

Viewpoint

Maintaining Intellectual Capital

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When companies undergo a major organizational change, relationships between teams and between managers and employees are altered and new collaborative relationships are formed, rendering confusion about who holds what subject matter knowledge and affecting an organization's ability to respond quickly and effectively to customer and market demands.

Among other factors, there are three major catalysts that can institute organizational changes today and in the future: a generation of Baby Boomers is retiring, the economic downturn is continuing to cause layoffs and an increased amount of mergers, acquisitions and divestitures are creating organizational confusion. With mass exoduses of employees, organizations are at risk of losing the competitive advantage furnished by their knowledge workers' expertise.

A compelling reason to support these knowledge workers can be found when organizations come together through a merger or acquisition. In this situation, companies usually fail to recognize their synergies. Because they do not have the appropriate technical infrastructure to manage employee knowledge and activities, these companies may have two teams working on similar projects without knowledge of each other. In addition, employees often re-create the wheel because they are not familiar with or aware of the completed work or expertise of the other employees in the newly formed company.

Throughout the various major organizational changes taking place worldwide, IT is critical as a strategic differentiator in enabling enterprises to operate efficiently. It is important for organizations to begin planning now for the retirement of the Baby Boomer generation and for future losses of intellectual capital. For example, many of the federal government's applications were built on COBOL by the Baby Boomer generation. The younger government workers are trained on newer programming languages, such as Java or .Net. Without maintaining the knowledge of COBOL after those experts leave, the government will have a difficult time maintaining these applications. Setting up Knowledge Management (KM) tools to preserve institutional expertise and to make it more broadly available within the organization will help organizations better plan for and cope with any impending losses.

KM can be boiled down to the simple concept of people, places and things and three core technologies: expertise location, search and document management. While the idea of implementing a KM solution may seem daunting to some companies, there is a simple strategy that companies can undertake to make the process more manageable.

Many companies find it easiest to begin by initiating a document management strategy to organize their documents and manage them throughout their life cycles, including authoring, review, approval, distribution and archiving. Document management enables employees to easily locate the most up to date version of a document, so there are never multiple versions floating throughout the enterprise.

The next step in the process is usually deploying a search strategy. Companies need to be able to find the information that is stored in different formats throughout their organizations, such as databases, documents and e-mails. With search technology, employees can efficiently and quickly search varied repositories -- both internal and on the Web -- from a single interface.

KM solutions bind these technologies together and provide an entry point to the knowledge that exists within an organization. KM solutions take the document management and search solutions one step further by organizing the information by subject in a taxonomy and also by linking the experts within a company to the subject matter topics -- the "expertise." Employees can then put the information available into context by collaborating with the subject matter experts within their organizations.

MWH Global, Inc., a large-scale infrastructure corporation, for example, has initiated a Knowledge Management solution to share best practices, improve productivity and uncover new business leads. The company has created numerous information-rich databases that provide geographically dispersed employees quick and simple access to experts in their company. With access to this information through the KM solution, MWH Global's 6,000 employees can work together and benefit from each other's specialties - whether in the next town or half way across the globe.

Just five months into the solution's deployment, an MWH team was preparing an estimate on reclamation of marshland. It was apparent to the team that a special retaining wall would be required, yet no one on the team had that expertise. Tapping into MWH's Knowledge Management solution, the team found and contacted an expert on marine and river engineering. This expert quickly provided the information and cost estimates the team needed, thus greatly speeding the time to solution and leading to improved employee productivity and cost reduction.

MWH has proven the value of its KM solution by having used it to identify 30 new business opportunities for the company. In general, KM solutions provide value for companies because they:

- Help organizations to gain competitive advantage by allowing information to be easily accessible and readily available to employees
- Allow outside vendors, customers and business partners to work more efficiently together
- Eliminate employee "rework" thereby saving time

Some companies implementing KM solutions may face resistance from employees who do not wish to change the way they work and do not see the benefits of a knowledge environment. However, organizations can employ a number of tactics to prevent this resistance from hindering the success of the KM initiative:

- Embed collaborative technologies into the KM solution. Collaborative technologies, such as instant messaging, e-meetings and presence awareness make it easier for workers to find, contact and confer with the subject matter experts within their companies, enabling workers to do their jobs better and faster.
- Present the technology to workers along with a change management strategy. Managers can work with internal teams to educate workers on the benefits of sharing knowledge as well as provide them with "how-to" tutorials on how to best use KM technologies. In addition, companies can alter the ways in which employees access other technologies to make the KM solution a greater part of the average workday.

Though the short-term returns on investment are significant, it is the long-term benefits that provide an even larger return to companies, giving them a sound and efficient way to preserve existing intellectual capital and manage future corporate knowledge.

Knowledge Management technology plays a critical role in managing the major organizational changes to which all enterprises are subject, including mass retirement and layoffs and/or mergers and acquisitions. This technology has the capability to aid in the smooth transitions necessitated by these changes to ensure corporate longevity and to ultimately distinguish the success stories from those companies that merely survive.

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