

Knowledge Transfer Strategy:

The Key to the “People Part” of Your Existing Business Strategies



The Steve Trautman Co.[™]
Knowledge Transfer, Quick and Clear

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Executive Summary

Lots of people use the word *strategy* very loosely. The word gets thrown around in business like people put salt on food. For some, a strategic plan is a one-page bulleted list; for others, it's a 40-page treatise. Organizations develop a whole host of strategies during the course of doing business. There are strategies for brand, product, talent, acquisition, and operations to name a few. To me, a knowledge transfer strategy could be a subset of any of these other documents or a standalone piece. Either way, it should set clear direction for how a company will maintain and replicate its top talent on the job—ensuring a ready workforce 1 – 3 years out. Strategies are written to help paint a vision and in this case that vision includes how knowledge transfer tools and processes will be adopted in the next 1 – 3 years. It should also show how these tools and processes will solve some of the most complex “people” problems organizations face including onboarding, retiring workers, recovering from reorganizations, consistency, and outsourcing.

Let's start with a definition: *Knowledge transfer* means replicating the expertise, wisdom, and skills of critical professionals in the heads and hands of their coworkers. Although knowledge transfer is associated with on-the-job training and mentoring, it means more than this. Simply put, it is the structures and processes that move the right knowledge and skills at the right time to keep a workforce prepared, productive, innovative, and competitive (for more, see our white paper [*Knowledge Transfer: Preserving Your Secret Sauce*](#)).

Why Does an Organization Need a Knowledge Transfer Strategy?

Because, having an integrated plan to acquire, move, and maintain an organization's unique critical knowledge is crucial to performance. Your knowledge transfer systems, whether formal or ad hoc, *are already how people learn their jobs*. Numerous independent studies show that about 80% of what an employee needs to know to do a task or assignment is learned on the job, regardless of formal training. Knowledge transfer is already happening in some form in every organization. In the absence of a strategy and a tactical plan, your workforce's skill acquisition, and ultimately its productivity, can be haphazard and face a variety of problems, including:

- Employees taking too long to become fully productive.
- Employees learning the wrong skills or in the wrong priority.
- Employees learning from the wrong “expert” co-worker and developing bad habits.
- A lack of alignment between executives on knowledge transfer expectations.
- Unclear expectations between the organization and its partners and collaborators, such as outsource vendors.
- A lack of connection of knowledge transfer processes to other systems (e.g. operational plans, performance reviews, and compensation).

A Knowledge Transfer Strategy Should Connect to Your Other Existing Strategies

A knowledge transfer strategy could easily be a subset of an organization's overall talent management strategy. Or, it can be an addendum to any of a company's existing strategies—such as your new business strategy and the knowledge transfer strategy needed to support that. Wherever it lives, I think the work of building a knowledge transfer strategy should be called out because knowledge transfer is so pervasive and it can be either wildly productive or (too often) a sloppy mess.

A Knowledge Transfer Strategy Should Include a Test

You'll know that your knowledge transfer strategy is effective if you can ask these three questions of any front line employee at any time after a business strategy has been executed:

1. What is your role and how does it fit in the big picture?
2. What are the tasks that are yours to master?
3. What are the standards you'll follow so you're consistent with expectations?

Clients routinely tell us that with their status quo approach to knowledge transfer, this can take months or even years. If you have a successful knowledge transfer strategy the status quo timeframe should be reduced by half.

At a Glance - KNOWLEDGE TRANSFER STRATEGY TEMPLATE

- I. Frame the Talent Problem
- II. Provide Historical Context
- III. Set Expectations for Knowledge Transfer in Your Organization in 1 – 3 Years, Including Clarifying Guideposts
- IV. Provide a Cost-Benefit Analysis
- V. Give a Basic Implementation Timeline and Define Key Roles
- VI. Identify & Mitigate Implementation Risks



This white paper lays out the purpose, basic contents, and how to formulate each of these recommended sections.

[link to detailed blog article](#)

Some Ground Rules When Building a Knowledge Transfer Strategy

Who Owns It?

Ideally, the owner or “sponsor” of your knowledge transfer strategy should be the line-managing executive who lives with the strategy, executes it, and holds the company operationally accountable to it. HR or a consultant can provide facilitation and support. If you are not a line manager, though, don't let that stop you from taking on this important work.

Who Pays for It?

A pitfall for executives is that they are accustomed to thinking knowledge transfer is free. Your budgeting choice will depend on your business model. Most important, acknowledge that when you expect your employees to transfer knowledge on top of a very full work week, you are effectively asking them to pay for knowledge transfer out of their own pockets. Lots of companies unknowingly do this, and it leads to less predictable results. Your knowledge transfer strategy should balance the degree of investment you expect employees to make versus the company.

What's the Ideal Scope?

Typically, once you expect to address the knowledge transfer needs of more than 60 employees, or plan to implement knowledge transfer in more than one location, then you should think about writing a knowledge transfer strategy. Incorporating as much breadth into your knowledge transfer strategy as soon as possible affords greater clarity. At the earliest stage of strategy development, ask how wide of a net can you cast. This usually means you'll be writing the strategy for a division or maybe a global job family.

How to Clarify Its Priority?

Every organization has busy experts with unique critical knowledge—and managers want these experts to do their regular project work AND to transfer that knowledge to peers. In reality, knowledge transfer won't be dependable until management very clearly communicates how experts should prioritize knowledge transfer in relation to other work. Your knowledge transfer strategy should help managers by directing them to set either a number of hours per week spent on knowledge transfer in a given critical job role or a target percentage of time spent on it per month.

7 Hallmarks of a Good Knowledge Transfer Strategy

1. Ensures clear ownership of the knowledge transfer strategy and defines the key job roles to be played/included/affected by your knowledge transfer program.
2. Facilitates and communicates the alignment of your executives' knowledge transfer expectations so that their vision is clear to each other and to the larger organization.
3. Shows how the knowledge transfer strategy will hook into other strategies, e.g. business strategy, talent management strategy, operational strategy, marketing strategy, etc.
4. Guides adoption of a knowledge transfer tool set that will make the program sufficiently methodical and measurable for the identified business needs. Includes how the tools will fit into HR systems such as performance reviews.
5. Actively addresses the importance of knowledge transfer activities (such as how frequently the expert and apprentice meet) and clarifies how to prioritize this work in relation to other daily tasks.
6. Gives direction on budgets to pay for knowledge transfer activities including initial program set up and ongoing maintenance as well as budgets to pay for experts' and apprentices' billable time where that needs to be addressed.
7. States what you're not going to do to support knowledge transfer so that all operational plans will remain tight and focused on the most important tasks.

Conclusion, Questions, and Trends for the Future of Knowledge Transfer

The problem we're trying to solve is clear. We know that people already teach people. We just want them to do it faster and with more predictable results. A knowledge transfer strategy is designed to make sure that happens with all of the executive input, support, and guidance possible so that you have the best shot at success over the long run. I close this paper with some questions and trends to consider now, such as: **a)** what organizational changes and talent planning exercises are on the horizon for your organization where a knowledge transfer strategy might smooth the transition, reduce costs, and keep people happier? **b)** look for well-planned knowledge transfer to become even more important to IT departments, and **c)** many retiring boomers are coming back as contractors—a knowledge transfer strategy will become an asset to clarify their short term and long term value to the organization, and how to use them best.

