

Transcription - Knowledge Management In the Age of AI

Welcome back, I'm Kim Baillie and this is Inside Exec. Jamie sent me a link to a video from a fellow who was talking about the introduction of AI into larger organizations. And I looked at it and it was quite an eye opener for me in terms of this fellow talking about how AI affects large organizations, particularly in terms of knowledge management. And it made me think about when Fulyana and I talked about knowledge management back in 2016. So I went back to that episode, read the transcript and then thought it's probably time for a bit of an update on that particular one. Now Jamie, unfortunately, can't join us today so I'm going to talk about some topics that relate to knowledge management in the age of AI. But what we are going to do is organize to see if we can have the fellow that was in the video, his name is Nate Jones, we're going to see if we can organize to talk to him because he was very, very knowledgeable, not just on the AI side of things, but in terms of organizational requirements. I think that you would all find that very interesting terms of where you are in your organizations and how you can take on AI and what it's going to mean to the people that you choose, you select, and the people who are already in the organizations who have knowledge, and this was particularly around knowledge management and knowledge transfer.

So if we look now at what knowledge is, the first point that we need to acknowledge is that traditionally knowledge was something that we collected, and we stored in organizations. And now knowledge can be generated instantly using AI tools and large language models. So it becomes a point where it is generated on demand. So knowledge management is no longer about building a repository as it was in 2016. It's about building an organization that can generate, interpret, and apply knowledge in real time.

Some of the examples of that is that you might have an AI summarising a customer's history instantly before a meeting so that you've got that information on hand. You're not relying on someone remembering what they talked about last time, or looking at reams of notes of how often they've dealt with that customer in the past. You can get a nice quick summary with dot points straight out of AI. AI might generate project briefs from scattered internal documents. You might have repositories of all sorts of information and AI can bring that together in one document for you. It can identify patterns that humans might miss. For example, in some of the other businesses that Jamie has, I know that he has looked at buying patterns of a certain demographic for a product that he sells. It was not something that he expected to see, the buying pattern, in terms of times of the year that that particular product was bought was not what he had a sense for. So it wasn't just that he missed the pattern. It was that there was a different pattern to what he was thinking was the pattern. So the implication for us as executives is that knowledge management is shifting from storage systems to intelligent systems. It's still a systems thing, but we have to look at not just where we are storing things, but how we are storing things and how we are maintaining that intelligence system over time.

The second point that came out of the research that I was doing is that organizational knowledge is no longer confined within organizational boundaries. Previously, knowledge management was focused on our internal databases, on CRM systems, on staff experience, on staff knowledge.

It was about managing that knowledge build up over years, decades, whatever it was within

an organization and managing that because that was your edge in terms of your customer base, in terms of the services that you provided, of the products that you developed. But now AI allows organizations to access global knowledge, industry patterns on a much more immediate basis than has been in the past, competitor behaviors sort of indirectly, but certainly that's coming more to the fore. And best practices derived from millions of external data points, things that you couldn't get hold of before that you can now access with reasonable ease. So the competitive advantage is no longer who knows the most internally, but who get access and can apply the right knowledge, the fastest. And this changes the question from what do we know in terms of our knowledge management, to how effectively can we access and apply knowledge in a general sense, knowledge that is available to us that we didn't have before? Certainly organizations can maintain that within the organization if they, that's a decision that they make. This is one of the things we want to talk to Nate about, is how do you decide what you allow out into the general knowledge base and what you keep internally in your organization.

The third point is human knowledge is shifting from possession to interpretation. So previously experienced individuals were valuable because they held knowledge in their heads. And what we risked was that knowledge loss when those individuals left an organization and we had to manage that knowledge transfer is what we talked about in 2016. AI has changed that dynamic because now we can replicate procedural knowledge. We can provide guidance instantly through AI and it can suggest actions based on patterns that we might not necessarily have seen in the past. However, what remains uniquely human in this process is the judgment that we can bring to bear, the context that we can bring to bear, the ethics that we have as an organization and as individuals, and strategic interpretation which still relies on a whole lot of other knowledge that we bring to bear in that environment. So the value of senior executives is shifting from being the holders of knowledge to being the interpreters of knowledge. And that's a good step and it's a step that we need to take into account when we're looking at recruiting at that senior executive level as well.

