

Invited Talk: Taking a Knowledge Perspective - The Future of Knowledge

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Abstract: The loss of the monopoly of “useful” scientific and practical knowledge that has been held by the US, Western Europe and Japan since the mid-19th Century is surely one of the defining events of our time. We are just beginning to see how the subsequent global dissemination of this sort of knowledge is affecting our economic and social institutions within the current phases of globalization.

Concurrently, and as both a cause and effect of this global dissemination, is the plummeting of information transaction costs. This is both a technical as well as an economic event-allowing codified information to spread round the globe at unforeseen speed. However the same forces have not caused the costs of knowledge to drop. Knowledge transaction costs have actually risen considerably, in all the developed economies. This in turn has focused attention on how much we pay for knowledge and how we better understand what we are paying for.

Many and varied experiments are also underway to allow organizations to better exploit and explore knowledge within their own boundaries and across the globe. Hard and soft technologies are being developed that take us far from the rigid, command and control hierarchies that evolved in the 19th century to work with traditional resources such as land, labor and financial capital. These new processes, roles and forms focus on how knowledge is to be developed, retained, and transferred.

Another new development are the ways we have of understanding knowledge itself. There has been much research into how human and social capital dynamics work to increase wealth and understanding based on knowledge. Since it is now thought that up to 60% of an organization’s non-capital expenditures are on intangibles, and since knowledge is the predominant intangible, it isn’t surprising that there is such strong interest.

There is also much work going on as to how to better understand the diverse forms of knowledge that we all use everyday, how can it be measured, and how can any entity “knows what it knows”?

Lastly there is a growing knowledge “democratization” movement in firms and in societies. This is strongly allied to the rapid growth of personal technologies and the erosion of traditional cognitive authority. However this movement is very

much a double edged sword. In the age when “everyone knows everything” how will knowledge be evaluated for use, how will decisions be made and by whom, and on what basis will knowledge investments of all sorts be made?

Short biography: Larry Prusak is a researcher and consultant and was the founder and Executive Director of the Institute for Knowledge Management (IKM). He has had extensive experience, within the U.S. and internationally, in helping organizations work with their information and knowledge resources. He currently co-directs "Working Knowledge," a knowledge research program at Babson College, where he is a Distinguished Scholar in Residence. A noted authority in his field, Larry Prusak has lectured and been published widely. His most recent book publications include co-editing Knowledge Management and Organizational Learning (Oxford University Press, 2005), and co-authoring Storytelling in Organizations (Elsevier, 2004). Larry Prusak has lectured at several important universities and schools, e.g., the Harvard Business School, M.I.T., New York University and the University of California Berkeley.