

## Chapter 6.7

# Knowledge Management: The Missing Element in Business Continuity Planning

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### ABSTRACT

*This chapter provides a new perspective for Knowledge Management applications within organizations. The relevance of knowledge management components in disaster planning has been underscored by the large-scale terror attacks of September 11, 2001. The objective of the chapter is to provide a different perspective on the risk management category of business continuity planning or disaster recovery. Specifically, the authors show how most plans ignore or downplay the essential requirement for the organization to preserve its critical knowledge resources in the event the possessors of that knowledge are killed. Most proponents of Knowledge Management have*

*neglected this important facet of the field. At the same time, the risk management and disaster recovery fields have ignored the important contributions of Knowledge Management to a viable business continuity plan.*

### INTRODUCTION

As the horrific events of September 11, 2001 in New York City, Washington, DC, and rural Pennsylvania unfolded, the first thoughts of most were likely for the victims of terror on such a huge scale. In the aftermath of the tragedy and destruction, many survivors had to turn to restoring businesses. Much was written about disaster

recovery and business continuity planning as people struggled to regain the essential systems that underlie the modern organization. One aspect of this restoration that has typically been ignored is that of organizational memory management—a crucial part of Knowledge Management (KM). The importance of knowledge as a critical resource continues to gain recognition in the business world. This chapter discusses the need for KM programs in order to cope with large scale disasters such as the World Trade Center attacks.

## BACKGROUND

This is really a dual topic as it contains the topics of both KM and risk management. The major focus is on the need for the addition of corporate memory management to complete any business continuity plan. The terrorist attacks of 9/11 have forced many to re-examine their disaster recovery plans.

For the first time, organizations have had to confront the massive loss of intellectual capital. Even if disaster recovery plans had provisions for software, equipment and networking, the plans could not be executed without knowledgeable people. Terrorist attacks have underscored the importance of adding knowledge management or corporate memory management components to make a comprehensive business continuity plan. In order to understand the domains of business continuity planning and KM, it is necessary for us to provide some definitions of the concepts. In the following section, we begin by defining KM.

## KNOWLEDGE MANAGEMENT

Unfortunately, KM has a variety of meanings both in the literature and in practice. Some definitions are provided here. Knowledge management is the utilization of “the collective knowledge, experience and competencies available internally

and externally to the organization whenever and wherever they are required” (Fearnley, Horder, 1997, p. 25). They have considered KM to be a supportive process comparable to the management of people. It includes the systematic generation, capture and transfer of knowledge and learning for the application and benefit of the whole organization. We believe that knowledge is similar to potential energy in providing the basic competence to perform. A manager’s major concern should be centered on the knowledge required to perform the organization’s critical processes and tasks. Knowledge Management is the discipline that focuses on capturing, organizing, filtering, sharing and retaining key corporate knowledge as an asset. “KM is the sharing of information and wisdom between global business units and their support organizations” (Griffiths, 1997, p. 62). Dorothy Yu, a global consulting partner at PricewaterhouseCoopers, defines KM as “the art of transforming intellectual assets into business value” (Zerega, 1998, p. 61). Knowledge management is the ability to realize increased returns from business competencies,” according to Kirk Klasson, director of knowledge-management solutions at Cambridge Technology Partners (Zerega, 1998, p. 61). The lack of effective management of knowledge could be because most organizations are still struggling to comprehend the KM concept (Holsapple, Joshi, 1997).

*To make knowledge work productive will be the greatest management task of this century just as to make manual work productive was the greatest management task of the last century. The gap between knowledge work that is left unmanaged is probably a great deal wider than was the tremendous difference between manual work before and after the introduction of scientific management (Drucker, 1969, p. 272).*

Thus, our focus is on the management of the corporate memory that is required for superior performance of those critical processes. This

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