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A White Paper

Departing Institutional Knowledge Capturing, Archiving and Using It

This discussion paper addresses:

- Background (why capture Institutional Knowledge)
- The Benefits
- Our Approach
- Our Process

BACKGROUND

The 21st Century is the "Knowledge Age." The Industrial Age is long gone and with that transition come new demands. One of those demands is a method for managing the body of knowledge on which our organizations run. This is often referred to as Institutional Memory or Institutional Knowledge.

It is generally acknowledged that organizations should have a systematic and careful method for managing this body of knowledge, **but the startling fact is that most don't.** Only 25% of businesses have a plan for knowledge transfer. It is troubling to think that over 75% of businesses have no plan, no method and no system to capture and use their own hard-won, expensive Institutional Knowledge.

This problem has recently burst to the forefront because of the impending retirement of the first wave of Baby Boomers, which is expected to hit sometime in 2010. The first wave of early retirements has already begun - starting in 2007 - and the tidal wave of full-age retirements is coming. Baby Boomers will continue to retire in massive numbers for over a decade, making the coming years the largest wave of retirements in history.

In addition, little thought has been given to the issue of Gen X and Gen Y employees. The generational indicators clearly show us that these generations will NOT stay at one employer for a lifetime, but will leave when and as they feel they should. These departing (not retiring) employees will also take a massive amount of institutional knowledge with them.

The bottom line is that in the coming years, massive amounts of intellectual capital will be walking out the doors of organizations all over this country – intellectual capital that organizations have paid for through salaries, training, on the job experience, and even the school of hard knocks.

Estimates of lost productivity and lost expertise range from the tens of millions into the billions. Consider just one example: a small, 100-employee firm. If each employee spends 20% of their time (a conservative estimate!) re-creating different types of knowledge, at an average wage of just \$30,000 the cost will be close \$1,000,000 per year. In a firm with 1,000 employees, the cost will be almost \$10,000,000 per year.



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BENEFITS

Preserving your institutional memory has a double impact on your bottom line. It:

1. PREVENTS productivity loss
2. CREATES a permanent, real-time knowledge bank to increase productivity.

1. Prevents productivity loss (aka “productivity theft”)

The loss of institutional knowledge is costly. Hard-won knowledge walks out the door with every retiree and departing employee. And that hard-won knowledge is expensive – you bought it, you paid for it.

Yet today’s employee often ends up reinventing the wheel. What a former employee knew, the new employee re-creates by struggling through and spending much valuable, paid time to do it.

If new employees can tap the knowledge of ex-employees, productivity will be higher, work processes smoother, accuracy rates increase and mistakes decrease.

2. Creates a permanent, real-time knowledge bank

By capturing the departing knowledge, you avoid the expense and time of re-creating knowledge. A few of the tangible benefits of creating an ongoing knowledge bank are:

- preserve institutional memory
- preserve knowledge networks
- minimize the risk of “brain drain”
- access key performer / expert knowledge anytime
- increase cooperation
- target job-critical knowledge and productivity “leverage points”
- facilitate knowledge creation, innovation, institutional learning
- improve overall efficiency and productivity
- better sustain organizational values, competencies and mission
- shortens the individual and organizational learning curve



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OUR APPROACH

LeaderFuelNow uses an exclusive framework to help clients **capture, archive and use** their institutional knowledge.

We have developed the C.A.R.E. Knowledge Management System. It consists of four stages:

- | | |
|--------------------|----------------------------------|
| 1. Capture | Collect, Confirm, Challenge |
| 2. Archive | Create a knowledge vault |
| 3. Retrieve | Provide easy access to the vault |
| 4. Execute | Use your knowledge |

Further, in working with several organizations of varying sizes and longevity, LeaderFuelNow has found that institutional knowledge exists in four broad categories:

- **WHAT knowledge:** technical know-how, operational details
- **HOW knowledge:** work processes, protocols, systems
- **WHO knowledge:** internal subject matter experts
external customer relationships
- **WHY knowledge:** organizational culture, values, history,
and legacy

LeaderFuelNow partners with clients to identify and determine which types of knowledge need to be captured and archived for greatest immediate and long-term value. This typically varies by discipline (job type) and by division (mission-critical vs. support).

We begin by discussing with the client's knowledge management priorities with the leadership team.

Then, we employ some – or all – of our 15 capture methodologies to extract tacit knowledge and turn it into explicit knowledge. This involves transforming wisdom that resides in the “gut” into the “head” so that it can be worked with.



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Working in parallel, we analyze resident document management systems, and recommend any enhancements that would be needed to enable the new knowledge management requirements.

We also train executives, managers, and individual contributors on the benefits of knowledge management, on new process steps, and on behavior changes that may need to occur to maximize the new systems.

THE PROCESS

LeaderFuelNow employs 15 Knowledge Capture Methodologies (KCM's"), ranging from one-on-one expert interviews to a proprietary on-line tool that can engage thousands of participants in real time.

Here are just a few examples of our 15 capture techniques:

1. KV Blogs

"Knowledge Vault" blogs. Dedicated internal web pages designed for instant recording of knowledge and learnings from project work and other professionals.

2. B-4

The "Brown Bag Beg and Brag." Short, facilitated luncheon workshops during which project team members "beg" for expert knowledge from other professionals AND "brag" on breakthroughs and accomplishments.

3. Knowledge Groups.

Facilitated discussions designed to download tacit knowledge about work processes in order to begin the process of turning it into explicit knowledge.