

The more we use the knowledge, the more we gain.

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Before discussing how to count knowledge, I would like to ask: "What is knowledge?" Just to be clear about what to count. We hear the terms tacit and explicit knowledge, the first is the knowledge we cannot tell or record, the example being how to bicycle. The second is the knowledge we can tell somehow. Already now we run into troubles about the counting: If do not know what we know, how to count it?

Which leads me into the next consideration: Why should we count knowledge?

I know – it is a matter of return-of-investment (ROI). All right, let's go for it: Do we measure knowledge in liters, kilos, dollars, meters...? As we normally invest in time and money, the ROI may be measured in time and money. Let us look at an example: A kid spends a week learning to bicycle. He scratch his knees and his daddy spends a full day running after the bike – the time spend altogether is 48 hours.

Now, what is the acceptable ROI? That the kid is able to run a bike for another 48 hours? 48 years? We know this is not the point. The point is that the kid gets the pleasure of bicycling and the opportunity to move and meet friends. In Denmark he will bike to school, saving time and money and pollution for transportation – not only as a kid, this will last for the rest of his life, the ability to bicycle.

This is the key point. We spend time to learn to be able to know – and it does not disappear. The more we use the knowledge, the more we gain. Quite the opposite of money and other recourses, knowledge is everlasting, when it is internalized in our minds; and we cannot avoid utilizing what we know, when the knowledge has become a part of our personality. ROI includes the time, knowledge does not. ROI includes the limitation of recourses, knowledge does not. Still there is a requirement for measuring knowledge to make sure that the time and money spend on training pays off.

Individuals build up their knowledge not only by attending training also by experiencing and reflecting. In Oracle we have a structured process for knowledge sharing and- creation called Proactive Reviews consisting of seven simple questions asked in a specific sequence. The foundation of this process is a mutual dialogue which is facilitated by a neutral facilitator. A team runs a Proactive Review when they prepare a large scale bid, deliver a complex IT implementation, manage a high-cost event or other matters of high risk or high cost. The Proactive Review itself is confidential, only the tangible output is shared with others i.e. the Action- and communication plan and the one or two topics that the senior management needs to know. The Proactive Reviews make the organisation able to avoid repeating mistakes, repeat successes, innovate based on experienced needs, implement changes in working processes smoothly and increase efficiency. A Proactive Review lasts for two to three hours and has 3 – 16 Delegates. Oracle measures the numbers of Proactive Reviews as well as the number of changes they have caused.

Organizations often measure the investment in knowledge creation: How many training days, how many certifications, how many PhDs? But what we need to know is how the investment influences the bottom line.

As the organisation needs to have the right knowledge available, it would make sense to measure

- Training days compared with failures in the production/services
- Training and experience compared with utilization
- Training and experience compared with sales target
- Number of knowledge sharing processes compared with

- Number of changed working processes
- Increasing efficiency
- Number of innovations