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The recent high interest in CRM tools includes those that allow users to accumulate and access lots of customer data and information, regarded as a necessary component to being “customer centric.” I believe that lots of data and information is a good thing as long as it's used to create “knowledge” about the customer and is used for its intended purpose – serve the customer better.

Having come to that conclusion I asked myself the question “What's knowledge?” Let me answer it the following way.

If I said to you “35” what would you know? That's simple. You would know that I said “35.” Other than that, I've essentially told you nothing worth knowing.

But what if I say to you “Customer X bought 35 widgets last week?” Now you know something that can be potentially useful: Something about a customer, a time period, and an amount. I have put the number “35” in the context of an amount, which is something worth knowing.

Unfortunately, you still haven't any knowledge. In the third paragraph I described a piece of data, a number out of context. In the fourth paragraph, I described some information, that is, data in context. I even added more contextual information, “one week” and “Customer X.”

Knowledge enters the picture when you want to answer questions that lead you to some decision or arrive at a conclusion. What this means is that “knowing” a piece of information is not the same as having “knowledge” about a particular subject. Yes, you might say that knowing facts is knowledge but I believe facts have to be turned into knowledge which is, in turn, used to influence a decision making process.

For example, it's a fact that Mt. Everest is 29,028 feet tall (depending who is doing the measuring and when). I guess it's worth knowing as are a number of other “important” facts (e.g., the states, their capitals, geography in general, whatever). But the fact that Mt. Everest is that tall is only useful if I want to make a decision about, for example, what mountain to climb, where to build a resort, what life support equipment I would need if I was suddenly airlifted to the summit (I didn't say all decisions were worth making), etc.

Knowledge doesn't just consist of a fact or two; it consists of a varying amount of information “connected” together by experience, the context of the question being asked, judgment, and other knowledge. Finally, knowledge has one other important characteristic: It's got to be actionable! This means taking information and carefully using the “connection tools,” mentioned above, to transform it into knowledge that can be applied to create effective actions that produce desired results (answer to a question, a good decision, or a valid conclusion).

A side note: Some may say that “instinct” or “gut instinct” should be part of the tool kit. The “instincts” that are referenced in this manner (i.e., the manager made that decision using “gut instinct”) are usually formed through experiences. The actions taken only appear to look instinctive because the person has “learned” information patterns that can be quickly applied to the situation. Therefore, “instincts” are covered by “experiences.”

If you are part of a team, like a company, it's important to note that the “connection tools” you use are not just your own but also those of your colleagues, customers, and other trusted sources (e.g. authors). Ask yourself the following questions about the knowledge you think you have: Do your colleagues “know” it the same way you do, i.e. do they know some facts or have some experiences that will enhance the quality of your knowledge or even radically change it? If you make decisions using your knowledge, will it

produce the results you expect and the results your colleagues expect? Will the knowledge be useful to create *enterprise wide* competitive value?

The bottom line: Knowledge isn't actionable until your entire organization is in agreement as to what that "knowledge" really is. Your knowledge becomes actionable for the entire company through collaboration with your colleagues and, conversely, so does theirs by collaborating with you.

As mentioned, we are not done yet. You must, in the same light as stated above, involve your customers in this process. Knowledge isn't completely developed until you apply your customer's facts, experiences, and judgments to that of your company's. Get them involved. Find out how they would "interpret" your facts and figures. Find out what they know and what their plans are. Find out what you don't know about them. Once you do, your knowledge then becomes truly actionable.

The fact that "Customer X bought 35 widgets last week" looks entirely different when you know your customer plans to expand their business into new markets than if you know that your customer plans to contract its business over the next year. Your actions will be different depending on which scenario is real. But, regardless of which is real, adding either scenario to the purchasing information, a step towards creating knowledge, helps lead you to appropriate decisions and actions.

Customers, colleagues, and yourself, *all together* applying each set of "connection tools", turn simple information into important, actionable knowledge, resulting in value for both your company and your customers.

Contact Jonathan Narducci at Jonathan@NarducciEnterprises.com with any questions you may have. Or visit his web site, <http://www.narduccienterprises.com/>, for further information on Competitive Value.

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