Join the Conversation

As thought leaders in the knowledge transfer area, we want to hear from you. We encourage you to contact us to give feedback on the ideas discussed here and to let us know what you are thinking and doing in this area.

Introduction: What Is a Knowledge Transfer Strategy?

Common sense tells business leaders to prioritize the work of building a strong culture of knowledge transfer in our organizations because real risks of talent and knowledge loss lie ahead if we don't. Every day in business, there are employees who know—ranging from experienced workers nearing retirement to recent hires with the right talents for right now—and then there are employees who need to know. Organizations must somehow move critical know-how from the first group to the second, quickly and clearly. Nothing less than a company's productivity, competitiveness, and ability to deliver its product or service on time and on budget are at stake. The reality is that while most leaders agree on the importance of strong knowledge transfer, they rarely know how to make it happen.

We have spent two decades working in the field of knowledge transfer and run a consulting company that focuses on solving business problems through better knowledge transfer. It is only in the last few years that I've developed a point of view at the strategy level. It started with my last book on executive talent management* and has continued with a spate of global projects for blue chip companies where we've tested and honed our thinking. We have learned that to roll out any structured knowledge transfer program to an enterprise, client organizations have to consider the broader implications of the effort, including ensuring alignment at the executive level and assessing potential roadblocks.

A quick example:

We are engaged with an engineering unit of a Fortune 500 manufacturer. They are moving operations for a product line from one city to another. Only about 25% – 40% of the existing engineers will relocate and others will retire or are going to work for a competitor across town. In the new location, the manufacturer will need to set up a new operation for an existing product line while they maintain production goals. This means setting up equipment, resetting and testing processes, and building product all with a staff and management that is largely new and often spread between the old and new locations.

Knowledge Transfer:

“Replicates the expertise, wisdom, and skills of critical professionals in the heads and hands of their coworkers.”

Knowledge Transfer Strategy:

“Sets clear direction for how a company develops its talent and which knowledge transfer tools and processes it will and will not adopt in the next 1 – 3 years, as well as how these tools and processes will and will not fit into the organization and its other strategies.”

The need for knowledge transfer is without question: retiring workers passing knowledge to the next generation, onboarding new employees for quick ramp up, cross-training remaining workers to handle some of the old and some of the new, etc. Everyone is onboard with the need. The trouble is that the leaders had a very difficult time prioritizing the knowledge transfer effort relative to all of the other priorities. Transferring knowledge is imperative because it is literally walking out the door to the competition every day.

Our approach to this company is to help reduce their increasing panic by guiding them to set a knowledge transfer strategy: to help the manufacturer align leadership around the risks associated with losing all this experience, prioritize the mitigation of that risk relative to the other work that could be done, set goals such as number of hours spent on knowledge transfer versus other work, and then embed the knowledge transfer plan in the day-to-day operations of the team. These are big changes to be discussed and executed quickly once everyone is on board with the strategy.

What a Knowledge Transfer Strategy Is and Does

Before we go any further, let's define what we mean by the word *strategy*. The term is used far too loosely in business. For some, a strategic plan is a one-page bulleted list; for others, it's a 40-page treatise about what an organization is going to be in the future, how that's going to look and feel, and even includes the tactics to get there.

In my way of thinking, a knowledge transfer strategy does these things:

- Helps define how a company moves critical knowledge into the heads and hands of those who need to learn, giving clear guidance on issues such as role clarity, standards, consistency, and priority.
- Sets direction for which knowledge transfer tools and processes will be adopted and how they will fit into an organization's culture and practices 1 - 3 years from now.
- Defines what aspects of knowledge transfer activities will *not* be adopted (or acceptable) in the 1 – 3 year window.

A knowledge transfer strategy should help people make decisions about how they'll direct their knowledge transfer effort. For example, should employees line up behind one expert employee and work toward a high degree of consistency? Should the knowledge transfer effort appear in their performance reviews and potentially affect compensation? Is knowledge transfer initiated by a centralized "Center of Excellence" or in a more ad hoc way as managers see fit? Should they report on the results of their knowledge transfer efforts and if so, to what level?

These are executive-level questions that must be answered in the strategy, because each one shapes how employees will focus their time and energy. Setting strategy is about making choices. Choosing one option over another in your knowledge transfer strategy will connect the guiding "hows" of knowledge transfer to the very real "what" issues that every business faces including tight budgets, changes in leadership, competing initiatives, diverse and dispersed workers, and plain old trouble managing change.

Why Have a Knowledge Transfer Strategy?

Organizations should build a knowledge transfer strategy because acquiring, moving, and maintaining unique knowledge is critical to performance. Your knowledge transfer systems, whether formal or ad hoc, are already *how people learn their jobs*. Numerous independent studies show that 70% – 80% of knowledge acquisition happens on the job regardless of how much formal education has been available.** In the absence of a strategy and a tactical plan, your workforce's skill acquisition, and ultimately its productivity, will typically face a variety of problems:

- **Employees taking years to become fully productive:** Without strategic direction, knowledge transfer *will* happen in your company—just slower and less predictably than it should. And with an ad hoc approach to the issue, the unique knowledge that slips out your door when expert employees leave or retire before transferring their know-how can take years to replace. Your knowledge transfer strategy can set the degree of urgency and rigor your efforts will take on to mitigate these risks.
- **Employees learning the wrong skills or in the wrong priority:** Without clear direction, employees may pick up random or incorrect skills because the person teaching them is herself not clear what specific knowledge is to be imparted, and in what priority.
- **Employees learning from the wrong "expert":** Since most learning happens on the job, that often means learning from an individual. You don't want this individual to be whichever random worker had a free moment that day. Your knowledge transfer strategy should guide the elevation of experts in given job roles who set the standards to follow and teach peers on the front line.
- **Lack of alignment between executives:** Your knowledge transfer strategy can ensure that the people at the top are being specific about their business expectations, strategic priorities, and the required tradeoffs—or else executives and business units can end up working at cross purposes.
- **Unclear expectations between partners and collaborators:** As organizations outsource and operate with joint ventures, knowledge can reside in a variety of locations and ownership can get blurry.
- **Lack of connection to known systems and processes:** Knowledge transfer is already happening in your organization, but rarely is it acknowledged in performance reviews or set up as a task in a project plan. Without strategic direction, it will remain in the shadows.

A knowledge transfer strategy could easily be a subset of an organization's overall talent management strategy. Or, it could ride along with other common strategies and address the talent needs to support that. Whatever form factor you choose, I think knowledge transfer strategy should be called out for *separate, dedicated thought* because knowledge transfer is so pervasive and it can be either wildly productive or a sloppy mess. The reason knowledge transfer is more often a mess is because few leaders ever stop to think about how many ways an organization can approach knowledge transfer as a critical component of their talent planning. Finally, while I think there is plenty of agreement at the executive level on the importance of knowledge transfer, there is very little alignment on what it actually means to make it a high priority.

Executives Need to Clarify for Workers HOW to Prioritize Knowledge Transfer and to Remove Roadblocks

An IT exec of a blue chip recently said to me, *"I think we need to make knowledge transfer a very high priority. I tell my people that I want them to be 'all in.' But, they are the ones who have to decide what they'll do day to day."* While I was glad to hear the leader's enthusiasm, I had to tell him that the point he's missing—and the point that can be answered with a knowledge transfer strategy—is that he needs to define "all in" for his team members in very specific ways. Don't leave your people to guess what you mean by "high priority" and "all in." Answer where knowledge transfer work ranks compared to other regular tasks.

