

# Knowledge Management, New Product Development and Nonprofit Publishing

By

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## Publishing Advantages of Nonprofit Publishers

Most nonprofit publishers compete with some very well established and successful commercial, for-profit publishers. At times it's easy to feel that your organization is outgunned by your richer, commercial competitors when it comes to selling ad space, publishing top articles, or acquiring the new book manuscripts.

However, nonprofit organizations have one critical advantage over their commercial competitors. That critical advantage is **the access** to a wealth of information and knowledge about developers and markets. Nonprofits enjoy this advantage over commercial publishers because of their mission as an educational or professional association. The membership consists of experts and practitioners in their field. On a daily basis, the association's staff has meaningful exchanges with members, which results in knowledge.

Nonprofits routinely sponsor certification, educational courses, standards development (and publishing), conferences, and trade shows. Few commercial publishers sponsor these multi-business lines, with the exception of trade magazines, which generally sponsor conferences and trade shows. A few companies publish both books and magazines.

Therefore, nonprofit organizations have access to a wealth of information and knowledge given the fact that they serve a variety of markets through their businesses. The staff managing these businesses comes to possess this valuable information and knowledge. This information and knowledge is not an organizational asset unless it is shared and disseminated throughout the organization.

## Information and Knowledge

Let's stop now and make a distinction between information and knowledge. Drucker says that information is "data endowed with meaning and purpose." Knowledge is information in social context; you must share and discuss information with your colleagues to convert it into knowledge. According to Ross Dawson, in his book, *Developing Knowledge-Based Client Relationships* (Butterworth Heinemann ([www.bh.com](http://www.bh.com)), "Knowledge is about relationships—between people and organizations."

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Knowledge is the interpretation of information, the context in which staff colleagues deliver the information. An example is when the certification manager indicates “we had a 35-percent increase in applications this year and I believe this trend means that the job market is very strong And more certification preparation materials are needed.” Another example is when the standards manager states that “three new standards are in the development pipeline and I believe that industry will be affected in this way . . .” This is valuable knowledge possessed by your colleagues.

The majority of nonprofits do not share knowledge between departments. The vaunted “flat organizations” and the “organization without departmental barriers” have not come to pass. Why don’t colleagues share mutually beneficial knowledge? What are the reasons for this behavior?

The shortage of time is given as one reason. Staff members in associations and societies are busy; in fact, most are on borderline overload. Colleagues literally do not have the time to talk to one another.

Electronic communications have not eased the burden—they have increased the workload given the numerous e-mails one must read and reply to on a daily basis. The reality is the “paperless office” has not come to pass as there is more and more “paper” to read containing less and less substance.

### **Dealing with The Silo Mentality**

The other reason for not sharing knowledge is that most nonprofit organizations operate in a “silo” organizational environment. Managers work in the narrow confines of their departmental walls, see their colleagues as competitors, and hoard valuable knowledge. In most cases the “silo syndrome” is a symptom of leadership failure in an environment that promotes silo behavior. The silo mentality is counterproductive to the sharing of knowledge. A pervasive silo mentality can lead to a moribund organization, an organization that is dying a slow death.

One of my *McHugh Editorial Review Board* members had an interesting observation on the pervasive silo mentality found in many associations. “I think this silo mentality is the result of a volunteer structure that is silo based. Volunteers, because they have limited time and are not involved in day-to-day management, view their function as independent rather than interdependent. Because staff supports the volunteer structure, the ENTIRE organization’s management style becomes silo oriented.”

Leadership must recognize that the organization is rich in intellectual capital and should capitalize on this intellectual capital. In its most elementary form, “intellectual capital is the sum of everything everybody knows that gives it a competitive edge” according to Thomas Stewart in his definitive book, *Intellectual Capital*.

The silo mentality can be eradicated by the creation of an organization-wide Knowledge Management (KM) system. The systemic sharing of intellectual capital is called KM. Dawson expresses it this way:

*The core of these knowledge management initiatives is in building and developing of relationships between people, both by putting people together to share their useful knowledge, and providing electronic media to capture, store, and communicate information which represents the knowledge of people.”*

*Training* magazine (September 1999) states: “KM is an effort to fully capitalize or tap an organization’s collective experience and wisdom—including ‘tacit’ knowledge in people’s heads—and to make it accessible and useful to everyone in the enterprise.”

