

## **INDUSTRY: SOFTWARE SOLUTION SELLING**

This KMS proposal focuses on the software industry. In this type of fast-paced, competitive industry, many things factor into success including time-to-market, innovation, and knowing the customer. The system outlined in this proposal will focus on the customer knowledge aspect and is intended to most benefit software companies who don't just sell boxes but sell complete solutions.

## **VALUE PROPOSITION: CUSTOMER INTIMACY**

In a solution selling environment, the key to a successful strategy is customer intimacy. Companies must capture knowledge about their industries and customers and use that knowledge to develop the most innovative solutions. It is then crucial to make sure that customer and solution knowledge has been shared with front-line sales and consulting staff (O'Dell & Grayson, 1998). To maintain a competitive edge, this knowledge management process needs to run more smoothly and quickly than the competition's process.

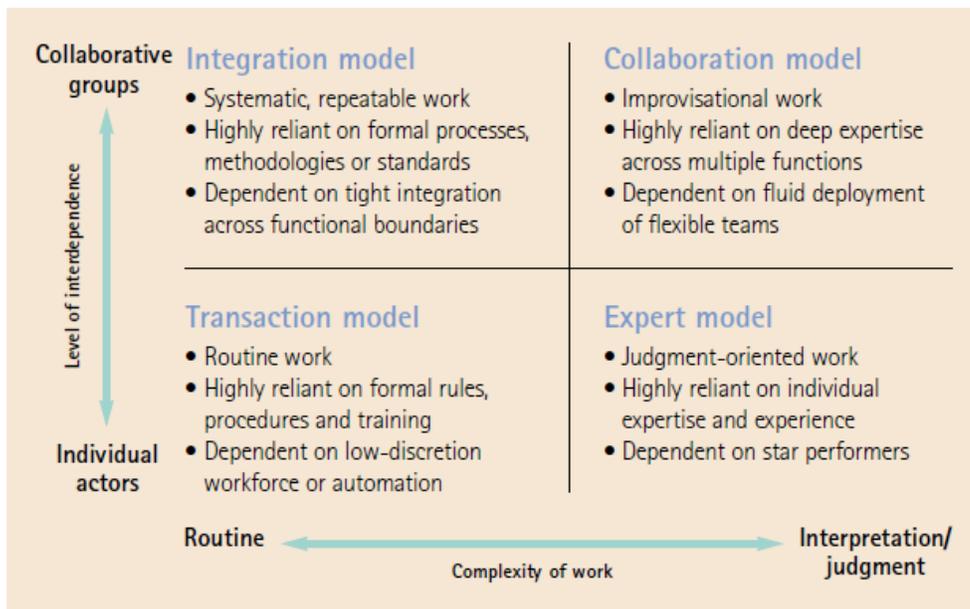
## **WORK MODEL**

When planning a knowledge management system, it helps to know what kind of work model exists for the company's critical capabilities. There are 4 types of work models as shown in Figure 1 and each has its own knowledge management challenges. Each

has a different level of work complexity and interdependency, so knowing which one is operating is essential in order to find the right knowledge management solution. If a company were only interested in selling individual boxes of software, their work model would be the Transactional model. However, solution selling in the software industry tends to involve higher complexity and a higher level of interdependence, placing their work in the Collaboration work model, with some of their smaller, simpler sales situations perhaps falling closer to the Integration model (Donoghue, Harris, & Weitzman, 1999). For example, to effectively sell a GIS software solution to a city fire department requires intimate knowledge of the emergency management industry and tight collaboration between sales, solution engineers, product development and professional services to solve the complex problems encountered.

## Knowledge Management Framework: Work models

*The characteristics of the type of work will help determine which model works best.*



SOURCE: ACCENTURE ANALYSIS

Figure 1

## **KNOWLEDGE PROBLEM**

In the Collaboration model, the focus of knowledge management needs to be on encouraging discovery that can lead to innovation and also helping people learn through alliances. When situations lean toward the Integration model, best practice interaction methods become important. Some of the problems frequently encountered:

- Sales staff doesn't have enough information about customer's industry
- Staff needs best practices for selling and communicating in that industry
- Large dispersed sales staff – small solution expert staff
- Difficult for industry specialists to communicate industry nuances
- Rapid technology changes

## **STATIC TOOLKITS**

Solution selling companies often build “toolkits” for their sales staff that contain industry information gathered by industry specialists. These toolkits describe patterns, challenges, and goals for specific industries, best practice information, such as system configuration and sales tactics, as well as case studies, success stories, and demos.