Here is an example:

A manager from one of our multinational manufacturing clients was asked to define the talent problems faced by his team and develop a logical solution using knowledge transfer. The business need and urgency were clear: major projects were coming

online with no qualified project managers to lead them and, given the manufacturer's specialized work, the needed talent had to be developed not hired in. The proof of concept for our knowledge transfer solution was clear from the pilot we'd just finished. Still, the young manager could not get the attention of any higher-ups to play along to the point of executing the program wide scale. This wasn't a budget issue. They had already invested in the solution. The problem was in *prioritizing* the knowledge transfer work relative to the team's more immediate project work. It was a classic "pay me now or pay me later" situation.

So the question was: *why* couldn't such a logical, proven solution to urgent problem move up on the priority list? my team looked into this further and found the answer was both cultural and operations-based: the company's utilization and compensation model rewarded short-term thinking versus long-term investment. It literally made any time spent on knowledge transfer cost mentors within the organization's workforce on their performance reviews and bonuses because company goals were entirely short-sighted. It made the knowledge transfer problem unsolvable in their current structure and culture.

This situation was one of the reasons the client decided to pop up a level in their thinking and develop a knowledge transfer strategy. They realized that they needed to set a clear plan from the top-down to address cultural and structural issues. They couldn't be successful if their utilization and compensation model was actively inhibiting their experts from sharing their knowledge and experience internally.

The solution was simple on the surface: senior management needed to provide budget so that experts could bill some of their time against an employee development budget. The trouble was that this budget didn't exist at first and had to be allocated. Once the senior execs reviewed their urgent operational need for additional project managers—about 80 PMs in the next 1 – 3 years—and clearly understood the ramifications of their ad hoc model prior to our pilot—it had been taking them 7 – 10 years to develop a qualified PM—they made the necessary budget reallocations and changes to compensation and bonus plans for targeted regions around the world. In the end, developing a knowledge transfer strategy was the decisive exercise that cleared a path to solve their talent problem.

Let's look at each section individually. We will follow our Knowledge Transfer Strategy Template:

At a Glance - KNOWLEDGE TRANSFER STRATEGY TEMPLATE

I. Frame the Talent Problem

II. Provide Historical Context

III. Set Expectations for Knowledge Transfer in Your Organization in 1 – 3 Years, Including Clarifying Guideposts

IV. Provide a Cost-Benefit Analysis

V. Give a Basic Implementation Timeline and Define Key Roles

VI. Identify & Mitigate Implementation Risks



[link to detailed blog article](#)



I. Start by Framing the Talent Problem

SUMMARY: Concisely frame your business problem through a talent lens. You need to be able to plainly articulate, in a short statement, your organization's business need for talent in the next 1 – 3 years and the real operational and financial risks if your organization fails to meet these talent requirements. Use the analysis questions given here to guide you.

Commit to the Goal of a Ready Workforce

The developers of your organization's knowledge transfer strategy should start by agreeing that a ready workforce is not a luxury but a business necessity. Since every organization relies on *people who know how to do the work the right way*, the goal of maintaining a ready workforce should be fairly straightforward. But, it rarely is. When faced with troubling talent challenges, normally detail-oriented and analytical leaders get fluffy in their thinking. On the one hand, executives will often say "our people are our greatest resource" and having a ready workforce is the "highest priority." But on the other hand, when asked how much time the organization's experts should spend transferring critical knowledge to peers each week or month (as a way of ensuring readiness), leaders will demure and say such tasks will have to fit in after all the "real" work gets done. One recent strategy session with one of our consulting clients uncovered this paradox, and when it became clear, the CEO said, "Yes, I'm being a hypocrite. I don't know where my people will find the time. We've got to commit to this."

It is every executive's job to make hard decisions that balance short term project deadlines with long term investments that ensure sufficiently skilled workers. When executives abdicate these decisions, the decisions don't go away, they are just pushed down to be made by frontline employees who are often too busy or too stressed to take a long-term view. Some would call pushing these decisions down to the front line "empowerment." I just call it sloppy, or at least ill-advised. So as a developer of your organization's knowledge transfer strategy, first commit to the importance of a ready workforce and accept your role in making the tough decisions ahead.

Create a Concise Explanation of Your Organization's Need for Talent and Clearly Communicate the Urgency and Financial Risks

Frame the talent problem in simple and concise language. Executives must be able to articulate their organization's business need for talent. You already state your needs for work space, equipment, raw materials, transportation, etc. In the same way, you have to be able to talk about your need for talent. I am not talking about just the annual battle for more headcount. Nor is this about your CLO requesting training dollars that should be spent on developing people. I am talking about stating the need for the skills required to deliver on the promise to your customers. This also includes clearly stating the level of *urgency* and the very real financial risks you face from a lack of needed skills or the loss of unique tribal knowledge from your organization. So do some straightforward legwork first:

- Project the output of your organization 1 – 3 years out (your products and services).
- List basic areas of expertise (we call these "knowledge silos") required to deliver your output.
- Estimate the volume of need for each knowledge silo in the next 1 – 3 years (e.g. number of weeks of work for each area of expertise).
- Inventory the existing talent pool within the organization. How many workers are currently able to work in each knowledge silo? How many are expert in each silo?
- Assess the possibility of "buying" additional skilled workers on the market versus building/developing/training the skills in-house.
- Draft master skill development plans that bridge the gap between your current capacity and the estimated need. A Skill Development Plan (SDP) is an inventory of skills and knowledge that must be learned to work in a given knowledge silo. (A skill is defined as something someone can say "go do" and can be learned by a qualified apprentice in about 1 - 2 hours.)
- Prioritize the skills and expertise mapped out in the skill development plan relative to their impact on the business. What are the costs of not having enough of these skilled workers?
- Compare the long term cost of not having enough skilled workers to the short term benefits of having everyone focus on operational output versus developing for the future. Include in this the cost of losing employees with unique and critical knowledge.
- Prioritize the "regular work." What is the relative importance of the work related to your output versus the work required to ensure a ready workforce?

With this analysis in place, you will be ready to frame your talent problem, as well as develop other parts of your knowledge transfer strategy that we'll discuss later. Here's a paraphrased example of how the multinational manufacturer that I mentioned earlier answered the above questions and framed their talent problem:

A manufacturer that designs and builds \$500+ million projects realized that they needed about 80 additional "Level 3" project managers to be able to handle their projected workload in 2015 (three years away). Historically it has taken 7 – 10 years working on-the-job, regardless of experience upon hiring, to fully develop a Level 3 project manager because this company's work is

so specialized. The specialized need, coupled with a tight talent market, meant that these 80 workers could not be simply hired from outside. In fact, the company's existing qualified Level 3 project managers were at risk of being poached themselves by other business units in the enterprise or by competitors. If the client were to leave the system alone and accept the status quo approach, they would have had to make plans for this need ten years ago. Instead, they're starting now—at *best four years too late* to meet the substantial talent need. They needed a knowledge transfer strategy to help shift the thinking of their leadership from "we've always done it this way" to a new approach that will accelerate the training process and meet the business need. The consequences are dire: if they don't have enough qualified Level 3 project managers, the manufacturer's clients will not contract for these anticipated half billion dollar projects. And—make no mistake—their clients are personally meeting and interviewing each assigned project manager well in advance of making a deal. Neither company can leave this to chance on such a big investment.

