

EXHIBIT 2.6

Business Model	Applicability of Knowledge Management
Centralized	Strongly applicable when centralized leadership rewards employees for KM behaviors
Decentralized	Weak, because a weak central locus of information control makes it difficult to reward sharing of information between disparate groups
Outsourced	Weak, except for knowledge in working with and managing outside vendors
Insourced	Strong for an existing KM program, but weak for a new initiative because of the volatility of employee responsibility and the temporary nature of the work assignments
Cosourced	Variable, depending on the mix of insourced and outsourced activities and the timing of the inception of cosourcing relative to the start of the KM initiative
Shared services	Variable, depending on the maturity of the shared business unit

necessarily have to buy in to the concept of Knowledge Management. If senior management is divided over fully backing a KM initiative, including the sharing of information, then the initiative is likely to fail.

If the Medical Multimedia had been based on a decentralized model in which information is controlled largely by department leadership, Mary would likely have failed at implementing a KM program. In the decentralized business model, there is no central locus of information control, and the local department or company division typically handles reporting and reward for employee performance. The decentralized model provides flexibility at the cost of redundancy throughout the organization and poor integration.