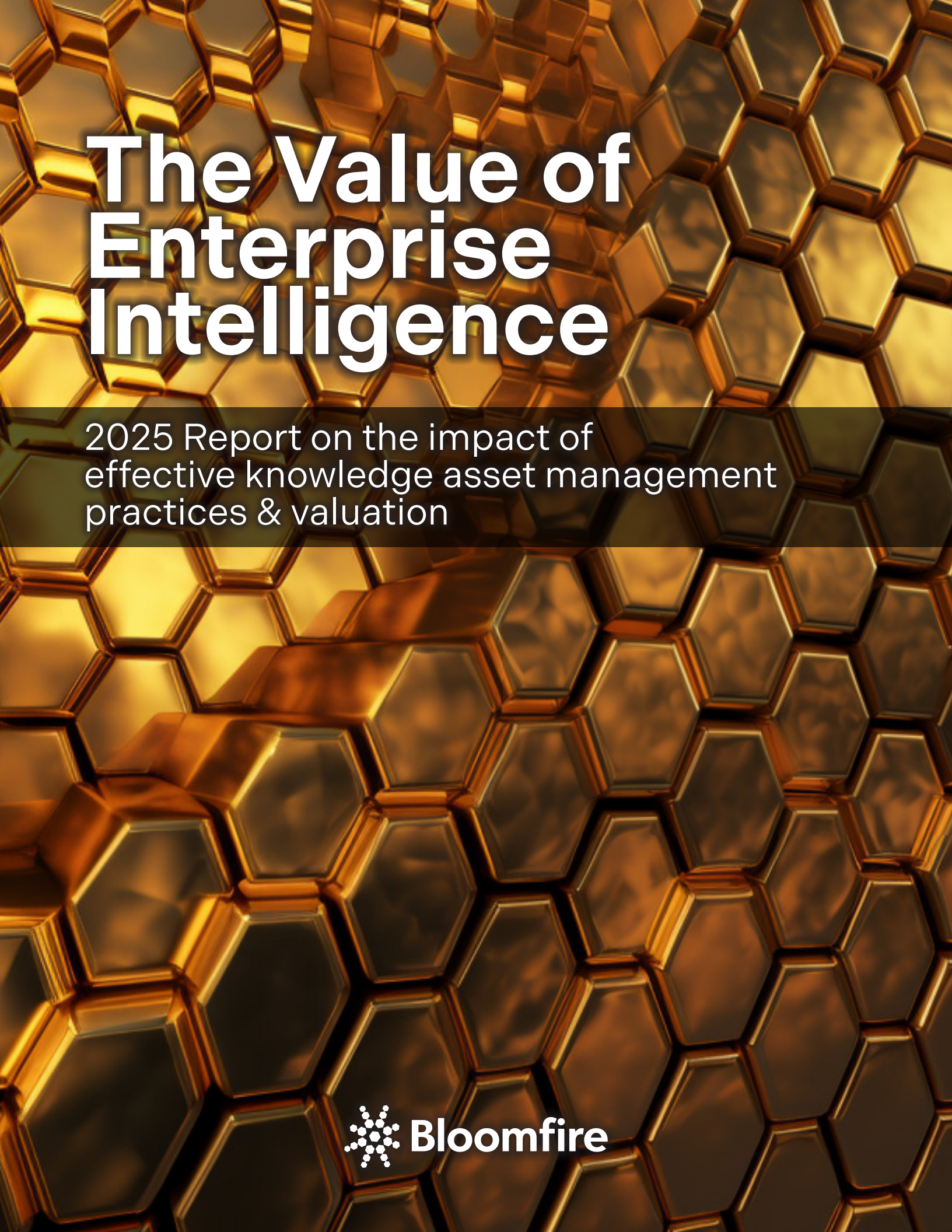
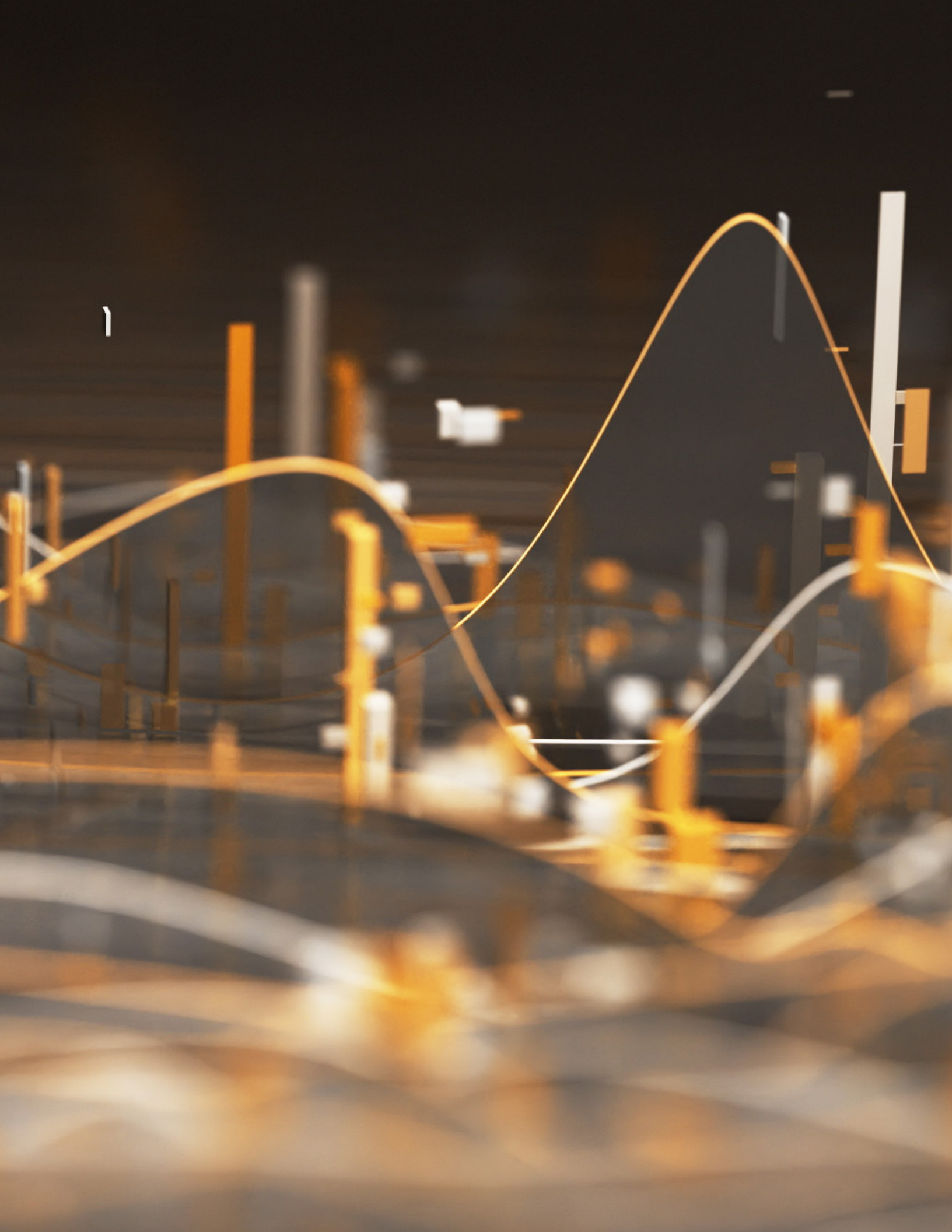

The Value of Enterprise Intelligence
2025 Report on the impact of effective knowledge asset management practices & valuation
Bloomfire



INTRODUCTION

It goes without saying that businesses track capital investments, real estate, and trade secrets on their balance sheets among their most valuable assets. But why have companies failed to quantify the most important asset that drives creation and activation of their intellectual property–their knowledge?

Despite being the driving force behind innovation, decision-making, and productivity, knowledge remains one of the enterprise's most undervalued, undertracked, and underutilized assets. Companies spend millions generating insights and developing employee expertise, yet much of that intelligence gets trapped in silos, buried in emails, or lost as employees walk out the door. The result? Wasted time, duplicated efforts, and missed opportunities that cost companies millions annually.

What if we changed the paradigm?

What if organizations treated knowledge as an asset that can be measured, optimized, and leveraged—just like financial capital? What if insights weren't something employees had to search for but something that surfaced to them at the exact moment they needed it? What if an organization could harness this vast amount of knowledge into true enterprise intelligence, able to be indexed and quantified to be sure the valuable efforts of its employees were driving to optimal outcomes?

The numbers reveal the stakes:

46%
of employees say their days would be significantly more productive if knowledge flowed freely

80%
of employees report that frictionless access to knowledge has improved their ability to make high-quality decisions, with **35% saying their decision-making ability has greatly improved** in just six months

59%
reduction in barriers to accessing information is achieved when a company adopts robust knowledge management process and tools

Organizations with strong KM programs see measurable improvements:

+10%
in cross-functional collaboration

+12%
in team efficiency

+5%
in customer retention

This report provides a framework for quantifying the financial value of your company's knowledge. It delivers the data and methodology leaders need to define exactly how much their knowledge assets are worth and why treating them as an afterthought can lead to inefficiencies, missed opportunities, and competitive disadvantage.

By activating knowledge, rather than just storing it, companies can unlock new levels of business agility, decision-making speed, and workforce empowerment. Your knowledge is either a strategic asset—or a liability.

The difference is how you value it. This isn't just knowledge management. This is Enterprise Intelligence.

CONTENTS

The Importance of Quantifying the Value of Company Knowledge

Corporate knowledge is one of the most critical yet underrepresented assets in modern enterprises. While knowledge may not appear as a distinct line item on the balance sheet, its contribution to productivity, innovation, and competitive advantage is undeniable. As businesses navigate a knowledge-driven economy, treating knowledge as a measurable and strategic asset becomes essential for long-term success.

Traditional accounting practices group knowledge under vague "intangibles," obscuring its true value and limiting organizations' ability to prioritize and manage it effectively. This lack of clarity can lead to significant risks: outdated knowledge undermines decision-making, redundant information clutters systems, and tacit expertise is lost when employees leave. Conversely, organizations that quantify the value of their knowledge gain the ability to manage it proactively—retiring obsolete information, prioritizing high-value data, and aligning knowledge strategies with broader business objectives.

From Static Knowledge to Enterprise Intelligence

The way organizations manage knowledge is shifting. Knowledge is no longer just something to be stored, searched and retrieved—it must be activated, contextualized, and seamlessly integrated into workflows. AI-driven systems, such as Bloomfire, are enabling this shift by embedding knowledge within business processes, ensuring that employees, decision-makers, and front-line workers receive the insights they need before they even have to search for them.

This shift represents the emergence of Enterprise Intelligence, where knowledge flows dynamically across systems, breaking down silos and enhancing decision-making in real time. In this environment, knowledge is no longer static—it's an orchestrated system that intelligently distributes insights across the organization, fueling continuous learning, efficiency, and innovation.

Turning Intangibles into Assets

By assigning measurable value to knowledge assets—whether through their direct impact on revenue, cost savings, or productivity—organizations activate knowledge as it flows through the organization, becoming an integrated, measurable asset. This shift empowers leaders to:

- Justify investments in knowledge management (KM) systems and practices.
- Prioritize resources toward high-value intelligence that drives strategic goals.
- Demonstrate the intrinsic value of enterprise intelligence to shareholders, boards of directors, and executive leadership.

Quantification also enables organizations to retire redundant or outdated knowledge that no longer adds value. This ensures that resources are focused on assets that directly support business outcomes and reduces inefficiencies that can drain both time and budget.

Driving Strategic Prioritization

Knowledge quantification enables CFOs and other leaders to align their organization's knowledge strategy with measurable business objectives. Whether optimizing for revenue generation, operational efficiency, or workforce productivity, treating knowledge as a strategic asset ensures it receives the attention and investment it deserves.

This strategic focus ensures:

- High-value knowledge is preserved and leveraged effectively.
- Data governance eliminates inefficiencies and mitigates risks.
- Knowledge assets dynamically contribute to corporate performance metrics like revenue per employee, customer retention, and operational cost reductions.

As businesses prepare for the future, the ability to quantify and manage knowledge is no longer optional—it is a business imperative. Leaders who embrace this approach will be better equipped to unlock the value of their knowledge assets, safeguard their organizations against risk, and drive long-term growth.

Mitigating Risk in a Knowledge-Driven Economy

Tacit knowledge—expertise residing in employees' minds—represents both a significant resource and a vulnerability. Employee turnover, workforce changes, and siloed information threaten the retention and accessibility of this critical asset. By proactively quantifying and capturing tacit knowledge, organizations reduce their dependency on individuals and preserve institutional knowledge for long-term use.

As industries increasingly adopt AI-driven tools, poor knowledge management poses additional risks. Outdated, redundant, or trivial (ROT) data contaminates models and decision-making processes, turning what was once an asset into a liability. Enterprise Intelligence solutions actively mitigate these risks by ensuring knowledge remains fresh, relevant, and intelligently distributed. Organizations that embrace this proactive approach can improve data governance, ensure compliance, and protect their institutional knowledge from decay.

The Convergence of Business Intelligence, Enterprise Search, and Knowledge Management

Enterprise Intelligence is not a standalone function. It results from integrating business intelligence, enterprise search, and knowledge management into a seamless, AI-driven ecosystem. Each component plays a critical role, but knowledge management acts as the connective tissue, ensuring these systems work together to create meaningful insights and drive business impact.

- ***Business Intelligence (BI):*** BI tools analyze historical and real-time data to uncover trends and inform strategic decisions. However, BI alone lacks the depth of contextual knowledge that enables employees to act on insights effectively.
- ***Enterprise Search (ES):*** ES systems enhance information retrieval, helping employees locate data quickly. But without structured knowledge management, search results can be fragmented, inconsistent, or outdated, reducing their effectiveness.
- ***Knowledge Management (KM)*** is the discipline that ensures institutional knowledge, best practices, and real-world expertise are captured, organized, and made available in the right context. Thus, KM creates a framework for delivering maximum value through BI and ES.

When these three components are integrated under Enterprise Intelligence, organizations create a self-sustaining knowledge ecosystem. AI plays a critical role in this convergence, enabling continuous learning, automating the flow of knowledge across the organization, and ensuring that insights reach the right people at the right time.

Enterprise Intelligence doesn't just make knowledge accessible and actionable. It embeds intelligence directly into workflows, enhances collaboration, and ultimately shapes more agile, informed decision-making across the business. By recognizing and harnessing the power of this interconnected ecosystem, organizations position themselves for sustained competitive advantage and long-term success.

Knowledge Asset Classification

This report helps companies do more to inform shareholders and investors of the status and value of the company's knowledge assets and the advantages these assets deliver. It is now widely recognized that maximizing the output of the collective knowledge of an organization is a critical factor for corporate performance.

Employee productivity can no longer be seen as "soft" departmental issues to be handled by operations teams, IT, or workforce automation teams. Indeed, as generative AI unlocks new tools for creativity and improving access to company knowledge assets, investors recognize that poor knowledge asset management poses productivity risks that can damage the company and the bottom line and that positive knowledge management practices can directly contribute to improved company performance.

Simply listing knowledge blended with other intangibles doesn't go far enough to truly trade on a company's knowledge assets. For a company to recognize and be rewarded for its unique knowledge by shareholders and investors, providing a value for these knowledge assets and supplementary material is far more straightforward. This approach should include valuation methods, amortization, impairment, classes, and risk disclosure. These can then be further enumerated in management's discussion and analysis of the financial statements.

At the core of this valuation process, all company knowledge should be reviewed and assigned as part of the appropriate asset class. These classes create a framework to assess the value and maintain assets as they depreciate over time. Leaders can create key performance indicators (KPIs) that help track changes in asset valuation. Data or knowledge assets without clear contributions to business objectives should be re-evaluated or retired. By assigning knowledge a measurable value, companies protect their balance sheets and avoid missteps that outdated information can drive.

When preparing a detailed supplement, include the following knowledge asset classes:

Intellectual property - a summation of the value of patents, trademarks, and copywritten materials used to sustain a competitive advantage in the marketplace.

Explicit Knowledge Assets - a summation of the value of documented and curated knowledge assets, including proprietary work methods, organizational design, market research and insights, R&D, and corporate structured and unstructured data. To be considered an Explicit asset, a piece of knowledge must meet the following criteria:

- It is documented in an appropriate knowledge management system or document management system
- The documentation is reviewed and updated on a regular interval set by the document owners
- It is accessible to all relevant stakeholders who may benefit from or contribute to its use
- It provides measurable value to the organization by supporting business outcomes, decision-making, or innovation

Implicit & Tacit Knowledge Assets - a summation of the value of knowledge shared and applied by your employees. Valuation of these assets depends on determining the replacement value of the collective knowledge of the employees in your organization.

Each knowledge class has a preferred valuation method. Review each class regularly to ensure maximum utilization of knowledge assets and revenue impact.

For intellectual property assets, valuation is determined by the income approach (future revenue generated by products or services derived from the intellectual property), other factors such as market valuation (a view of similar assets traded on the open market), or replacement cost.

For Explicit Knowledge assets, valuation is determined using an income approach, specifically examining revenues and growth via direct or indirect attribution to effective asset utilization. Several attribution models can be applied to quantify the value of these assets, with each model considering the asset, utilization, and the department or function within the company used to drive revenue or contain costs.

For Implicit and Tacit Knowledge assets, valuation is determined using a cost approach, factoring in the cost of replacing the collective knowledge of your employees by department or function. The best operating companies insulate themselves from the risk of loss in this asset class by converting it into explicit knowledge as part of their knowledge management program.

CFOs play a pivotal role in shaping their organization's financial and operational success, and understanding the value of knowledge assets is an increasingly essential component of that responsibility. The methodologies, examples, and benchmarks provided in this report offer a practical framework for assessing and classifying knowledge assets in ways that go beyond traditional accounting practices. By leveraging these insights, CFOs can better quantify the contribution of knowledge assets to revenue generation, operational efficiency, and overall corporate performance. More importantly, using these benchmarks to inform strategic decisions ensures that your organization's knowledge assets are protected and optimized to drive long-term growth. We encourage you to use this report's guidance to evaluate your company's knowledge assets, aligning their value with measurable KPIs and ultimately showcasing to investors how effective knowledge management directly correlates with improved revenue per employee and enhanced shareholder value.

The Financial Impacts of Enterprise Intelligence

Methodology:
Over a rigorous four-month period, we conducted a comprehensive survey, capturing over 10,000 responses from professionals across 115 companies. Our methodology prioritized both breadth and depth— ensuring a diverse representation of industries while maintaining a statistically significant sample size. By systematically analyzing response patterns, we identified key trends and correlations, distinguishing the impact of knowledge management (KM) adoption from those operating without it.

Through rigorous data validation, normalization, and factor analysis, we identified clear patterns demonstrating KM's impact on efficiency, decision-making, and enterprise intelligence. By benchmarking companies with and without KM practices, our findings provide a statistically sound, data-backed view of how knowledge management drives organizational performance.

In today's fast-evolving business landscape, the journey toward enterprise intelligence has become a defining strategy for organizations aiming to stay competitive. This transformation hinges on the convergence of four foundational pillars: knowledge management (KM), business intelligence (BI), enterprise search, and artificial intelligence (AI). Together, they create an ecosystem where data is not just stored or analyzed but actively harnessed to drive smarter, faster, and more strategic decision-making. Among these pillars, a well-structured KM program serves as the connective tissue, aligning employees, business knowledge, processes, and technology to create a foundation for enterprise-wide intelligence. As organizations navigate the complexities of a globalized workforce, rapid technological evolution, and intensified competition, the ability to seamlessly manage and share knowledge has become a business imperative—not just a competitive edge.

This report analyzes survey data collected between September and December 2024, revealing how KM plays a critical role in the broader enterprise intelligence framework. Effective KM practices not only improve productivity and employee engagement but also yield measurable financial outcomes. Employees often spend up to 20% of their time searching for information or duplicating efforts due to inefficient knowledge-sharing processes. KM reduces this friction, streamlining access to critical information and allowing employees to focus on higher-value tasks. This study highlights how companies of all sizes—from Fortune 100 giants to mid-sized businesses—can harness KM to amplify the impact of BI, enterprise search, and AI, ultimately driving greater operational efficiency and cultural cohesion.

The financial implications of integrating KM into the enterprise intelligence journey are substantial, influencing up to 25% of annual revenues. In organizations with optimized KM systems, barriers to accessing information are reduced by nearly 59%, resulting in potential revenue gains of $27.1 million per 100 employees and an additional $2.69 million in cost avoidance—directly boosting margin performance and operating cash flows. These outcomes become even more powerful when KM is integrated with BI tools and leverages AI-driven search capabilities, enabling real-time insights and data-driven decision-making across the organization.

ESTIMATED REVENUE IMPACTS

$27.1 M per 100 employees
via increased productivity

+ over $2.26M per 100 employees
in total cost avoidance

estimated based on approximately $9.25B in annual revenue and 7750 employee count

These impacts extend beyond operational gains; it is a catalyst for market competitiveness and innovation. By accelerating decision-making, reducing project delays, and fostering cross-functional collaboration, KM empowers businesses to adapt swiftly to market changes. Industries that rely heavily on knowledge workers—such as finance, healthcare, and business services—see amplified benefits, while risk management also improves through better control of policies, procedures, and compliance documentation.

Enhanced Employee Engagement and Retention

Employee engagement is another critical lever of financial performance, and knowledge management programs play a central role in fostering a connected, informed, and motivated workforce. Our survey data revealed a consistent theme: employees who perceive their organization as having strong KM practices report higher levels of engagement and job satisfaction. These employees are more productive and likely to remain loyal to the organization, reducing turnover and associated costs.