When stated with this clear illustration of need, urgency, and the financial risks, everyone in the manufacturer's leadership team agreed on the problem. No one disputed that it takes 7 – 10 years with the current system, or that there are at least 80 new people needed. Getting this agreement was a good start. The trouble was that none of the senior executive stepped up to pay the short term costs associated with preparing this next generation of Project Managers for the workforce. The client asked my company to provide a strategy that would help them change the way they looked at this problem so that they could figure out how to solve it. Once they worked through the hard questions that I pose above, then ultimately agreed to fund the work and can now see specific examples of the process working for them.

Whose Responsibility Is It to Develop and Own the Strategy?

Unlike the formation of other kinds of strategic plans, there isn't an obvious owner for the work of developing a knowledge transfer strategy. For example, if you're talking about your sales strategy, you probably have sales executives, market analysts, and other people designated to address this. If you're talking about your recruiting strategy, you probably have a fleet of recruiters. If you look at your learning strategy, you probably have a university or a training department. But in the case of a knowledge transfer strategy, it could be owned by anyone who understands the goals, the business need, the operational teams that have talent risks to reduce, the experts who are teaching, and the employees are learning. This is one hallmark of a knowledge transfer strategy that differs from others strategies—especially strategies that typically fall under the umbrella of talent management or human capital.

Here are some possible options—each with their own cautionary story:

- An advisory council made up of business unit or line leaders could do the job as long as they take a global look at the problem, setting aside their "normal" allegiances for the greater good. There is a big risk in using a council because they rarely have authority to execute the strategy.
- A consultant, even an excellent one, can help facilitate setting the strategy but should not be actually writing the strategy. Ownership and accountability have to come from within.
- HR in most cases can act like a consultant and help facilitate the strategy but should not be the author. The actions that are required to execute the strategy have to be credible and accepted *by those who will do the work* and that is typically outside HR.

The Ideal Author and Ownership

Ideally, the owner or "sponsor" of the knowledge transfer strategy should be the line-managing executive—or a group of line-managing executives—who live with the strategy, execute it, and hold the company operationally accountable to it—with HR or a consultant providing facilitation and support.

But, if you are not a line manager, don't let that stop you.

If you see the talent problem that your organization is facing and you care enough about the workforce risks to give formal knowledge transfer serious consideration, then you are probably the candidate to take up the cause. Remember that most of your colleagues probably don't even know that it is possible to write a knowledge transfer strategy. Start by making them aware and helping them see both the *need* and the *possibility* for a solution.

II. Inform Your Strategy with Relevant Historical Context

SUMMARY: After framing your organization's talent problem, your knowledge transfer strategy should next provide relevant historical context to show how knowledge transfer has typically occurred in the organization, what benefits or problems have resulted, and what other methods have been tried or confused with the work of knowledge transfer. It should clearly state the ways your knowledge transfer strategy needs to respond to this history.

A knowledge transfer strategy should state in a few paragraphs the way knowledge transfer has historically happened in the organization. Even if your organization has not engaged in formal knowledge transfer, there is still relevant history. Knowledge transfer is *already* happening in any workforce—it's just may not be as efficient, consistent, or complete as needed to meet the talent needs of the business. The knowledge transfer strategy needs to reference the history so that it can surface any lessons learned and investments of time, money, and political capital that will inevitably affect execution of the adopted strategy. Your strategy's relevant historical context might reference:

- Evidence of any formal or informal knowledge transfer structures.
- Anecdotal data such as how long it has typically taken a new hire to get up to full speed and or frequency of rework in a given team. Instances when unique knowledge and talent has been lost to avoidable circumstances, such as subject matter experts retiring before having transferred their critical knowledge to the next generation; poor load-leveling for a workforce's experienced experts (employee burnout); attrition of marginalized new employees who were not given a chance to learn and be challenged; and generational differences that were mismanaged, causing departures due to work stress.
- Other strategies that have been tried or confused with knowledge transfer and acted as ineffective substitutes (e.g. knowledge management, mentoring programs, competency models, succession planning).

III. Define What Good Knowledge Transfer Will Look Like at Your Organization in 1 – 3 Years

SUMMARY: Define what good knowledge transfer should and should not look like in your organization. Clarify expectations by choosing key attributes and setting "guideposts" that define where on a spectrum your knowledge transfer system should fall.

If Leaders Agree Knowledge Transfer Is Important, Why Isn't It Happening?

I recently had conversations with two clients who are struggling with the same issue. The experts in their organizations are being pulled in too many directions. *"They're triple booked!"* one of the clients said. I didn't argue the point because, of course, it is true. Experts in every organization are always in high demand because they are in short supply and there are too many places where they could be deployed. Every time there is an impossible problem, a crazy deadline, a big decision, or a new initiative, their counsel is sought. Oh, and they also have their "day job" to attend to as well.

I asked one senior leader a simple question: *What is more important for one of your critical experts—should he focus on doing the same job he's done for the last 35 years right up until his last day or should he spend part of his time preparing others to take over for him?* The answer was obvious. *"Both."* Then, how is it that each time we approach this expert with plans to help him transfer his

knowledge to younger peers, he points at his To Do List and his watch and says, *"Sorry, I'm too busy."* In reality, *not* both.

If I were the expert, I think I might say the same thing. If the organization will settle for *"I'm too busy"* then why not use that excuse? It is true and it is easy. He probably doesn't even believe he can transfer his knowledge and even if he could, it might be hard. And besides, he's not sure any of the "kids" can handle his work anyway. So, he plays the "busy" card and pushes on.

My next question was simple: *If doing his day job and transferring his knowledge are both important, how is it that 100% of his time is spent on his day job and roughly 0% is spent on preparing the next generation? Is that the ratio management planned?* If not, what should it be? 80% - 20%? 50% - 50%? How many hours per week should the expert block out to work on knowledge transfer? 2 hrs? 5 hrs? 20

hrs per week? This decision should not be left to the expert himself. If his expertise is truly critical, then this ratio should be a management decision—and if the manager doesn't step in, she is not doing her job.

So the questions are clear:

1. Do you know how many hours per week your experts are spending transferring knowledge?
2. Is the ratio appropriate for their expertise and the risk your organization faces if/when you lose one of your experts?
3. Have you been clear about the ratio you expect and asked for evidence that your expectations are being met?

Don't leave this to chance. This question of ratio should be answered in your knowledge transfer strategy. Your organizational capacity depends on it.

Your knowledge transfer strategy—after framing your business's talent problem and providing historical context—should next state the expectation for how knowledge transfer will occur in your organization in the next 1 – 3 years. You can run cognitive exercises to help create this picture or you can look to history as a means to illuminate what paths to take and not to take—but the end result should be a clear, succinct written statement of what good knowledge transfer will and won't look like in your organization's near future.

Summarize The Expectation In A Simple, Clear List

With my clients, we often start by using very basic statements to describe their picture of good knowledge transfer. For example:

1. We're no longer going to rely solely on ad hoc, we're going to **treat knowledge transfer like any other task and plan for it;**
2. We're no longer going to leave this work to personal preference, we're going to **decide to drive for consistency in critical areas;**
3. We're no longer going to be satisfied with status quo for onboarding or cross training, we're going to **cut the ramp up to productivity in half;**
4. We're no longer going to let trial and error show us if actual knowledge transfer has occurred, we're going to **measure and track progress;** and
5. We're going to keep our knowledge transfer process **simple**, so the method is easily mastered and this work doesn't collapse under its own weight.

