

Money, Testosterone and Knowledge Management

By Patrick Lambe

In late August 2004, a festering row within the Board of KMPPro, a KM member's association based in the USA, broke out into a public three-way catfight. My first inkling was an open letter to members from KMPPro President, John Leitch: "Our association is in serious trouble and your voice is critical to assuring that KMPPro lives up to its promise to be driven by the needs of our membership." He called for a special meeting to oust three of the six board members. The three "rogue" board members, it turned out, had just sponsored a vote to oust Mr Leitch as President, this being the spark that had pushed the conflict into the open.

Behind the KMPPro Board standoff was another dispute, about money. Although it is a membership organisation, membership fees are comparatively low. In fact, the association receives most of its income from its training activities, most specifically its KM certification courses.

The administration and marketing of training products requires full-time effort and a measure of financial risk. With a voluntary Board, no resources for full-time staff, and a meagre membership income, KMPPro had agreed to contract with a training company, KM Mentor LLC, headed by one of KMPPro's founding members, Douglas Weidner. KM Mentor got 90% of membership and training revenues, in exchange for assuming the financial risk, and for marketing KMPPro activities and products.

This may have solved the short-term administrative and financial issues for KMPPro, but it created bigger long-term issues. The favoured relationship with KM Mentor as a for-profit business, resulted in KMPPro being denied not-for-profit tax status by the US Internal Revenue Service. At that point the Board also realised that it had very little visibility into the finances of the activities conducted in its name.

By April 2004, KMPPro's Board had appointed a Treasurer, and taken back control of the bank account from KM Mentor. Chief Marketing Officer Dan Kirsch (not at that time a Board member), supported by the President, subsequently recommended that KMPPro's contract with KM Mentor as training provider be terminated, listing a number of reported malpractices which we won't go into here because they sound distinctly litigious. If the plot wasn't already thick enough, Kirsch was at that time a sub-contractor and licensee of KM Mentor.

Conflict of interest emerges as a theme several times in this debate. The first Treasurer appointed by KMPPro's President was an employee of Knowledge Mentor, and the Board had him replaced. According to one dissident Board member, KMPPro President John Leitch had himself received 'referral fees' from KM Mentor in the past. Veiled references to payments received from KM Mentor by at least one of the dissident Board members were bounced back by Leitch.

At the centre of this storm of accusation and counter-accusation was Douglas Weidner's company KM Mentor. Had his company acted improperly? Had it hijacked KMPro to serve its private commercial interests? Did it hold exclusive legal rights to the intellectual property embodied in KMPro's certification courses? Did it exert undue influence on Board members and association officers by extending favours, referral fees, and employment opportunities? Was it in a struggle with the Board for control of the KMPro website and alternate domain names? Was a KMPro faction seeking to wrest monetary benefit from a legitimately authorised party?

This was a very public struggle. The different camps on the Board set up rival online discussion sites, and the various US-based KMPro chapters let fly through numerous Yahoo group discussion areas. Legal advice was flourished in public, with cease and desist letters batting back and forth – at whose expense, we can only imagine.

It all unravelled very quickly. Ten days in, the three dissident Board members (Raksha Sukhia, Penelope Kingsbury and Moonja Kim) resigned in protest at the damage being done to the association, and the attacks on their own reputations. International Board member Eric Tsui had already resigned in dismay when things started to turn nasty. John Leitch moved quickly, held a special meeting and had himself and his ally Dan Kirsch appointed to two of the vacated Board seats with terms lasting into 2005, with the support of the remaining Board member. With this rump, he pledged to “turn KMPro into a thriving association that serves [members’] needs” and steer it through to a (postponed) annual meeting where full Board elections would be held.

The dust, however, has not entirely settled. Dan Kirsch (one of the prime movers against Weidner's KM Mentor) has his own consulting and training company, Hudson Associates, which currently claims sole right to deliver KMPro's certification programmes, although both he and Leitch say that other training providers will be approved in the near future. Meanwhile, the Weidner camp has resurfaced as the non-profit International Knowledge Management Institute, claiming modestly to be “Authorized Training Provider to KMPro”. According to KMPro, the KM Mentor contract was terminated in November 2004. Meanwhile, Weidner claims Kirsch owes him royalties.