The leadership in KM must come from the top. Executive directors should appoint a small task force—three to five people—to plan a KM database. This database should codify the organizations intellectual capital. Do not make this an effort in information systems. Make it practical and useful for the entire organization.

According to *Training*, codify and store knowledge in a database “where it can be accessed and used easily by anyone in the company . . . Knowledge is codified using a ‘people-to-people’ approach; it is extracted from the person who developed it, made independent of that person, and reused for various purposes.”

### **New Product Development Incubator Group**

After the KM system is planned, the organization should start a **New Product Development Incubator Group**. A KM system and a New Product Development Incubator institutionalize KM in the organization.

Here are the steps on how to start a New Product Incubator Group:

- a. Leadership for the Incubator Group initially should come from the Executive Director’s office.
- b. Select the members of the Incubator Group. Anywhere from five to seven people is the target.
- c. Plan to meet quarterly with a rotating chair and rotating secretary. Make attendance required. Meet for 2 to 3 hours maximum.

Prepare a short agenda for each meeting. Discuss these topics:

- Significant New Trends Affecting the Organization
- New Competition
- Comments on the Organization’s Web site and Suggestions for Improvement

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- Ideas for New Product Development
- Patterns and Trends emerging in the Marketplace
- Comments and Observations from the Field or Conferences Attended

The secretary should then prepare and summarize the minutes. The minutes should be discussed at the next meeting. After two or three New Product Incubator Group meetings, you should see a number of attractive, new product ideas evolve.

The key to success in any small group is selecting the right people for the team. I am not necessarily saying that only the “brightest and the best” should be selected for the KM team but clearly you want to pick bright, energetic contributors who will make a difference. Ensure that the KM team has members who are independent thinkers and risk-takers who will challenge the group to stretch their thinking. “Who is on the bus and what seats they are sitting on is more important than determining when the bus will leave or even where it is going” is some wisdom expressed by a *McHugh Editorial Review Board* member on this subject of teams.

Below are a few sources of information on the subject of Knowledge Management.

In addition to the Dawson book, another front-cutting edge book is Thomas Stewart’s *Intellectual Capital*, Doubleday Currency, ([www.randomhouse.com/doubleday](http://www.randomhouse.com/doubleday)).

From the *Harvard Business Review*, I suggest you read “What’s Your Strategy for Managing Knowledge?” an article by Morten Hansen, Nitin Nohrai, and Thomas Tierney, which appeared in the March-April 1999 issue. You can order this definitive article as a reprint from the Harvard Business School Press ([www.hbsp.harvard.edu](http://www.hbsp.harvard.edu)).

**Editor’s Note:** This paper was adapted from McHugh’s *Association Publishing Management: Top Line Issues for Executives* (34 pages, 2001, \$30.00, Publication Number A-7.) For more information visit [www.johnbmchugh.com](http://www.johnbmchugh.com) To order electronically contact 360 Publish Inc [www.360publish.com](http://www.360publish.com).

### Other Free McHugh Publications of Interest

On the subject of new product development, I offer a number of short publications, from 2 to 6 pages in length, in the *McHugh Publishing Reprint Series*. All these publications are written for the nonprofit publishing manager. To help you stimulate your thinking about new product development, visit [www.johnbmchugh.com](http://www.johnbmchugh.com). Check out free copies of:

- *How to Think About New Product and Acquisitions: A Checklist* (PD-4)- Asks 15 questions to consider and makes 7 suggestions for improving product development.
- *60 Ideas and Suggestions for Association, Foundation, and Society Publishing Managers* (A-2)
- *22 Ideas to Insure a Successful New Journal Start Up* (P-1)

**About John B. McHugh**

McHugh is a 30-year veteran of the publishing business. He is a successful publishing consultant. McHugh is the author of the *McHugh Publishing Management Series*—48 practical publications on all aspects of publications management.

McHugh is an experienced association-publishing executive. For seven years, he was Publisher and Director of Programs at the American Society for Quality, a 120,000-member professional association based in Milwaukee, WI. For a two- year period, McHugh served as the Interim Publisher at the Project Management Institute, a Newtown Square, PA 100,000 member based professional association.

In the private sector, McHugh has worked for Houghton Mifflin and Wadsworth. McHugh has owned and operated his own publishing company.

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