All good knowledge transfer strategies will have some version or degree of these five points. They set a clear direction of how an organization's knowledge transfer will change and perform. But looking at this list, the next question is obvious: *what is it going to take to achieve that?* While this is a good start for a strategy because it says what to do and what not to do, a knowledge transfer strategy will need more depth to be useful.

The Scope of Your Knowledge Transfer Strategy

One of the things you'll need to define for your knowledge transfer strategy is its scope. Will this strategy guide knowledge transfer for a team, a business unit, a division, or a global organization? Do you even need a knowledge transfer strategy—or at what point will implementing a knowledge transfer program probably fail without one?

The Degree Of Scope That Requires A Knowledge Transfer Strategy

One way to approach this issue is to look at hard numbers and logistics for guidance. Typically, once you expect to address the knowledge transfer needs more than 60 employees, or plan to implement knowledge transfer in more than one location, then you should think about writing a knowledge transfer strategy. In other words, the size of the organization and its complexity does not have to be very high for a strategy to be needed.

Why “Bigger Is Better” When Setting The Strategy Scope

Once you've agreed that a knowledge transfer strategy is needed, you might wonder if it's best to craft one strategy for a whole enterprise or a number of unique strategies owned by individual teams or units? I recommend incorporating as much breadth into your knowledge transfer strategy as possible. At the earliest stage of strategy development, ask how wide of a net can you cast. Typically, this means you'll be writing the strategy for a division or maybe a global job family.

I would rather write a strategy, for example, for all software engineers in a company or all employees in a division than for a subset of them because of the clarity it affords. Consider this: one possible outcome of your scope conversation is that you're going to write a knowledge transfer strategy for your entire division and part of the strategy will be to focus knowledge transfer efforts on one-third of the employees deeply, one-third in a moderate way, and one-third not at all for reasons X, Y and Z. So you're clarifying expectations to both upper management and all division employees right off the bat.

Our client Goodyear is a great example of why this is important. As soon as we had success in our knowledge transfer pilot team, Goodyear's knowledge transfer process owners started getting inundated with requests for help from other teams not included in the pilot. *“What about us? When are we going to get the new knowledge transfer process over here?”* With the clarity provided by a broad-scoped knowledge transfer strategy, management is able to say to everyone, *“We're going to take care of you and here's when and how,”* or *“We're not going to take care of you and here's why.”* At least you're setting their expectations and they're not frustrated waiting for something that is not coming or not coming in the manner they assumed.

Give Your Expectations Depth By Exploring Possibilities And Setting Knowledge Transfer Guideposts

Add a layer of specificity to your strategy by defining where your organization's ideal knowledge transfer lies on a spectrum between extremes of key attributes. To do this, our consulting firm created a tool we call Knowledge Transfer Strategy Guideposts. This is a document of about 20 or so key attributes of how knowledge transfer can occur in any organization. Each Guidepost presents a sliding numbered spectrum. On the left is the extremely structured, controlled, predictable end of the spectrum for that attribute; on the right is the much looser or unrestricted end of the spectrum. The developers of your knowledge transfer strategy choose a position on the sliding scale to define that attribute.

For example, some areas that your knowledge transfer strategy should define one or more guideposts for are:

- **Urgency.** Executives need to align on how quickly a knowledge transfer solution needs to show real results, ideally in the form of reduced talent risk. The strategy should define the urgency and answer this question: *“For which talent risks should knowledge transfer be prioritized over other work?”*
- **Consistency.** This is an example of a topic that may or may not be important to your strategy. Either way, you should make a decision and be clear. The strategy should call out the guidelines (or selected standard-setting employees) to be followed and then answer this question: *“To what degree should employees be required to follow the guidelines?”*
- **Degree of Rigor.** Most companies have a few bad stories of “flavor of the month” plans that seemed like a good idea but didn’t get traction for one reason or another. The strategy should call out the level of rigor and answer this question: *“In what ways will we ensure adoption of our knowledge transfer program and hold people accountable for intended outcomes?”*



There are quite a few more possible, but note that each one of these areas is intended to add a layer of depth to the main points that define your knowledge transfer expectations. In practice, each line executive or senior leader responsible for the knowledge transfer strategy should first answer these guidepost questions *individually* before coming together to compare responses. This will expose gaps in alignment and provide fodder for a rich discussion of what knowledge transfer should ideally look like. In our consulting work, we’ll often find that a number of executives are thinking three to five years ahead, while others aren’t. After uncovering gaps, these disparities are discussed as a group and rectified.

IV. Provide a Clear Cost/Benefit Analysis

SUMMARY: Every knowledge transfer strategy should include a cost/benefit analysis. To make informed decisions about your knowledge transfer investment, be sure your analysis provides a thorough assessment of your threats, but don’t forget to include your opportunities.

Your knowledge transfer strategy should include a clear cost-benefit analysis for the change you want to make from your organization’s status quo to a program that meets defined expectations. First, consider the costs of a change. Be sure to include



the time your experts will spend transferring their knowledge to peers. This can be as little as a few hours per week, but we've found that ignoring this cost causes problems when it is time to execute the strategy. There is also going to be some overhead for setting up the system and potential use of internal or external help. Next, think about benefits. The cleanest way I have found to get at benefits is to assess opportunities and threats to your business and then derive potential returns from there. Since the main goal of knowledge transfer is to manage talent shortages and knowledge loss risks, your cost/benefit analysis should be informed by a thorough understanding of those risks and the impact they could have on your business.

Assessing Threats

Here's a few ways to think about threats in the context of a knowledge transfer strategy:

- **Losing an employee(s) with unique, critical knowledge:** This is a clear and too-frequent threat. In my field we hear hundreds of these stories involving aging workers or unexpectedly departing experts. Just last month I took two calls: the first was from an executive who said she has an employee who is the hub of a \$30 million dollar business—and he just gave his notice; the second was from a company with an expert employee at the hub of a \$100 million dollar business who had *already* retired, and the organization had to claw him back. Neither company had a plan for retaining the unique knowledge of these critical employees except to keep those employees on board at whatever cost.
- **Rework and mistakes:** How typical are instances of rework in a given team? Can you document past financial losses due to actions of employees who lacked necessary knowledge and skills held elsewhere in your workforce? If these instances are frequent, that's a threat.
- **Attrition:** Turnover due to underutilized talent or marginalized workers is also a threat. Consider one of the two calls I mentioned above: when I asked the HR executive who worked for a global manufacturer why she was losing a \$30 million dollar employee, she answered, *"I don't think we managed him very well. I think he felt like he was stuck in a corner in the way that he was working with us, and he wanted to play in a bigger venue."* Through knowledge transfer this talented employee could have been tuning up scores of peers to execute his approaches globally in a matter of weeks or months, not years or decades. He could have prepared others to take over his current role while the company groomed him for something bigger. Instead, he felt isolated and frustrated by his narrow role—and left. Another example of attrition I often see is marginalized Gen Y-ers among teams dominated by seasoned Boomers. Most Boomers would have no problem sharing their knowledge with Gen Y-ers—if only they were shown how and given clear direction. Instead, Boomers experience the generational gap and feel they "don't get" Gen Y-ers. Talented but underutilized Gen Y-ers are not trusted with "real work" and eventually leave to pursue opportunities elsewhere. Then the costly cycle repeats.
- **Safety incidents:** Reducing safety incidents is always a hot button issue. For example, the data for many of our clients show that new hires get hurt more often than their more experienced peers and methodical knowledge transfer can measurably reduce these numbers, typically by about half. If safety incidents affect your business, estimate the dollar loss from one year's past incidents and include this in your threat analysis.