Employee turnover is a major financial burden. Estimates suggest that replacing a single employee can cost between 50% and 200% of their annual salary, depending on their seniority. By empowering employees with accessible, actionable knowledge, organizations create an environment where individuals feel valued and equipped to succeed. This sense of empowerment translates into higher retention rates and a more stable workforce, which is critical for long-term financial performance.

Building a Culture of Innovation

Innovation is the lifeblood of growth, and effective KM systems serve as catalysts for creative thinking and problem-solving. By breaking down silos and facilitating the free flow of ideas, KM practices encourage employees to collaborate across functions and geographies. This cross-pollination of ideas often leads to breakthrough innovations that drive revenue growth and market differentiation.

The survey data highlights that organizations with robust KM practices are more likely to report higher employee creativity and collaboration levels. Respondents frequently cited the ability to access relevant knowledge at the right time as a key factor enabling them to contribute new ideas and improve existing processes. These contributions are not just theoretical; they manifest in tangible outcomes such as faster product development cycles, enhanced customer experiences, and increased competitive advantage.

Strengthening Organizational Culture

An often-overlooked benefit of KM programs is their role in shaping and sustaining a strong organizational culture. Culture is a significant driver of financial performance, influencing everything from employee morale to customer loyalty. By embedding knowledge-sharing into the fabric of daily operations, organizations foster a culture of transparency, trust, and continuous learning.

Our survey data underscores this point, showing that organizations with mature KM practices consistently score higher on cultural cohesion and employee alignment with company values. When employees see that their organization prioritizes knowledge-sharing, they are more likely to feel connected to the company's mission and vision. This alignment translates into higher levels of discretionary effort, improved teamwork, and a stronger sense of purpose—all of which contribute to financial success.

The Role Technology Plays in These Benefits

Technology is an essential support for managing and maximizing knowledge assets. Knowledge management platforms enable companies to document, store, curate, and share explicit knowledge, ensuring accessibility and regular updates. Generative AI, Retrieval Augmented Generation, and LLMs help answer common questions, provide surface insights, identify trends, and connect knowledge to people at their time of need, which produces measurable business outcomes, such as increased revenue per employee. Integrations with other collaboration tools foster knowledge sharing across departments, making capturing knowledge from across a range of tools easier. Machine learning personalizes access and search, making it easier for employees to find relevant information. Technology also plays a critical role in mitigating risks from turnover by capturing and retaining tacit and implicit knowledge. Knowledge base health, cleanliness, lifecycle management, and analytics help monitor the value of assets over time, ensuring they remain aligned with strategic objectives and ensuring AI tools can only rely on complete, accurate, and up-to-date information. By integrating these tools, companies can confidently quantify, optimize, and communicate the financial impact of knowledge assets to stakeholders.

The Strategic Importance of KM Investment

Investing in knowledge management is not just a cost—it is a strategic imperative with a clear return on investment. From improving operational efficiency and reducing turnover costs to fostering innovation and strengthening culture, the benefits of a strong KM program ripple across every aspect of the organization. However, achieving these outcomes requires a deliberate and sustained effort. Technology, while critical, is only part of the solution. The most successful KM programs integrate tools, processes, and cultural practices to create a holistic approach to knowledge-sharing. If your company needs to unlock the productivity of your people, this report is for you.

The data collected paints a compelling picture of KM's potential to drive measurable financial and organizational benefits by leveraging enterprise intelligence. By analyzing key trends and insights, we aim to provide actionable recommendations that organizations can use to unlock the full value of their knowledge assets. In an era where knowledge is the ultimate competitive advantage, those who invest in enterprise intelligence are not just optimizing for the present—they are future-proofing their success.

In the following sections, we will explore the survey findings in greater depth, examining how knowledge management contributes to productivity, engagement, job satisfaction, and culture. Through the examples provided, data analysis, and actionable insights, we aim to provide a roadmap for organizations seeking to harness the power of enterprise intelligence to achieve their strategic goals.

Cost Avoidance Achieved Through The Elimination of Daily Inefficiencies

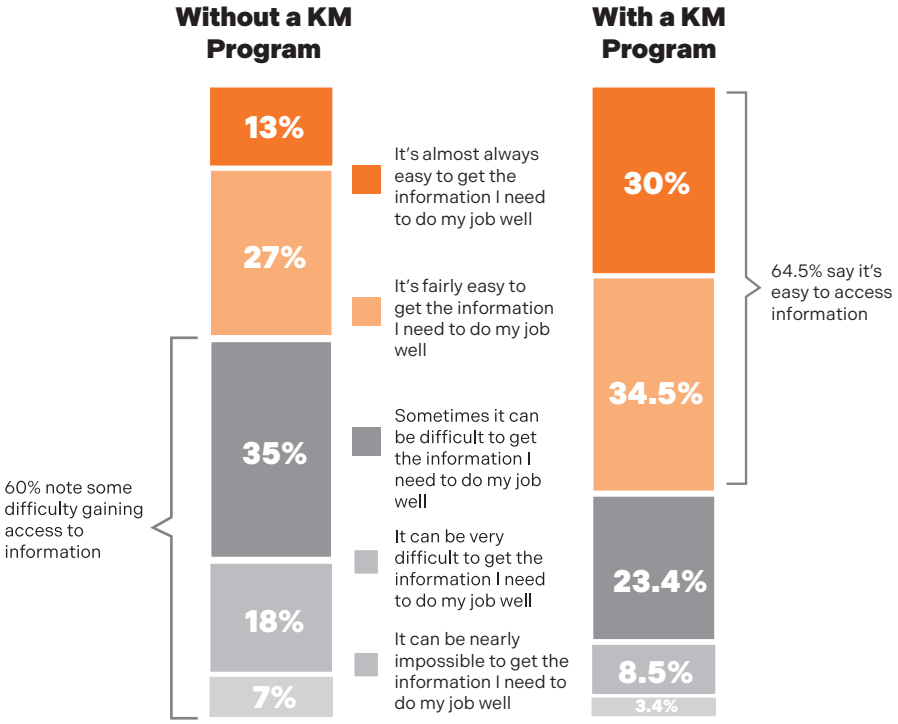
Methodology:

For this portion of the analysis, the impact of knowledge management is evaluated using a Cost Avoidance Model. Companies with rigorous KM programs are compared to those without with a focus on common issues employees face with access to information. Companies that have adopted KM have eliminated the additional cost of time lost searching for information, seeking help from peers, working through trial and error or duplicating efforts. Time spent working inefficiently is then quantified using the operational cost of an employee's time (ie Salary, Equipment etc).

At its core, productivity is about maximizing output while minimizing wasted effort. Daily inefficiencies, such as siloed information, unclear processes, or outdated knowledge repositories, act as barriers that impede this goal. Employees often spend a significant portion of their day navigating inefficiencies that drain both time and resources. From searching for misplaced files to duplicating efforts already completed by others, these seemingly minor inefficiencies compound to create substantial productivity losses. A robust KM program mitigates these issues by simplifying knowledge access, eliminating redundant, outdated, or trivial information, and promoting team transparency.

Easy Access to Information

Most employees know what they need to do their jobs well. When access to information is easy for them, they are more likely to feel productive, confident, and empowered to excel. This, in turn, leads to higher levels of job satisfaction and improved outcomes. Unfortunately, in many organizations, employees report some level of difficulty getting the information they need. However, those with robust KM programs show that the barriers to information can be reduced by 58.8%.



Companies with robust KM programs reduce barriers to information by 58.5%

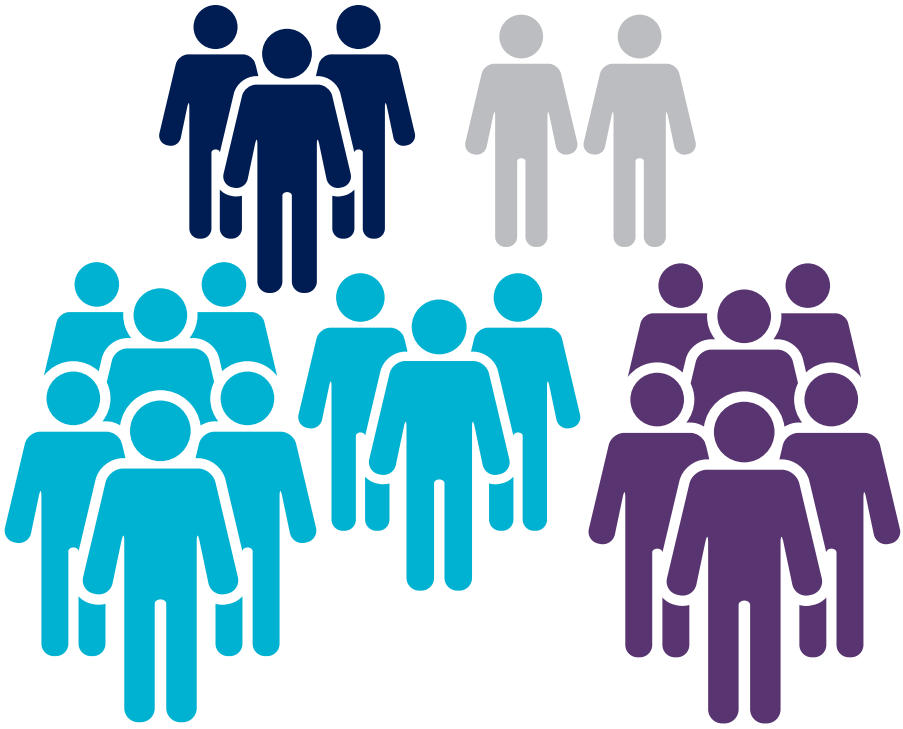
Unlocking Productivity

An overwhelming majority of employees believe that the secret to unlocking productivity at their company is sharing more information across departments.

98.5%

of employees believe they could be more productive when knowledge is shared across departments

46% of employees say that their days would be significantly more productive if their company improved access to information

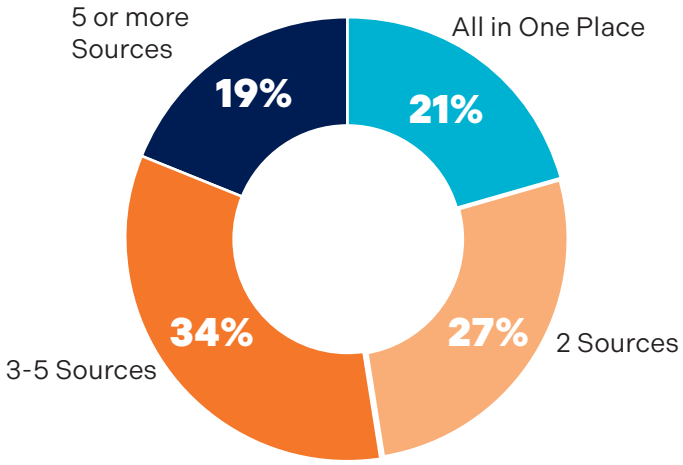


How much more productive would you be if your company improved access to information?

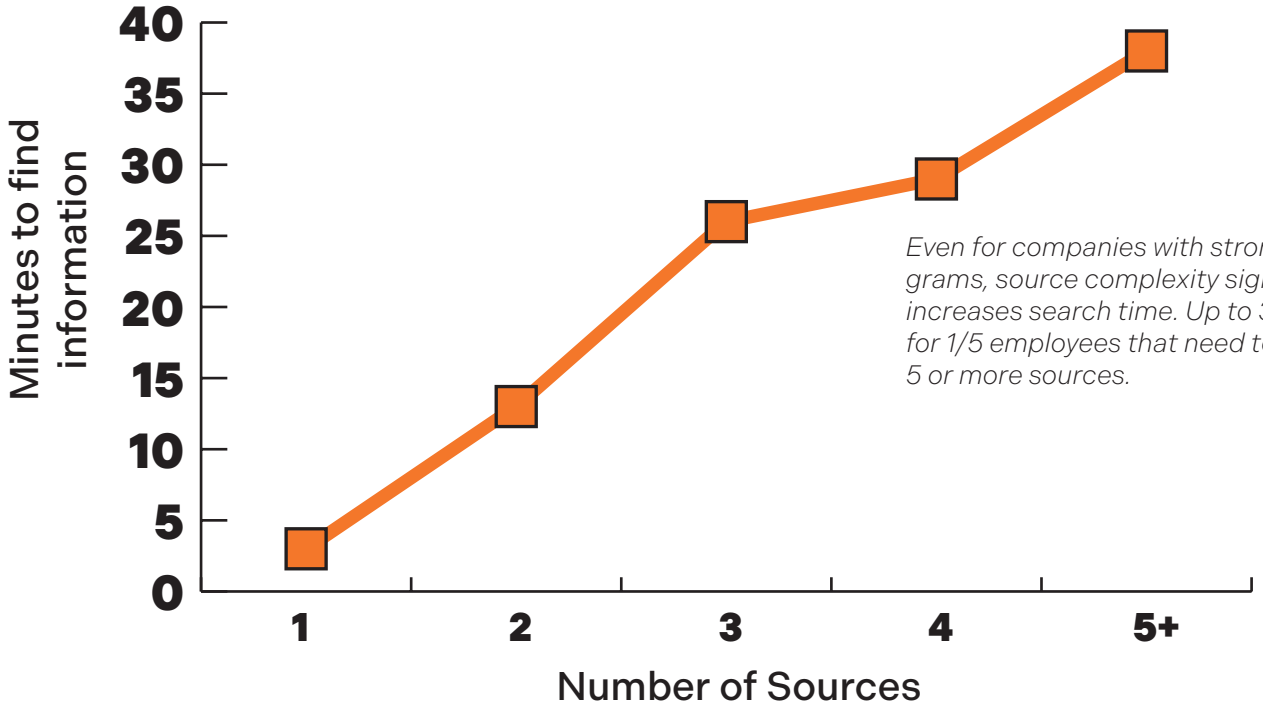
- Significantly More Productive
- More Productive
- Moderately More Productive
- Little to No Impact on Productivity

Dealing with Multiple Sources

Company knowledge is stored in diverse sources. 80% of employees report having to rely on two or more sources. In heavily regulated industries, like Banking and Insurance, 43 percent of employees report relying on five or more sources.



For companies with robust KM programs, employees report it typically takes less than 15 minutes to find the documents they seek. However, when multiple sources are involved, these employees report that search time increases to 38 minutes to find each document they need.



Even for companies with strong KM programs, source complexity significantly increases search time. Up to 38 minutes for 1/5 employees that need to reference 5 or more sources.

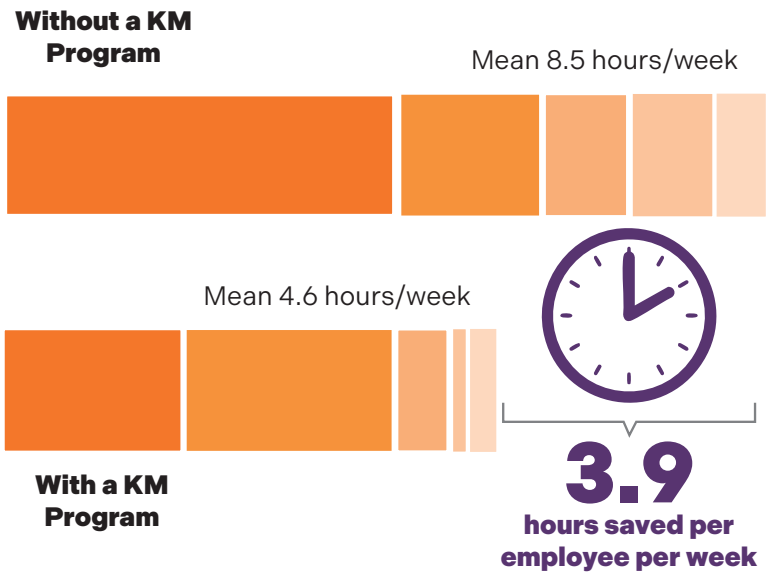
Time Spent Searching

Comparing search time to companies without robust KM programs, estimates put the weekly amount of time spent searching significantly longer - between 8-10 hours with a mean of 8.5. Simply by making information easier to find, implementing a KM program to cut down this search time can have a significant impact. The operational cost of employees not having access to information is real. The mean weekly search time for companies with KM programs is 4.6, **saving in effect 3.9 hours per week per employee.**

Increase the capacity of your teams by as much as 9.8%.

Unlocking this unproductive time searching for information effectively increases the capacity of your workforce by the equivalent of 98 FTEs per 1000 employees*.

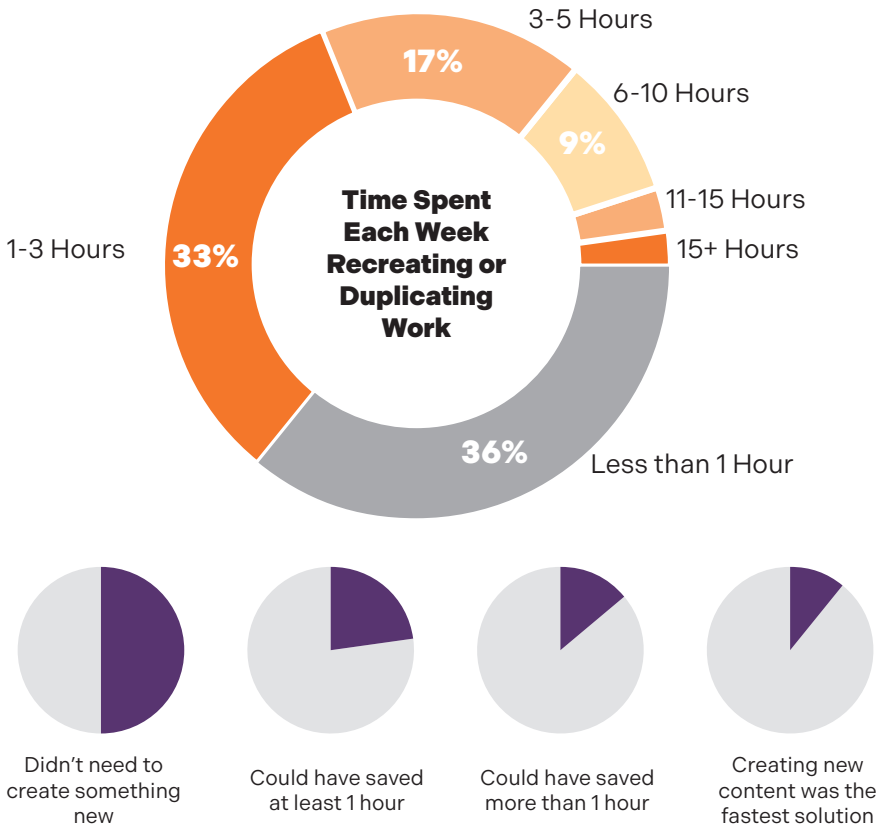
**based on the operational cost of 1000 employees with an average salary of $75K and saving 202 hours per year per employee*



Time spent searching quickly adds up and drains productivity. Companies with robust KM programs increase the their team capacity.

Duplication of Efforts
65% of employees spend at least 1 hour a week (average 5.68 hours per week) recreating information or providing duplicate effort. Recreating information is time-consuming, so even **finding the right starting point can save up to 32% of this time.**

50% of the time, users found a document they could use without creating something new. When creating something new, 23% of respondents believed they would have saved at least 1 hour if they could find the right document. 14% of the time, it would have saved more than 1 hour. 11% said that creating a new document from scratch was the fastest solution.



Calculating the Impact of Daily Inefficiencies
Addressing daily inefficiencies through robust knowledge management (KM) programs delivers measurable productivity and cost savings improvements. Employees often face significant challenges in accessing information, dealing with multiple knowledge sources, and recreating existing work, resulting in wasted time and effort. These inefficiencies, while pervasive, are not insurmountable.

Organizations with mature KM programs demonstrate clear benefits by improving their employees' daily activities. These companies see reduced barriers to accessing information by 58.8%, enabling employees to feel more empowered and productive. Search times for individual documents also decrease significantly—dropping from an average of 38 minutes when using multiple sources to less than 15 minutes in organizations with centralized KM systems. This reduction represents a 60.5% improvement in efficiency. On a weekly scale, employees in organizations without KM programs spend an average of 8.5 hours searching for information, compared to 4.6 hours in organizations with robust KM solutions—saving 3.9 hours per week, or approximately 45.9%. These savings translate to a nearly 10% increase in workforce capacity, equivalent to adding 98 full-time employees per 1,000 staff members.

Additionally, better knowledge-sharing practices help reduce duplication of effort, with employees saving up to 32% of the time they would typically spend recreating information. These productivity gains lower operating costs and improve employee satisfaction, engagement, and collaboration.

To calculate the exact value of these benefits through cost savings for your organization, you will need to include variables to determine the cost of an employee's time and the number of employees impacted. If possible, you should also collect baseline information on the time employees spend searching for information to do their jobs well and compare the progress you make as your chart a path towards the intelligent enterprise.

EXAMPLES FROM BLOOMFIRE

In the Insurance industry, large-scale organizations provide a wide range of insurance products and services to individuals, businesses, and other institutions. These companies operate nationwide with extensive networks of agents, brokers, and offices. Their offerings typically include property and casualty insurance, life and health insurance, and specialty lines of coverage designed to meet the diverse needs of their clients. As an agent, keeping track of all the details for each line and region is impossible. One such company uses Bloomfire to provide its agents, underwriters, and claims management teams access to all the content needed to provide exceptional service. Across 15,000 agents, they see the following cost savings connected to search time and improving daily efficiencies.

