



A week ago, I went on the internet to find hard data on the cost of doing nothing. My interest is in what happens to organizations that "decide" to do business as usual – even in the face of overwhelming evidence that concrete steps must be taken to resolve a major challenge. I was open to research that says doing nothing is absolutely fine under many circumstances.

What I did find, most often, in site after site, were descriptions of what happened when people in organizations simply sat and twiddled their thumbs. Few sites had hard numbers. When there were numbers, these were attached to activities that could clearly be tracked and projected forward. In late 2004, for instance, Purdue University wondered what it would cost to keep their document management system the same or to move forward electronically. The business as usual solution would have cost over \$16 million, the changeover just over \$2 million and (with that change) they gained all sorts of office space in the bargain.

In my case, I was attempting to track down other comparable documents that applied to Knowledge Transfer (KT). No matter what I looked at, there was a very strong sense of unease over doing nothing -- in sites describing programs to educate employees about diabetes (to reduce healthcare costs later), programs to reduce carbon emissions, programs to promote affordable housing – my list could go on at length. So, the "bad news" is that to date it's not easy to track down concrete numbers of this sort: "*delay the set up of the XXX program even one month, and your corporate income decreases by X% each and every month*" or "*by doing nothing about Boomers leaving without passing along expertise and wisdom, your organization's productivity decreases Y% every 3 months*". I judge that those numbers will appear in due course as demand grows.

Meanwhile, it's instructive to review eight common justifications for doing nothing along with short case studies. The list isn't exhaustive. I've chosen justifications that are so ingrained they rarely get examined or challenged but ought to be.

Doing nothing means I won't make a mistake.

1 President Franklin Delano Roosevelt said: "*When it comes to making a decision, the best*



decision is the right one. The next, best decision is the wrong one. The worst decision is to do nothing at all.” He, like other leaders during the dark years of World War II and the Great Depression, certainly knew this to be the correct approach.

Choosing to do nothing is a decision -- by default. It allows outside forces to control the future. How often do we ask ourselves: “*When I actually make an important decision, how often do I leave it to chance?*” Under stressful conditions it may be tempting to run for cover and hope for the best but in those situations it is crucial to remain master of your own fate.

2 If I do nothing, it will cost nothing.

This is nothing more than a rationalization born out of wanting to maintain a comfortable posture. In the meantime, your spine is being bent little by little until, when you have to do something necessary but strenuous and different, you feel real PAIN.

3 If I don't make a decision, and something bad happens, I can't be faulted.

Actually, you did make a choice. Further, doing nothing offers a false sense of security. Unfortunately, doing nothing commonly turns out to be the worst thing for the organization. Imagine what the outcome would have been had the Allies decided in 1939 to let Germany (for example) continue their schemes?

Here's a prime example of how doing nothing can hurt and can be faulted.

CASE STUDY:

A few years ago, a manufacturing company was being helped to restructure its internal operations and management responsibilities. Some recommendations were self-evident. Other activities required senior executives to think differently about the business. For example, one division used highly toxic materials in part of its manufacturing process. The restructuring suggestion was for the company to create a new position: Vice President of Plant Safety. This person would have broad authority to ensure that workers, the public and the environment were not endangered by the company's procedures.

However, the company President decided there was no negative risk in maintaining the



status quo. In the meantime, other, more immediate, business issues drew attention away and the suggestion was shelved. In all likelihood, immediate and longer term salary for this person was a factor. Too, the President probably looked back on the corporate history and decided "*It hasn't happened so far... how likely is it to happen in future? Not too likely.*"

Fast forward 10 months. A completely avoidable chemical spill injured nine floor employees. Not only was the company was handed a hefty fine for not having proper safety procedures in place, but there were also costs associated with sending people to hospital and workers compensation claims. So, yes, it seems there are hard numbers that can be offered as proof that the "business as usual" approach can be negative.

4 If I let things ride as they are, I save time. I'm too busy.

Admittedly, doing something new will consume time, cost money and take effort. But, as has already been pointed out, the new costs could well be lower than current costs. Now consider doing something different could save the loss of an asset including staff. Add to this the fact that there's more than time to be factored into a decision.

5 If I keep the status quo, everyone will know what to do / what the policies are/ what programs are in place.

In fact, doing nothing may actually cause confusion, and create a lack of clarity. In a period of rapid technological change, corporate mergers, and globalization, nothing stays the same. Staff may not wonder what the policy is for social networking – they'll just go ahead and use it. If anything bad happens or if productivity drops as a result of this one activity, a do nothing stance hasn't helped.

As another example of what happens with a business-as-usual attitude, look at this story.

A supplier of commercial products ignored warning signs that receivables were stretching out to an average of 3+ months. Instead of deciding to get tougher with customers or take some other immediate steps and put a new policy in place, the decision was to let things ride. The company almost went bankrupt.

