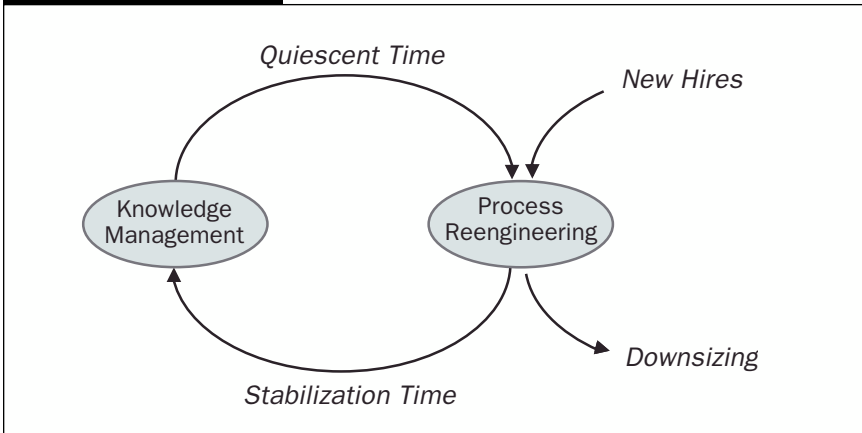


EXHIBIT 2.4



media were optimized did the KM initiative begin. Since a company in the midst of a reengineering effort is in flux, best practices have yet to be crystallized, and it's a waste of time and resources to document what will likely change in a matter of weeks or months.

As illustrated in Exhibit 2.5, process reengineering is concerned with benchmarking and best practices, implementing alternative business models, and process optimization. The goal is to increase corporate competitiveness by eliminating non-value-added steps, copying the methods of successful companies, and reducing unnecessary employees through intelligent downsizing.

Knowledge Management, in contrast, is about documenting and sharing what is through activities such as:

- *Knowledge audits.* Determining exactly what intellectual capital exists in the company at a given point in time. Knowledge audits can take the form of informal interviews, such as illustrated by Mary's activities in the Medical Multimedia, self-reporting formal paper-based surveys, or through group meetings with management and employees.
- *Collaboration.* Formal task- or project-oriented groups designed to facilitate information sharing. Formal collaboration nor-