

It's important to note that these activities aren't limited to KM initiatives, and rarely are all techniques used in the same initiative and at the same time.

### **Knowledge Management and Business Models**

The viability of a KM program varies as a function of the work performed by the company, how risk is managed, the personality and management philosophy of the CEO, and the underlying business model. Normally, management's philosophy and the business model are in sync, either because a particular form of management is recruited to fit a particular model or because the CEO defined a business model that conformed to his or her vision. For example, CEOs who manage by control or coordination are more likely to devise a centralized business model than are CEOs whose management philosophy is based more on allocating resources or energizing employees.

Exhibit 2.6 lists the applicability of Knowledge Management to common business models.

Some business models lend themselves to Knowledge Management more than others. For example, in Mary's experience with Medical Multimedia, the centralized business model with strong, centralized leadership facilitates the implementation of KM practices in the company. In the centralized business model, there is a high degree of corporate-level control because revenue, reporting, and employee reward are funneled through the corporate management. With a centralized approach, clear lines of communication can result, enabling economies of scale and the ability to standardize the use of knowledge management technologies throughout the organization. Management can send a clear, unambiguous message to employees that investing time and personal resources in the corporate-wide KM effort will be rewarded when it's time for annual reviews and bonuses. However, management doesn't