

## The Knowledge Advantage

Companies that have applied knowledge management techniques effectively have gained significant benefits. Examples, (from the hundred on our knowledge base) include:

- **Avoidance of costly mistakes.** The experience of organizations losing knowledge as they have downsized or restructured has made them more aware of the costs of 'reinventing the wheel'. General Motors uses debriefing sessions to share lessons more widely through the company.
- **Reducing duplication.** Hewlett-Packard, by sharing expertise already in the company, but not known to their development teams, now bring new products to market much faster than before.
- **Sharing of best practice.** Companies like Chevron save millions of dollars a year by taking the knowledge from their best performers and applying it in similar situations elsewhere. At sharing best practice between its semiconductor fabrication plants, Texas Instruments has saved the equivalent of investing in a new plant (over \$500 million).
- **Faster problem solving.** By using videoconferencing at off-shore oil platforms, BP can tap into expertise elsewhere in the company and minimize production down-time when problems occur. Through its global communities of practice, Shell brings vital knowledge to solve problems quickly. A value review estimated that CoPs saved over \$200 million annually.
- **Locating expertise.** Expertise profiles helped the merger of BP Amoco proceed much smoother.
- **Faster development times.** By developing learning networks and learning from similar past situations, companies like Schlumberger improve their rate of innovation. Hoffman La Roche - through their *Right First Time* programme – significantly reduced the cost and time to achieve regulatory approvals for new drugs.
- **Realizing value from knowledge assets.** Dow Chemical, by focusing on the active management of its patent portfolio, realized over \$125 million in revenues from licensing and other ways of exploiting its intangible assets.
- **Better customer solutions.** By feeding customer problems into their computer network, sales and support staff at Buckman Laboratories gain access to expertise throughout their organization in developing innovative customer solutions.
- **Gaining new business.** Consultants at Fujitsu Business Systems can access and combine the best available knowledge quickly and bid on proposals that would otherwise be too costly or slow to assemble.
- **Improved customer service.** By putting solutions to customer problems in a shareable knowledge base, companies like Sun can improve the level of customer service. Customers can also download software patches over the Internet.
- **Better resourcing decisions.** By applying methods of measuring intellectual capital, companies in Denmark have reported better insights into the drivers of organisational performance and better management decisions on allocating resources.