

knowledge audit to establish the value of intangibles in the company—including knowledge worker loyalty and various forms of intellectual property. On the books, Medical Multimedia has a value approaching \$15 million, based primarily on tangible assets. However, after the knowledge audit, it's valued at about \$30 million—over double the original book value of the company.

With a sale price of \$25 million in stock and cash, CGF acquires and absorbs Medical Multimedia into its corporate structure. A \$500 million company with about 1,200 employees, including the 75 employees recently acquired in the merger, CGF relies heavily on multimedia to map out genetic structures. It uses these graphics to help sell its services to pharmaceutical firms developing custom drugs for specific diseases and populations.

When the chief executive officer (CEO) of CGF examined the knowledge audit of Medical Multimedia, he was impressed at the value that the KM process added and believed that a company-wide KM program should be instituted. Working with Mary, the chief information officer (CIO), and an outside consultant, the CEO identifies a chief knowledge officer (CKO) who reports directly to the CIO. Mary is repositioned as a knowledge manager for the customer support division of the company, and upper management decides that she will work under the direction of the customer service manager to establish the KM processes, the most appropriate controlled vocabulary, the benchmarks, and the metrics used in the customer support area.

However, after working in that job for one year, Mary realizes that it has become tedious and limited. She's too far removed from the CKO and upper management to effect any real change in the organization, and her day-to-day tasks have become mundane. She gives one month's notice to the manager of her division and announces plans to return to working as a consultant. As was agreed in her non-compete arrangements with