The fourth point is the speed of knowledge flow is now more critical than the volume of knowledge. Previously the focus was on ensuring knowledge was captured and shared properly. Now the risk is not lack of knowledge but slow access to knowledge. The original podcast we talked about a car hire place that had knowledge but couldn't apply it at the right time. That was my experience with a local car hire company that couldn't apply the right information to me for me as a customer when I was at the desk waiting for the hire car. So the knowledge has to be available instantly and systems have to deliver inside at that point of decision. What it means for us as executives in an organization is that knowledge delayed is now knowledge wasted. So we need to have those systems in place, once again, that help us with that instant information and insight at the point of decision.

The fifth point, the role of knowledge management is shifting from storage to enablement. So this relates back to the previous point as well. In our traditional model we stored knowledge, we organized knowledge, we protected knowledge. These days we have to enable people to be able to access the knowledge instantly. We need to enable AI to use organizational knowledge safely. We need to enable better decisions at every level. So the purpose of knowledge management is no longer to build a library. It's to build an organization that thinks. We're not relying on the knowledge as the decision making factor, we're relying much more

on the interpretation of that knowledge, gathering as much knowledge as we can that is relevant to that particular decision, and making the decision, making it immediate.

The sixth point, AI makes organizational knowledge usable by everyone, not just experts. Previously, knowledge systems required expertise to interpret them or to understand what the knowledge was that was being transferred. AI now allows junior staff to access expert level insights. There's faster onboarding of staffing, there's reduced reliance on specific individuals. The implication of that for organizations is that they become less dependent on individual knowledge holders. And we talked about that being very detrimental to organizations and a stumbling block for decisions when knowledge holders became knowledge hoarders. We talked about that in terms of knowledge transfer and how you make that happen. But these days, AI democratizes knowledge inside organizations so it flattens the hierarchy and accelerates decision making.

Number seven, the greatest risk is no longer losing knowledge, it's trusting the wrong knowledge.

Previously, the biggest concern was about knowledge loss and that block of knowledge transfer. Now the new risks, and these exist, is that AI might give you incorrect but plausible answers to your questions. We might have outdated internal knowledge being used automatically and that there might be an over reliance on AI outputs without human judgement. So the executive responsibility has shifted once again from protecting knowledge to governing knowledge. And this is where we want to talk to Nate about how we do that and how we choose the right individuals to be able to do that. What you need to ensure within organization is that you are training your AI on accurate internal data and Jim Stevenson, who talked to us about 12 months ago now, was very much in favour of this. He talked about a number of examples of where the AI, even at that stage, had been training on inaccurate data so it was undermining the systems that these places had put in place that were supposed to help them and fast track them and move them forward. I'll put a link to that particular podcast as well because it is still relevant today and we will have Jim back on to talk about what's changed in the 12 months since we talked to him last.

The other area that we, as executives, need to look at is that we need to know that our staff understand when to trust AI and when not to. And that's a big area of discussion and we need to talk to Jamie about that because he uses it constantly and I know he is very careful about when he trusts it and when he doesn't. I'm interested in how he makes that call between those two areas of information.

Number eight is competitive advantages shifting from knowledge ownership to knowledge integration and not something that we have discussed before. Previously advantages came from having more information as an organisation and as individuals. Now the advantage comes from integrating human insight and organisation knowledge and AI capacity. So what it means is that organisations that win will not be those with the most knowledge but those that combine human and artificial intelligence most effectively. That's a really key point that we want to continue to discuss going forward this year, is about the integration, because the speed of what is happening in terms of AI being available and being promoted and being pushed into organisations, is that we need to understand how that integration is going to happen and that there needs to still be that human intelligence involved in the process.

Number nine, the role of executives in knowledge management has fundamentally changed. Previously executives ensured that systems for knowledge management existed. Now you need to be building organisations that are AI enabled, knowledge sharing by default and continuously learning. So what we have to manage, as executives, is knowledge governance, AI governance and decision governance. So it's much more about that integration than it would have been even five years ago.

And the last point that I want to make is that knowledge is becoming a living asset, not a stored asset. Previously knowledge was static once it was recorded. Now knowledge evolves continuously because AI is learning continuously. We've got continuous data analysis and we've got feedback loops happening that are far more accessible than have ever been before. So knowledge is no longer something we store. It is something that we continuously create and refer to all of the time through our decision making process.

Ten years ago, knowledge management was about making sure people knew what the organisation knew. Today it's about making sure that the organisation can think faster, learn faster, act faster than its competitors.

AI hasn't removed the need for knowledge management. It has made it the central responsibility of leadership. In 2016, knowledge was a resource. Now in 2026, knowledge is a capability.

I'll leave you to ponder all of that. I'm Kim Baillie and this is Inside Exec.