

**IN THE REAL WORLD**

Evaluating the Value of Communities of Practice

Although the term “community of practice” is relatively new, the concept is centuries old, dating back to the guilds of the Middle Ages. The difference is the relative focus on the sharing of knowledge. For example, the guilds were created primarily to provide a monopoly for member artisans and to eliminate competition within the guilds. The sharing of knowledge was a fringe benefit that probably helped maintain the institution for centuries. In contrast, communities of practice are established primarily to share knowledge among members. The contribution of the communities of practice to the overall competitiveness of each knowledge worker in the corporation is a fringe benefit for both the knowledge worker and the employer.

Organizations that actively support communities of practice as part of a larger Knowledge Management program include Hewlett-Packard, Shell, the World Bank, American Management Systems, IBM, the U.S. Veterans Administration, and DaimlerChrysler. Each organization uses a variety of methods to foster the creation and maintenance of these communities. For example, Shell interviews each community of practice member and then publishes their stories internally in newsletters and reports as incentives for workers to contribute intellectual assets to the corporation.

tool that management and knowledge workers can use to clarify a vision of what the company needs to grow in competitiveness.

Time Value

Any assessment of the value of a KM initiative should consider the time value of investments. Like tangible assets, intangibles have a finite life span. However, unlike a building or piece of major equipment, the life span of intangible assets is much more volatile and depends on the corporate environment, employee turnover, and the market.