

not be reflected in profit to the corporation. Furthermore, the value of the education to the corporation may be further eroded if the training was in a now-defunct technology or process. For example, at the height of the dot-com boom, hundreds of companies sent anyone who could use a keyboard to training for programming and web design. Many of the same companies found themselves downsizing these employees in a matter of months. What's more, Web programmers who once could command significant salaries and stock options found themselves unable to find a job, despite their training.

Incremental Value

One way to assess the value of a Knowledge Management initiative is to look at the incremental value of information along the KM life cycle. As illustrated in Exhibit 7.6, the contribution of the KM process to the incremental value of information varies with the processing of information. In general, the largest contribution to value is the initial creation and acquisition of information. Also significant is the translation and repurposing phase of the life cycle, in that the incremental value of translating information can result in an increase in value similar to that of the original creation and acquisition phase. Archiving, modification, and implementing user authentication and other methods of providing restricted access to the information generally provide significantly less incremental value to the information. For example, the value of information in an archive may drop precipitously because of changes in the market or within the corporation.

In addition to fluctuations in the value of information over time, there are differences in incremental contributions to the value due to administrative costs, competing services, economies of scale, inefficiencies of processing, labor costs, overhead, and the details of the process. For example, some processes, such as archiving, incur greater administrative