particular threat</p>
<p>PRODUCTS</p> <p>The output of an organisation - physical or services, including costs, pricing, markets and strategies</p>	<p>PROCESSES</p> <p>The activities performed by business entities at sites they operate from</p>	<p>RISKS</p> <p>The possibility, probability, and results of an impact occurring</p>	<p>INCIDENTS</p> <p>Impacts that have occurred and their effect on the organisation</p>
<p>COMPONENTS</p> <p>Infrastructure, middleware, web service, or equipment used to support applications</p>	<p>APPLICATIONS</p> <p>Internal or external computer systems the organisation uses to conduct business</p>	<p>VENDORS</p> <p>Suppliers of products, services, or personnel that the organisation relies upon to operate</p>	<p>POLICIES</p> <p>The core guiding principles and practices of the organisation</p>

Knowledge is Power

Organisational knowledge is not something new. It has always been critical for businesses to understand potential threats and determine the most effective ways to address them and recover should they occur. No company has ever been able to survive for very long without being prepared for disasters that strike and threats that become reality.

What has changed is our ability to organise, share, access, and delegate information. No company should ever have the need to create a data room like the one described at the beginning of this article. Everything people need to know about contingency plans and business continuity should be contained in a virtual one-stop shop where data are constantly updated, redundancies are eliminated, and roles are clearly defined.

Power applies to individual practitioners who embrace and execute on building an information foundation for organisational knowledge. People who are in the know and can help others make better decisions are more valuable to their organisations. Their value is seen in terms of what they know and how they fit into fulfilling the corporate imperative of command and control. Organisational knowledge is as important to one's career as it is to the company they work for.

How Can Organisational Knowledge Be Utilized?

Once the knowledge base is assembled, organisations will find there are many ways to leverage this newfound asset, including:

- **RISK MANAGEMENT** Managing enterprise risk, based on the known impacts of threats
- **CONTINUITY AND RESILIENCY** Ensuring the organisation's ability to maintain operations during and following an incident
- **MERGERS, ACQUISITIONS, DIVESTITURES** Providing a single source of information for data room construction and analysis
- **INVESTMENT BANKING** Demonstrating a superior level of command and control for shareholders and investors
- **PERSONNEL DECISIONS** Understanding how business performance ties to staffing decisions
- **VENDOR MANAGEMENT** Managing vendor risk, vendor overlap, consolidation, and exposure
- **BUDGETING** Ensuring a single view of all the components which allow proper financial planning
- **PROCUREMENT** Consolidating information on asset, product, and suppliers to assist buying decisions

Building a Case for an Organisational Knowledge Initiative

To implement an organisational knowledge project, think of this more as consolidating diverse data sources rather than a new initiative. As such, often cost savings can be achieved as redundant data and management processes are reduced or eliminated.

As a by-product, personnel savings can be achieved as fewer staff need to be involved managing a single source of information and frequently, single use software products (asset management, risk management, continuity planning tools, etc.) can often be merged into one initiative.

The result is a one-stop source of information that can alleviate redundancies and conflicting data and provide an excellent platform for many of the decision-making efforts.

Gathering the information is one thing but organising that information under a single pane of glass provides the ability to use the data to enhance organisational knowledge, make better decisions, and affect better outcomes. Practitioners who embrace this concept and put it into practice will elevate not only their programmes but also their careers.



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To learn more about building your organisational knowledge base, please contact Fusion Risk Management today.



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