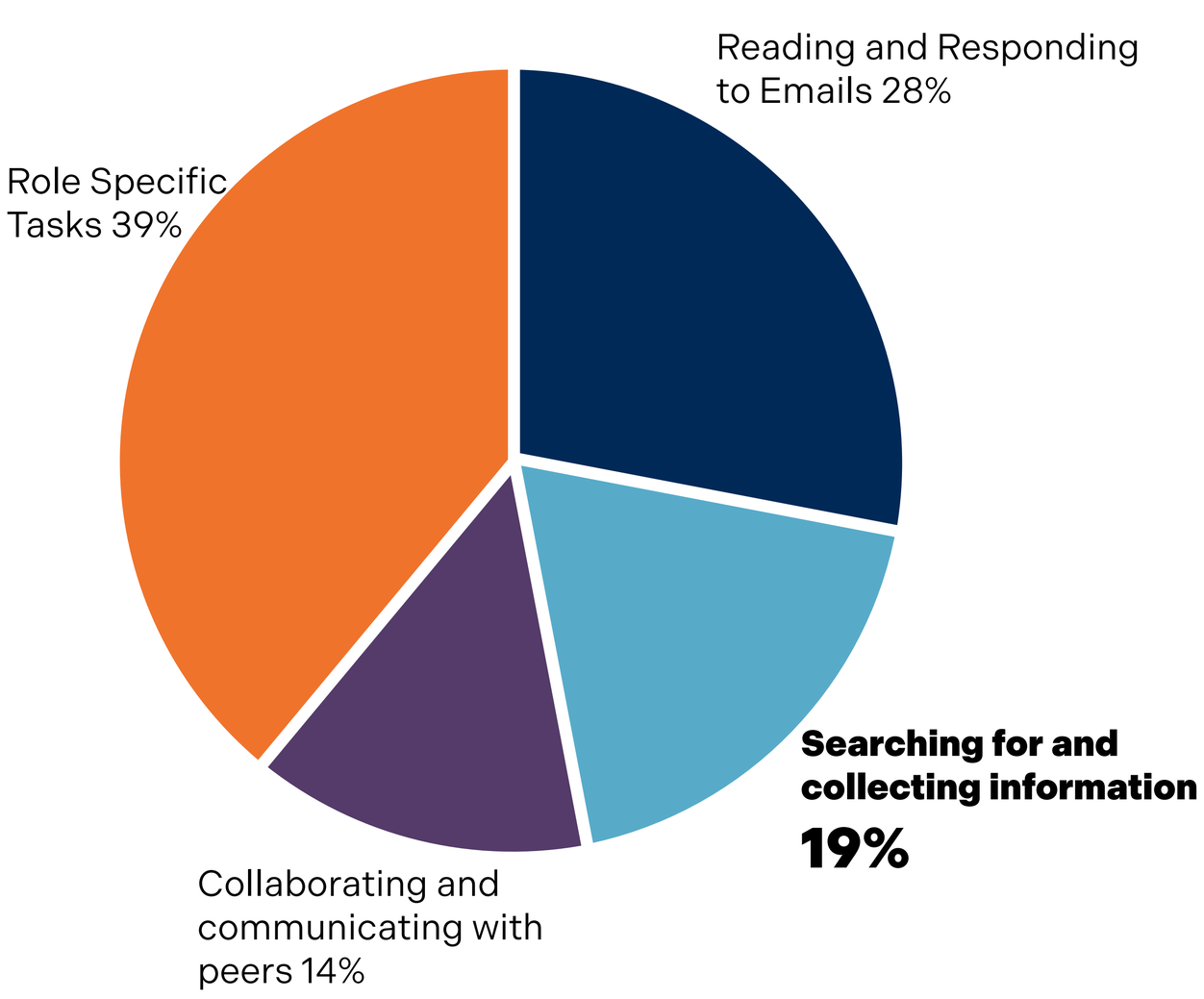
The cost of doing nothing in knowledge management

Have you ever stopped to consider how much of a drain on productivity your teams are experiencing each day searching for materials or stopping to ask a peer in order to get things done?

Many companies love to reward their top performers - those who get their work done quickly, efficently and with the maximum positive impact. When compared to their peers they seem to have all the answers, comfort using the company's systems and can speak eloquently to the value they provide. The delta between this top performer and the average worker is the hidden cost to productivity that you may easily be ignoring or writing off as the cost of doing business.

