



Baby Boomer Exodus: Losing Critical Knowledge

KNOWLEDGE TRANSFER – An organization's ability to effectively and efficiently convey vital information from employee to employee in a way that keeps projects moving forward, even in the face of the loss of personnel.

Between 2008 and 2025, 29% of the US workers will be of retirement age. These Baby Boomers, the “critical knowledge holders,” will take with them their soft skills, practical knowledge, personal experiences and research, which they have provided for their companies. Loss of the Boomer expertise and institutional knowledge could be catastrophic to US businesses.

The recent challenge of our economy has forced many companies to restructure in order to increase productivity with fewer people. Our current workforce is exceptionally thin, stretching workers to their limits. While the Generation X and Y employee numbers nearly equal the Boomers', their work/life balance focus intensifies the pressures on our companies. The last thing companies can afford now is to unexpectedly lose employees and further erode knowledge.

Safeguarding Your Assets

An important initiative every company should have on their agenda this year is to safeguard their most valuable asset: the knowledge their employees possess. In 2008, the Institute of Corporate Productivity conducted a study with some sobering results:

- 30% of companies acknowledge they retain knowledge poorly or not at all
- 49% of companies say they do a fair job of retaining knowledge

- 78% of companies say they do not have a specific person/team responsible for knowledge retention
- 61% of companies don't have a formal knowledge retention initiative

This study shows that while companies should institute a program to methodically identify and document their significant operational processes, most do not.

Capturing, transferring and retaining Boomer employees' knowledge, skills and expertise prior to their retirement will enable the next generation of employees to maintain business continuity. Comprehensive processes involve people at all levels.

Retaining Knowledge

Most companies do not know where to start the knowledge retention process and are not certain of the media to use. We recommend that you look at documentation, both in written and video formats, depending on the positions.

Here are some tips as you begin this knowledge retention process:

- Most positions can be served by documenting the process, including workflows, step by step details and robust usage explanations of

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forms, checklists, templates, and computer systems. A “walk-through” of the process will reveal if it is performed as prescribed and pinpoint errors and exceptions.

- Technical positions are best served by video taping the process, along with narration, explaining each step taken.
- Both written documentation and video can be stored on your network or intranet for easy access.

The knowledge retention process is not achieved overnight. There is no magic pill that we can take and no genie in a bottle. Here is a road map that may help you:

- Create **unique processes** for your company:
 - Organization Chart
 - Job Descriptions
 - Workflow Process Analysis
- Identify the Baby Boomers with the **knowledge at risk**

- Identify the **tasks at risk**
(See bullet one above)
- **Gather the information** to start the process
- **Draft the documents** or video the process with the employee
- **Walk through the process** for accuracy
- Review and make **final changes with the employee** whose knowledge you have captured
- **Finalize** your documentation or video

The most valuable asset in your business is not on your balance sheet. The most valuable asset walks out the door nightly; every employee takes with him or her the critical knowledge that runs your business.

What is your plan to capture the critical knowledge that you rely on and how will you transfer it to Generation X and Y employees?

About the Author: Gail L. Trugman-Nikol is President of Unique Business Solutions. The Long Island -based company offers customized solutions to help businesses and organizations develop a Knowledge Transfer Program, through documentation. She has successfully conducted seminars for the New York State Society of CPAs (NYSSCPA), Government Finance Officers Association (GFOA), professional organizations, and numerous Vistage groups. Additionally, she has written articles for the Moore Stephens newsletter, IMA LI Chapter, and NY Enterprise magazine.

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