KMPro membership levels, according to Douglas Weidner, have suffered badly: down from almost a thousand to just a few hundred, with new monthly memberships now less than a quarter of the pre-controversy levels.

Observing this fracas from the safety of Singapore, this all seemed terribly undignified. There was an air of unreality about the whole thing, like a badly acted day-time soap with scheming, demonised cardboard characters fighting for money and power, and using each others' reputations as baiting sticks. What has this to do with staid, honourable, and oh, so respectable knowledge management?

Scratch a little deeper, and you'll find more of the same bad-soap money and reputation melodrama, particularly if you scratch in the North American KM space – my personal jury is out on whether this is a peculiarly American hankering after violent confrontation, or whether the rest of the world is simply better at concealing its disagreements.

The pre-history of KMPro itself is fraught with factional conflict, combined with dark rumours of money going astray along the way. It all started (so the hagiography goes) back in 1997-1998, when Edward Swanstrom (with Douglas Weidner and Joseph Firestone among others), founded the KM Consortium International (KMCI), a membership association originally intended for companies interested in KM, and focused on KM standards. It subsequently became a membership organisation for practitioners.

In 1999/2000, Weidner, Swanstrom and Firestone apparently started to fall out over the development of a KM certification training programme, intended as a revenue stream for KMCI (sound familiar?). Swanstrom broke with KMCI in March 2000, taking with him the certification programme, process and website. He founded the eKnowledge Center (EKC) and the Certified Knowledge and Innovation Management Professional Society (KIMPS).

The struggles within KMCI continued into 2001, when Weidner broke with it and co-founded the Knowledge Management Professional Society (KMPro). As we've seen, its financial backbone was also formed by the lucrative certification programmes.

Only a year later, factional infighting within Swanstrom's KIMPS resulted in a Swanstrom departure and a merger with KMPro. Undeterred, Swanstrom founded the Global Knowledge Economics Council (GKEC), pushing both KM standards (now rebranded as knowledge economics standards) as well as certification courses.

Meanwhile, back at the ranch (remember KMCI?), Joseph Firestone and Mark McElroy are the current KMCI powerhouses selling their own elaborately and profusely promoted brand of KM. KMCI ceased its membership activities back in 2002, and is now a vehicle for publishing thoughtpieces, selling consulting methodologies and – yes, you guessed it – certification courses. (KMCI claims that they do not sell certification but certificated workshops).

Quarrelsome behaviour has accompanied the KMCI legacy. Joseph Firestone and Mark McElroy spent much of 2004 getting themselves suspended, censured or banned from online knowledge management discussion lists, specifically, the Yahoo groups discussions at AOK, ACT-KM and Comprac. Discussions on the KnowledgeBoard became strained, but did not, apparently, amount to banning.

The pattern, exemplified in one discussion strand at ACT-KM in late 2003, was repeated across all the boards that Firestone and McElroy participated in. Relentlessly self-referential postings, invading and torquing multiple discussion threads towards the KMCI's own KM agenda, tit for tat postings that intimidatingly dissect the micro-nuances of their respondents' posts, until nobody quite knows what who said when, and

what it all means anyway, except that it's evidently wrong. Shrewd observer of KM discussion boards Denham Grey notes that "their strident posts have halted almost all the traffic on the [KMCI's own] Yahoo listservs too."

Together, they possess the almost undiluted characteristics of internet 'trolls' – massively invasive creatures that latch onto individuals and forums, and won't let go until they are shaken off, or until list participants drift away in despair. Their tactics are simple: rebuttal, dominance, and repetition (of the KMCI proprietary theory).

Now Firestone and McElroy are not trolls in real life – I'm sure that like most of us they are perfectly decent people, full of passion for KM as they see it, with all of the normal flaws and foibles that make any of us normal – ego and self interest among them.

Joseph Firestone believes that the worst instincts of online groups are at play in the KMCI bannings: "They find our assertiveness in posting our views and their inability to refute them with reason, logic, and criticism, uncomfortable, frustrating, and embarrassing. They respond by resorting to ad hominem, labeling, or personal attacks, and eventually by pressuring KM Group Moderators to silence us, which, eventually, they do." Mark McElroy wears his dismissals as a "badge of honor" and associates the failure of the KM community to recognise a rigorous approach with KM's latter day "fall from grace".

