

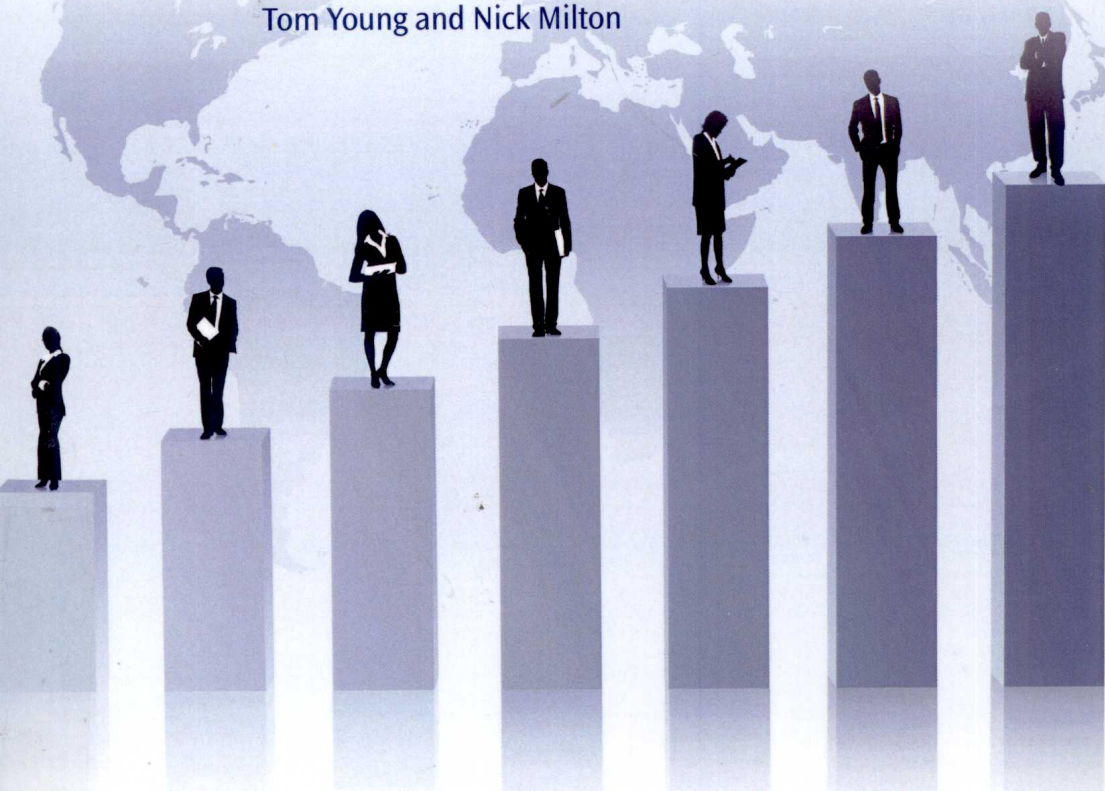
Chandos Knowledge Management Series

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# Knowledge Management for Sales and Marketing

## A practitioner's guide

Tom Young and Nick Milton



# Knowledge Management for Sales and Marketing

*A practitioner's guide*

TOM YOUNG AND NICK MILTON



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## Foreword

The breadth and depth of knowledge that the management consultancy Knoco have in the field of knowledge management is without equal. For that reason the publisher commissioned them to publish a series of books looking at how knowledge management is applied in different circumstances. These books have become standard texts within the profession so when Tom approached me to discuss some of his ideas for a book targeted on knowledge management in sales and marketing I was delighted. I have known Tom for many years and collaborated on several business ventures with him and found his ability to relate to people of differing backgrounds, seniority and disciplines to be of immense value to our business.

This book looks at the end-to-end cycle of sales and sales management and is relevant to all aspects of selling, whether it is large complex solution sales or simple one-off customer engagements.

The book will be of value to the knowledge management practitioner looking for guidance on how to introduce knowledge management to the sales and marketing activities of their company. In addition it will provide real value to sales and marketing people seeking to improve their own individual performance through managing knowledge.

The years of experience of practical implementation of knowledge management shine out of the pages of this book. This is not a dry, academic book but a must-read for everyone involved in knowledge management, sales or marketing.

Colin Matthey

Former Sales Director, BT Commercial and Brands and currently MD, Steria UK, Commercial Sector

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## Preface

This book is part of the Chandos Knowledge Management series. It deals with knowledge management as applied within a sales and marketing environment. There is an inevitable overlap in content with the previous titles, *Knowledge Management for Teams and Projects* and *Knowledge Management for Services, Operations and Manufacturing*.

This book is written primarily for the knowledge management practitioner looking for guidance on how to establish a knowledge management system for their sales and marketing departments. Hopefully it will also be useful to managers of sales and marketing departments as they seek to improve the efficiency and effectiveness of their departments. Lastly, it will be of use to individuals working in sales and marketing as they seek to improve their own performance.

Based on the experience of successful and unsuccessful knowledge management systems the book recognises the need to convert knowledge and learning into action. For this to happen, there needs to be a framework of processes, technologies, roles and governance in place, and the authors aim to guide the reader through these elements. If all elements are present and operating well, knowledge management can give huge performance benefits to an organisation. However, failure to implement the entire system can result in the flow of knowledge being blocked, corrupted or diverted at any stage, and little or no value will then be delivered.

The aim of this book is to provide practical guidelines to managing knowledge within a sales and marketing environment, illustrated with case histories from the authors, contributors and industry.

