

The following vignette illustrates the practical value of a formalized KM approach in increasing corporate competitiveness.

## **Tale of Two Companies**

Two companies at opposite ends of the country, Healthcare Productions in San Francisco and Medical Multimedia in Boston, are involved in supporting the pharmaceutical industry. Both companies create promotional materials for conferences, educational programs for clinicians, and web sites for disseminating prescribing information about drugs to healthcare providers.

Medical Multimedia, in operation for about five years, has 35 employees and has been operating at a modest profit margin for the past three years. About half of the employees are involved in creating and manipulating images, sounds, videos, and other multimedia assets, while the remainder are concerned with programming, marketing, sales, and customer support. With two new contracts in the works, and the company already at capacity due to ongoing projects, Ron, the head of multimedia production, is operating in panic mode. Multimedia content has always been created for particular projects; when the project was delivered, the assets were stored in an ad hoc manner on various company servers, CDs, and hard drives. The content that was burned onto CD-ROMs has been stored in a fireproof safe in Ron's office.

With the deadlines for the two new contracts looming, there is no time for anyone to excavate for the content previously developed—some of which could be repurposed for the new contracts. Yet there is insufficient time to redraw the figures, synthesize the sounds, and render the video images from scratch. Faced with this reality, Ron approaches the president of the company and requests permission to hire a multimedia consultant immediately.