Weekly Search Time: average 4.4 hours (4.1 hours per week saved)
Employee Count: 15,000
Utilization Rate: 88%
Average Salary: $65,000
Annual Cost Savings: $87.9M

Weekly Duplication Time: average 3.25 hours (2.4 hours per week saved)
Employees Impacted: 9750
Utilization Rate: 88%
Average Salary: $65,000
Annual Cost Savings: $33.5M
Total Annual Savings (Time Value) = $121.4M or the equivalent capacity of 1867 FTEs (12.5% of the agent workforce)

A leading confectioner specializes in producing and distributing chocolate, candies, and snack foods, catering to diverse consumer tastes and preferences through a broad product portfolio. There are 2000 employees (12.5% of the global workforce) engaged across various markets and brands that rely on consumer research to guide their strategic decisions. By blending innovation with tradition and leveraging these insights, the company creates products that appeal to evolving consumer needs. Their market presence spans the globe, with products available in supermarkets, convenience stores, and online platforms, supported by seasonal offerings and brand collaborations. As global players in the confectionery industry, they demonstrate a commitment to quality, customer satisfaction, and market leadership, embodying the success and influence of premier confectioners. This company uses Bloomfire to house over 10,000 market research reports and subscriptions to consumer data streams. Even though users may not be in the system every day, making all this data accessible when they need it helps them be more productive in their daily activities.

Weekly Search Time: Average 6.2 hours (1.4 hours per week saved)
Employee Count: 2,000
Daily Utilization Rate: 17%
Average Salary: $135,000
Annual Cost Savings: $1.6M

Weekly Duplication Time: average 3.25 hours (2.4 hours per week saved)
Employees Impacted: 1300
Utilization Rate: 17%
Average Salary: $135,000
Annual Cost Savings: $1.8M

Total Annual Savings (Time Value) = $3.4M or the equivalent capacity of 25 FTEs (1.25% of brand management workforce)

Using Cost Avoidance To Determine the Value of Your Explicit Knowledge Assets

You can use these calculations to determine the asset value of Explicit Knowledge. The total annual savings from time saved is a cost avoidance value. This estimates the additional investment that would be required to meet the same level of productivity by hiring more employees in the absence of your program.

For example: The explicit knowledge value of time spent more productively for the insurance company described above is 121.4M which is the equivalent of needing an additional 1867 employees. This cost avoidance by an investment in managing the enterprise intelligence can then be combined with any additional revenue impacts contributed by those employees to estimate the total asset value.

Reducing Costs and Improving Productivity at Onboarding

Methodology:

For this portion of the analysis, the impact of knowledge management is evaluated using a Cost Avoidance Model, factoring in both the operational cost of turnover and onboarding combined with the productivity deficit that occurs during the time when a new employee is learning their role. Companies that effectively deploy knowledge management tools to support onboarding not only reduce the costs associated with bringing on a new employee, but they also have those employees become fully contributing team members faster than their peers.

The onboarding experience is one of the most important stages of employee engagement and productivity. The first week sets the tone for each employee, describing their daily workload and how effectively they can integrate into their new role. While formal onboarding programs often focus on orientation and initial training, there is a significant gap between the structured onboarding period and the time it takes for employees to reach full proficiency in their roles. This gap, known as "time to proficiency," can be costly for organizations as new hires operate at lower productivity levels during this period.

In industries with complex processes or regulatory requirements, the learning curve can stretch over several months, amplifying these costs. A robust knowledge management (KM) program plays a critical role in bridging this gap by providing employees with easy access to the information, resources, and best practices they need to succeed. By enabling self-service learning, reducing reliance on repetitive guidance, and fostering collaboration across teams, organizations with strong KM practices can significantly accelerate the speed to proficiency, often cutting onboarding times in half. This reduces the direct costs associated with prolonged training and ensures new hires contribute meaningfully to organizational goals more quickly, enhancing engagement and reducing turnover. The following section explores the financial and operational impact of reducing onboarding inefficiencies through a well-implemented KM program.

The Time to Proficiency Gap

Time to Proficiency Gap is the hidden obstacle slowing down new hires from reaching full productivity. It's the critical window between day one and peak performance—where knowledge gaps, inefficient training, and scattered resources can drag down momentum. The faster employees ramp up, the sooner they can make an impact. A powerful knowledge management system (KMS) slashes this gap by delivering instant access to the right information, reducing reliance on trial and error, and turning learning into action. Closing this gap means faster results, higher engagement, and a more agile, competitive workforce.

The Value of a Knowledgeable Employee

Turnover can be extremely costly to an organization, especially when valuable knowledge assets leave with them. A certain percentage of your knowledge assets are classified as *Implicit & Tacit Knowledge Assets*. This is the summation of the value of knowledge shared and applied by your employees. Employees acquire the knowledge necessary to do their jobs well in various ways, including formal education, professional training, and personal/work experience.

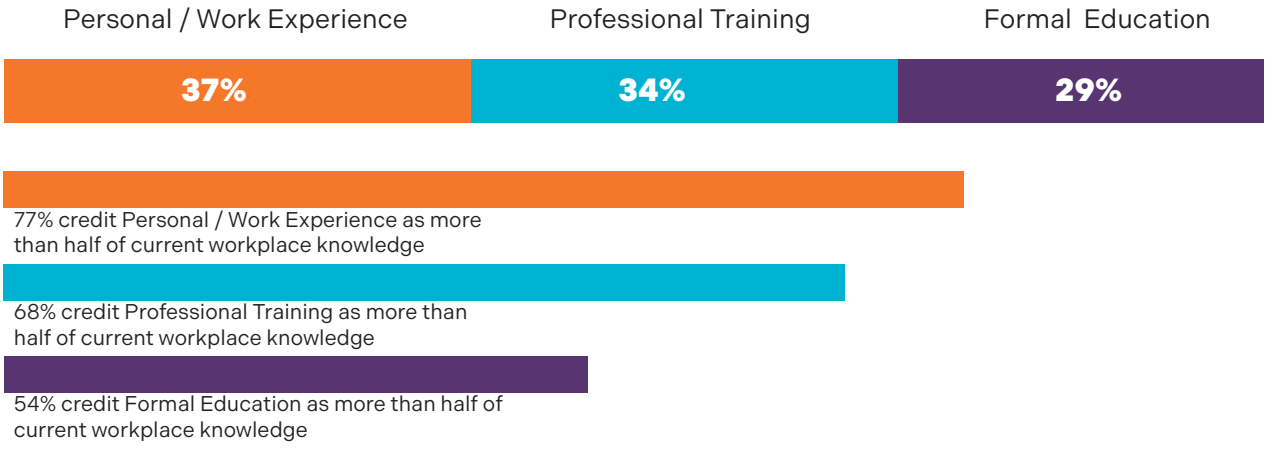
Where Does Knowledge Come From?

These findings highlight a clear preference for practical, applied learning over traditional education in the workplace. Employees overwhelmingly rely on professional training and hands-on experience to build the knowledge they need to perform effectively. A majority (68%) of respondents report that professional training contributes to more than half of their workplace knowledge, reinforcing the importance of structured learning opportunities tailored to real-world applications. Even more—77%—credit work experience as their primary source of expertise, proving that time spent actively performing job tasks is the most significant driver of competency.

When asked about the most valuable learning methods, respondents prioritized role-specific training and hands-on learning nearly 75% more than formal education, indicating a shift in how organizations should approach skill development. Employees view on-the-job experience and targeted training programs as far more relevant than traditional degrees, which often fail to provide the immediate, job-specific knowledge required to succeed in their roles.

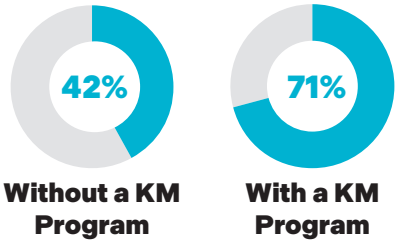
Moreover, 59% of respondents consider both experience and training essential, stating that their jobs simply could not be done without them. In stark contrast, only 35% of employees say the same about formal education, and a striking 15% believe that their formal education provides no help at all in performing their jobs. This data suggests that organizations investing in comprehensive training programs and real-world learning opportunities will see greater returns in employee performance, productivity, and long-term expertise than those that rely on traditional education alone.

These insights emphasize the need for knowledge management systems (KMS) that capture, organize, and distribute institutional knowledge efficiently, ensuring that employees can leverage the right mix of experience-driven insights and structured learning to close skill gaps and drive continuous improvement.



What domain best helps you to perform?

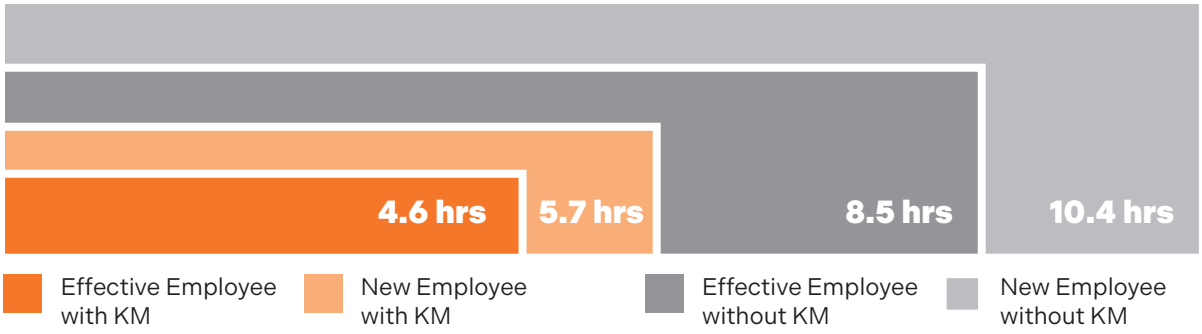
- Experience & Training are essential
- Formal Education helps
- Formal Education provides no help



Employees at companies with robust KM programs have an ability to specialize in the knowledge they develop for their role at a significantly increased rate to those without.

Formal Onboarding vs. Time to Proficiency

How long does it take someone at your company to become proficient in their role? Is it 4 months? 6 months? 12 or more? Despite this length of time, 86% of onboarding programs last less than 3 months and over half (55%) last only 1 month. Employees who value formal training and experience seek tools and resources to help them become more productive. During their first few weeks, employees estimate that it takes 22% longer to find the information they need to do their job effectively. Equipping that same new employee with the right KM tools saves them 4.7 hours per week (that's an onboarding productivity gain of 11.7% each week).

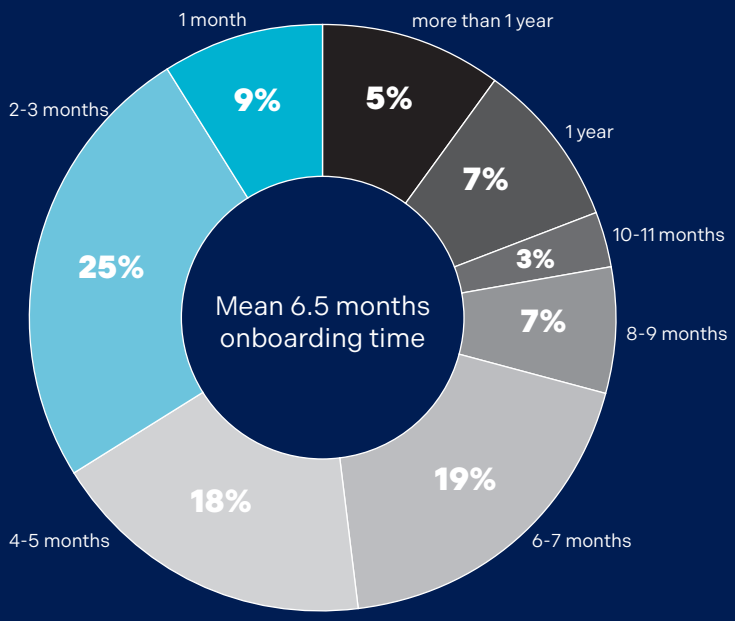


- Significantly More Productive
- More Productive
- Moderately More Productive
- Little to No Impact on Productivity

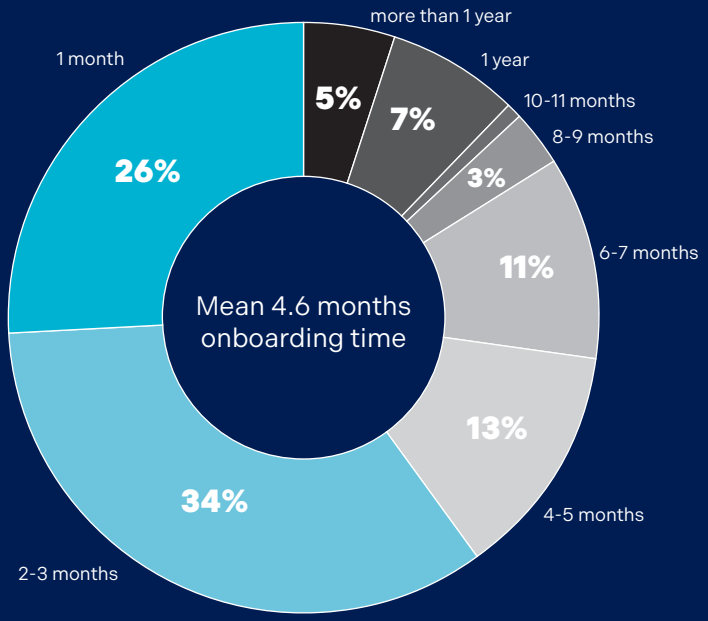
85% of employees believe better knowledge access will improve their productivity.

EMPLOYEE TIME TO PROFICIENCY

Without a KM Program



With a KM Program



Employees report requiring an average of 6.5 months before they are fully up-to-speed. Those that work for companies with robust KM programs report a much shorter time to proficiency (by at least 29%). Companies that implement knowledge management programs see reductions across all lengths of onboarding, with top performers (the top 26%) cutting onboarding in half.

The Cost of Turnover
98% of respondents agree that people with many years of experience in an organization are valuable because they hold unique knowledge about the organization or industry. You can quantify this value by looking at the operational costs of replacing one of these employees.

When asked what the hardest source of knowledge for companies to replace was, ***inspirational leaders*** and ***highly experienced employees*** were tied as the #1 ranked source. Inspirational leaders and highly experienced employees are the hardest to replace because they bring unique, intangible value to organizations.

- Inspirational leaders shape culture, motivate teams, and foster loyalty through emotional connections and vision.
- Highly experienced employees possess deep role-specific expertise, institutional knowledge, and strong relationships that drive efficiency and trust.
- Both groups influence others and ensure stability, making their loss disruptive. Their value extends beyond technical skills to mentorship and cultural continuity.

To mitigate the impact of an employee's loss, companies should invest in succession planning, leadership development, knowledge capture, and knowledge-sharing systems at similar levels to preserve their expertise and sustain organizational performance over the long term.

Total Operational Cost = Recruitment Costs + Onboarding Costs + Time to proficiency

Recruitment costs and hard onboarding costs are generally fixed by factoring in salary concessions/bonuses, recruiting fees, screening and interview time, managing job boards, and any initial training tools or new equipment needs amortized over the number of employees who turnover each year.

Time to proficiency impact can be more difficult to quantify. As shown in the data, most companies' formal onboarding process lasts less than 12 weeks; however, it's clear that the knowledge gap and lost productivity persist for much longer (from 20-28 weeks). Closing that gap is one of the primary reasons for converting tacit knowledge into explicit knowledge so that the incoming employee can learn more quickly. To calculate the financial impact of this gap, use a **ramp factor** to look at the operational cost (based on weekly salary) and the productivity deficit (based on weekly revenue generated per employee) during this onboarding period. This will enable you to quantify how the employee's skills increase over time during the onboarding process. This time necessary to reach proficiency is the primary factor in quantifying the cost of turnover.

You may also wish to factor in the cultural impact of losing an employee by including the reduction in productivity (rev/employee) for other members of the team as well as time spent helping the employee find information and time spent duplicating effort (creating daily inefficiencies).

Calculating the Ramp Factor.

To enable this calculation, estimate how much their productivity grows over time. Using a logarithmic scale, calculate the productivity gap (P) of a given week (t) during onboarding as a percentage of the total gap until the week of where the employee reaches full productivity (W).

$$P(t) = \ln(t + 1) / \ln(W + 1)$$

EXAMPLES FROM BLOOMFIRE

A Tax Preparation Services company focuses on simplifying the tax filing process for its clients. Knowledgeable agents are required to help customers maximize their tax refunds, navigate complex tax laws, and ensure compliance with federal, state, and local tax regulations. During the peak tax season, the company onboards thousands of tax consultants who prepare individual customers' returns. The speed and accuracy of their results are essential to their reputation as tax preparers.

Bloomfire acts as a central hub for knowledge management, focusing on onboarding, continuous learning, and compliance. Within their new knowledge community, they created intuitive custom homepages for tax preparers with regularly updated content and implemented role-based learning plans tailored to employees' experience levels. Daily announcements and widgets were added to the homepage to boost engagement, ensuring critical updates are easily accessible. Bloomfire's group features also allowed for precise content segmentation, ensuring compliance across corporate and franchise offices. Using Bloomfire in this way has helped cut time to proficiency in half!

Baseline Operational Cost of Onboarding(21 Weeks): $5744 per employee
Post KM Improvements
Weeks to get up to Speed: 8
Average Weekly Salary: $1080
Operational Cost of Onboarding = $2348 per employee (41% improvement)

Number of Employees Onboarded Annually: 3500
Baseline Operational Cost of Onboarding: $20.1M
Operational Cost with KM: $8.2M

Operational Savings = $11.9M

A third-party logistics (3PL) provider specializes in managing transportation, distribution, and supply chain needs for businesses. Their Services include freight brokerage, warehousing, inventory management, freight forwarding, and real-time shipment tracking. 3PL providers focus on delivering cost-efficient, reliable, and scalable solutions tailored to their clients' needs. By leveraging a network of over 35000 carriers and advanced technology platforms, they track shipments, optimize routes, and improve supply chain efficiency. This enables businesses to streamline operations, reduce costs, and maintain transparency in logistics processes.

Retail, manufacturing, food and beverage, and healthcare industries rely heavily on 3PL providers to meet tight deadlines and customer demands. Because of the complexity of this business, onboarding new employees used to take six weeks before they could contribute fully. Knowledge management is now their most critical tool from a learning and development perspective. It reduces their onboarding time to one-third of what it used to be without compromising the quality of the training experience, reducing the time to proficiency from six weeks to two.

Quantifying Time to Proficiency
Weeks to get up to speed: 2
Average Weekly Salary: $1250
Number of Employees Onboarded Annually: 50
Operational Savings during Onboarding: $1563 per employee
Operational Savings = $78,150

Average Weekly Revenue Produced Per Employee: $8658
Productivity Deficit during Onboarding: $14,010 per employee
Productivity Recovery = $700,500

Total Impact of Improving Time to Proficiency = $778,650

Using Replacement Cost To Determine the Value of Your Tacit Knowledge Assets

You can also use these values to determine the asset value of tacit knowledge. Quantify this value by adding the Operational Cost of a single employee to the Productivity Deficit during onboarding. This estimates the replacement cost for the knowledge employees gain through their experiences.

For example: The tacit knowledge value of a single employee at the 3PL company described above is $15,573 per employee. So, as this company has 575 employees, the value of their collective knowledge is $8.9M.

Productivity Driving Increased Revenue

Methodology:

Beyond cost avoidance, calculating the value of knowledge assets must also factor the ability of those assets to produce revenue. The primary way to assess employee productivity is by estimating the output of revenue or profit generated as either a direct or indirect result of their work. This approach links employee performance to measurable outcomes, such as sales, customer satisfaction, or operational efficiency, ultimately impacting the company's bottom line. This section outlines how to assign the impact of employee performance on revenue production.

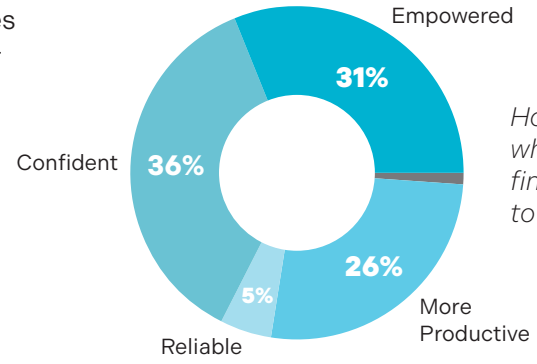
True enterprise intelligence can play a pivotal role in driving revenue growth by enhancing productivity across multiple dimensions. When employees are engaged and empowered through easy access to knowledge, their ability to deliver high-quality work improves, leading to greater client satisfaction and business outcomes. These and other knowledge management best practices also foster a culture of continuous learning, motivating employees to acquire new skills, adapt to changing demands, and contribute more effectively. Smart decision-making, enabled by shared knowledge, helps organizations align their strategies more effectively and increases the likelihood of achieving key objectives (OKRs). In this section, we explore how leveraging KM-driven productivity can directly and positively impact revenue growth.

Organizations can quantify productivity in terms of financial value by analyzing how an employee or department's contributions lead to new business generation or the enhancement of existing processes. This evaluation method provides a clear, tangible way to measure the value of an employee's work. It demonstrates how knowledge-sharing, skill development, and process improvements can directly contribute to overall business growth.

Attributing revenue or profit contributions to a department or business unit is a financial decision made by a company's accounting team. Dividing the revenue or profit generated by that department or business unit by the number of employees in that group provides a tangible way to evaluate its productivity. This number can vary widely based on industry and the work type. It's important to also include departments considered cost centers (e.g., Finance, HR, IT) in this attribution, as these roles play a key supporting role in enabling the success of profit centers.

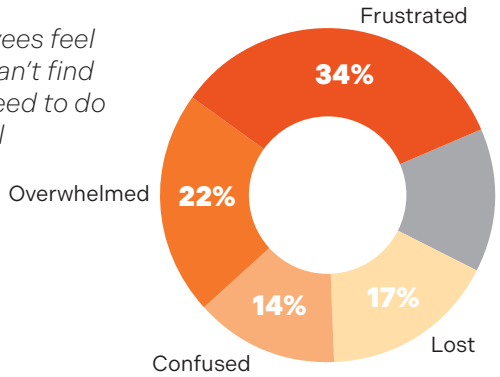
Employee Engagement
98% would prefer to work for an organization where employees share their unique work knowledge and believe they are more productive when information is easily accessible and shared across departments.