The toolkits are often in the form of an electronically linked document set and are intended to give a base of knowledge from which to work and a map for success as a salesperson embarks on an opportunity within that industry. These toolkits are good for general industry information and patterns but with a small staff of industry specialists and rapid changes in technology, they take too long to produce and quickly become outdated. In addition, they only paint part of the picture – the industry picture. Every

customer has their own unique nuances and the ultimate goal is customer intimacy. Furthermore, the toolkits only manage the flow of knowledge from the industry and product specialists out to the sales staff. Most companies don't have a good way of quickly funneling customer challenges encountered through the field experience of the sales staff back into the company where product development can further innovate.

### **PROPOSED KNOWLEDGE MANAGEMENT SOLUTION: THE LIVING TOOLKIT**

The famous scientist Linus Pauling said the greatest obstacle to innovation, was "any process--educational, scientific, or organizational--that stops the flow of ideas (Goman, 2002)." The Living Toolkit is essentially a socially-enhanced version of the traditional toolkit and is designed for more timely flow of ideas and knowledge about the customer throughout to the areas of the organization that need it most. Industry and customer information can be imported into this toolkit from various enterprise databases, such as a CRM and ERP. However, the key differentiator is the implementation of a suite of social network tools that allow dynamic, real-time knowledge, not just static information, to become part of the toolkit. This is not just a move to implement social networking within the enterprise because it's a current trend. This is social networking specifically with a two-fold purpose: 1) to facilitate the kind of people-based knowledge-linking required to solve complex problems in a rapidly changing technology environment; and 2) to breathe new, useful life into the traditional concept of a sales toolkit.

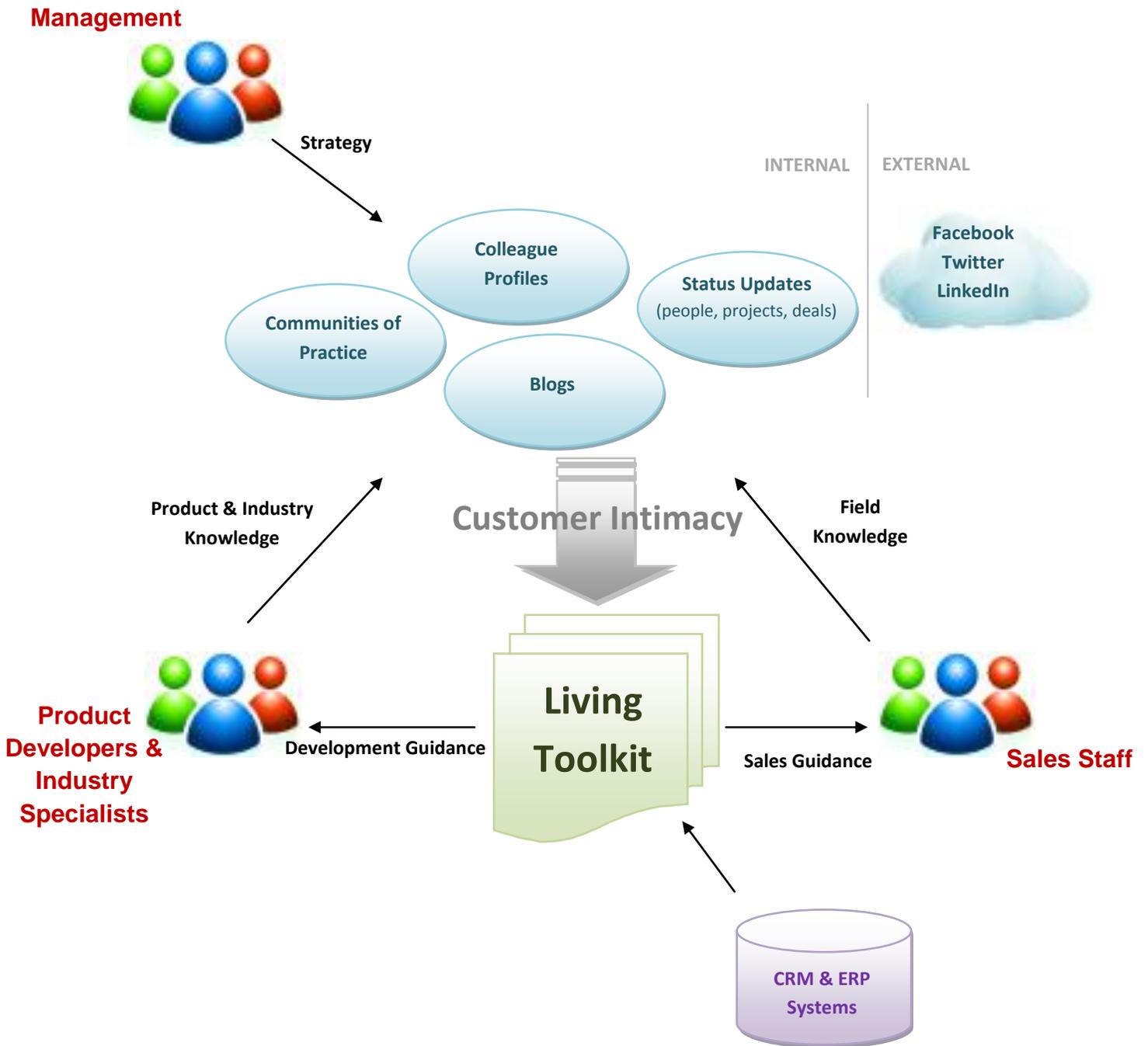
The system will incorporate these key social practices:

- **Communities of practice (COPs) that cut across the organization's structure.** Unlike databases and training manuals, COPs take advantage of tacit

knowledge and they retain knowledge in “living” ways. They allow groups to collaborate and share experiences that lead to innovation (Peltonen & Lamsa, 2004).

- **Colleague Profiles.** Knowledge is highly contextual and people are more willing to share information with people they know and trust. The creation of colleague profiles, supplemented by friend recommender systems, allows people to meet each other and begin building that foundation of trust. This opens up the possibility of people discovering, through the course of conversation, that they have information that the other needs. (Goman, 2002)
- **Status Updates and Blogs.** These are the elements that give the Living Toolkit its immediacy and timeliness. Product development and sales staff are able to have current information about what’s happening with customers and products at any given moment.

# DIAGRAM OF PEOPLE, PROCESS AND TECHNOLOGY



## ENABLERS

In order to make the Living Toolkit a successful way of managing customer knowledge and creating customer intimacy, sufficient effort must be put into the four enablers of knowledge management: culture, technology, infrastructure and measurement (O'Dell & Grayson, 1998).

- **Culture** – the Living Toolkit will fail if the organization's culture doesn't support and encourage the kind of social interaction needed to power it. If top executives look at blogging, updating statuses, friending, and other online interactions as a waste of employees' time, participation will be low. Instead management must encourage the behavior by participating themselves and rewarding those who share knowledge.
- **Technology** – the introduction of a social platform inside an enterprise brings with it an added need for privacy controls and strong search technologies. In addition, mobile access to the social platform and the Living Toolkit will be a must and should be factored into the technology decisions from the beginning.
- **Infrastructure** – to be successful, companies will have to recognize the need for new roles and skill sets, including blog management, taxonomy specialists, COP leadership, etc.
- **Measurement** – all of the online interaction must be measured to ensure use and usefulness.

## REFERENCES

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Peltonen, T & Lamsa, T. (2004). 'Communities of Practice' and the social process of knowledge creation: towards a new vocabulary for making sense of organizational learning. *Problems and Perspectives in Management*, 249-262.