

Embracing the Power of Knowledge

Maximizing on Talent and the Applied Knowledge to Gain Success

Businesses will grow quickly when they consistently improve their return on talent (ROT). By monitoring every employee's performance to see how they progress, you will gain knowledge in an important aspect of your business. Knowledge is one of the most important factors in having a successful business.



If you increase your assets of knowledge, then all other related factors such as production and sales will do the same automatically. In general, businesses should improve their ROT continuously in order to sustain sales growth. ROT is an excellent measuring stick to determine performance. It's set to be measured and managed the same way as finance.

Capitalizing on the Talent

If you have knowledge generated from correctly utilizing your employees, you will obtain a high ROT. Knowledge will lead to a creative workforce, innovations in your business and product improvements. Most of all, you will improve overall communications in your workplace.

Being flexible means you will be able to capitalize on opportunities, keeping pace with the changing business climate. Talented people always influence those around them. Therefore, obtaining their knowledge is essential, and generating knowledge from them should be rewarded. If you expect your top talent to produce the best rate of return, place them in related not routine positions.

Measuring Knowledge from Your Talent

ROT allows you to measure the payback from your investment in people. It determines whether you are hiring the right people into the right positions, and how effectively you are using them to achieve success in your business. ROT can either be quantitative or qualitative in its measurement.

One of the greatest assets in the global market is the ability of talent to generate knowledge. True knowledge brings creativity, innovation and adds value to the business. It is a key production factor alongside raw materials, buildings and machinery. Remember, if you do not measure the knowledge your talent creates, you will not be able to improve on your business.

Utilizing Applications to Calculate Knowledge

It is more difficult to calculate and track the return on knowledge generated and applied. To create real wealth with knowledge, you must use multiple applications such as repeating the same application persistently through a corporation or find new applications to new situations. Knowledge applications have range across organizations and length in time. The period between the generation of knowledge and its first application may be years; nevermind subsequent applications.

Initial estimates need to be made and refined annually as applications appear on the horizon and realized in order to correctly account for the value of generated knowledge. Leading indicators of return are based on projections of the probability of each anticipated application and the monetary value of each application summed over all anticipated applications.

Knowing How to Obtain the Return

Forward-looking projections and backward-looking allocations are both judgments. There's no reason to believe one is any better than the other. Ultimately, the capability to measure and link return on generated and applied knowledge comes down to a combination of:

- Early projections,
- After-the-fact allocations,
- Annual updating,
- Tracking between generated knowledge and the first of application series.