

knowldgWORKS News Number 32 August 3, 2000
Brand, Intellectual Capital and Knowledge Management

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- A. The Prototypical Knowledge Management Organization - A Reference Report Available From ACCSYS Corporation

As part of my ongoing effort to create useful reference materials for those of us involved in knowledge management, I have prepared a report entitled, "The Prototypical Knowledge Management Organization," that is available for purchase. The report costs \$25 and can be downloaded from the ACCSYS Corporation web site at <http://www.accsys-corp.com>. A brief synopsis of the report follows.

Synopsis: The Prototypical Knowledge Management Organization. Dr. R. Kaplan. ACCSYS Corporation. May 2000.

This report focuses on the "design" of a prototypical knowledge management organization. The premise of this report is to design an organization and describe the positions in it that would support a complete knowledge management effort. The report presents the organizational design, describes 11 positions, and provides detailed job descriptions for each of these positions. The content of the report could be used as the basis for a company's own knowledge management effort, as a reference for the necessary positions and the specific requirements for these positions. In addition, the report also describes a

"starter" or "seed" organization that would serve as the beginnings of a knowledge management group within a larger organization.

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August 3, 2000

When I purchase or recommend a computer printer, I will typically recommend one that is designed, engineered, manufactured, and sold by Hewlett-Packard. Why? The name Hewlett-Packard is synonymous with good engineering and high quality. Without certain kinds of knowledge, good engineering and reliable quality would be impossible, so good engineering and high quality can be considered artifacts of the knowledge used to create a product.

How do I know that Hewlett-Packard does in fact employ the proper kinds of knowledge to insure good engineering and high quality? As a matter of fact, I only know this anecdotally through indirect evidence. I have had Hewlett-Packard printers that have lasted for five or more years without requiring service. That is reliability. Hewlett-Packard also has an excellent reputation as a maker of printers, and since they were one of the first companies to market an affordable laser printer, this reputation has been established over a long period of time. Since neither of these empirical statements have very much to do with actually confirming that knowledge exists in the Hewlett-Packard organization, what do they have to do with my assumption of a connection between knowledge and good engineering and high quality? Because a community has sanctioned their reputation (an example of Wenger's participation/reification), the name Hewlett-Packard has its own inherent meaning.

Likewise, I would never buy a BMW automobile. Why? Because among a community of drivers I have heard many stories about these automobiles that would indicate to me that they are more trouble than they are worth. One story goes like this - If you own a BMW, 29 days out of a month it will be in the shop. Is this another example of the participation/reification process? Yes, because whether this reputation is deserved or undeserved, for now it

serves as my knowledge of BMW automobiles and will prevent me from soon becoming a BMW customer.

Some of the literature on valuation of knowledge for purposes of understanding how intellectual capital contributes to the value of a business organization points out that a value can be attached to the intangible assets of a business. More often than not, part of these assets will be the resources invested in research and development and in knowledge support for employees. But what about brand? What does this have to do with intellectual capital and knowledge management?

Knowledge, in order to have value to someone other than the creator of the knowledge, must be sanctioned by a community. It is my contention that the sanctioning creates value, not necessarily in consideration of the actual value of the knowledge. We can see many examples of this in today's world. This is especially true in the consumer arena where people continue to make purchases based on brand.

My contention suggests an experiment. Two groups of people are assembled - one experimental group and the other a control group. Each individual in each of the groups is given two papers to review. The papers will be selected by a qualified independent group of experts to meet the following criteria: one paper of mediocre quality by a well known author and one paper of excellent quality by an unknown author. The control group receives the papers without any additional information. They are asked to judge the quality of the content of the papers. The experimental group will be given the same papers and in addition they will be provided a description of the authors of each of the papers. They will be asked to review the credentials of the authors. In the case of one of the papers, the author will be identified as a well-known expert in the domain of the papers. This group, like the control group, will be asked to judge the quality of the content of both papers. I have not yet carried out this experiment, but my hypothesis is as follows.

In the case of the control group the paper of higher quality will be identified. This will be the paper authored by the unknown author. In the case of the experimental group, the paper by the famous author will be identified as

the higher quality paper. Why is this relevant to knowledge management?

If, for a moment, we equate value to perceived quality we are really saying it is possible to increase (in the case of Hewlett-Packard) or decrease (in the case of BMW) value without actually increasing or decreasing the quality by attaching a brand to a product. The brand has built into it historically implied intellectual capital or intellectual debt.

The same phenomena could apply to within a business . Let us call an internal business brand a "reputation." A well-known scientist might supply reputation. The scientist is an expert in a particular process and all questions about that process end up on the scientist's desk. What if the same company had some "non-branded" individuals - individuals who were not necessarily process experts but could create substantial knowledge value. Under these circumstances, the rendering of opinions by the well-known scientist and the non-branded individual might result in the scientist's opinion superceding the other's opinion. This could lead to a loss of knowledge because the non-branded knowledge might have lead to a revolutionary new product or process. Even though brand can add value, the value can be real or perceived, and it should always be a task of knowledge management to carefully consider objective value.

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The knowldgWORKS News is written in its entirety by Randy Kaplan and edited by Harriet Trenholm. Suggestions for the newsletter should be sent to rkaplan@accsys-corp.com. All suggestions will be considered and always appreciated.

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