Creating Knowledge-Based Communities of Practice: Lessons Learned from AMS’s Knowledge Management Initiatives

Susan Hanley and Christine Dawson
American Management Systems, Inc., USA

This chapter is a case study of how American Management Systems (AMS) established its current knowledge management program, and the lessons learned during the process. The chapter gives a background on the need for knowledge management at AMS, discusses the challenges of implementation and the AMS Knowledge Management framework, describes the AMS Knowledge Centers (communities of practice), and explains five key lessons learned. Finally, it outlines the results of the knowledge management program for AMS from both internal and external perspectives.

American Management Systems (AMS) today has a successful and widely recognized knowledge management program, but it did not happen overnight. Our journey to become an effective knowledge-leveraging organization has been an evolution, with many challenges along the way. This chapter presents a case study of how AMS established its current knowledge management program and the lessons learned during the process. We provide a brief background on the drivers that alerted us to our need for improving the way we leverage knowledge across the enterprise and discuss the challenges of implementing the knowledge management program we have in place today. The chapter continues with a discussion of the AMS Knowledge Management framework, which outlines how we have integrated people, process and technology to deliver value to our client engagement teams. The chapter emphasizes the “people component” of the framework, the AMS Knowledge Centers®, which are the virtual communities of practice in AMS’s eight core business disciplines. Finally, we share the key lessons we have
learned from implementing our knowledge management framework, as well as what the results of the knowledge management initiatives have been for the primary stakeholders in the process.

**BACKGROUND ON THE NEED FOR KNOWLEDGE MANAGEMENT AT AMS**

In the early years of AMS’s history, knowledge was shared in the coffee rooms and in the hallways. The company, which was started by a small group of U.S. Department of Defense “whiz kids” in 1970, leveraged its relatively small size for flexibility and efficiency. As AMS grew, however, it began to experience some of the pain associated with the way it was growing—rapidly and across many locations (often thousands of miles apart), with a mix of cultures and personalities that previously did not exist.

In an effort to become a billion-dollar organization, AMS needed to manage its growth and ensure that it would continue to win work by maintaining a competitive advantage and fostering strong relationships with existing clients. In 1992, as part of the management strategy process, senior executives closely examined the way AMS was leveraging its people and their collective knowledge. The company, with thousands of people in offices around the world, was relying on a knowledge-sharing model 20 years old. This “water cooler” model was sufficient when AMS had 500 employees on only 50 engagements, but not with thousands of employees on 500 engagements around the world. Clearly, changes had to be made. Strategies for pursuing engagements were not easily shared; project teams across the company were individually solving similar technical problems; and there was no way of knowing what knowledge resided where within the company.

As a result of the strategy process in the early 1990s, AMS began the implementation of a series of knowledge management initiatives. In their book *Working Knowledge: How Organizations Manage What They Know*, Tom Davenport and Larry Prusak suggest that firms should try to use existing management approaches and initiatives to “jump-start” knowledge management programs (Davenport & Prusak, 1997). This is the approach that AMS used. Values and competencies formed the foundation of AMS’s strategy, and our strong company-wide culture of teamwork and knowledge sharing shaped all of our activities. Still, AMS faced a number of challenges during the process of building the knowledge management program it has in place today. First, AMS had to find the knowledge that everyone knew already existed both within and outside the company. Next, it had to capture and organize this knowledge, and finally, it had to share the knowledge globally.

**CHALLENGES OF IMPLEMENTATION**

**Finding the Knowledge**

Meeting the challenge of finding AMS’s knowledge started with the creation of two formal business groups: the AMS Center for Advanced Technologies ® (AMSCAT®), whose charter includes identifying and researching innovative technologies that deliver practical business value for AMS clients, and the AMS Best Practices Program, a formal
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