



IN THE REAL WORLD

Recycled Employees

During lean periods, middle managers are usually among the first employees to go. While this is a quick method of reducing payroll expenses, it also results in the loss of significant knowledge about how to get things done in the company. To reduce the loss of knowledge resources during a downsizing operation, Caterpillar recycles some of its middle managers into trainers at its Caterpillar Training Institute in western Australia, which offers courses on topics from forklift safety operation to off-highway truck systems.

Medical Multimedia and CGF, she is free to consult for any companies as long as she doesn't disclose proprietary information.

Senior management's first concern is that Mary will leave the company with a great deal of knowledge that can't be replaced. Furthermore, her knowledge about the company's KM processes would be invaluable in the hands of a competitor—even if it were not explicitly re-created. As a consultant to a competitor, Mary could reapply her KM skills, much of which she developed while she worked with Medical Multimedia.

Short of resorting to legal action and creating an adversary, the best that CGF can do is offer Mary a bonus to work with a knowledge manager from another division to capture some of the heuristics that she developed while working with Medical Multimedia. Mary declines the offer of a bonus and takes the vacation time that is due her. She reappears two weeks later, offering her services directly to the CKO, one day per week, and at a considerably higher rate that she had been paid as an employee. The CKO readily accepts, and Mary begins work on the much more interesting and company-wide aspects of Knowledge Management in the biotech company.