An overwhelming majority of employees believe that the secret to unlocking productivity at their company is sharing more information across departments- 46% of employees say that this would make their days significantly more productive.



How employees feel when they can easily find what they need to do their job well

How employees feel when they can't find what they need to do their job well

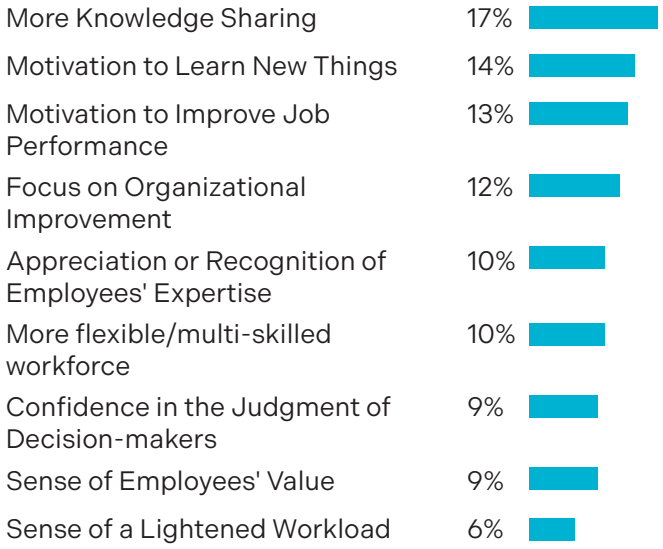


By quantifying the value of employee engagement, organizations can estimate the productivity gains that result from creating an environment where employees are empowered to access the information they need.

For example, calculating an increase in revenue per employee can include adjustments for the percentage of engaged employees and their improved productivity levels. This approach allows companies to directly connect engagement initiatives and bottom-line performance, showing how a knowledge-sharing culture improves employee well-being and drives revenue growth.

Factors Identified of Improving Operations (Frequency)

Factors Identified of Improving Culture (Frequency)



Improved Quality of Work

Improvements in work quality can be reflected in operational benefits, cultural benefits, and the employees' confidence and motivation to do their jobs well.

Operational Benefits

The data highlights a range of critical operational improvements that result in enhanced work quality. The top factors—sharing of best practices (16%), service quality (13%), and team speed and efficiency (12%)—directly affect how organizations deliver value to customers and execute internal processes. These improvements reduce bottlenecks and errors, allowing teams to work faster and more effectively, ultimately leading to better outcomes.

Other key factors like accuracy and speed of decision-making (10% each) and cross-functional collaboration (10%) indicate that improved work quality empowers organizations to break down silos, enhance alignment, and make smarter, faster decisions that improve competitiveness. Notably, the data reflects how improved product quality (8%) and customer retention (5%) stem from delivering consistent, high-performing services. While factors like rate of innovation (3%) and product-to-market time (2%) may seem like smaller contributors, they play a strategic role in long-term competitiveness.

Cultural Benefits

From a cultural standpoint, knowledge sharing instead of knowledge hoarding (17%) is the largest contributor, indicating that fostering a collaborative environment strengthens employee relationships and reduces inefficiencies. This cultural shift is supported by increased motivation to learn new things (14%) and improve job performance (13%), suggesting that better access to knowledge empowers employees to develop their skills, innovate, and exceed expectations.

Interestingly, benefits such as appreciation of employees' expertise (10%), confidence in decision-makers (9%), and a sense of value (9%) emphasize the importance of recognizing employees' contributions and building trust in leadership. This results in a workforce that is not only motivated but also deeply engaged, aligning their individual goals with organizational success.

Employee Confidence and Motivation

Confidence and motivation are recurring themes across both operational and cultural benefits. Employees who feel supported by readily available knowledge are more likely to trust their own expertise, feel confident in their decisions, and consistently deliver high-quality work. For instance, the focus on organizational improvement (12%) and creating a multi-skilled workforce (10%) reflect how improving knowledge accessibility cultivates flexibility, adaptability, and a growth mindset, which are critical for navigating a dynamic business environment.

Employee Decision Making

Improving work quality drives operational and cultural benefits and enhances employees' ability to make high-quality, data-driven decisions quickly. According to this data, 80% of employees report improving their ability to make decisions quickly using data and information within the last six months (35% greatly improved, 45% improved). This underscores the transformative impact of accessible and well-organized knowledge systems on decision-making processes.

How has your ability to make high-quality decisions changed since implementing a knowledge management tool?

Greatly Improved (35%) | Improved (45%) | About the same (19%) or worse (1%)

High-quality decisions lead to tangible outcomes, such as greater accuracy (10%), faster decision-making (10%), and cross-functional collaboration (10%), as reflected in operational benefits data. These outcomes are vital for maintaining competitiveness in fast-paced environments, ensuring organizations are agile enough to respond to challenges and opportunities efficiently.

Culturally, this improvement in decision-making aligns with factors like confidence in decision-makers (9%) and appreciation for employees' expertise (10%), emphasizing how better decisions bolster trust and morale within teams. Employees feel empowered and valued when their decisions are supported by reliable information, motivating them to contribute more actively to organizational success.

Improving employees' ability to access and utilize knowledge effectively not only enhances the quality of work but also reinforces a culture of trust, confidence, and collaboration. By fostering environments where decision-making is data-driven and efficient, organizations can achieve operational excellence while inspiring employees to perform at their best.

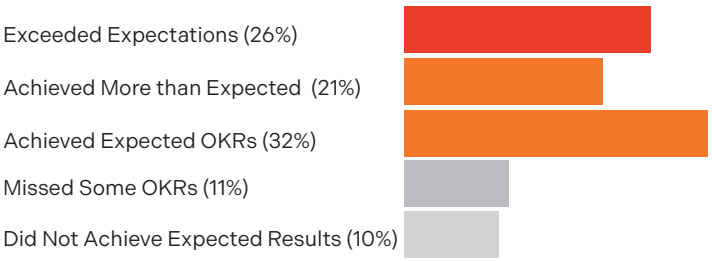
Motivation to Learn New Skills

Opening access to company knowledge drives employee engagement and motivation to learn new skills. Respondents of this survey were 47.9% more likely to feel motivated to pursue self-learning when insights and knowledge were easily accessible. This motivation directly correlates with increased productivity, as employees who actively engage in self-learning improve their performance by an average of 17%.

By improving the quality of their knowledge management programs, organizations can foster a culture of continuous learning, where employees are empowered to grow their expertise and adapt to evolving demands. This approach enhances individual performance and has a cumulative effect on teams and departments, leading to improved collaboration, faster decision-making, and more innovative solutions. When employees have the tools and information they need to succeed, they feel empowered, confident, and valued, which boosts overall morale and retention. Furthermore, these well-informed and motivated employees are better equipped to align their efforts with the company's strategic goals and key objectives, increasing the likelihood of achieving OKRs. By combining accessible knowledge with a focus on self-learning and engagement, companies can unlock untapped potential within their workforce, ultimately driving greater productivity, innovation, and revenue growth.

Use of Insights to Meet OKRs

Understanding insights derived from market research has an outsized impact on driving strategy and empowering employees to achieve OKRs. Companies can identify growth opportunities and align their goals with real-world potential by analyzing market trends and competitive landscapes. Consumer research uncovers customer preferences and behaviors, guiding teams to craft targeted campaigns and improve product offerings. Customer feedback and journey analysis enhance the overall experience, supporting OKRs tied to retention and satisfaction. These insights foster data-driven decision-making across departments, helping employees focus on high-value activities. Regular research also tracks progress, enabling swift adjustments to strategies and ensuring alignment with organizational objectives and success.



Companies leveraging effective KM programs meet or exceed expected results more frequently than those without.

Part of a robust KM program is opening access to these insights and amplifying their value throughout the organization. This can improve productivity (revenue per employee) for teams and departments that use these insights more frequently. By making research findings easily accessible through a centralized knowledge management system, employees across all levels can leverage these insights to make informed decisions and drive innovation. This ensures that teams are not duplicating efforts but are instead building on shared knowledge, which improves collaboration and speeds up workflows.

Additionally, when insights are shared effectively, they empower employees to align their work with company goals, enhance customer experiences, and identify new growth opportunities.

A robust knowledge management (KM) program is a critical driver of increased revenue per employee, providing a measurable and tangible metric for quantifying the value of explicit knowledge assets. By opening access to company knowledge and amplifying insights organization-wide, KM empowers employees to make informed, high-quality decisions, learn new skills, and collaborate more effectively—all of which directly enhance productivity and financial performance. This increased productivity is evidenced by higher revenues generated per employee, demonstrating the financial impact of an optimized KM program.

Teams that consistently leverage insights and knowledge-sharing to guide their strategies outperform expectations, with **47% of respondents reporting they exceeded OKRs**. The operational improvements driven by KM—such as faster decision-making (10%), improved accuracy (10%), and cross-functional collaboration (10%)—further optimize workflows, reduce inefficiencies, and accelerate outcomes, all contributing to enhanced revenue per employee. At the cultural level, fostering knowledge-sharing behaviors increases employee confidence and engagement, leading to higher morale and lower turnover—factors that further enhance workforce efficiency and financial contribution.

To calculate the revenue growth potential of employees who believe they would be significantly more productive with improvements to knowledge sharing, add up the benefits of increasing workforce engagement, improving quality of work, enhancing decision-making, increasing the likelihood of meeting OKRs, and tapping into their motivation to learn new skills.

EXAMPLES FROM BLOOMFIRE

A regional banking institution benefits significantly from enhanced employee engagement through a robust knowledge management (KM) platform. This institution relies heavily on personalized service, operational efficiency, and trust to deliver value to its members. Bloomfire enables its employees to access and share critical knowledge in real-time, fostering a collaborative culture and equipping them with the tools to deliver exceptional service.

The impact was immediate; in the first 90 days of launching their community, they had over 12,000 views on 1,200 contributions. Engagement included frontline workers all the way up to the C-Suite.

The knowledge management team has made significant strides in achieving its goal of leveraging an easy-to-use central source of information so that employees can quickly and effortlessly find what they need. They report that this allows them to continue enhancing and building the corporate communications strategy without limitations.

Quantifying the Value of Productivity Attributable to KM Program (Using Rev/Employee)
Annual Revenue: $350M
Employee Count: 851 FTEs
Annual Revenue Per Employee: $411,289

Revenue Impacts
Employee Engagement: $55,724,783
Improved Quality of Work: $31,177,826
Insight-Driven Decision Making: $15,654,753
OKR Attainment: $19,808,383
Motivation to Learn New Skills: $7,735,153

Total Productivity Attributed to Effective Use of Knowledge Assets = $130M or 37% of Annual Revenue

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A leading provider of home warranty services specializing in helping homeowners protect their budgets from unexpected repair and replacement costs for covered household systems and appliances, operates in a customer-focused, service-driven industry, relying on a network of skilled contractors and a responsive customer support team to deliver on its promise of hassle-free home repairs. The company prioritizes customer satisfaction by providing 24/7 service request capabilities, quick dispatching of qualified technicians, and transparent claim processes.

Benefiting from a strong emphasis on operational efficiency, knowledge sharing, and innovation to keep pace with industry demands and customer expectations. This includes investing in digital tools like Bloomfire to streamline claims processing, improve technician scheduling, and ensure customers receive timely updates. Employee training and engagement are also central to their strategy, as their customer service representatives and support teams need access to accurate, real-time information to resolve inquiries effectively.

Quantifying the Value of Productivity Attributable to KM Program (Using EBITA/Employee)
Annual Earnings (Net Income): $171M
Employee Count: 1,716
Annual Earnings Per Employee: $99,650

Employee Engagement: $27,224,902
Improved Quality of Work: $15,232,240
Insight-Driven Decision Making: $7,648,286
OKR Attainment: $23,495,670
Motivation to Learn New Skills: $3,779,087

Total Productivity Attributed to Effective Use of Knowledge Assets = $77.4M or 22% of Annual Earnings

Using Productivity Revenue Impacts To Determine the Value of Your Explicit Knowledge Assets

You can also use these values to determine the asset value of Explicit knowledge. The total revenue impact attributed to the use of knowledge assets is assessed and reported. This can be done using annual revenue or annual earnings to quantify the value of these assets as a driver in revenue or earnings.

For example: The explicit knowledge value of the revenue producing capacity of the collective employees for the regional bank described above is 130M or 37% of the revenue output of the company. The remaining 63% of revenue per employee produced is attributed to other factors (whether tangible or intangible). This revenue impact through investment in managing the enterprise intelligence can then be combined with the cost avoidance from daily productivity gains to estimate the total asset value.

Productivity Improvements in Customer Facing Roles

Methodology:

The purpose of this section is to enumerate how improvements to common customer experience, customer service and support metrics are reflected in the value of the knowledge base that enables them. The recorded improvements in customer service metrics after implementing a knowledge management (KM) program highlight the significant role KM plays in enhancing both operational efficiency and customer satisfaction. Additionally Customer Service Outcomes are also improved, unlocking the path to significant knowledge asset value.

Technology has profoundly transformed the customer service industry, shifting from human-driven, interaction-heavy processes to a landscape dominated by self-service tools and automation. Companies now empower customers to solve problems independently through knowledge bases, chatbots, mobile apps, and community forums, reducing the need for direct support while enhancing efficiency. Automation has introduced tools like AI-powered personalization, CRM systems, and interactive voice response (IVR), enabling businesses to deliver faster, more scalable, and cost-effective service around the clock. The data collected by these systems also provide valuable insights into customer behavior, helping companies adapt to evolving needs.

This shift also presents challenges, such as maintaining a personal touch, addressing the digital divide, and navigating the limitations of AI in handling complex or emotional issues. Despite these challenges, integrating technology into customer service demonstrates the growing importance of knowledge management, as businesses increasingly rely on accessible and well-organized information to empower both customers and employees, driving greater efficiency, satisfaction, and innovation.

Frontline, customer-facing roles still make up a significant portion of many companies' workforce: sales, technical service, customer success, and support. Access to company knowledge (often across departments) is essential for these groups' employee experience.

CS Metrics - Self Service

Knowledge management (KM) plays a critical role in enabling effective self-service experiences by providing customers with accurate, easily accessible information when they need it. A well-structured KM system ensures that self-service tools like FAQs, help centers, and chatbots are powered by reliable and up-to-date content, reducing frustration and improving resolution rates. The best practice here is to leverage the same knowledge base you give your service agents, parsing out the public and internal-facing content using dynamic content blocks and cross-publishing tools. An open API from your knowledge management tools should allow you to request and retrieve information to feed any online tool you create better to serve your customers at the point of need.

Understanding the true impact of self-service tools requires more than anecdotal evidence or incomplete data. To gauge the effectiveness of these tools and the value KM delivers, organizations must look beyond basic survey feedback and incorporate a broader set of metrics that provide a holistic view of customer experience and operational performance.

Direct customer feedback in the form of a survey is the primary mechanism used today to understand customer self-service success. Solely relying on survey data as the measurement of self-service effectiveness is incomplete and can lead to a potentially false sense of security — or leave leaders questioning whether the self-service experience delivers value to customers and the organization. Combining survey data with additional metrics such as Contact Ratio, Customer Effort Score, Case Deflection Rate, and Portal Search effectiveness can be used to calculate the value of investments in self-service tools more accurately.

30:1

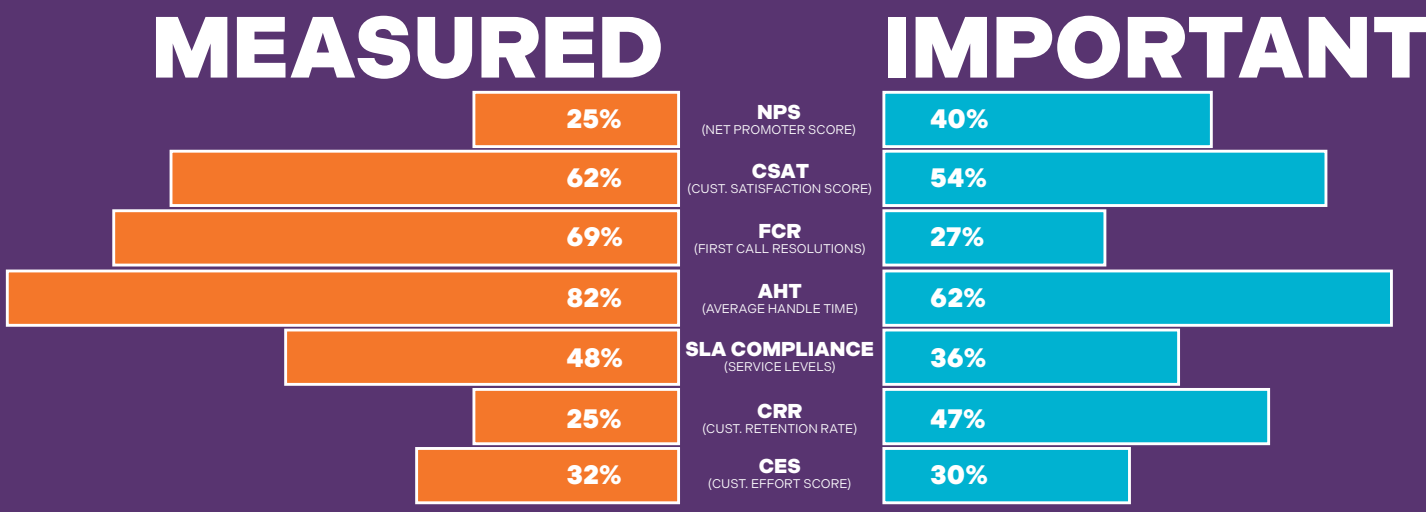
Contact Ratio
This inferred metric provides visibility into the overall effectiveness of the self-service portal and helps leaders determine whether the site's basic foundational capabilities are performing well. For example, is there content available to support self-service activity? The contact ratio is measured as the ratio of the number of web sessions to the number of cases submitted online.

3.8/5

Self-Service Effort Score
To measure self-service success is to ask customers for feedback during their journey on the portal. Customers are asked if they are satisfied with a particular aspect of the self-service experience and if they successfully found what they needed. Use these responses to calculate a customer effort score for self-service, which can be compared against service agents and used to track progress over improvements targeting customer effort over time.

38.6%

Case Deflection
This metric enables leaders to calculate savings and self-service ROI, as self-service resolution is significantly more cost-effective than assisted service resolution. Case deflection is measured as the percentage of customers who intended to contact customer support for assisted service but did not because they were routed to a solution that enabled them to resolve their inquiry online without human intervention.



Customer service teams rely on key performance metrics to assess and improve the customer experience. Net Promoter Score (NPS) measures loyalty by asking customers how likely they are to recommend a company, with higher scores indicating strong brand advocacy. Customer Satisfaction Score (CSAT) gauges immediate satisfaction with a service interaction, while First Contact Resolution (FCR) tracks how often issues are resolved in a single interaction—both critical for customer retention. Average Handle Time (AHT) measures the time spent resolving an issue, balancing efficiency with service quality. Service Level Agreement (SLA) Compliance ensures teams meet response and resolution commitments, directly impacting trust and reliability. Meanwhile, Customer Retention Rate (CRR) reflects long-term loyalty by measuring how many customers continue using a service over time. Lastly, Customer Effort Score (CES) evaluates how easy it is for customers to resolve their issues—lower effort scores correlate with better satisfaction and retention. By leveraging these metrics, organizations gain insights into efficiency, service effectiveness, and customer loyalty, enabling continuous improvement. A well-balanced approach ensures that speed does not come at the cost of quality, and that customer interactions remain positive, ultimately driving both satisfaction and business growth.

The most widely tracked metric is Average Handle Time (AHT), with 82% of respondents using it to measure efficiency. However, only 62% rank it as an important metric, suggesting that while efficiency is a critical operational focus, it may not always align with customer-centric outcomes. Similarly, First Call Resolution (FCR) is used by 69% of respondents but considered important by only 27%. This suggests a potential disconnect between tracking efficiency-related metrics and recognizing the value of resolving issues on the first attempt as a driver of customer satisfaction.

In contrast, Customer Satisfaction Score (CSAT) is both widely used (62%) and highly ranked in importance (54%), reflecting its central role as a measure of customer experience quality. However, metrics like Net Promoter Score (NPS) and Customer Retention Rate are tracked by only 25% of respondents but are considered important by 40% and 47%, respectively. This disparity indicates that organizations may undervalue metrics tied to long-term loyalty and advocacy, focusing instead on short-term operational goals.

The relatively low usage and importance of Customer Effort Score (CES), tracked by only 32% and ranked important by 30%, suggest that many organizations may overlook the ease of the customer experience, despite its proven impact on satisfaction and loyalty. SLA Compliance, tracked by 48% and considered important by 36%, shows moderate alignment but remains secondary to other metrics.