What if the status quo could be changed? What if you could raise the performance of every employee to the level of a top performer?

According to a study performed by the McKinsey Institute, the average work-week of your employees looks like this:



This shows that each employee is spending the equivalent of one day per week searching for information. If you pay an average of $75,000 per year, that means you are costing your company $15,000 per employee each year, because information is hard to find at your company. Imagine what your teams could accomplish if you could give that time back to them!

This $15000 per employee is called an *opportunity cost*. Basically that means you are spending money on one activity (in this case searching and collecting information) when you could be spending it on something else - like helping more customers, answering more calls or creating new innovative products. On top of the opportunity cost related to searching, there are additional hidden costs like duplicating effort, hindering collaboration or wasting valuable research that never gets used to it's fullest potential.

So the case for change can be pretty compelling when you start to add all this up - and still we find many companies struggle to move quickly to solve this problem. For many this becomes a cost of doing business, because trying to change is just too hard.

"I really strongly suggest looking at the time lost within your organization and you may be surprised, because we came up with a phenomenal dollar amount! Purchasing Bloomfire was a fraction of that money."
- Technical Director, Paypal

In many cases, a company's knowledge becomes locked away in the endless folders of well-meaning groups who tried to address this with more organization. It usually works for a little while, but over time - without constant monitoring and clean-up, the folder structures break down and individuals start their own private collections so they always know where to find what they need to do their job efficiently. This often results in outdated information because the most recent version isn't pushed out to all these private storage lockers.

Another way that knowledge gets locked away is in the minds of subject matter experts. These are often your most highly skilled and highly paid workers. If they are generous with their time, they often are asked the same or similar questions over and over again. If they are too busy, other members of the team struggle to get them to respond, which leads to extended time completing tasks or keeping customers waiting. If this knowledge remains in the minds of these experts when they retire or move on - that critical knowledge leaves with them!

The problem with both these situations is that neither is sustainable or scaleable. Growing companies without a strong knowledge management strategy find themselves constantly searching for more employees with expertise or ballooning headcounts just to keep up with the administrative lift maintaining all those knowledge base solutions.

Unfortunately there is no magic wand that will fix this issue. There are however some powerful tools and advancements in artficial intelligence that can recover time lost spent searching and augment the performance of their team. Making that technology accessible to your team is what Bloomfire does best. Our teams are experts in knowledge management and change management - so we can help you sort through your specific challenges, help you create a scalable, personalized solution and thenn work through the changes with your team to drive adoption and realize productivity gains.

How to calculate the cost of doing nothing...

If your status quo means you are loosing productivity and have an opportunity cost quickly adding up then its time to take action. Every day spent with out an effective solution is lost to this inertia. Time to show everyone what each day lost is really costing your company.



**Time Delta calculated based on difference between top performers and the average. This information is typically available from the administrative tools in your file storage system - for example Average Time Spent per User in SharePoint*

Identify areas with the biggest potential for productivity losses - look for larger teams where knowledge is critical to success in the role. Where is the knowledge kept? How long to employees spend searching for information? Are they successful in finding it? What is the delta between a top performer and the average in time spent searching and in productivity outputs - like profit or revenue generated per employee? Depending on which department has the biggest opportunity, the way you deploy a knowledge management solution may change.

If you can quantify the losses in the base terms of hours and average salary that's great. But its important to think of other hidden costs? How do these vary by team? Example - the value of research teams collaborating on innovation, strategic marketers or product managers exploring new or adjacent markets, subject matter experts being constantly pinged for similar questions, duplicative effort, holding back collaboration (quiet reading time). Costs in these areas could be measured in time, cost to repeat effort, cost for missing a market opportunity or discovering a game-changing innovation. Find a productivity metric that is meaningful to your company or department.

Add all this up and you get your total opportunity cost.
Next weigh this against the total cost of ownership for a knowledge management platform and the team needed to drive change in your organization. The amount of time to value for your chosen solution should be factored into any business case evaluation.

Then give us a call.

"Bloomfire has been more helpful than I would have ever imagined, there is no end to how valuable this program can be for your organization."

- Jessica McLaughlin, Training Manager at Giltner

