



The Benefits and Challenges of Knowledge Management Within Project-Based Organisations (PBOs)

In many Project-Based Organisations (PBOs), there is a lack of individual motivation to document lessons learnt and encourage the transfer of knowledge between colleagues. PBOs operate with individuals from different professions, whose methods of working may not always be in sync with one another or with the overall culture of the project. Knowledge Bases can overcome some of these challenges.

Knowledge Bases (KBs)

Knowledge Bases (KBs) serve as a central repository for important information on methods, tools and processes that in turn enable employees to access the right information to perform tasks, solve internal or client issues or research proven solutions. It is a cost-effective and time-saving approach that optimises the flow of information and knowledge transfer within a PBO. There are four levels of KBs:

Organisation Knowledge Base: This refers to the organisation's total knowledge, along with the environments surrounding a project and includes: Explicit, Implicit and Tacit Knowledge Types¹ These can be applied to gain a competitive advantage.

Project Management Knowledge Base: This covers both theoretical and practical knowledge of implementing methods and procedures to achieve project goals.

Project-Specific Knowledge Base: This contains specialised knowledge gained during the course of a project. It includes work processes, technologies, techniques and lessons learnt.

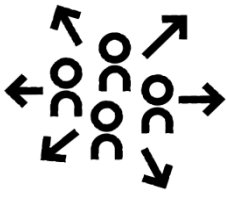
Project-Related Knowledge: Whilst sharing aspects of project-specifics, this refers to information about the client and other entities, who are important to the company's current and future operations.



Challenges Project-Based Organisations Face

The complex, varied, and well-known degree of competition between project-based organisations, the continually dynamic and changing construction environment, as well as personnel migration can all obstruct good knowledge management.

¹ Enes Keskin: Knowledge Management Within Project Based Organisations, April 2022.



Project teams are often temporary and may lack the structured knowledge system needed for capturing and retaining knowledge. As a result, after a project is completed, and the team is disbanded, vital knowledge assets might be lost. Additionally, many people who work in PBOs are often bombarded with urgent issues and tight deadlines and will not have time to commit to a formal KM initiative. This inevitably leads to the loss of organisational knowledge and a reduction in organisational learning.

Studies show² the most significant barrier for employees to engage in KM initiatives is the lack of incentives. In an already secretive industry, incentives are key to unlocking tacit knowledge that experienced contractors may hold. The introduction of systems that value, acknowledge and reward employee contributions towards KM are essential.

The creation, capture, and sharing of knowledge in projects is therefore dependent on planned management efforts and incentives. Lessons learned from a project's experience, for example, can consciously be shared with individuals before they leave the project. Along with exchanging stories and sharing expertise, these activities should be encouraged on a daily basis. Without such planned KM initiatives, organisations might not improve business processes in future projects.

Benefits Knowledge Management (KM) Brings

Through the creation, storage and sharing of knowledge, 86% of organisations achieve better decision making, 68% have faster responses to key business issues and 52% realise increased profits³. Knowledge is a valuable asset and is crucial in the role of meeting organisational targets and goals.

Benefits are both short-term and long-term. All personnel working on a project realise the short-term benefits of KM through the improvements outlined in lessons learned reports from previous projects. This helps to transfer knowledge from previous mistakes or experiences, resulting in continuous improvements. Long-term benefits include increasing capacity to plan and win future projects. Other benefits include:

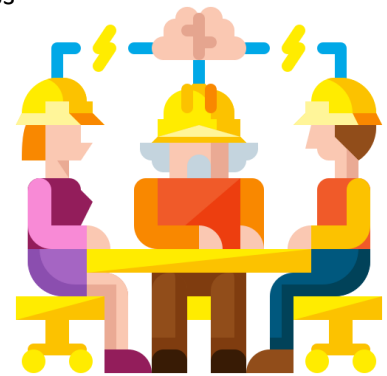
- *Better, faster and more informed decisions*: Employees can improve the quality and speed of decision-making by gaining access to different knowledge bases. These Knowledge Bases and different KM tools simplify access to the information and

² Global Human Capital Trends Study, Deloitte, 2020

³ http://www.providersedge.com/docs/km_articles/kpmg_km_research_report_2000.pdf

experiences of various members across different teams. This helps bring new perspectives and ideas and helps teams to up-skill.

- *Identification of skill gaps:* Compiling knowledge bases and documenting any tacit or implicit knowledge an organisation holds, can reveal skill and competency disparities. This information can be used to hire people, rotate or create new teams to plug these gaps in expertise.
- *Time and cost savings:* The utilisation of stored knowledge within a PBO reduces costs of learning and development programmes alongside external training needed. Time savings are also gained as less time is needed to find and access relevant knowledge.
- *Increased customer satisfaction:* The exchange of knowledge and cross-collaboration between teams and skill levels may improve the overall value presented to clients. The organisation can deliver projects faster and to a better standard.



Knowledge management may also increase financial gains, stimulate innovation and growth, and minimise risk, as well as increasing capacities to win new projects.

Three Ways to Accelerate Knowledge Management Within PBOs

1. Set out sufficient time and resources to complete project post-mortems and reports. Lessons learnt reports are a valuable way to gain continuous improvements. Projects are not finished until the knowledge gathered is properly handled.
2. Employ a specialist knowledge manager: A qualified facilitator who oversees all knowledge related activities. Foster an environment which promotes the learning and exchange of knowledge, often tacit.
3. Use of technology: Whilst tacit knowledge is key within PBOs, knowledge management tools play a huge role in successful KM deployment. Tagging systems will easily connect workers with tips and tricks, expert knowledge and reports based on their specific needs.

Authored by Enes Keskin, April 2022



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