Are You Expecting Your Employees To Pay For Knowledge Transfer?

Knowledge transfer is not free. Just like you pay for office space, hardware, and employee training, you have to expect to invest in knowledge transfer as well. That may seem an obvious statement, but the pitfall for executives is that they are accustomed to thinking that knowledge transfer comes without any cost. The default thinking is: *"We can pretend it's free, because on-the-job training has been happening organically here for years."* Of course, executives rarely complete that thought: *"Sure, it took five years for anyone to learn a new job, and we paid for it through projects taking too long and through costly mistakes, rework, and loss of talent."*

It is important when building your knowledge transfer strategy to acknowledge when you are expecting your employees to pay for knowledge transfer out of their own pockets. We expect this as managers all the time by effectively saying to our workers, *"Well, do your day job, but that's your first 40 or 50 hours a week. Then do this other knowledge transfer stuff, too, as part of your second 40 hours a week."* We expect our employees to pay for knowledge transfer by giving us their time for free. I'm not saying this is never a legitimate short-term choice for an organization. There are many times when we ask our employees to "take one for the team." The trouble is that this is a high risk approach that can lead to unintended consequences like more rework, burnout, and turnover.

And, if your newest employees see their future in the stress levels of your most senior employees, that will definitely affect their desire to put down roots and make a career with your firm.

Your knowledge transfer strategy should clearly answer the degree of investment you expect employees to make versus the investment the company will make. Will you change your knowledge transfer investment from relying 100% on employee goodwill to 60% on employees? Or 30% on employees? Or completely remove the employee burden? Once you answer this, you will know more clearly where the investment needs to come from and can plan budgets accordingly.

- **Unprepared workforce:** Current contracts, new business, and customer loyalty is threatened if a workforce is unprepared. As I've mentioned, my company is working with a multinational engineering and manufacturing firm whose clients have literally told them, *"Make no mistake, we will be interviewing the project managers who will oversee our new installations to determine their readiness."* This manufacturer is contractually obligated to ramp up, maintain, and deliver a certain degree of talent to their clients. If the skill level slips—even in the face of aggressive capacity increase—100s of millions in contract dollars are at risk.
- **Increased costs:** This is a threat I've recently seen come up especially in relation to outsourcing. For example, we have clients who outsource large departments and significant work offshore because they had originally believed it would reduce costs. In actuality, their costs have just shifted. Lacking a reliable knowledge transfer system, these clients have spent years "transferring" responsibilities to their outsource partners only to find the partners still do not understand expectations and cannot work solo. Before coming to us, one client had been exhausting their most talented employees by sending them on airplanes overseas to put out fire after fire after fire. The lack of productivity *increased* operational costs—not to mention skyrocketing travel budgets.
- **Cultural risks:** This can take many forms, but here are some common ones: 1. Cultures that emphasize years on the job over knowing the right way to do the job. "I've been here 20 years. I have clout. (But I don't know how to do this new work.)" vs. *"I've been here 10 weeks. I'm the only one who knows the right way to do this new work. (But I have no clout.)"* 2. Strongly embedded cultures that smother culture change—this can threaten any organization seeking to modernize, globalize, or make improvements to the way they operate. 3. Cultures that have emphasized a "multi-hat wearing employee," but now have leadership asking workers to specialize; often because today's technical jobs demand it. Employees can feel like power and responsibilities are being reduced and they're being pigeon-holed, lowering morale and slowing the pace of change. And 4. Cultures and compensation structures that actually de-incentivize knowledge sharing (e.g. if employee paychecks and bonuses are tied wholly to billable hours, then any time spent mentoring peers means money out of an experienced employee's pocket.) Your knowledge transfer strategy should state these and other cultural risks as you find them.

Assessing Opportunities

Understanding threats is important, but you should also look beyond threats to opportunities. A good knowledge transfer program will not only mitigate potential productivity and financial losses, but also it can introduce ways to add revenue.

- **Innovation:** Nike used our 3-step Knowledge Transfer Solution to create an environment that fosters innovation in their global footwear development team. In brief, they identified the skills and behaviors of their most innovative developers—those skills that had led to breakthroughs in the past—and then replicated these among peer developers. Their knowledge transfer program was used to "teach" innovation.
- **Gen Y Recruitment & Retention:** Knowledge transfer has the very real opportunity to make a company more attractive to talented workers in the Gen Y population. With a structured knowledge transfer program, recruiters can easily show Gen Y-ers how the organization will invest in their skill growth and expedite their onboarding. This way, the Gen Y-er is doing interesting, meaningful work sooner and can see their career growth trajectory. It makes an additional carrot to dangle during recruitment and reduces attrition once hired.
- **Poaching Top Talent in the Marketplace:** A lot of companies' strategy for filling headcount is to send headhunters to their competitors. It's a benefit to be able to say, *"We have a contemporary knowledge transfer program that will allow you to bring your big brain here and replicate yourself so that you can have a larger impact on our company than you're having now at your current job. If you feel like you're lying fallow where you work now, we can be your fertile ground."*
- **Opportunities for new markets, customers, and products:** A biotech client of ours, Edwards Life Sciences, was in a stage in their product-to-market cycle where they were getting FDA approval on a breakthrough heart valve and needed to very quickly put a lot of qualified clinical specialists into the field. These specialists would provide training to surgeons who needed to experience the new product and become comfortable with it before recommending it to patients and other doctors. At least one other competitor was trying to beat Edwards to market with a competing product. This was a classic race of first-to-market: the faster Edwards could get substantial numbers of qualified specialists into the marketplace, the faster they could make sales and increase revenue. And, if Edwards was out there training in force first, more surgeons would imprint on their product and recommend it—so not only would Edwards get near term revenue, but they would also be beating the competition from a loyalty perspective. In cases like these, the cost-benefit analysis can be as simple as: the knowledge transfer cost for adding one new specialist in terms of X employee hours weighed against the revenue that that one new specialist is estimated to generate in a given number of months.
- **Scaling up production or capacity:** Growing businesses face the classic scale question: can we scale and take on additional markets, expanded product lines, or more and larger projects? Knowledge transfer can increase workforce

capacity and decrease an employee's ramp time to productivity. Several years back we implemented our knowledge transfer process with an accounting software developer and their C.O.O. explained the benefit this way: *"Eighteen months ago, when we would hire employees into our consulting services group, we would essentially have to bring them in 9 – 12 months before they were able to fly solo and generate billable revenue. Today, we're able to break people in within 90 – 120 days. So we're able to hire later and bill sooner, and ultimately that has a higher R.O.I."*

V. Give a Basic Implementation Timeline and Define Key Roles

SUMMARY: Your knowledge transfer strategy should include common implementation items such as a basic timeline and clear role definition. Role clarity will help ensure ownership and accountability to the plan.

