Paper - 19

Final Term question paper June 2016
Knowledge Management
DRTC MSLIS ISI Bangalore

I

From the below article

1. identify what knowledge areas are relevant (at least 2) and
2. propose a knowledge lifecycle for key knowledge through SECI or GALIS cycles (any one)

II

For the organization in the article, identify KM strategy elements of People, Process and Technology
3 each and explain why they are necessary to be part of the strategy, less than 50 words

III

Propose measures (at least 5) of intellectual capital for the organization in the article and explain why it is relevant to measure, list top 2 reasons for every measure.

IV

Suggest an organization structure for doing KM for the organization

1. as a hierarchical structure or
2. as a non-hierarchical structure

Give 2 reasons why they will work for any one of the above.

V

Identify 3 communication channels for the organization in the article that you can use to spread knowledge for specific outcomes (at least 4) and propose technology solutions for specific groups (at least 2)?

VI

Create a wiki page structure for your semester project and propose categories to classify those pages.
Identify at least 10 pages and 5 categories to be listed.

Purpose of the Study

While the challenge of capturing and transferring knowledge before an employee leaves an organization is not new to the knowledge manager's agenda, the issue is receiving increasing attention. Knowledge managers, Human Resource departments or senior management are all focusing on this concern.
Institutional knowledge is lost when key people leave. New or existing employees may not benefit from their experience and knowledge, and may find it difficult to perform at the same level of effectiveness and efficiency.
Capturing knowledge inside an organization seems to be one of the main purposes of a knowledge management professional. This way, when people leave, the knowledge does not leave with them.
Taking into consideration the above statement, a question arises: how to prevent or minimize the loss of expertise, customer contracts and product knowledge when key employees leave.

Knowledge Management in the Insurance Industry

The shift to a knowledge economy has increased the complexity of work activities. In a knowledge economy, risk managers will have to manage new classes of risk. The focus is already shifting from managing tangible assets to managing the intangible, permanently evolving area of knowledge.
Employers have recognized the value of identifying and accessing a diversity of expertise and knowledge from different sources to work on common goals. Knowledge is the competitive advantage in insurance underwriting and servicing. Bringing the right information to the right person is the key in the successful underwriting competition.
Some of the most desirable and best paid roles in insurance today are in risk management, claims, actuarial, product, operations, technology investments, real estate, finance, advertising, marketing, and, of course, in sales. Management career opportunities abound across the insurance spectrum because leadership in this function is key to sustaining the growth of today's insurers and which go beyond policy sales.
Insurers are turning the wealth of information they possess into knowledge in more than one way. At a minimum, insurers are putting information on the Internet, but nowadays policy education is a key element for insurance customer service.
Nowadays, the financial results only cannot guarantee that the rest of the company's assets are also going well, says Hubert Saint-Onge 2
"it might be possible to do well financially and yet, be negating the development of the capabilities that will ensure the future prosperity of the firm".

Defining Insurance Intermediaries

Insurance intermediaries are divided into 2 groups, agents and brokers. The main differentiation is that the agent is a representative of the insurer, working for the insurer, at the insurer's risk.
The insurance broker is defined as the representative of the customer, who has to compare and analyze insurance products on the market, and recommend the one which fits better the customer's needs.

Losing Knowledge – an Example

The value of intellectual property and its associated risks has now taken up a large part of

corporate operations. Trade secrets, confidential information and valuable ideas are part of the workforce knowledge, which is becoming more and more mobile. Recruiting, selecting, training and managing insurance agents constitute a real challenge for insurance companies all over the world, involving large amounts of money as costs for initial screening interviews, in-depth interviews, selection tests or references checking.
Part of an insurance agent's daily routine would be locating clients, creating and developing a client database, and looking for new potential clients. The contacts are made through business and personal contacts, through telephone calls or public gatherings. Especially in the brokerage firms, the agents could have a list of contacts with whom their company did business in the past. One of the most important source of clients is through referrals from other clients.
This is how knowledge is created.
Still, the turnover rate during the first year is around 55% and almost 90% after 3 years, with retention rates for the 3 years of around 25%.

In this context, the case of insurance companies courting rival companies' agents is well known. What they are looking for is to bring over not only the competitor's experience, but also the information and potential clients to their business.
In the year 2000, in USA, two insurance service high profile companies were in the public eye due to an existing law suit among them. The two companies were Yates & Associates, and R.E. Chaix & Associates, both managing general agencies that rely on relationship with local retail insurance agents.
On March 2000, Yates & Associates filed a suit against R.E. Chaix & Associates, after several Yates employees left and joined the competitor. The issue in question was the ability of a former employee to protect goodwill and brand recognition when an employee chooses to leave. "We're all friendly competitors, but there appeared to be no firm definition of the right and wrong way to leave a former employer and books of business," James Yates, president of Yates & Associates, says. "Today's business environment is rapidly changing and we wanted to define fair and just compensation for all parties in the event an employee leaves...I pursued this suit because I wanted to send a strong message on behalf of other wholesalers who have been financially wounded by former employees."
Less than one week later, the Court granted Yates a temporary restraining order against R.E. Chaix, prohibiting employees from Chaix from initiating business with any of the approximately 400 agents that have done business with Yates in the past 12 months.3
As competition increases and employees move on to new ventures, having had the training, experience and access to confidential information of a soon-to-be-former company, there are many ways to cheat. And industry leaders say such lawsuits will increase in number, especially in cases that involve trade secrets and large client databases.
A possible solution would be to create thorough non-compete clauses to be signed by employees, restricting their options and possibilities of changing the employer with a competitor. According to the Glossary of Private Equity and Venture Capital, a non-compete clause is "an agreement often signed by employees and management, whereby they agree not to work for competitor companies or form a new competitor company within a certain time period, after termination of employment."
Nevertheless, in the USA, while the majority of the states recognize and enforce noncompete agreements, in a few states, such as California, they are either totally banned, or prohibited.