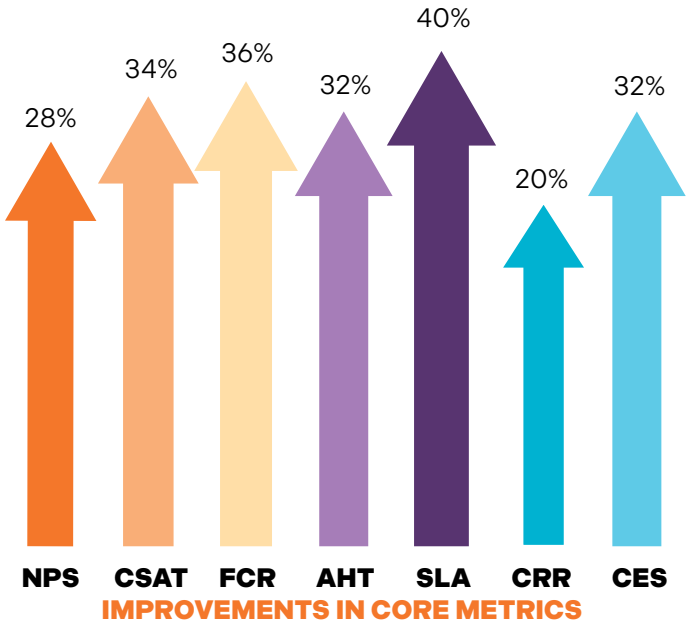
The data reveals a focus on operational efficiency metrics, such as AHT and FCR, while metrics tied to customer loyalty and advocacy, such as NPS and retention, are less frequently tracked. This suggests an opportunity for organizations to rebalance their focus, prioritizing customer-centric metrics like CSAT, NPS, and CES to align with long-term customer satisfaction and retention goals, while maintaining operational efficiency.

Recorded Improvements in CS Metrics

The recorded improvements in customer service metrics after implementing a knowledge management (KM) program highlight the significant role KM plays in enhancing both operational efficiency and customer satisfaction. By centralizing and organizing critical information, KM systems ensure that agents have immediate access to accurate and consistent resources, enabling faster resolution times and reducing the average handle time (AHT) by 32%. First Call Resolution (FCR), a key driver of customer satisfaction, also improves by 36% with KM, as agents are better equipped to address and resolve issues in a single interaction. Improvements in SLA compliance (40%) reflect KM's ability to streamline processes and ensure adherence to service standards, further reinforcing operational reliability. Additionally, by enhancing access to relevant information and fostering better collaboration, KM improves customer-centric metrics such as CSAT (34%), CES (32%), and even NPS (28%), strengthening customer relationships and promoting long-term loyalty. Ultimately, a robust KM program creates a foundation for consistent, high-quality customer service by empowering agents and reducing friction in customer interactions.

Calculating the Impact of Metrics Improvements

When calculating the impact of KM on metrics affecting operational efficiency, factor in employee operational costs (including salaries, training, equipment and technology) number of agents, calls/day, average call duration, percentage of calls resolved in the first call, quality of service. When quantifying the impact of customer-centric metrics focus on the LTV (lifetime value of a customer), Customer retention rates and savings in customer concessions like rebates, returns or discounts needed to retain customers or induce repeat purchases. This allows you to use the level of improvement to estimate the cost savings (for operational efficiency) or net revenue retained / new revenue (for customer satisfaction improvements) attributable to the effectiveness of your knowledge program.



Companies implementing KM can expect CS Metrics to improve by an average of 25-40% across critical areas.

CS Outcomes

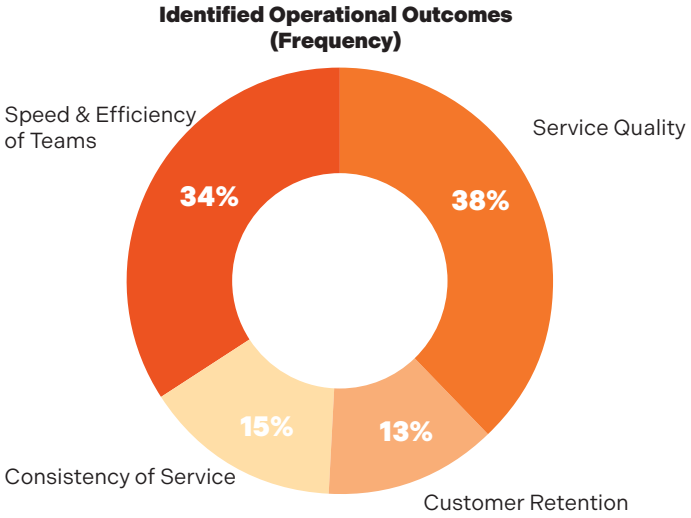
The data clearly shows that robust KM programs enable organizations to deliver better quality support, enhance efficiency, and foster collaboration among teams. By providing centralized access to accurate, up-to-date information, KM systems empower both service agents and customers, addressing key operational challenges and driving measurable improvements across multiple areas of customer service.

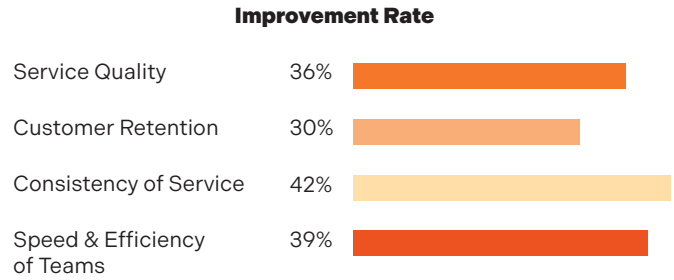
One of the most significant impacts of KM is its ability to improve service quality, which was highlighted by 38% of respondents as a key benefit. By ensuring agents have instant access to accurate information and best practices, KM systems help teams provide more consistent and effective solutions to customer inquiries. This is reflected in the reported 36% improvement in service quality after KM implementation. The ideal state is cited by one respondent: "When a customer asks a question that us as agents aren't sure of, we can find out in a matter of seconds."

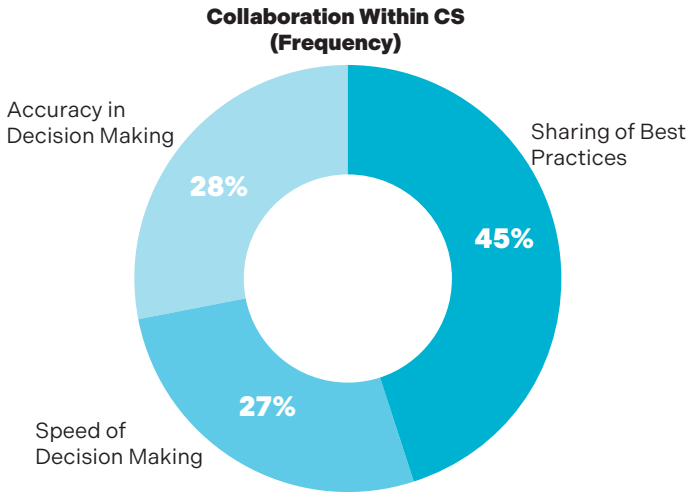
Additionally, knowledge systems help improve customer retention by enabling more personalized and efficient support, fostering stronger relationships between businesses and their customers. Respondents identified a 30% boost in customer retention, underscoring the importance of a seamless and responsive service experience in building loyalty.

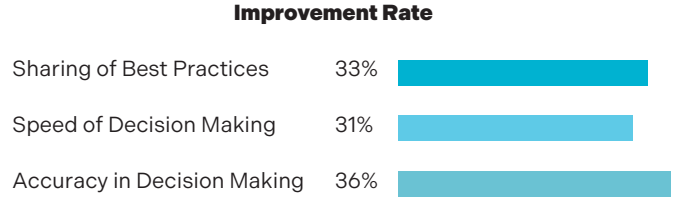
Consistency of service is another critical area where KM tools excel, with 15% of respondents identifying it as a key improvement. By standardizing information and making it accessible across all channels, KM systems reduce variability in responses and enhance the reliability of customer interactions, leading to a 42% improvement in consistency. Furthermore, KM streamlines workflows and minimizes redundancies, driving a 39% improvement in the speed and efficiency of CS teams. Faster issue resolution not only improves customer satisfaction but also optimizes resource utilization.

KM also strengthens collaboration within customer service teams. Respondents reported a 33% increase in the sharing of best practices, 31% improvement in decision-making speed, and 36% increase in decision-making accuracy. By breaking down silos and promoting knowledge-sharing, KM systems ensure that teams are better equipped to solve complex issues and adapt to changing customer needs.









EXAMPLES FROM BLOOMFIRE

A leading e-commerce retailer specializing in outdoor wear faced the challenge of balancing customer satisfaction with operational costs. While their flexible return policy had already driven significant loyalty, they discovered that further extending flexibility, such as lengthening return windows, was not as impactful as expected. Customer feedback revealed that simplicity and ease of use in the return process were more critical to satisfaction than the flexibility of the policy itself. To better understand and address this, the company began tracking Customer Effort Score (CES) alongside traditional metrics. The data revealed that customers who found the return process "effortless" were 25% more likely to make repeat purchases and leave positive reviews.

The company focused on streamlining the return process rather than expanding policy flexibility. They enhanced their online return portal by making navigation more intuitive, adding pre-paid shipping labels, and automating return status updates. A key enabler of this transformation was integrating knowledge articles from Bloomfire using the open API into the returns process tool tips. The system powers the self-service return portal, extracting answers to common questions at the point of need and ensuring that customers can easily find clear, consistent instructions for initiating and completing returns without needing to contact support. An option to trigger a conversational AI bot trained on the KM data was also included. By simplifying return-related information and making it accessible in real time, the KM system reduced confusion, sped up resolution times, and provided customers with a seamless self-service experience.

Six months after these changes, CES improved by 32%, and customer retention increased by 18%. Repeat customer revenue grew by 22% as customers returned not only because of the flexible policy but also because of how effortless it was to do business with the company. Additionally, the improvements in the self-service system, supported by the KM platform, reduced operational costs by lowering call volume to support teams. This case highlights the value of focusing on ease of doing business, as measured by CES, rather than relying solely on policy flexibility. By leveraging KM to simplify self-service, businesses can enhance customer satisfaction, build loyalty, and drive long-term revenue growth.

Value of Improvements to Customer Effort Score (CES), Customer Retention Rate, CRR and Repeat Customer Revenue.
To calculate the value of improvements to Customer Effort Score measure the operational cost of calls looking only at those calls not immediately resolved or requiring additional handling time (calls that increase the effort customers must take to resolve their issue). A percentage of these costs can be recovered by improving the Customer Effort Score.

Operational Cost per Call: $9.80 (including salary, training & equipment of agents)
Call Center Agents Supporting Ecommerce: 500
Average Calls Per Day for Returns Handled by an Agent: 14
Annual Cost spent on calls not resolved or requiring extra handling time: $8.2M
Cost Avoidance due to CES improvement = $2.6M

Capture additional revenue from improving customer retention rate based on the lifetime value of the customer, number of repeat customers expected as a result of increased retention rate.
LTV: $935
Customers with repeat purchases: 101,070
Additional Revenue Value of 18% improvement in CRR = $17M

Total impact of improvements to return process with knowledge management integrations = $19.6M

EXAMPLES FROM BLOOMFIRE

A provider of on-demand customer management and outsourced customer support and service, leverages a gig-CX approach to the traditional call center model by connecting a network of over 250,000 agents to top brands in a wide range of industries including major Retailers, Home Security, Personal Fitness, Luxury Goods and Internet Services.
Home-based sales, customer, and technical support agents blend crowdsourcing innovation, virtual technology, and operational efficiencies. The company's platform enables a network of contractors to provide inbound call center resources, delivering authentic customer service experiences. An essential element of this offering is their KM platform - where agents go to find brand specific documentation and guidance to assist in their service delivery. Keeping over 75,000 documents up to date can be overwhelming which is why each brand has the ability to send updates automatically to the system. Moderation workflows and approvals ensure that content is flagged when it needs to be reviewed and changed. Brands are incentivized to maintain quality resources for these agents because of the large impact the knowledge base has on outcomes.
Brands typically see significant improvements in core customer support outcomes of Service Quality, Consistency of Service, Speed and Efficiency of Teams. These are in addition to the cost savings incurred by eliminating the need for supporting a large call center. Instead, these brands focus on codifying and managing their company knowledge to enable these independent agents. The cost avoidance generated by these outcomes can be used to quantify the value of a brand's knowledge assets used in customer service.

Cost Avoidance Outcomes* (based on Operational Costs of 1000 Full Time Agents)
Service Quality (36% increase): $30.6M in cost avoidance or the equivalent of 266 Agents
Consistency of Service (42% improvements leading to reduced concessions): $153,692
Speed and Efficiency of Teams 39%: $33.2M in cost avoidance or the equivalent of 290 Agents

Assuming some overlap in cost avoidance outcomes the total impact is $41.7M

**Cost avoidance will not lead to cutting your CS team by 29%; it means that without leveraging knowledge assets you would likely need additional agents to deliver similar results.*

Using Productivity Cost Avoidance To Determine the Value of Your Explicit Knowledge Assets
You can also use these values to determine the asset value of Explicit knowledge. The total annual savings is estimated by the time a call center agent gains through improved service quality and other outcomes can be viewed as a cost avoidance value. This estimates the additional investment required to meet the same level of productivity by hiring more employees to do the same work.

For example: The explicit knowledge value of the impact of integrating KM into the return process for the ecommerce retailer described on the previous page is $19.6M in cost savings from time and merchandise returns vs their previous model. This cost avoidance through investment in managing the enterprise intelligence can then be combined with the cost avoidance from daily productivity gains and other revenue impacts to estimate the total asset value.

Productivity Improvements for Commercial Leadership

(New Product Development, Strategic Marketing and Go-To-Market Teams)

Methodology:

This section discusses the role that research and insights plays on the effectiveness of commercial teams. Research and development for products, markets, consumers and your direct customers aids product and category managers, strategic marketers and market development managers to make smart decisions about rapidly changing, emerging or even stagnant markets. The application of this knowledge implicitly makes your go-to-market teams more valuable in terms of new product introductions, maximizing margins and capturing additional market share.

When working in product development, product or category management, strategic marketing, market development or similar roles - one key input: the voice of the customer is essential to decision making. Using data and insights gleaned from this data guides what markets to focus on, what new features need to be developed, how end users derive value from your products or services, and how to outmaneuver or outpace the competition. Depending on the industry, data may be gathered, analyzed, and presented using various methods, with terminology tailored to the specific field. The employees and leaders who can sift through the research and pull out insights are those that rise to the top and produce outstanding results. Companies who make these insights central to their strategic decision making process outperform their competitors by an average of 15%.

There are several ways that companies may define research and insights:

Consumer Insights

Consumer insights refer to the deep understanding of the buying, usage, and preference behaviors of individuals who ultimately use the product. In B2C (business-to-consumer) companies, consumer insights focus on the individuals or households who directly purchase the product or service. These insights delve into their motivations, challenges, and decision-making processes, aiming to answer questions like What problem are they trying to solve? or Why do they prefer one product over another?

In B2B2C (business-to-business-to-consumer) companies, consumer insights take on a nuanced layer. These businesses design their products, components, or services to fit into a larger supply chain or end-product that eventually reaches the consumer. For example, a company manufacturing flavoring for beverages or processors for smartphones must deeply understand the preferences of the end consumer to help their B2B partners develop offerings that resonate. These insights often require collaboration with the company's direct customers (e.g., beverage manufacturers or device makers) or with third party researcher firms to gather data on the consumer experience and inform the design of their contribution to the final product.

Key areas of focus for consumer insights include:

- Behavioral trends: How consumers discover, purchase, and use products.
- Psychographics: Values, attitudes, and lifestyle factors shaping decisions.
- Pain points: Identifying unmet needs or frustrations with current solutions.
- Satisfaction metrics: Feedback on product usage and overall experience.

Customer Insights

Customer insights focus on the business's direct customers—the organizations or individuals who interact directly with the company to purchase its products, services, or solutions. This may include detailed data about their buying patterns, order sizes, frequency, and preferences in B2B (business-to-business) contexts. Unlike consumer insights, which analyze end users, customer insights prioritize understanding the needs and behaviors of the intermediary buyers or channel partners who facilitate getting the product to the consumer.

For example, a SaaS company delivering software to mid-sized enterprises would study the behaviors of IT purchase decisions, focusing on metrics like:

- Purchase drivers: Factors influencing why customers choose their product over competitors (e.g., price, features, support).
- Order management behavior: Patterns in ordering cycles, payment preferences, or delays.
- Engagement and retention metrics: How actively customers use the product and the likelihood of renewal or churn.

This understanding helps businesses optimize their go-to-market strategies, ensure smooth operations, and deliver better value to their customers.

Market Insights

Market insights encompass macro-level information and analysis about the broader industry or competitive environment in which a company operates. These insights provide the strategic context and roadmap for entering and succeeding in a market, identifying key trends, opportunities, and risks. Unlike consumer and customer insights, market insights are more external and holistic, focusing on:

- Market size and growth: Total addressable market (TAM), serviceable obtainable market (SOM), and overall growth projections.
- Competitor analysis: Evaluating the strengths, weaknesses, and strategies of key competitors.
- Regulatory environment: Industry-specific rules or compliance requirements.
- Emerging trends and disruptors: Innovations, technologies, or societal shifts that could reshape market dynamics.

For example, market insights for a new technology product might analyze the adoption rate of similar innovations, the pace of regulatory approval, and shifts in consumer behavior toward digital solutions. These insights are critical for determining product positioning, pricing strategies, and expansion plans, especially when entering new geographic markets or industries.

Fundamental Research

Fundamental Research refers to the process of investigating and generating new knowledge that forms the foundation for understanding and solving problems. It involves collecting, analyzing, and interpreting data to uncover insights that drive decision-making, innovation, and strategy. Fundamental research is integral to long-term growth, enabling organizations to discover new opportunities, develop cutting-edge products, and respond effectively to emerging trends.

Fundamental research can be categorized into two key types, Primary and Secondary:

Primary Research involves the direct collection of original data through firsthand efforts. This type of research is tailored to address specific questions or objectives that have not been explored previously or require customized insights. Examples include:

- Surveys: Gathering data directly from target audiences, such as consumers or businesses, to understand preferences, behaviors, or perceptions.
- Interviews and Focus Groups: Collecting qualitative insights through one-on-one conversations or group discussions to explore deeper motivations and opinions.
- Observational Studies: Monitoring real-world behavior or trends, such as customer interactions or product usage.
- Scientific Experiments and Trials: Testing hypotheses in controlled environments, as often seen in traditional R&D for product development or process improvement.

In the context of scientific R&D, primary research is the backbone of innovation. Whether it's experimenting with new materials for product development, conducting clinical trials for pharmaceuticals, or testing prototypes in technology, the purpose is to create new knowledge that addresses specific challenges or opportunities.

Secondary research involves analyzing and synthesizing existing data or information from sources that have already been collected and published. This type of research is often faster and more cost-effective but is limited by the availability and reliability of external data. Examples include:

- Published Reports and Studies: Industry research, white papers, or case studies that provide insights into specific markets or trends.
- Market Data: Insights from databases, government publications, or trade organizations.
- Competitor Analysis: Reviewing existing products, patents, or performance metrics.
- Historical Data: Examining past trends to predict future behaviors or outcomes.

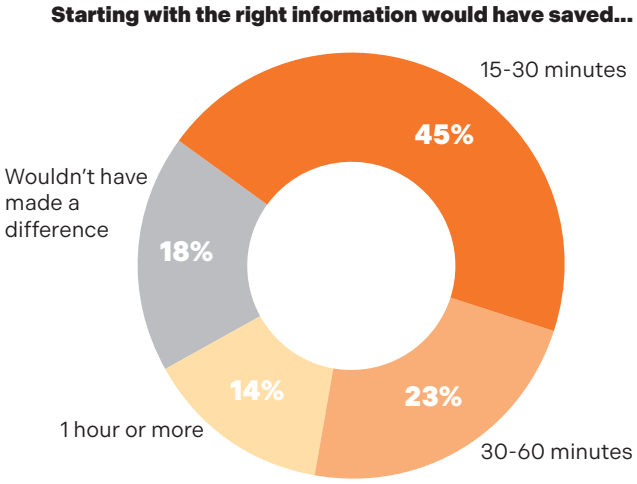
Secondary research is often used to supplement primary research, providing context, benchmarking, or a foundation for deeper exploration. For example, before conducting an original consumer survey, a company might analyze existing industry reports to identify baseline trends or gaps.