Your knowledge transfer strategy should also provide a few basic guidelines for implementation, such as a general timeline and clear definition of key roles. Your timeline will depend upon your business model and the urgency of your talent problem, but as a general rule, your organization should be able to put in place the framework of a good knowledge transfer program and be generating observable results of measurably reduced risks within two business quarters.

Your definition of key roles in implementing your strategy might include some like these:

- **The executive who will own the knowledge transfer implementation plan (we call this the KT Sponsor):** the KT Sponsor is typically a senior executive who is the internal champion for a knowledge transfer pilot or program within an organization. He or she has the clout to green-light a knowledge transfer project, set its general scope and business objectives, and provide budget and gain buy-in as needed. The sponsor doesn't have to be the direct manager of the team engaged in knowledge transfer, and he or she is usually not involved in the day-to-day implementation of the knowledge transfer program.
- **The manager who will own the communication and change management role:** this role will use change management tools and techniques to best support the break from your status quo and give employees the language to understand and communicate how your knowledge transfer solution will solve the talent problem.
- **The individual responsible for ensuring that stakeholders adhere to the overall knowledge transfer process and who tracks status (we call this essential role the KT Process Owner):** the KT Process Owner is the glue that holds a knowledge transfer program together and keeps it progressing. Every knowledge transfer project needs a process owner. If the direct manager is the "sheriff" in the knowledge transfer story—issuing directives, reviewing status reports, and rewarding or correcting related actions of those under them—then the process owner is the "deputy"—carrying out those directives in the day-to-day and helping peers to understand and perform their duties.
- **The expert or owner of the standard for the knowledge being transferred (we call this role the Mentor):** the mentor can be an older, experienced employee or a young worker who has been on the job only a short while—she can be a naturally gifted teacher or a "grumpy old bastard" with few social skills. The defining characteristic of a mentor is not age, tenure, or friendliness; it is that this employee knows the right way to do the work and all her peers will line up behind the standard she sets.
- **The person who will serve as the liaison with HR:** Knowledge transfer roles may impact things like performance reviews and job assignments, so someone needs to coordinate with HR to connect the knowledge transfer strategy with other strategies.
- **Any outside vendors or consultants who are helping with your talent strategy.**

VI. Mitigating Risks to Implementing Your Knowledge Transfer Strategy

SUMMARY: Implementing your strategy is going to require change. Include a section in your plan that calls out potential roadblocks to implementation and states how you intend to mitigate these risks.

The final section of our recommended template for a knowledge transfer strategy identifies any implementation risks that lie ahead and how you plan to manage them. A knowledge transfer strategy—like any other kind of strategy—needs to clearly understand the environment in which you are operating and uncover the reasons why you'll be successful, and even more so, the reasons why you might fail.

Implementation risks can derail even the best strategic plan. Here are some examples of common implementation risks I have seen in my two decades in the field:

1. **Policy Roadblocks or Compensation Models that De-Incentivize Knowledge Transfer** — Implementing your strategy may require some changes in policy. As I have mentioned, we recently saw a client's knowledge transfer pilot falter because the compensation model for their expert employees was based entirely on billable hours to their clients and profit margins on their projects. If these expert employees spent any time mentoring peers, they could actually be losing money out of their paychecks. Once the client recognized and removed this roadblock, by allowing the experts to bill some of their time against an employee development budget, knowledge transfer was able to proceed as planned.
2. **Cultures that Value Tenure Over Relevant Experience** — Your strategy may require some people who used to be the top dog to find a spot lower in the pecking order. This is because any good knowledge transfer process will value experts who help set and follow the highest standards over those with who've simply been around longer. This means that your expert may be someone who has only been with you for six months and who might need to mentor someone who has been on the job twenty years. You'll need to address this cultural hurdle through your communication planner, change management tools, and good old leadership from your managers.
3. **Conflicting Cultures of Merged or Partner Organizations** — When two companies with strong but different cultures come together through a merger or an outsourcing partnership, for example, you can expect some resistance to lining up as one unit. *Whose way of doing things gets to become the new standard?* Management will need to clearly communicate the reasons and rewards for changing long-standing process and cultural behaviors and help select the new standard. Don't expect the recently merged factions to do this smoothly on their own.
4. **High Turnover or Lack of Organizational Stability** — If an experienced employee expects that he's only going to be on a project for a short amount of time, he may be reluctant to invest personally in a knowledge transfer process because he knows he's going to move on soon. Also, in organizations with high turnover, a mentor may resist transferring knowledge because she fears her apprentices will leave soon and she'll end up back at square one re-teaching the same material to someone new. Without establishing a personal incentive, workforce instability can create some barriers.
5. **Languages Barriers** — If your strategy calls for transferring knowledge among multinational teams, you may run into cases where people speak different languages. Once we had a client where 12 or 15 different languages were being spoken within a unit of just 100 employees, and people were tending to learn from whoever spoke their language as opposed to who *actually knew* how to do the job being learned. Your strategy should insist on thoughtfully choosing your experts with this cultural and language backdrop in mind.

7 Hallmarks of a Good Knowledge Transfer Strategy

As a thought leader in this space, I want to help you become a better consumer of your options for building and assessing a knowledge transfer strategy. As I said at the start, people throw the term *strategy* around in business so loosely that it's in danger of losing its meaning. While I've covered many of these issues elsewhere, I also want to provide a checklist of attributes I think any strong, robust knowledge transfer strategy should have. Whether you are developing a strategy in-house or buying a process from an outside source, consider the importance of including these attributes in your strategic plan.

1. Ensure clear ownership of the knowledge transfer strategy and define the key job roles to be played/included/affected by your knowledge transfer program.
2. Facilitate and communicate the alignment of your executives' knowledge transfer expectations so that their vision is clear to each other and to the larger organization.
3. Show how the knowledge transfer strategy will hook into all your other strategies, e.g. business strategy, talent management strategy, operational strategy, brand strategy, etc.
4. Guide adoption of a knowledge transfer tool set that will make the program sufficiently methodical and measurable for the identified business needs. Include how the tools will fit into other HR systems such as performance reviews.
5. Actively address the importance of knowledge transfer activities (such as how frequently the expert and apprentice meet) and clarify how to prioritize this work in relation to other daily tasks.
6. Give direction on budgets to pay for knowledge transfer activities including initial program set-up and ongoing maintenance as well as budgets to pay for experts' and apprentices' billable time where that needs to be addressed.
7. State what you're not going to do to support knowledge transfer so that all operational plans will remain tight and focused on the most important tasks.

Every good knowledge transfer strategy should have some combination of these elements.