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## Acknowledgements

We would like to acknowledge the input provided to this book by Colin Matthey, for his insights into managing sales and marketing professionals; John Davies, Ian Thurlow and Paul Warren, who wrote Chapter 8; Linda Davies, who wrote Chapter 9; Graeme Smith, who contributed Chapter 10; and Ankey Heley, who used her extensive experience in the sales and marketing field when proofreading the text.

Tom and Nick would like to thank their wives and families for their support and tolerance during the writing of this book.

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## About the authors

Tom Young and Dr Nick Milton are directors and founders of Knoco Ltd – a knowledge management consultancy comprising seasoned knowledge management practitioners, mentors and coaches. Knoco Ltd has been delivering successful and sustained knowledge management implementation to clients since 1999.

Tom is one of the leading practitioners of knowledge management. An engineer by training, Tom has worked in a number of industries and in many countries around the world. This unique breadth and depth of understanding of the business world, supplemented with MBA training, allows him to understand the challenges being faced by CEOs and the wider workforce. He then works with them to craft solutions that deliver sustainable business benefits. Tom was the driving force behind BP's Knowledge Management Team, working with business units around the world to understand what knowledge management meant in their context and how to implement KM within their environment. His work with retail set the standard for what can be achieved in KM.

Tom is in constant demand as a KM consultant and has led many of Knoco's largest projects. His role as Knoco chairman ensures that this experience of practical knowledge management is shared with the growing family of Knoco franchise companies. He is the author of *Knowledge Management for Services, Operations and Manufacturing*. He is also a past president of the Chamber of Commerce.

Before joining Knoco Ltd, Nick was a core member of the BP Knowledge Management Team, developing and implementing BP's knowledge of 'how to manage knowledge', and coordinating the BP Knowledge Management Community of Practice. Prior to this role he worked for five years as Knowledge Manager for BP Norway, starting this role in 1992. In this role he created and operated a lessons learned system for the business unit, which coincided with one of its most successful exploration periods.

As a consultant for Knoco, Nick has facilitated knowledge management activities and strategies for major organisations around the world. He is the author of *The Lessons Learned Handbook* and *Knowledge Management for Teams and Projects*, and co-author of *Performance Through Learning – Knowledge Management in Practice*.



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# Principles of knowledge management

## Introduction

It is traditional to start a book of this type with the discussion of ‘what is knowledge’?, and ‘what is knowledge management’?. If you are already quite clear about the topic, then this chapter is not for you. However, there is often still some confusion over the definitions of, and fuzzy boundaries between, knowledge management, information management and data management. The two latter disciplines are well established; people know what they mean, people are trained in them, there are plenty of reference books that explain what they are and how they work. *Knowledge management*, on the other hand, is a relatively new term and one that requires a little bit of explanation. If you would rather jump on to the practical applications, start at Chapter 2 and come back to Chapter 1 another day.

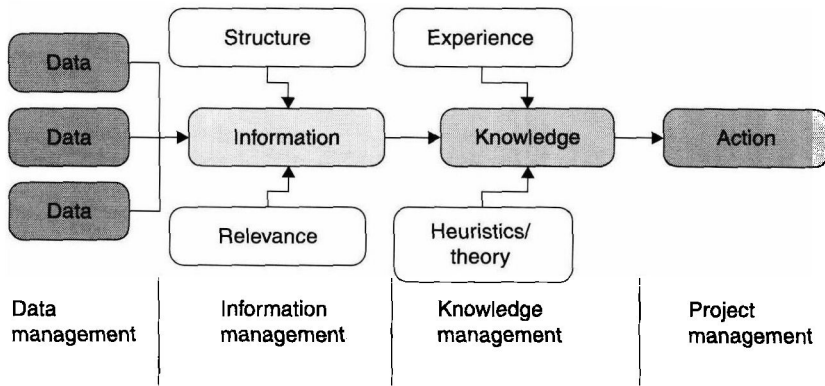
The greater part of Chapter 1 necessarily covers much of the same ground as the corresponding sections in Milton (2004)<sup>1</sup> and in Young (2009).<sup>2</sup> If you own and have read these two books, you can move on to Chapter 2.

We will start by looking at ‘what is knowledge?’

## What is knowledge?

Knowledge (according to Peter Senge<sup>3</sup>) is ‘the ability to take effective action’ (the Singapore Armed Forces further refine this definition as ‘the capacity to take effective action in varied and uncertain situations’). Knowledge is something that only humans can possess. People know things and can act on them; computers can’t know things and can only respond. This ability to take effective action is based on experience and it involves the application of theory or heuristics (rules of thumb) to situations – either consciously or unconsciously. Knowledge has



**Figure 1.1** Data, information and knowledge

something that data and information lack, and those extra ingredients are the experience and the heuristics (Figure 1.1).

Knowledge is situational and what works in one situation may not work in another.

As an illustration, consider the link between data, information and knowledge as they are involved in decision-making in a marketing organisation:

- The company pays for a market research survey, conducting interviews with a selection of consumers in several market segments. Each interview is a datapoint. These data are held in a database of survey responses.
- In order for these data to be interpreted, they need to be presented in a meaningful way. The market research company analyses the data and pulls out trends and statistics that they present as charts, graphs and analyses.
- However, you need to know what to do with this information. You need to know what action to take as a result. Such information, even presented in statistics and graphs, is meaningless to the layman, but an experienced marketer can look at it, consider the business context and the current situation, apply their experience, use some theory, heuristics or rules of thumb, and can make a decision about the future marketing approach. That decision may be to conduct some further sampling, to launch a new campaign, or to rerun an existing campaign.

The experienced marketer has 'know-how' – he or she knows how to interpret market research information. They can use that knowledge