

THE VALUE OF KNOWLEDGE PRESERVATION

by Gail L. Trugman-Nikol, President
Unique Business Solutions

In 2010, 40% of the most experienced portion of our workforce will be eligible for retirement. In three years, about 31 million baby-boomers can walk out of their companies' doors along with a huge body of accrued knowledge, including procedural and historical information, as well as contacts built over the years and insights born of experience. The business impact of this knowledge drain is one of the greatest threats to the stability and continuity of your business in the near future.

While 70 - 80% of company executives concede that this outflow of personnel will be a problem, they also admit that they don't know what knowledge must be kept or how to preserve that knowledge. Similar instability has affected companies on a smaller scale when key employees have left on long-term disability or for employment elsewhere. Would you know what to do?

Here are the three questions every business owner must ask:

- 1) What knowledge is likely to be lost when a key employee leaves?
- 2) What will be the business consequences of the knowledge loss?
- 3) What can be done NOW to minimize or prevent the damage?

Start with a survey. Analyze the key positions and skill areas within your company. Develop a survey form that will enable employees to codify what they do, how they do it, the people and departments with whom they interact, and when and how they start a process. Using a combination of the survey and conversations with key employees, your company can develop a manual that reviews and simplifies its business procedures.

The key is to be proactive and develop a plan now, not wait until a single key employee or a group of employees give notice or retire. "Two weeks notice" will leave you caught short, without enough time to develop a strategy to produce proper documentation.

When dealing with critical knowledge, various steps can be taken to mitigate the risk of losing it before transitions occur:

- 1) Write it down.
- 2) Educate and train or cross-train replacements internally.
- 3) Re-engineer the job for the future.
- 4) Consider alternatives.

One of my clients recognized the danger when she realized that most of her employees had been with her company 20 years or more. They were skilled and dedicated.

"However," observed Anne D. Shybunko-Moore, President of GSE Dynamics, "as we moved into the second generation, having achieved set goals of growth and diversification, it became apparent that our risk was focused on company know-how. We needed to implement procedural manuals that outlined everyone's individual duties, and allow me to have a resource to train new employees when the time comes."

You are probably thinking, "I don't have the time to do this." Your strengths and talents are better spent focused on sales, marketing or manufacturing. This is true of most business owners. An alternative route to documentation is the formation of a committee from the employee pool.

Outsourcing is another alternative. One of the advantages of outsourcing is a review of procedures from a professional and outside perspective. Also, day-to-day operations are not disrupted by the burden of this project on individuals whose skill set may not even include manual writing.

No matter how you achieve documentation, do it and do it now. Prevent the knowledge that resides only inside your employees' brains from disappearing when they walk out the door to a vacation, a leave, or retirement.

Preserve the continuity and stability of your company.

