

The CKO is convinced that the program is making a positive contribution to the corporation. During the pilot period, he has observed an increased use of the content management system, and the corporate archive has grown from nothing to tens of megabytes. In addition, based on informal interviews, the CKO has noted an increase in overall job satisfaction in knowledge workers in the R&D department. However, neither of these measures affects the ROI calculation that could help make a case for expanding the KM initiative to include other departments.

Before making a case to senior management, the CKO explores a benchmarking approach, comparing the pilot program with other R&D departments in similar industries experimenting with Knowledge Management. However, in searching for best practices in other biotech firms, the CKO runs into confidentiality and privacy issues, given the competitiveness of the industry. As a result, the best he can do is compare practices in the R&D department with those in other departments in the corporation. Although he runs into political resistance in several departments, he manages to collect information on relative numbers of knowledge workers who regularly take part in community of practice meetings.

Unsatisfied with the positive but unconvincing results of the benchmarking effort, the CKO decides to use a balanced scorecard technique to organize the information that he will present to senior management. As illustrated in Exhibit 7.2, the technique provides a template for listing the corporation's objectives, indicators, and metrics from financial, nonfinancial, corporate, customer, and long-term and short-term perspectives.

Using the scorecard technique, the CKO associates each perspective with objectives, indicators, and metrics. For example, from the corporate perspective, the CKO's choice of indicators of change attributable to the KM initiative include quantitative, objective measures, such as cost