6. **People Who Have Invested in Another Solution** — You may run into resistance if key players have invested in a prior solution to solve your talent problem, such as a different form of knowledge transfer, a rotational program, or competing homegrown solutions. Your strategy should address the role of these prior solutions, including “lessons learned” in the historical context section and, here, a clear declaration of your position: *“We’re going to adopt the prior solution.” “We’re going to supplant the prior solution.” “We’re going to augment the prior solution.”* Also, some people may be invested in a talent management strategy that is incorrectly being interpreted as redundant with knowledge transfer (e.g. competency models, succession planning). Your plan should clarify how these strategies solve different talent problems and will support each other.
7. **Executive-Level Barriers** — Executives, by paying attention, can remove a lot of obvious barriers to knowledge transfer right off the bat. Or, they can create a barrier simply by being agnostic or ignoring issues. Executives don’t have to be actively hostile; just by their absence or failure to communicate priorities, they can create barriers. Middle managers will think, *“If he doesn’t care, I don’t care.”* The strategy should clarify each division involved and which executive positions are accountable.
8. **Fiefdoms** — Knowledge transfer programs are typically implemented by the executives and managers of a division, business line, or unit responsible for operational goals. This is because knowledge transfer deals directly with setting the expectations for on-the-job daily work of those employees. In some cases, a division such as HR may attempt to scuttle a knowledge transfer initiative because they believe addressing talent issues is their domain or that they have the situation covered. Your strategy should clearly define every faction’s role.
9. **The Flavor-of-the-Month Attitude** — Some organizations or divisions in a company can suffer from a Flavor-of-the-Month problem: they have a history littered with past initiatives that took off hot but lacked follow-through and long-term commitment, and so failed. Now there is a cultural feeling that, *“This stuff never works. So we are bad at these programs, and therefore this will fail, too.”* The strategy should name the attitude and counter, *“We recognize we’ve failed at this in the past. We’ve taken these steps to figure out why we failed. We have a plan that has a lot of checks and balances. We’re using a scorecard to make sure that at each step we’re not going sideways. We have executive-level persistence and commitment, and we’re not letting our old culture and our old habits take us off track.”* Then change minds by setting, meeting, and celebrating the program’s wins.
10. **Blockers Who Don’t Value Knowledge Transfer or Don’t Believe It’s a Problem That can be Solved** — You may have known blockers who only think in the short term, who don’t believe that poor knowledge transfer is a problem worth solving, or don’t believe that there is a simple methodology capable of solving it. The best way to handle this is to shine the light directly on the attitude; point to evidence from a pilot program, case studies, or other proof-of-concept and then clarify that the strategy’s new expectations for knowledge transfer are not optional.

Closing Thoughts: Questions and Trends for the Future of Knowledge Transfer Strategy

Having Knowledge Transfer Strategy Is Worth It

Everyone knows that people learn their jobs by being on the job. A data point that research has upheld time and again, in any industry or job role, is that about 70% of what it takes to do your job you pick up from being on the job, regardless of the formal training you receive. Learning professionals call this the 70-20-10 Rule,** because an employee’s remaining 20% of learning comes from guided interactions, and only 10% comes from their formal training/education sources. Setting a knowledge transfer strategy can ensure focused support of the work that is already being done or needs to be done to make on-the-job learning faster, easier, and more reliable.

A good knowledge transfer program has been proven to reduce employee learning time by typically 50%. There’s just no good business reason to have learning take twice as long.

This is the obvious argument for knowledge transfer, but there’s more rationale that just this.

Executives cannot get the *consistency* they want in a job role if no one knows which employee is the standard bearer—the expert—clarifying the right way to perform certain work that others should follow. You can’t have high productivity if people don’t understand their job because they don’t have the skills and standards that are expected of them and necessary for success. You can’t have *collaboration* among employees if people don’t know who’s following whom. You can’t have workers *make good choices* if they don’t understand the big picture of the organization and how their role fits in.

And you can't **preserve your secret sauce**—critical unique knowledge—if you don't know who has it, where it's siloed, and when it's about to walk out the door and leave your organization for good. Status quo, ad-hoc knowledge transfer does little to prevent the loss of your business's unique knowledge and your years of investment in your experienced employees. And once lost, it will take years, maybe decades, to get back.

The problem we're trying to solve is clear: people teach people. Let's do it better. A knowledge transfer strategy is designed to make sure that happens with all of the executive input, support, and guidance possible so that we have the best shot at being successful over the long run.

Questions

To wrap up, I would like to leave you with some questions we are chewing on here at my consulting company, as well as identify some trends/predictions:

- What is your current knowledge transfer strategy? If you're working with the default strategy of *"let them figure it out on their own,"* what are the consequences?
- Who pays for the challenges that pop up in the absence of clear executive guidance on this topic? Your best employees? Your customers? Your new employees?
- What transitions and related talent planning exercises are on the horizon for your organization where a knowledge transfer strategy might smooth the transition, reduce costs, and keep people happier?

Trends

- The economy is picking up and the first sign of that is hiring contingent workers who can be easily released if the economy sputters again. These workers will be transient by nature and so the cost of onboarding them and then preparing for their departure cannot be ignored. They should be carefully considered in a knowledge transfer strategy.
- Many retiring boomers are coming back as contractors. Organizations that see this as a relief valve that will last forever do so at their own peril. These workers are invaluable players but should not be left to work without guidance. A knowledge transfer strategy can help clarify their short term and long term value to the organization, and how you will use them best.
- Today's IT divisions are looking to reduce costs, balance their global talent footprint, and onboard the next generation of workers—all while keeping any legacy systems stable until they can be replaced. These are big transitions that are begging for a clear knowledge transfer strategy to guide the experts while they navigate the rough waters. Look for well-planned knowledge transfer to become even more important to IT departments.

JOIN THE CONVERSATION: Now, we would like to hear from you. We encourage you to give feedback on our ideas here, and to share what you are thinking and doing in this area. If you know of another firm, consulting group, or academic who is making interesting contributions to this topic, please let us know. We really do want to meet and interview them. We can all benefit from the wisdom of the knowledge transfer community and the cross-pollination of ideas—and we look forward to continually improving knowledge transfer efforts.



About the Author

Steve Trautman is corporate America's leading knowledge transfer expert. For more than two decades, he has provided executives at blue-chip companies with the simplest, most relevant, and quick solutions for knowledge transfer. His pioneering work in the field of knowledge transfer and workforce risk management tools is now the nationally-recognized gold standard. Developed by Steve in the early 1990s when he worked at Microsoft, his knowledge transfer solution is now used by companies ranging from Boeing to Nike, John Hancock to Goodyear. Today, at the helm of The Steve Trautman Co., he continues to innovate.

He has written two books, *Teach What You Know: a Practical Leader's Guide to Knowledge Transfer Using Peer Mentoring* and *The Executive Guide to High-Impact Talent Management*. He speaks internationally and provides business leaders with consulting, presentations, and executive retreats—where he is known for his high energy style that combines humor, street smarts, and board room wisdom. Trautman resides in a walkable neighborhood of Seattle, Washington with his wife and two children. He and his family support more energy-efficient living and are halfway through their quest to visit all the U.S. National Parks.



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Additional Resources

Teach What Your Know: A Practical Leader's Guide to Knowledge Transfer Using Peer Mentoring, Steve Trautman. Prentice Hall, 2007.

The Executive Guide to High-Impact Talent Management, David DeLong and Steve Trautman. McGrawHill, 2011.

Lost Knowledge: Confronting the Threat of an Aging Workforce, David DeLong. Oxford University Press, 2004.

Getting Things Done: The Art of Stress-Free Productivity, David Allen. Penguin, 2002.

Howard Garnder's (Harvard Graduate School of Education) work on the theory of multiple intelligences.

*Knowledge transfer has an alternative definition in the U.K. There it is used to mean the transfer of information and knowledge, and perhaps expertise and skills, specifically between academic institutions and businesses. For example, a university researcher might transfer knowledge from a study to a business, thus giving them support in that way.

**The 70/20/10 learning concept was developed by Morgan McCall, Robert W. Eichinger, and Michael M. Lombardo at The Center for Creative Leadership and is specifically mentioned in *The Career Architect Development Planner*, 3rd edition, by Michael M. Lombardo and Robert W. Eichinger.