6 We're in a leading position. Why bother to make a change now? We've got lots of time if necessary when the signs seem to point towards change.

This could be an expensive choice. A let's-do-nothing decision normally drifts along for a



period of time during which market forces change, new technology emerges and staff leave for greener pastures or just plain leave because they sense sooner than you do that your organization is no longer in the lead.

When it comes time to "make a move" -- to continue programs, add on programs, do one of these or neither -- without being open-minded about the possibilities, a vote for as-is without being open could be very expensive and cause the organization to become stale and dated. And a leader no more.

Here's an instance of this effect.

A consumer service company had a new opportunity but dithered over making a decision to make a change. What happened? They lost market share, sales and profits when a more-nimble competitor quickly seized the opportunity. Has this ever happened to you? Let's hope not.

7 If I make a choice to change, there's no guarantee it will work.

Life holds no guarantees for any of us. Here's another case in point:

A food distributor found itself frozen out of an emerging market because it could not decide whether or not to invest in re/training part of its sales force. Decision makers in this company could not accept the notion that there is no guaranteed rate of return on investment so they found it easier to accept the status quo. There will be a return but at what level will depend on many factors.

Whatever the reasoning, in fairly short order it cost them an entire market. Even if they could eventually make inroads in this market at some future date, the cost clearly would be even greater to do so than if they had invested in the training in the first place.

8 We must make our current approach / software / process / etc. work.

Even assuming what's in place is flawed, incomplete, or wrong, time is too precious to try to improve the current situation. The attempt would likely be piecemeal and could stretch out to the crack of doom as the saying goes. One good first step is to clarify assumptions and unpack what led to this. Consider the different perspectives that have gone into the original decision: strategic, operational, economic, cultural, etc. Then, make your move-on decisions.



Knowledge Transfer

Now to my specific focus: Knowledge Transfer (KT). If it does not happen, there are increasing risks that the organization falls further behind or is further removed from the center of activity / leading edge.

Here's an instance: A large research council is about to lose most of its experts due to retirement in the next two years. Currently, the upcoming generation of workers pop in and out of offices to get help on the fly. Everyone imagines this will continue. Or if they appreciate the fact that the day will come when the experts will be gone, the thinking is: *"We can hire them back as external consultants."* Or *"Two years is plenty of time to transfer all that knowledge."*

What they forget is that rehiring is very costly. Often, retirees decide to pack it in and to not continue as consultants. Or, retirees go on vacations and are unavailable for long periods at a time. Or, that a mere two years, is the length of time the firm had some six months ago and now only 18 months are actually left – time gets gobbled in status quo mode. Finally, two years is not sufficient time to carry out the following:

- ✓ prioritize positions for which knowledge needs to be preserved
- ✓ identify critical knowledge
- ✓ identify processes for KT to capture, adapt, and transfer for reuse on a consistent basis the workforce's relevant knowledge, information, and most important, experience and insight
- ✓ build a KT action plan
- ✓ carry out the KT action plan

Failing to take these five steps will be an additional expense as there will be gaps in KT, and duplications at the very least.

To compound all this, when and if there is a need for collaboration – internally or externally -- this cannot occur if staff are not aware of their respective capabilities and thus what they are able to do for one another. Add to this the possibility of unevenness. For example, some staff will have strong links with their industry / field; some will have very diverse community they work with; some will have a limited natural user community. KT under these conditions complicates the challenge but it does not take it away.



The deadliest disease

It's been said that often, the deadliest disease afflicting an organization is simple paralysis. Sadly, not enough executives ask themselves one critical question: "*Did I make a decision or was my decision to do nothing?*" As Roosevelt insightfully noted decades ago, the worst decision is doing nothing.

How to counteract the disease? We need to understand we live in a society in which the expectation of passing along knowledge and leaving a legacy no longer fits well within the cultural values because there are fewer and fewer long-tenured employees who have spent their careers with the same organization.

The workforce has evolved so that a greater number of senior-level professionals rather than mid- and junior-level professionals have the greater share of knowledge and experience. This is primarily due to the sheer size of the senior pool relative to the rest of the workforce. Some see this current proportion as a distortion from the ideal. The consequence is that knowledge can rapidly disappear when large numbers of the senior workforce depart within a fairly short time period.

Overall, this challenge will lead to a lowered growth capacity, and reduced efficiency in the organization when cross-generational knowledge transfer (KT) isn't happening to the degree needed. What is the business case for cross-generational KT?

Various studies have documented benefits for the workplace including increases in productivity, speed, agility, profits, and growth plus meeting the challenges of lowered growth capacity and reduced efficiency in the organization. poor quality, wasted time, and wasted overhead.

Keep this in mind: *You have freedom of choice but not freedom from the consequences.*

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