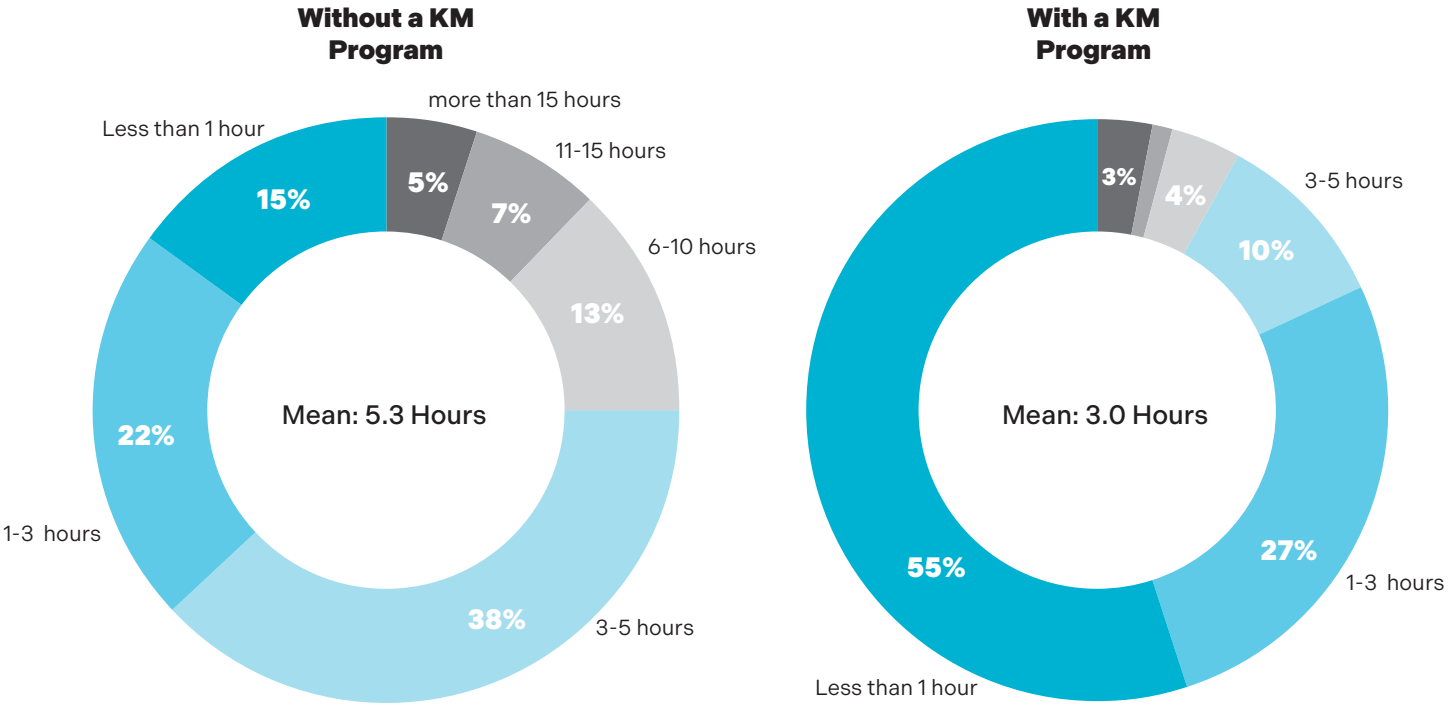
As a company acquires all these research and insights, managing the volume, diversity, and interconnectedness of the data becomes a significant challenge. Insights from consumer behavior, customer interactions, market dynamics, and scientific R&D often reside in silos, scattered across teams, systems, or formats. Without a cohesive strategy to consolidate, interpret, and apply this knowledge, valuable insights risk being overlooked or underutilized. The complexity increases when attempting to ensure the research remains current, accessible, and actionable across the organization. To fully capitalize on the value of these insights, companies must implement effective systems and processes to align research efforts, foster cross-functional collaboration, and transform raw data into strategic guidance that drives innovation, growth, and market success.

Engagement with Subject Matter Experts

It's not uncommon for organization to employ specialized researcher or analysts that become experts in a particular domain. In many cases these expert resources become highly specialized in their domain knowledge and are relied on extensively by others. Where a knowledge sharing platform is absent, these SME's' also can become a bottleneck for innovation, and worse, they end up spending so much time educating others and answering repeated questions that they don't have as much availability for extending their research or deepening the company's knowledge in their domain.

89% of employees reported that they rely on someone else's work to do their jobs effectively. Whether it's creating a presentation for a prospective client, communicating internally or making important strategic decisions. Delay in receiving these inputs drastically slows down decision making and creates inefficiency vs those that can access the information directly at the point of need.





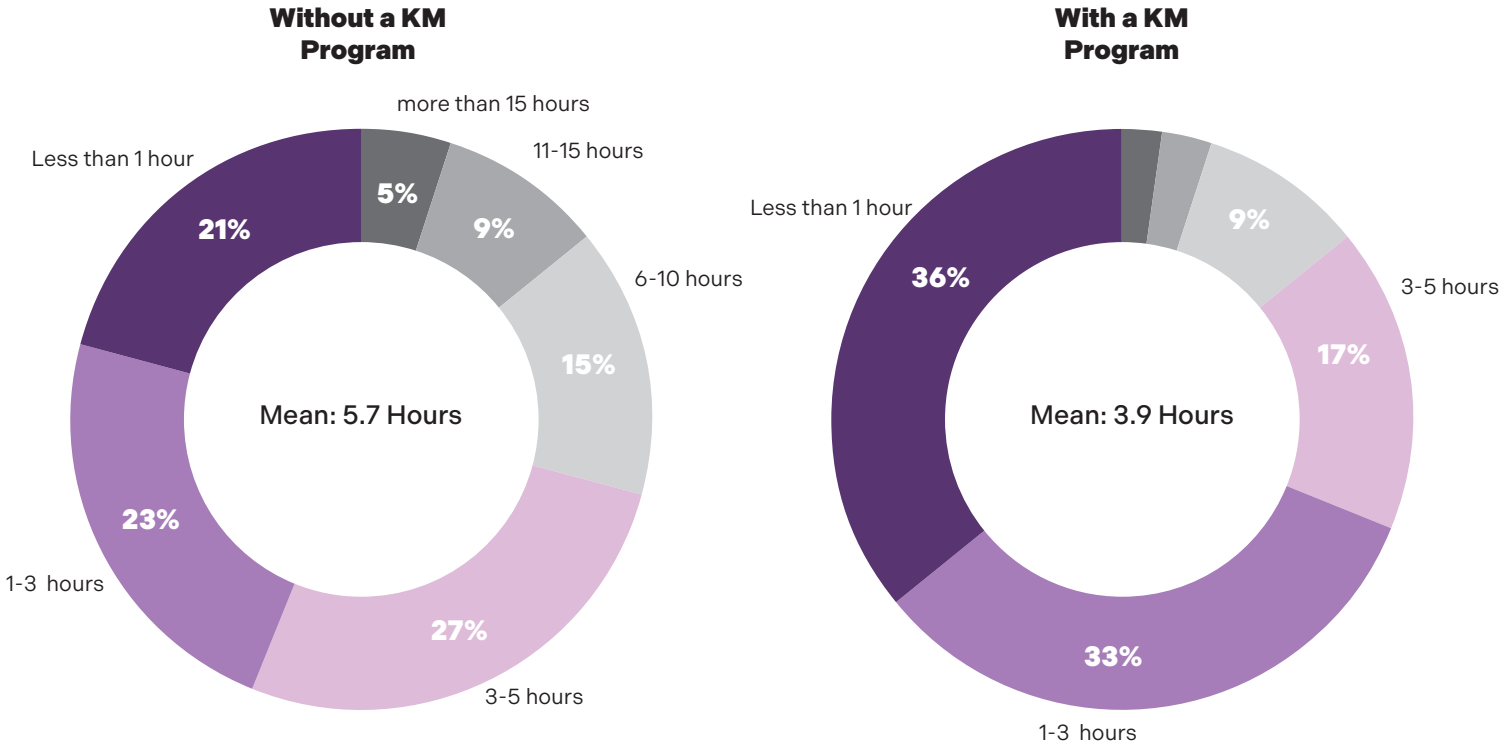
Employees of companies with a robust KM program spend on average 2.3 hours less per week waiting on responses from SME's for input into their work.

Effectively Managing the Time of SME's

Being the one who knows is also subject to inefficiencies in communication. Many subject matter experts find that the spend a significant portion of their week giving out duplicate information to different parties as the many inquiries come to them.

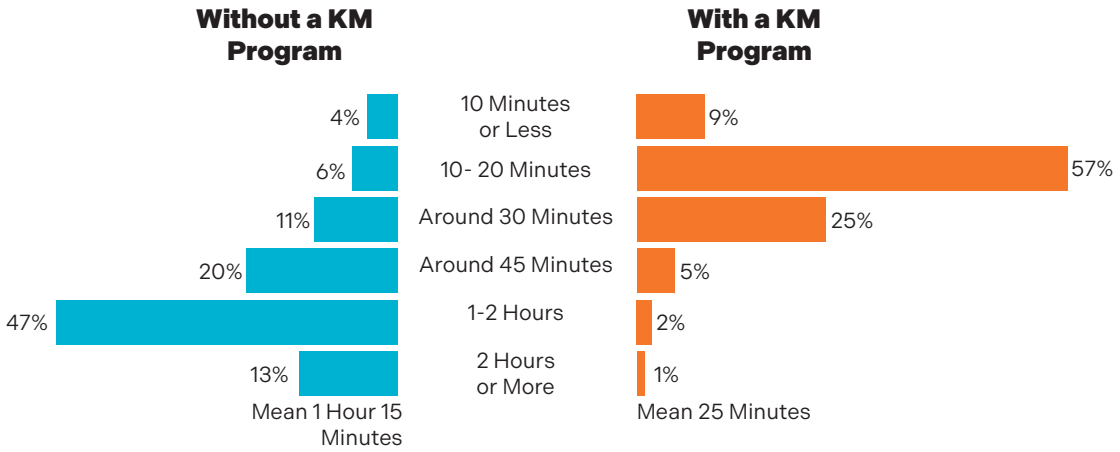
Whether through emails, chat messages, meetings, or impromptu desk visits, as different teams and individuals seek their insights, SMEs spend a disproportionate amount of their time responding to inquiries rather than focusing on high-value work. This duplication of effort not only reduces their productivity but also slows down decision-making across the organization. Without a structured way to capture and share their knowledge efficiently, SMEs become bottlenecks, leading to delays, frustration, and missed opportunities. Additionally, as demand for their expertise grows, so does the risk of burnout. A well-implemented knowledge management system can help mitigate these issues by centralizing information, making it easily accessible, and reducing reliance on one-to-one communication. By documenting best practices, frequently asked questions, and critical

insights in a shared platform, SMEs can redirect their time toward innovation, problem-solving, and strategic initiatives rather than continuously responding to repetitive inquiries. This shift not only enhances efficiency but also ensures that institutional knowledge is preserved and accessible to all, reducing dependency on specific individuals.



Subject Matter Experts find they can spend an average of 1.8 hours more each week on higher value tasks rather than responding to repetitive inquires with the implementation of a robust knowledge management program.

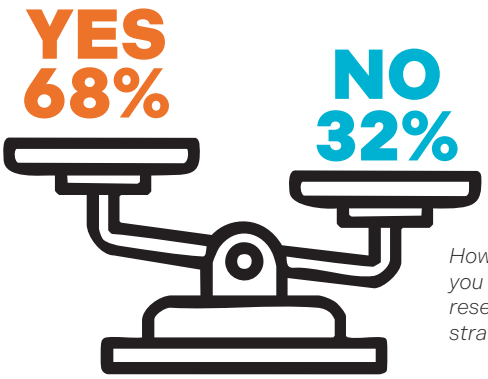
To make research more accessible, best practices include providing a concise summary and listing key takeaways in the Knowledge Management System (KMS). This allows employees to quickly assess whether a document contains the insights they need, reducing time spent searching for relevant information. However, for research analysts, crafting these summaries can be a time-intensive process, often taking up to 1.5 hours per report. With the adoption of generative AI, this effort has been drastically reduced—bringing summarization time down to under 25 minutes. This not only improves efficiency but also ensures more research is properly indexed, shared, and utilized across the organization.



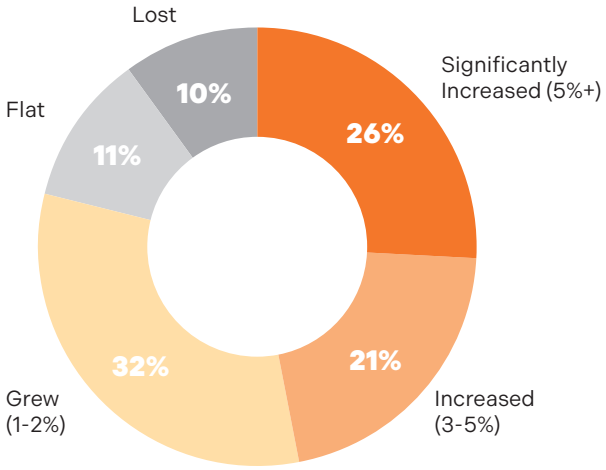
AI-generated summaries help standardize the way information is presented, making it easier for employees across departments to digest and act on insights. SME's time is used more effectively on reviewing and editing the summaries.

Increasing Market Share / Achieving Growth Targets

A primary objective of the commercial team in an organization is to increase market share. Insights play a significant role in growth by informing employees about competitive intelligence, providing insight into consumer behavior and guiding product development decisions. The percentage of strategic decisions where research was consulted in advance is one way to measure the direct impact of this research on the overall growth in market share.



How frequently do you reference market research when making strategic decisions?



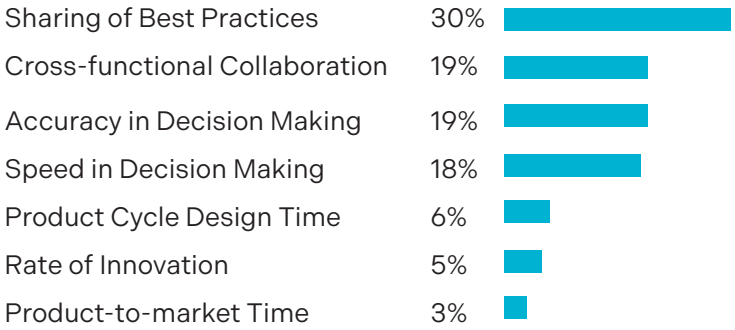
Companies with KM programs for research and insights that increase market share.

Employee empowerment, when combined with actionable insights from consumer, customer, and market research, drives revenue growth by enabling faster, data-driven decision-making. Consumer insights help employees understand the motivations, preferences, and behaviors of end-users, allowing teams to tailor products, marketing strategies, and customer experiences that resonate more deeply, leading to increased sales. Customer insights provide a clear picture of purchasing patterns, loyalty drivers, and operational needs, equipping sales, account management, and support teams to respond quickly with personalized solutions that improve retention and upsell opportunities. Market insights offer a broader view of trends, competitive dynamics, and emerging opportunities, helping strategic teams pivot efficiently, identify growth areas, and allocate resources effectively. When employees at all levels have access to these insights, they can make informed decisions without waiting for top-down directives, accelerating innovation, improving customer satisfaction, and ultimately driving sustained revenue growth.

The data reveals that collaboration and knowledge sharing have a significantly higher impact on product development outcomes compared to direct innovation efforts. Specifically, sharing of best practices (30%) and cross-functional collaboration (19%) outpace the rate of innovation (5%), suggesting that how organizations leverage and disseminate existing knowledge is more influential than the sheer volume of new ideas generated.

This indicates that innovation thrives not just from creating new concepts but from effectively integrating and applying knowledge across teams.

Factors Identified Impact of Using Research in Product Development (Frequency)

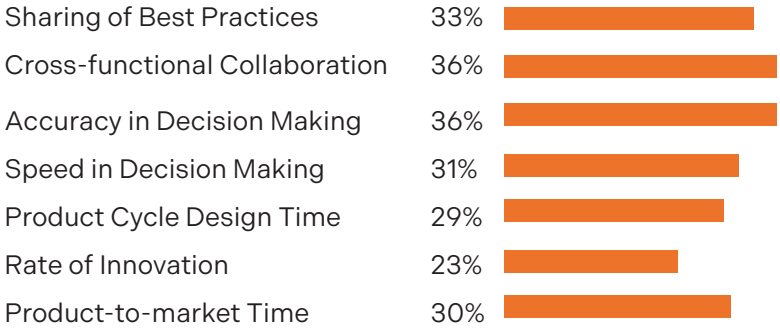


Enhanced collaboration breaks down silos, fosters diverse perspectives, and accelerates the transfer of critical insights, leading to more cohesive and market-responsive products.

Additionally, the high impact of accuracy (19%) and speed in decision-making (18%) underscores that data-driven, well-informed decisions—enabled through shared knowledge—can significantly improve product development efficiency. Rather than focusing solely on increasing the rate of innovation, companies might achieve greater returns by investing in systems that facilitate collaboration, knowledge sharing, and decision-making clarity.

The impact of these enhancements has been shown to accelerate Time to Market with new products and product innovations. To calculate the value of this market advantage you can compare the gross contribution margin of a new product at introduction vs what is achievable after competing products have been introduced. Using a decay rate and a time estimate before your competition catches up. This additional margin can show the real advantage of using insights to innovate and achieve the first mover advantage.

Rate of Improvement when Using Research in Product Development



Companies leveraging research and insights in product development gain functional efficiencies leading to faster product design cycles, improved cross-functional collaboration, and more accurate decision-making. These companies see measurable gains in speed to market, innovation rates, and the sharing of best practices, ultimately driving more competitive and high-quality outcomes.

Amplifying the Value of Insight

Companies investing in research and insights as a central part of their innovation strategy sometimes duplicate efforts when multiple groups could benefit from coordinating their efforts. Creating a shared library where access to these resources is available to more teams can help eliminate this duplication. Similarly researchers may spend extensive efforts to uncover strategic knowledge about a market segment, which may go unused by a commercial team if they are unaware or unable to find that research. AI tools can further help to extract key insights or summarize long-form content to help amplify the value of insights.

The integration of consumer, customer, market, and fundamental research insights delivers significant, quantifiable benefits that extend across the organization. Beyond fostering a culture of informed decision-making, this approach accelerates business outcomes in measurable ways. Companies that streamline access to insights can reduce time-to-insight by up to 50%, enabling faster, more agile decision-making across key functions like product development and marketing. Additionally, the reduction of redundant research efforts can lead to cost savings of 15%, allowing for more efficient allocation of resources toward high-impact projects. Cross-functional collaboration, powered by shared insights, improves most product development outcomes at levels ranging from 20–30%, as teams are better equipped to anticipate market trends and evolving customer needs.

Perhaps most compelling is the impact on overall business growth: companies that effectively leverage integrated insights experience revenue growth rates 15% higher than those that operate in silos. These outcomes highlight the transformative power of insight-driven strategies—not just as a means of fostering better decisions, but as a critical driver of cost efficiency, operational agility, and sustained competitive advantage.

EXAMPLES FROM BLOOMFIRE

One of the world's largest banks and a leader in financial services and investment banking uses Bloomfire as its insights headquarters with all teams leveraging over 10,000 market reports, news articles and feeds. Over 50 data sources update the platform hourly with source information relevant to buying personas that get used across 8 core product groups from retail banking to credit to wealth management.

A core team of 35 researchers and analysts continually work to improve the quality of content available to over 1700 product managers, category managers, UX designers, business analysts, brand marketers and business leaders who seek to better understand consumer behavior and stay one step ahead of the competition. This has allowed them to use market research to drive innovations in connected banking, improve their mobile banking user experiences and other product categories resulting in a best-in-class double digit growth rate for five consecutive years.

The value of this enterprise intelligence is measured in several ways:
Average Revenue Per Employee: $509,800
Average Annual Salary: $80,000
Number of Employees using platform: 1720

Increased Productivity = $114.5M
Insights Driven Growth = $18.9M
Faster Decision Making = $113.8M
Engaged and Inspired Workforce = $139.3M
Achieving Maximum Value from Research Budgets = $11.2M

Total Value = $375.3M
+ Equivalent Capacity of 94 FTEs distributed across each team by making information more accessible via search

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A global play, toy and entertainment company known for its extensive portfolio of iconic brands, has evolved from a traditional toy manufacturer into a diversified entertainment powerhouse. The company engages in the creation of toys, games, television programming, films, and digital gaming experiences. Operating through several segments, the company emphasizes innovation, leveraging technology to enhance play experiences while maintaining strong commitments to sustainability, corporate social responsibility, and diversity.
Prior to using Bloomfire this company had a collection of sharepoint sites used to house their consumer research library. A survey of users said 67% didn't know where to access the insights they need, 57% were unaware of research that focused on their area of focus. 37% said that searching just took too long, and 54% were more likely to ask a coworker than search themselves.

Increased Productivity = $3.8M
Achieving Maximum Value from Research Budgets = $108K
Time to productivity Improvements = $204K
Total Productivity Impact = $4.1M

Average Revenue Per Employee: $782,608
Number of Employees Actively using Platform: 675

Insights Driven Revenue Impact = $30.4M
Faster Decision Making = $101.4M
Total Revenue Impact = $131.8M

Total Value = $135.9M

Using Productivity Revenue Impacts To Determine the Value of Your Explicit Knowledge Assets

You can also use these values to determine the asset value of Explicit knowledge. The total revenue impact attributed to the use of knowledge assets is assessed and reported. This can be done using annual revenue or annual earnings to quantify the value of these assets as a driver in revenue or earnings.

For example: The explicit knowledge value of enterprise intelligence for the toy company described above is a combination of cost avoidance productivity impact (daily searches, onboarding time to productivity and underutilized consumer research), combined with the revenue contributions of the employees leveraging the insights library to accomplish their work (675 employees or 14% of the workforce). This revenue impact through investment in managing the enterprise intelligence is combined with the cost avoidance from daily productivity gains to estimate the total asset value.

Cost Controls and Best Practices for Knowledge Asset Management

Methodology:

Data analysis of successful organizations creates benchmarks and identifies best practices to be emulated by organizations developing a strategy for Knowledge Asset Management. It is essential to establish clear governance, ensure content is easily accessible and searchable, and align knowledge assets with business objectives. A successful strategy should leverage technology to automate organization and retrieval, encourage collaboration to keep knowledge fresh, and implement metrics to track engagement and impact.

Managing the collective intelligence of an enterprise is challenging. Sifting through the sheer volume of explicit knowledge assets, keeping the information current, and ensuring its relevance across diverse teams can be overwhelming. Knowledge managers must navigate the complexities of organizing, categorizing, and distributing information in ways that are both accessible and meaningful to employees with varying needs, roles, and expertise. Beyond handling explicit knowledge, they also face the intricate task of capturing tacit knowledge—insights, experiences, and skills that are often difficult to document but critical to organizational learning and growth.

Moreover, the rapid pace of technological change adds another layer of complexity. New tools and platforms emerge regularly, each promising to streamline knowledge sharing but often leading to fragmented systems and information silos if not integrated thoughtfully. Knowledge managers must not only select and implement the right technologies but also drive adoption, ensuring that employees engage with these systems effectively. This requires strong change management skills, as fostering a culture where knowledge sharing is valued and embedded in daily workflows can be met with resistance, especially in organizations where knowledge hoarding has been the norm.

