company in a manner that improves employee performance and corporate competitiveness.

From this definition, it should be clear that Knowledge Management is fundamentally about a systematic approach to managing intellectual assets and other information in a way that provides the company with a competitive advantage. Knowledge Management is a business optimization strategy, and not limited to a particular technology or source of information. In most cases, a wide variety of information technologies play a key role in a KM initiative, simply because of the savings in time and effort they provide over manual operations.

Knowledge Management is agnostic when it comes to the type and source of information, which can range from the mathematical description of the inner workings of a machine to a document that describes the process used by a customer support representative to escalate customer complaints within the business organization. Consider the example of the legal firm, whose senior partners create written templates (the information) for ease of creating specific documents. Such a firm has a KM system that can vastly increase its productivity. If the templates are moved to a word processing system, then the ease of creating a new legal document may be enhanced by several orders of magnitude.

As another example, consider a small business owner who moves her bookkeeping from bound journals to a computerized system. Unlike the paper-based system, the electronic system can show, at a glance, the percentage of revenue spent on advertising and revenue relative to the same period last year—all in intuitive business graphics.

A marketing and communications company that takes all copy and images that have been used in previous advertising campaigns and digitizes them so that they can be stored on CD-ROM instead of in a filing cabinet isn't in itself practicing Knowledge Management. However, if