Nor (we must suppose) are the players in the KMPro coup and counter-coup the demonic dark forces versus angelic choirs that our baser instincts would prefer to project onto any struggle for power or for what is "right". Weidner says that he feels betrayed by John Leitch; KMPro Board members Sukhia, Kingsbury and Kim were clearly outraged at the slurs on their good names and professional reputations. John Leitch says "I ... do not regret taking a stand against those who wanted to run KMPro like it was their personal piggy-bank."

Despite the struggles for control of revenue, the amounts of money involved are not huge. The KMPro training business probably brought in a comfortable living for Douglas Weidner and his two sons, but it wasn't going to make them billionaires. It's not just the money that drives these controversies, though it's a potent catalyst. Ego, reputation and social acceptance also clearly have their part.

So if normally decent people can get themselves into these situations, how on earth do we avoid the same traps? This question, for KM societies and associations, is a critical one. How do we bridge the need to provide professional services to our members when our non-commercial incomes will not afford the infrastructure for such services? How do we avoid being held to ransom by commercial interests, or, worse, being ambushed by our own personal interests?

Les Hales of the Hong Kong Knowledge Management Society believes that there is a strong governance issue here. "In order to maintain a clear difference between the board member's own consulting work and the activities of the Society, I have put the case that

the Society should not engage in commercial activities. The Society serves as a Forum for those interested in KM, and naturally consultants, IT vendors and others will seek to make contacts and exploit opportunities. This is fine, although the board must ensure that invited speakers don't make sales pitches, nor themselves abuse the privileges of their office. Therefore the Society shouldn't be offering KM certificates, or running [commercial] seminars ... or have the Society bid on HK Government tenders.”

In Singapore, the Information and Knowledge Management Society (iKMS), has to declare to tax authorities the percentages of income from membership subscriptions as well as from other activities. Above a fairly low threshold, we are taxed on non-subscription income, which provides a structural disincentive towards overly-commercial activity. Encouraging us to live off our membership dues may make it difficult for us to grow quickly, but it does keep us honest, and it keeps us focused on our members.

In the past, we in iKMS have partnered with commercial providers for workshop provision on a non-exclusive basis, where affordability to members and minimal if any profit to the Society are the twin keys to good governance. Now as we see a need to put a stronger and more cohesive professional development programme together, the dilemmas around funding a professional delivery from within a small, volunteer-based society present themselves more strongly.

It's not entirely clear how we in iKMS should proceed, though the lessons from the KMCI-KMPro genealogy are certainly instructive, and suggest four basic guidelines for us to consider:

- **Commercial Activity:** No professional membership society should have a commercial interest in selling specific products
- **Conflict of Interest:** Society board members should declare all commercial interests related to the society's activities, and be willing to step down if these interests are considered by a majority of the board to be in conflict with the interests of the society
- **Practice Focus:** Society boards should have a balance of working practitioners against commercial providers in KM, with the President's position preferably belonging to a practitioner
- **Testosterone Control:** Society boards should have a balance of male and female members – and the female members should get a casting vote (judging from the KMPro and KMCI controversies, the women are less prone to fight, and usually weigh in to seek resolution, while the men continue to fluff their feathers and fight for a pre-defined victory).

More broadly, the KM societies of Singapore, Hong Kong and the Philippines have recently agreed to open discussions on drafting a common governance charter that will facilitate collaboration and cooperation between societies across the region. Let's see if we can do that without a fight.

Further readings:

'Posting patterns' by Denham Grey

http://denham.typepad.com/km/2004/08/posting_pattern.html

‘Another non-profit tries to eat itself’ by Josh Poulson

http://pun.org/josh/archives/2004/08/another_nonprof.html

‘The poverty of communitarianism’ by Joseph Firestone

<http://radio.weblogs.com/0135950/2004/06/03.html>

‘Internet trolls’ by Timothy Campbell

<http://members.aol.com/intwg/trolls.htm>

‘Flame wars and other online arguments’ by Timothy Campbell

<http://members.aol.com/intwg/flamewars.htm>

I am grateful for the comments of Denham Grey, Les Hales, Joseph Firestone, Mark McElroy, Dan Kirsch, John Leitch and Douglas Weidner. The views expressed in this article, unless otherwise attributed, are my own personal views.