

management up to speed in handling tasks that may be new to them, and knowledge of exactly how business processes are carried out can help external vendors more quickly perform the tasks required of them.

Shared services is a business model in which back-end services, such as payroll and accounts receivable, are moved to an external business unit and the parent company remains the main or sole customer. Early on in the life of the shared business unit, revenue reporting and employee reward are likely thought the province of the parent corporation. Later, however, the shared business unit may have no ties to the parent corporation, other than having the parent corporation as a major customer. Because of the flux within the shared business unit, a KM initiative within the shared business unit would be a waste of time. Later, however, when the processes within the shared business unit have stabilized and the unit is a mature company, KM principles can be used to help management and employees of the unit.

Upsetting the Corporate Equilibrium

Ideally, implementing a program designed to improve the bottom line should make life easier for management as well. After all, when it comes to Knowledge Management, what managers wouldn't want to know exactly how the employees they supervise are performing their duties? However, often a KM initiative represents a challenge to all levels of management, especially if managers aren't flexible enough to redefine their roles in the organization.

One challenge is staying focused on managing, as opposed to micro-managing. Management doesn't need to know every detail of how things are accomplished; effective managers intuitively know when to delegate responsibility and operation details to their subordinates. Knowledge of processes to a fine level of granularity leads to the temptation to micro-manage processes.