

pany. However, given the competition for artists and programmers in the volatile economy, employees are constantly leaving the company for greener pastures. Even with only three or four employees leaving the company every year, the lag time between finding, hiring, and training a new employee can be up to nine months. As a result, Healthcare Productions can't grow by accepting new clients but is in a holding pattern, simply trying to keep up with the existing demand.

Key Concepts

The story, to be continued in later chapters, illustrates several key concepts regarding knowledge management.

- *Leadership is essential.* Someone in senior management has to own the KM effort. This manager is often termed the chief knowledge officer (CKO) if the task is all-encompassing, or the chief information officer (CIO) or other senior manager may take it on as an additional responsibility. Regardless of who takes the role, it involves achieving buy-in at all levels in the organization. In the story, Mary, who began as a media organization consultant, became the CIO by default, thanks to buy-in from senior management.
- *Knowledge Management works.* The potential benefits of Knowledge Management are numerous and can potentially benefit every type of business, especially those involved in the information technology and service industries. What can a senior manager expect from implementing KM in a corporation? As illustrated in the story of the two companies, under optimum conditions, KM promises reduced costs, improved service, increased efficiencies, and retention of intellectual assets.
- *Knowledge Management requires training.* Employee and manager education is fundamental to the proper operation of every phase of the KM process. As the story illustrates, employees