Organizations hesitate to dedicate resources for the management of these assets, seemingly of the impression that the collective intelligence of the enterprise will manage itself, or that individual employees will manage their own knowledge. Ironically those same companies would never leave other assets like plants, raw materials, inventory or investments without a team of dedicated and experienced managers. Like any asset, enterprise intelligence requires maintenance, otherwise it can quickly migrate to a liability that holds back growth and innovation.

Measuring the impact and value of enterprise intelligence is essential for organizations looking to better understand and capitalize on this as a strategic advantage. This report provides a framework for assigning value to the work of knowledge managers from a range of industries and company sizes. While the overall value achieved by an effective program managing the collective intelligence at the enterprise can be significant, the cost of the actual work to maintain these critical assets can also be improved. Effectively and efficiently managing this enterprise intelligence requires dedication and the right tools, as well as continual investment and support from the executive leadership.

Models for Administration

There are three models used by companies to manage their enterprise intelligence that have proven effective: Centralized, Federated, or Distributed.

In a centralized model, the responsibility for enterprise intelligence is managed by a centralized team who is responsible for the documentation and storage of all knowledge assets. This model works well for smaller and mid-sized organizations where the team size is manageable.

In a distributed model, the responsibility for enterprise intelligence resides at the individual or business unit level. This model works well for highly diversified businesses where business units do not share common knowledge management needs. The primary challenge with this model is siloed information and difficulty quantifying the value of knowledge assets where practices differ across the organization.

A hybrid approach is a federated model which is generally the most cost effective for large organizations. A federated model balances the need for strategic alignment while embedding KM roles within departments to allow for knowledge capture by subject matter experts.

Recommendation: Create a Center of Excellence that follows a Federated Model

Centralized

Responsibility for Enterprise Intelligence is managed by a central team

Pros:
- Easier document management controls
- Consistent governance
- One team manages all your KM needs
- Ideal for small and mid-sized businesses

Cons:
- Content creation bottlenecks
- Requires input from SME to ensure applicability
- Central team dictates to the rest of the organization
- Doesn't capture Tacit knowledge

Federated

Responsibility for Enterprise Intelligence is managed by business groups with support and guidance from a Center of Excellence (COE)

Pros:
- COE provides consistent governance and reporting
- COE selects and maintains tools to support business groups
- SME author content relevant to their area of expertise
- Business groups retain control over their content

Cons:
- COE requires a mandate and strong leadership support
- Businesses required to assign roles to support

Distributed

Responsibility for Enterprise Intelligence is decentralized and managed in business groups

Pros:
- Enterprise Intelligence created at the source including Tacit Knowledge
- SME author content relevant to their area of expertise
- Business groups retain control over their content and how it is distributed

Cons:
- Lack of consistency in governance and reporting
- Siloed information

A federated model balances the strategic alignment of a centralized approach with the flexibility of a distributed one. It allows a COE to set governance, standards, and best practices while empowering business units to adapt KM processes to their specific needs. This model fosters consistency across the enterprise, encourages local ownership, and scales effectively as the organization grows. It's ideal for large, complex organizations where knowledge flows across diverse functions but requires unified oversight to drive efficiency, collaboration, and innovation.

The real strength of the federated model lies in its network of embedded knowledge champions or domain-specific KM roles within individual business units. These decentralized team members are not always full-time KM professionals; they often have dual responsibilities, serving as subject matter experts or operational leaders who also advocate for and implement KM practices within their respective functions.

Right Sizing the Team

When determining the right size for a knowledge management (KM) team it is essential to strike a balance between centralized oversight and decentralized execution. The optimal team size depends on several factors, including the organization's size, complexity, industry, and knowledge management maturity.

Ideally the core KM team functions as the strategic hub, responsible for setting governance standards, defining best practices, managing KM technologies, and ensuring alignment with enterprise-wide goals. This core team is typically lean, often ranging from 5 to 10 dedicated professionals in medium to large organizations. Key roles might include a KM lead or director, content strategists, taxonomy specialists, knowledge architects, and platform administrators.

In a federated model where embedded domain-specific roles exist, the ratio of KM champions to employees can vary, but a common benchmark is 1 knowledge champion for every 50–100 employees, depending on the knowledge intensity of the work. In addition to KM champions, companies have on average 1 content contributor for every 7 employees accessing the system.

This structure allows the central COE to maintain consistency and strategic direction while leveraging the contextual expertise of business units to drive adoption and relevance. It also enables scalability, as organizations can expand KM influence without significantly increasing headcount.

Maintaining a KMS

The choice of knowledge management system should balance the needs of the users (employees who search for information every day), the authors and moderators (who capture and maintain knowledge), the administrators (who manage access, taxonomy and structure) and the technical resources. Traditional document management systems like Sharepoint, Box or Google Drive are generally more heavy in technical resources vs knowledge management resources. The ideal KMS leverages the collective effort of all users to capture and maintain knowledge.

Leveraging automation and employee engagement in a knowledge management system (KMS) is essential for keeping content accurate, relevant, and up to date. Automation can streamline content governance by tagging documents, archiving outdated materials, and surfacing the most relevant information based on usage patterns. Use a KMS that empowers employees to contribute, validate, and refine knowledge in real time, ensuring that insights remain current and reflective of the organization's evolving needs. By combining these approaches, companies reduce the burden on administrators, enhance content quality, and create a more dynamic, self-sustaining knowledge ecosystem.

To maximize the value of your enterprise intelligence your team should be spending more time on keeping content current than they do dealing with the technical administration of the system.

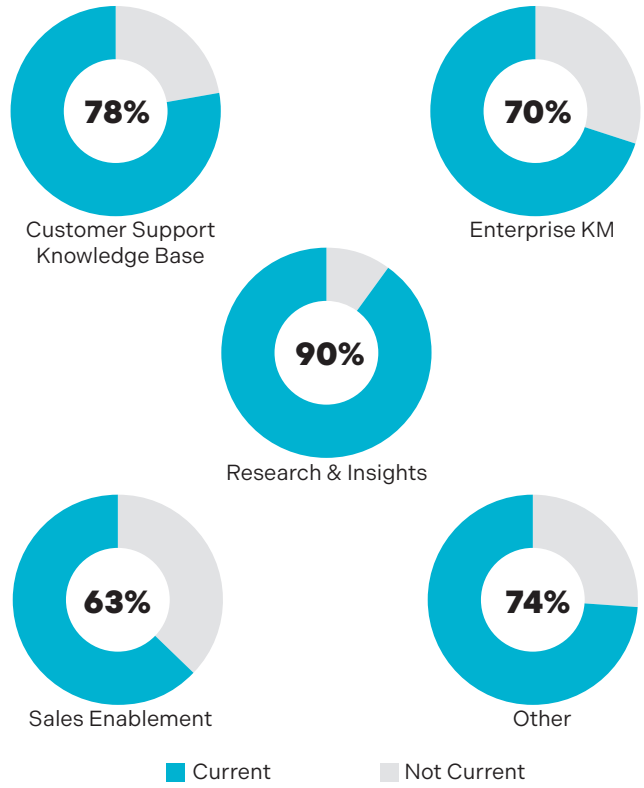
The data reveals clear user preferences when searching for information within a knowledge management system (KMS). Users prioritize tools that provide contextual relevance and visual clarity, with search filters (23%), search term highlights (21%), and article or document titles (22%) being the most frequently used aids. This indicates a strong preference for features that help quickly narrow down results and identify relevant content. In contrast, metadata-based tools like author name (9%) and image previews (12%) are less commonly used, suggesting that users focus more on the content itself than on who created it or its visual representation unless specifically needed.

Additionally, intuitive navigation (25%) stands out as the most important feature, highlighting that users value structured, easy-to-navigate systems over reliance on automation. This aligns with their preference for filters and titles, emphasizing the need for clarity and logical organization within the KMS. At the same time, users express a strong interest in personalization (17%) and custom notifications (17%), reflecting a desire for systems that adapt to individual needs and improve efficiency over time.

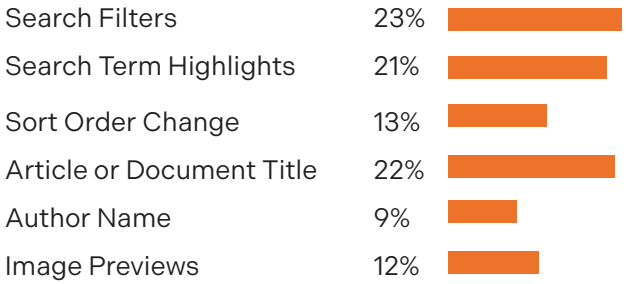
Integrations with other tools (20%) are also critical, indicating a preference for KMS solutions that seamlessly fit into existing workflows rather than operating as standalone platforms. While artificial intelligence (AI) tools (13%) are recognized as valuable, their lower ranking compared to navigation and integrations suggests that users currently view AI as a supportive feature rather than a core component of their search experience.

Overall, the insights point to a user base that values structured navigation, contextual search tools, and personalized experiences, with a growing interest in AI-driven enhancements and strong demand for integrated, workflow-friendly systems.

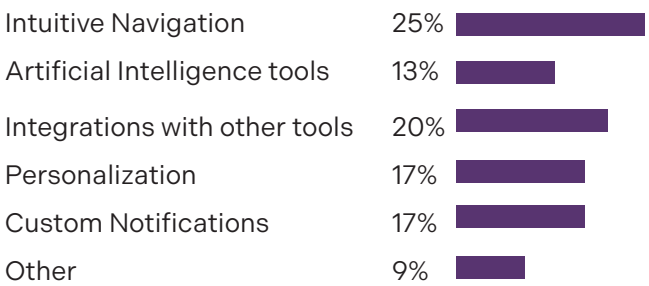
Ongoing needs to maintain content varies by use case



Search Tools Most Frequently Used to Help Find Content (apart from Search Queries)



Important Features to Users



Adopting a federated model for knowledge management offers a cost-effective balance between centralized control and distributed autonomy. Unlike a fully centralized model, which can incur high costs due to the need for a large, dedicated team to manage all content and processes, the federated approach distributes responsibilities across business units while maintaining a lean, strategic core team within the Center of Excellence (COE). This structure reduces overhead by leveraging existing resources within departments to manage and curate knowledge, minimizing the need for extensive new hires.

Critically, the knowledge management (KM) discipline should not be treated as an IT function. While technology enables KM systems, the discipline itself is fundamentally about the intersection of people, processes, knowledge and culture. Positioning KM within IT risks reducing it to a set of tools rather than focusing on the strategic goal of fostering knowledge sharing, learning, and innovation. The federated model ensures that KM remains business-led, with the COE setting governance and standards while business units drive content relevance and usage, aligning knowledge initiatives with organizational goals rather than technical requirements alone.

Compared to a fully distributed model, where each team operates independently—often leading to duplication of efforts, inconsistent practices, fragmented knowledge silos and multiple systems used—the federated model reduces inefficiencies through standardized governance and shared best practices, lowering the long-term costs associated with correcting inconsistent data and redundant workflows.

Moreover, doing nothing or maintaining the status quo often results in hidden costs: lost productivity due to inefficient information retrieval, employee frustration, and missed opportunities for knowledge reuse. In contrast, the federated model fosters cross-functional collaboration, enabling teams to share insights efficiently without heavy investments in redundant systems or excessive central oversight. This approach maximizes the return on existing knowledge assets, ensuring cost control while enhancing organizational agility.

EXAMPLES FROM BLOOMFIRE

A global consulting and technology services firm that specializes in providing professional services across a range of industries, including energy, environment, public health, social programs, and digital transformation transformed their knowledge management program from a distributed model with 5 separate KM systems to a federated model, consolidating to a unified platform using Bloomfire to serve 8 distinct knowledge sharing communities. Working with government agencies, commercial clients, and non-profit organizations, this company uses Bloomfire to deliver data-driven insights, strategic consulting, and innovative technology solutions.

With expertise spanning areas such as climate and sustainability, public health, disaster management, cybersecurity, and customer experience. The firm is known for combining deep subject matter expertise with advanced analytics and digital tools to help clients solve complex challenges, improve operational efficiency, and achieve mission-critical outcomes. The use of a distributed model with a centralized core of knowledge management leaders guiding over 225 subject matter experts embedded within each discipline has transformed their organization's ability to deliver results for their clients.

Employee Count: 9000
Ratio of Employees to SME's embedded in organization: 40:1
COE Size: 8
Documents managed: 10,900
New Documents added annually: 516

A prominent Oil & Gas Exploration company discovered that managing a SharePoint library presents significant challenges, particularly in ensuring knowledge is easily accessible across teams. SharePoint's reliance on folder structures makes it difficult for employees to locate information unless they know the exact location, leading to inefficiencies and frustration. Its search functionality is limited compared to modern knowledge management solutions, often returning irrelevant results or failing to surface content based on context. Additionally, concerns about Teams integration and content discoverability further complicate collaboration. By switching to Bloomfire, they were able to reduce these challenges through better metadata tagging, robust search capabilities, and AI-powered organization. Bloomfire's intuitive interface allows employees to find and share vetted content without navigating complex folder hierarchies, ensuring knowledge is accessible when needed. Moreover, its potential integrations with tools like Jira and Oracle help create a more connected knowledge ecosystem, streamlining workflows and improving knowledge retention across the company.

In addition to the improvements in access, Bloomfire is a much simpler tool from an administration standpoint. With sharepoint they had 20 dedicated administrators who built and maintained sharepoint sites for each team, in addition to the IT manager for sharepoint and developers who built custom integrations. This was in addition to the team responsible for the content. With Bloomfire, the IT lift is minimal, eliminating the need for extra roles - which were repurposed to other projects. The knowledge management team now has full authority to manage and optimize the flow of information across the organization.

Employee Count: 1800
COE Size: 8
FTE Reassignment for Custom Developers/Admins: 12
Documents managed: 6,750
New Documents added annually: 347

Risk Management

Risk management is a crucial component of any knowledge management strategy. Knowledge assets, like all valuable resources, carry risks that must be actively managed to ensure they remain a source of value rather than becoming a liability. The following guidance provides a clear framework to address risks associated with knowledge assets.

1. Overview of Risk Factors

Knowledge assets are intangible yet essential to organizational performance. Risks in this area stem from mismanagement, obsolescence, underutilization, security breaches, or dependency on critical employees. These factors can degrade the value of knowledge assets and negatively impact operational efficiency, innovation, and profitability.

Risks can generally be categorized as follows:

- Operational Risks: Ineffective systems, poor data governance, or lack of accessibility to knowledge assets.
- Financial Risks: Failure to utilize knowledge assets effectively, leading to lost revenue or increased costs.
- Security Risks: Unauthorized access, data breaches, or loss of intellectual property.
- Cultural Risks: Resistance to knowledge-sharing practices or dependence on undocumented tacit knowledge.
- Regulatory Risks: Non-compliance with data protection and privacy regulations.

2. Governance and Oversight

Robust governance structures are essential to mitigate these risks. Companies should establish a Chief Knowledge Officer (CKO) or equivalent role responsible for overseeing the management of knowledge assets. Consideration can also be given to following an appropriate governance model which would define, implement and evaluate the effectiveness of the following:

- Ownership and Accountability: Clarify who owns specific knowledge assets, how they are maintained, and who is accountable for their integrity.
- Review and Maintenance Schedules: Set timelines for regular review of knowledge repositories to ensure relevance and accuracy.
- Accessibility Protocols: Ensure knowledge assets are accessible to the right people at the right time while preventing unauthorized access.
- Crisis Management Plans: Prepare strategies to recover knowledge assets or minimize damage in the event of a breach, turnover, or loss of critical knowledge.

By establishing these governance principles, organizations can maintain control over their knowledge assets and ensure their continued value.

3. Key Risks and Mitigation Strategies

Here are specific examples of risk to knowledge assets to address and suggestions on strategies to manage them effectively:

Knowledge Obsolescence

- **Risk**: Knowledge assets lose value over time if they are not regularly updated to reflect current practices, market conditions, or regulations.
- **Mitigation**: Implement a systematic review process for all knowledge assets. Establish a policy requiring content owners to validate and update documents on a regular basis. Use analytics tools to identify outdated assets and prioritize them for revision or removal. Leverage your KM platform tools to automate this process where possible.

Over-Reliance on Tacit Knowledge

- **Risk**: Critical expertise resides solely in the minds of employees, leaving the organization vulnerable to turnover or unexpected absences.
- **Mitigation**: Invest in programs to convert tacit knowledge into explicit knowledge. Use knowledge mapping to identify critical expertise gaps and focus documentation efforts on these areas. Pair experienced employees with junior staff through mentorship programs to transfer key insights. Capture knowledge from experienced employees using video or audio recordings and index the transcripts of these interviews.

Inadequate Utilization

- **Risk**: Knowledge assets fail to generate value because they are underutilized or inaccessible.
- **Mitigation**: Track the utilization rate of knowledge assets through platform analytics. Promote awareness of the knowledge management system through training and internal marketing campaigns. Incentivize employees to contribute to and engage with the platform. Encourage a culture of knowledge sharing in each department.

Security and Privacy Breaches

- **Risk**: Knowledge assets are exposed to unauthorized access or theft, leading to financial and reputational damage.
- **Mitigation**: Implement strict access controls, encryption, and multi-factor authentication to protect sensitive information. Conduct regular security audits and penetration testing to identify vulnerabilities. Ensure compliance with data protection regulations like GDPR or CCPA. Your KM platform provider is an essential partner in this process - work closely with them to configure and maintain your security posture with all knowledge assets.

Misaligned Knowledge Contributions

- **Risk**: Resources are wasted creating or maintaining knowledge assets that do not align with business objectives.
- **Mitigation**: Align knowledge creation efforts with key business goals by requiring a business case for major projects. Use feedback loops to evaluate the relevance and impact of assets. Retire assets that no longer provide measurable value.

4. Metrics to Monitor Risk

To ensure the effectiveness of risk management strategies, companies should implement metrics that provide insight into potential vulnerabilities. These can be actively managed by your CKO or the KM COE and provide early warnings and allow management to address risks proactively.. Examples include:

- **Content Accuracy Rate**: Percentage of knowledge assets reviewed and updated within the last year.
- Employee Knowledge Retention: Ratio of tacit knowledge captured before key employees exit the organization.
- **Platform Utilization Rate:** Frequency and breadth of use of knowledge management systems across departments, or the level to which key knowledge categories are leveraged in strategic decision making.
- **Incident Reports:** Number of unauthorized access attempts, breaches, or data loss events involving knowledge assets.

5. Scenario Planning for Risk

Scenario planning enables companies to anticipate and prepare for worst-case events involving knowledge assets. Examples include:

- **Employee Turnover Risk:** Develop plans to document critical knowledge as part of offboarding processes.
- **Cybersecurity Risk:** Prepare an incident response plan for data breaches involving intellectual property.
- **Knowledge Platform Failure:** Establish redundancies and backups to ensure access to critical knowledge during system outages.

By simulating these scenarios, leadership teams can reduce response times and minimize damage when risks materialize. Understanding and planning for these risks are an essential part of the role of your knowledge management team.

6. Reporting Risk to Shareholders

When including risk management details in shareholder letters, annual reports or other documents, focus on transparency and accountability. This report contains a section with guidance for preparing a supplemental report on knowledge management practices. In that supplement, provide concise descriptions of major risks, the steps taken to mitigate them, and their potential financial impact.

For example, you might note:

- "The company mitigates the risk of knowledge obsolescence by conducting quarterly reviews of all explicit knowledge assets, ensuring their relevance and accuracy."
- "To reduce reliance on tacit knowledge, the company invests in mentorship programs and knowledge mapping to document critical expertise."

By articulating these efforts, companies demonstrate to shareholders that they are safeguarding knowledge assets and positioning them as drivers of long-term value.

Effective risk management ensures knowledge assets remain a competitive advantage rather than a liability. By addressing key risks like obsolescence, over-reliance on tacit knowledge, and security breaches, companies can maintain the integrity and value of their knowledge resources. For company leaders, clearly outlining these risks and mitigation strategies reinforces the organization's commitment to maximizing the value of its intangible assets.

Making the Case for Knowledge Management

Advocating for a knowledge management (KM) program is the first step towards developing true enterprise intelligence. Bringing this mindset to your organization is not just about solving operational challenges—it's an opportunity to demonstrate strategic vision and position yourself as a key player in driving organizational growth. Successfully gaining executive buy-in requires framing KM as a revenue driver, risk mitigator, and innovation enabler that aligns with C-suite priorities.

The rise of enterprise intelligence marks a pivotal shift in how organizations harness information, driven by the convergence of enterprise search, business intelligence, and knowledge management—supercharged by Generative AI, Retrieval-Augmented Generation (RAG), and Large Language Models (LLMs). This isn't just about improving access to data; it's about transforming how businesses think, decide, and innovate. To gain buy-in you will need to help other leaders recognize this insight.

At the heart of this transformation lies a robust knowledge management (KM) program—a critical foundation that ensures information isn't just stored but made accessible, contextualized, and actionable. Without a solid KM framework, the promise of enterprise intelligence falls flat. Knowledge management organizes and curates institutional knowledge, ensuring that AI tools can pull from high-quality, vetted content. It bridges the gap between data and decision-making, enabling AI-driven solutions to surface deeper insights, reduce information overload, and empower employees at every level.

Implementing a modern KM program creates the connective tissue that allows enterprise search, business intelligence, and AI to work in harmony. It unlocks the full potential of LLMs and RAG systems, allowing organizations to scale expertise, accelerate learning, and make strategic decisions with unprecedented speed and precision. In this new paradigm, KM isn't just an operational tool—it's a strategic asset that positions companies to lead in an increasingly data-driven world.

These steps will help you to align these strategic objectives to gain the support needed to succeed:

1. Align Knowledge Management with Business Objectives

Executives are primarily concerned with achieving organizational goals, such as increasing profitability, improving customer satisfaction, and driving innovation. Framing the value of KM in terms of these objectives is critical.

- **Revenue Growth:** Showcase how KM supports sales and marketing teams by providing access to timely insights, enabling faster decision-making, and improving win rates.
- **Cost Reduction:** Highlight cost savings achieved through reducing inefficiencies, duplicating efforts, and onboarding time.
- **Risk Mitigation:** Demonstrate how KM minimizes risks related to knowledge loss, regulatory compliance, and outdated information.

When discussing KM's value, focus on how it directly contributes to key performance indicators (KPIs) that resonate with leadership, such as revenue per employee, customer retention, or operational cost ratios.

2. Use Data to Build Credibility

Data-driven insights are crucial for convincing leadership of KM's impact. Use quantitative and qualitative data to paint a clear picture of KM's impact on productivity, engagement, and customer experience.

- **Productivity Gains:** Present data showing how KM reduces search times, accelerates onboarding, and enhances decision-making speed.
- **Employee Engagement:** Highlight survey results that correlate strong KM practices with higher employee collaboration, satisfaction, and retention.
- **Customer Impact:** Share metrics like customer satisfaction (CSAT) scores, Net Promoter Scores (NPS), and customer effort scores (CES) that improve with KM.

Combine these metrics with industry benchmarks and real-world examples to demonstrate the tangible benefits KM has already delivered to your organization or similar enterprises.

3. Illustrate KM's Role in Driving Innovation

Innovation thrives on collaboration and knowledge-sharing. Show how KM facilitates these outcomes by:

- **Enabling cross-functional collaboration:** Breaking down silos between departments.
- **Shortening time-to-market:** Guarantee teams have instant access to research, competitive intelligence, and best practices.
- **Improving decision-making quality:** Ensuring strategic decisions are backed by complete, accurate knowledge.

If your company has experienced delayed initiatives, missed opportunities, or wasted R&D investments due to poor knowledge accessibility, highlight how KM can prevent these costly roadblocks.

4. Quantify the Cost of Inaction

One of the most powerful ways to gain executive buy-in is to highlight the financial risks of doing nothing. These include:

- **Knowledge Drain**: When employees leave, their tacit knowledge goes with them—leading to lost expertise, inefficiencies, and costly retraining.
- **Operational Bottlenecks:** Show how silos and outdated systems impede decision-making and reduce competitiveness.
- **Reputation Damage:** Outdated or inaccessible information increases the likelihood of compliance failures, lawsuits, or reputational damage.

Frame KM as risk mitigation—an investment that prevents costly knowledge gaps and operational inefficiencies.

5. Present a Clear Implementation Plan

Leadership teams are more likely to buy into KM initiatives when they understand the implementation process and expected outcomes. Provide a clear, phased roadmap that outlines:

- **Assessment**: Conduct a knowledge audit and define clear success metrics.
- **Technology Investment:** Identify the right KM platform (e.g., Bloomfire) to centralize information and leverage AI for enhanced functionality.
- **Cultural Integration**: Build a culture of knowledge-sharing through training, incentives, and leadership support.

Expected Outcomes: Provide timelines and projections for improvements in productivity, employee engagement, and ROI.

6. Tailor Messaging to the Leadership Audience

Different leadership roles prioritize different outcomes. Tailor your messaging to address their specific concerns will help your program gain the buy-in support you are looking for.

- **CFOs:** Emphasize cost savings, ROI, and risk mitigation.
- **CEOs:** Focus on competitive differentiation, innovation, and long-term scalability.
- **CMOs and Sales Leaders:** Show how KM enables faster go-to-market strategies, data-driven marketing, and customer experience improvements.
- **CIOs and IT Leaders:** Showcase KM's role in reducing technology fragmentation and optimizing enterprise knowledge flow.

Closing the Gap Between Vision and Action

Gaining buy-in for KM isn't just about advocating for a tool, it's about positioning yourself as a strategic leader who understands how knowledge fuels business performance. By aligning KM with executive priorities, using data-driven arguments, and presenting a structured implementation plan, you position yourself as an enterprise problem-solver ready to drive measurable results.

Make the case effectively, and you're not just implementing KM—you're elevating your leadership profile and positioning yourself for the next step in your career.

Creating a Supplemental Financial Statement for Knowledge Assets

To effectively report on the status and value of your knowledge assets, management should prepare a supplemental statement that outlines the company's knowledge strategy and asset valuation. This document bridges the gap between intrinsic value and book value, helping shareholders understand how knowledge contributes to company performance. Similar to sustainability reports or other supplements, this statement provides transparency into a key driver of financial success: the company's enterprise intelligence.

When preparing a Supplemental Financial Statement for Knowledge Assets, clearly define the scope of each asset class you include, quantify their impact on business performance, and align valuation methods with industry standards. This includes categorizing intangible assets such as proprietary research, intellectual property, and organizational expertise into the appropriate classification. The Knowledge Management Assets & Valuation supplement should include the following sections:

- Overview of Knowledge Management Strategy
- Classification of Assets
- Valuation Methodologies
- Summary Table of Knowledge Asset Valuation
- Governance & Risk
- Key Performance Metrics
- Management Discussion & Analysis

Overview, Management Discussion & Analysis
This section explains the company's overall KM approach and its role in driving financial success. Highlight how KM fosters collaboration, accelerates innovation, and ensures best practices are applied organization-wide. For example, explain how your knowledge strategy reduces inefficiencies, drives OKR attainment, or enhances employee productivity. Use this section to connect your KM initiatives to broader business outcomes, giving shareholders a clear picture of their value.

Classification of Assets
Knowledge assets should be categorized into three primary classes:

- **Intellectual Property (IP):** Includes patents, trademarks, and proprietary innovations.
- **Explicit Knowledge:** Documented information such as methodologies, market research, and structured/unstructured data stored in KM systems.
- **Tacit Knowledge:** Expertise and insights held by employees, representing critical know-how that can drive value when shared or documented.

Briefly explain what makes these asset classes valuable to your organization.
For example, emphasize how IP protects competitive advantage or how Explicit Knowledge fuels decision-making.

Valuation Methodologies
There are several valid approaches to valuation - but how you use them and how much of the value you attribute specifically to the knowledge asset is up to your professional judgement. To help we have included some variables and assumptions here that can be used to model the impact each asset class has had on your financial outcomes.

Governance & Risk
Outline governance policies to protect and maintain knowledge assets. Discuss how the KM program addresses risks, such as knowledge loss due to employee turnover or outdated processes. Highlight the Chief Knowledge Officer's role in managing these risks and ensuring the company maximizes the value of its knowledge assets. Reinforce that poor knowledge management can turn assets into liabilities, directly affecting financial performance.

Key Performance Metrics
The management team should focus on key KPIs to monitor the health of the knowledge program. One example is Overall Employee Effectiveness, which measures availability, performance, and quality of work by reducing unproductive hours, increasing OKR attainment, and boosting revenue per employee. Another is Knowledge Asset Utilization Rate, tracking platform use and engagement with key content. Lastly, the Knowledge Conversion Ratio compares documented processes and innovations to critical employee expertise. Use these KPIs or identify others specific to the business needs to offer clear guidance on managing knowledge assets and their impact on company performance.

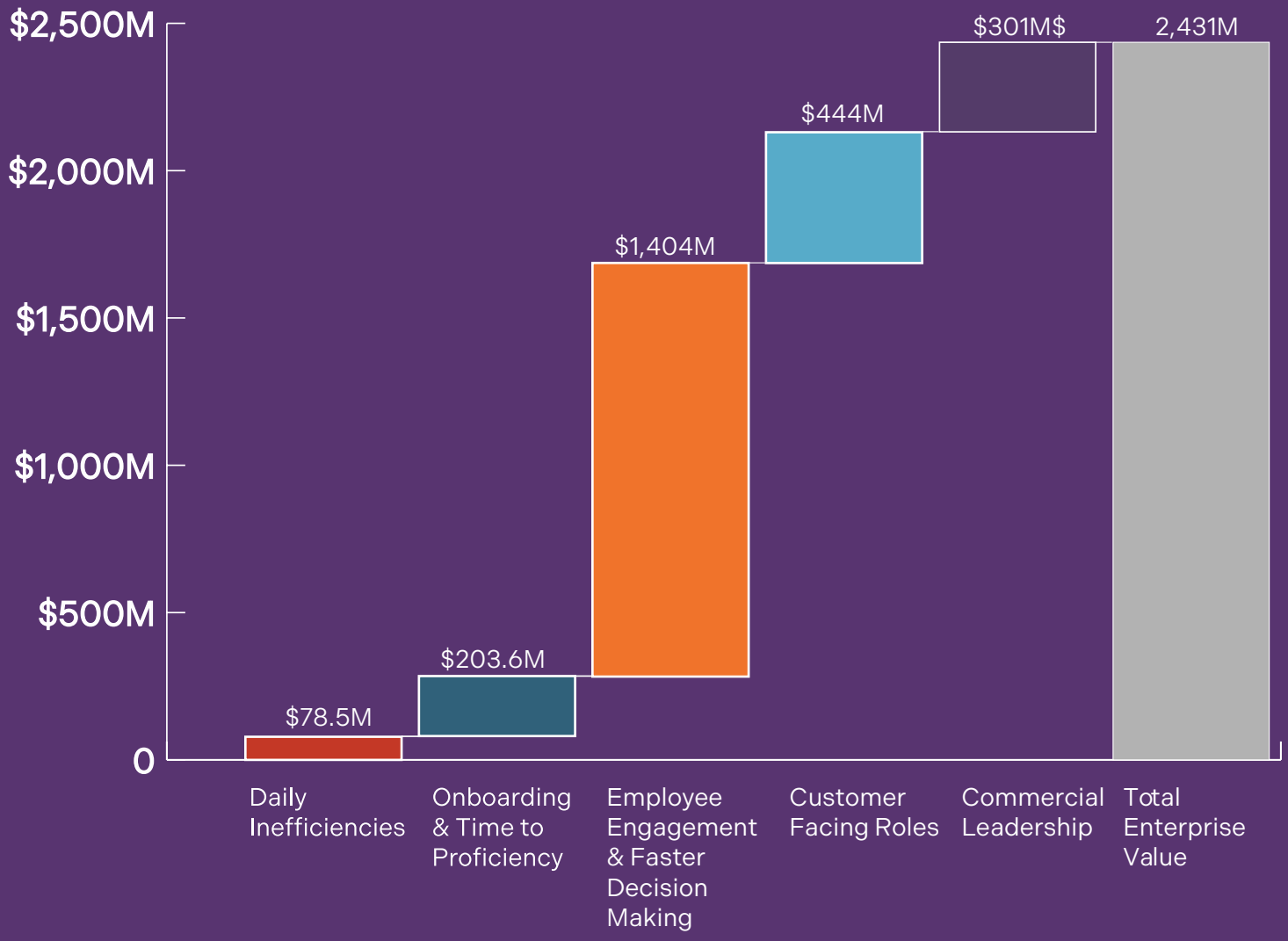
A well-prepared supplemental report on knowledge assets provides shareholders with critical insights into how the company leverages its knowledge for financial success. By detailing strategy, valuation, and governance, this report highlights the company's commitment to transparency and its focus on maximizing the value of intangible assets. Knowledge is a vital driver of performance, and this supplement ensures it is recognized as such. To assist we have included an example statement using a large manufacturing company as the model.

VALUATION METHODOLOGIES

In this example we have described a manufacturing company with 7750 Employees across 4 department groups: Customer Support, Commercial Roles including Product, Sales & Marketing, Manufacturing/Operations, and Support organizations including IT/HR/Legal/Finance. Company Total Revenue $9.25 B.

The total enterprise value shown in this example is $2.43 B or 26% of total revenue. The majority of this $2.27 B is made up of productivity impacts and a further $175M in potential cost avoidance. This works out to $27.1M productivity per 100 employees and a further $2.26M per 100 employees in cost avoidance.

The summary total of each area of impact - Daily Inefficiencies, Onboarding & Time to Proficiency Gaps, Cultural Impacts, Impact for Employees in Customer Facing Roles, and Impacts for Commercial Leadership is shown below:



To prepare the Supplemental Financial Statement, identify the areas of impact that you wish to include and apply the appropriate variables and assumptions to the models discussed in this report. Organize these areas of impact into the listed asset classes and apply valuations on either a cost avoidance or productivity improvement basis for each model selected.

To enable calculations, use separate Employee Counts, Revenue per Employee, Average Salaries, KMS Utilization, Onboarding time, Turnover rates for each department. This is then incorporated into the calculations using the variables indicated. In this example, the average results from the survey data were used to produce the final value.

Note: when Salary or Cost-to-Serve is used the model follows a cost approach, and when Revenue or Growth Rate is used the model follows an income approach.

VALUATION METHODOLOGIES - ENTERPRISE VALUE BY AREA OF IMPACT

DAILY INEFFICIENCIES

DESCRIPTION	ASSET CLASS	VARIABLES & ASSUMPTIONS*	VALUE
Employee Time Spent Searching	Explicit	Employee Counts, Average Salary & Utilization by department, assumes 3.9 hours search time saved per employee per week	**$48,653,962**
Duplication of Efforts (Employees)	Explicit	Employee Counts, Average Salary & Utilization by department, assumes 2.4 hours saved per employee per week by eliminating duplication of effort	**$29,940,900**

TOTAL: $78.5M

ONBOARDING & TIME TO PROFICIENCY

DESCRIPTION	ASSET CLASS	VARIABLES & ASSUMPTIONS*	VALUE
Operational Cost of Onboarding	Tacit	Turnover Rate, Average Salary and Onboarding Time, by department, calculates Salary Cost during training using ramp time over the onboarding period in weeks	**$17,967,209**
Productivity Gap at Onboarding	Tacit	Turnover Rate, Revenue per Employee and Onboarding Time, by department, calculates Productivity Gap during training using ramp time over the onboarding period in weeks	**$185,718,310**

TOTAL: $203.6M

CULTURAL BENEFITS

DESCRIPTION	ASSET CLASS	VARIABLES & ASSUMPTIONS*	VALUE
Employee Engagement	Tacit	Revenue per Employee, Employee Counts & Utilization Rate by department, assumes percentage of employee engagement and a maximum impact to productivity of 20%	**$685,536,000**
Improved Quality of Work, Policy & Procedure Compliance	Explicit	Revenue per Employee, Employee Counts & Utilization Rate by department, uses average employee productivity impact score & average impact of increased decision making speed	**$384,614,260**
Empowerment	Tacit	Revenue per Employee, Employee Counts & Utilization Rate by department, uses productivity impact score + combined values of increased decision making speed & quality of work score	**$198,457,374**
OKR Attainment	Explicit	Employee Counts & Utilization Rate by department, assumes 3.8% CAGR and uses average OKR attainment rate to a maximum impact of 20%	**$29,401,418**
Motivation to Learn New Skills	Tacit	Revenue per Employee, Employee Counts & Utilization Rate by department, uses impact of motivation (frequency x magnitude) of 2.4%	**$106,222,375**

TOTAL: $1,404M

IMPACT TO CUSTOMER FACING ROLES

DESCRIPTION	ASSET CLASS	VARIABLES & ASSUMPTIONS*	VALUE
CES Value	Explicit	CS Cost to Serve Value (Equipment, Training, Salaries), Number of Calls handled and % of calls resolved at first contact (ie Low customer effort)	**$51,917,242**
CRR Improvement	Explicit	Average Customer Recurring Revenue, Average Customer Retention Rate, Improvements to Customer Retention and Customer Count	**$379,250,000**
Service Quality Improvement	Explicit	CS Cost to Serve Per Call, Number of Calls Handled, assumes impact of service quality (frequency x magnitude) of 13.7%	**$9,864,276**
Consistency of Service Improvement	Explicit	CS Cost to Serve Per Call, Number of Calls Handled, assumes impact of service consistency (frequency x magnitude) of 6.3%	**$4,542,758**
Speed & Efficiency of CS Teams	Explicit	CS Cost to Serve Per Call, Number of Calls Not Resolved or where AHT exceeds average, FCR Improvement Rate, AHT Improvement Rate	**$30,342,743**

TOTAL: $444M

IMPACT TO COMMERCIAL LEADERSHIP

DESCRIPTION	ASSET CLASS	VARIABLES & ASSUMPTIONS*	VALUE
Strategic Input from SME's	Explicit	Employee Count, Average Salary & Utilization Rate for Employees in Commercial Roles,assumes 2.3 hours saved per employee per week waiting on input from SMEs	**$1,583,550**
SME/Authors Duplication	Explicit	Author Count, Average Salary for Employees in Commercial Roles, assumes an additional 1.8 hours saved per author per week, author to employee ratio of 7:1	**$6,731,100**
Insights Growth	Explicit	Employee Count for employees in Commercial Roles, assumes 3.8% CAGR and uses average OKR attainment rate to a maximum impact of 20% and market research consultation in 62% of strategic decisions	**$29,839,226**
Faster Decision Making	Explicit	Revenue per Employee, Employee Count & Utilization Rate for employees in Commercial Roles, uses impact of faster decision making (frequency x magnitude) of 5.6%	**$43,872,750**
Cross-Functional Collaboration	Explicit	Revenue per Employee, Employee Count & Utilization Rate for employees in Commercial Roles, uses impact of cross-functional collaboration (frequency x magnitude) of 6.8%	**$53,779,500**
Maximizing the Value of R&D Budgets	Explicit	Number of Research Projects & Average Project Cost, assumes market research consultation in 62% of strategic decisions + a savings of 10% by eliminating duplicate research	**$5,640,000**
Innovation	Explicit	Revenue per Employee, Employee Count & Utilization Rate for employees in Commercial Roles, uses impact of improved innovation (frequency x magnitude) of 1.2%	**$9,041,875**

TOTAL: $301M

EXAMPLE Supplemental Financial Statement: Knowledge Management Assets and Valuation

Overview of Knowledge Management Strategy
At [ABC Company], we recognize knowledge as a critical asset that drives our competitive advantage, operational efficiency, and long-term value creation. Our knowledge management strategy is rooted in the identification, governance, and utilization of intellectual property, explicit knowledge, and tacit knowledge across our organization. This supplemental section provides an overview of the classification, valuation, and management of our knowledge assets, which form a significant part of our intrinsic value.

Classification of Knowledge Assets
We categorize our knowledge assets into three primary classes, each of which contributes uniquely to our business performance:

- **Intellectual Property (IP):** Includes patents, trademarks, copyrights, and proprietary algorithms. These assets underpin our technology solutions, product innovation, and market differentiation.
- **Explicit Knowledge Assets:** Documented and curated knowledge such as proprietary manufacturing methods, go-to-market positions, customer insights, operational frameworks, and structured R&D data. These assets enhance decision-making, improve process efficiency, and support service excellence.
- **Tacit Knowledge Assets:** Knowledge embedded in our workforce, including expertise in materials, global trade, and customer relationship strategies. While this is not directly capitalized on our balance sheet, its estimated value is crucial to risk mitigation and operational continuity.

Valuation Methodology

1. Intellectual Property Valuation
We apply the income approach to value our IP assets, projecting future revenue streams generated by these assets and discounting them to present value. For example, patented product designs are evaluated based on their contribution to revenue growth and improved customer loyalty.

2. Explicit Knowledge Valuation
Explicit knowledge is valued using a combination of Attribution Models:

- Productivity: Revenue per employee is attributed amongst core employee groups, linking revenue to the use of recorded knowledge assets and their impacts on productivity metrics and employee performance.
- Operational costs: Functions such as CX are attributed to the use of assets for improving service quality, consistency, speed and efficiency. Operational costs for Research, Insights and Product Development are attributed based on the utilization rate. All other operational costs for managing and maintaining knowledge assets are attributed to the functional groups based on a federated model.

3. Tacit Knowledge Valuation
Tacit knowledge is valued using the cost approach, estimating the cost to replace key employee expertise. This includes recruitment, training, and ramp-up costs for specialized roles. While not directly capitalized, this value informs risk assessments and employee retention strategies. The productivity gap during onboarding periods are also factored into this valuation.

Knowledge Asset Valuation (CURRENT YEAR)

Asset Class	Valuation Method	Estimated Value ($M)
Intellectual Property	Income Approach	1,200
Explicit Knowledge	Income/Productivity/Cost	1,119
Tacit Knowledge (not capitalized)*	Cost Approach	1,194
Total Knowledge Asset Value		**3,513**

**Estimated tacit knowledge value is for internal reporting and strategic planning purposes only.*

Governance and Risk Mitigation
To preserve and enhance the value of our knowledge assets, we maintain robust governance policies, including:

- **Knowledge Lifecycle Management:** Ensuring data and knowledge remain current, relevant, and secure.
- **Routine Audits:** Regular reviews of knowledge repositories to identify and address redundant, outdated, or trivial data (ROT).
- **Employee Development:** Programs designed to document and transfer tacit knowledge, minimizing risk from turnover.

Performance Metrics (CURRENT YEAR)
We monitor the impact of knowledge assets through the following Key Performance Indicators (KPIs):

KPI	Value
Percentage of revenue linked to IP	18%
Cost savings from explicit knowledge	$124.8M
Employee knowledge retention rate	92%

Conclusion
Our commitment to knowledge management ensures that we maximize the value of these critical assets while safeguarding them against depreciation and risk. By leveraging advanced governance practices, we not only preserve our competitive advantage but also enhance the long-term value we deliver to our shareholders and customers.
This proactive approach aligns our knowledge management strategy with our financial objectives, positioning us as an industry leader in operational innovation and value creation.

The Value of Enterprise Intelligence™

Bloomfire

Bloomfire is a pioneering AI-powered knowledge management software platform at the intersection of people, knowledge, process, and technology. Since 2011, Bloomfire has partnered with the Fortune 500 and leading companies across all industries to improve knowledge retention and employee onboarding and exceed their operational objectives.