

Stand Out: Capitalize on your Knowledge

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What nonprofit doesn't want to raise awareness, attract more supporters, increase donations? And yet, many don't take full advantage of one of the best ways to achieve all of these: leveraging knowledge capital.

Knowledge capital, also called intellectual capital, represents an organization's collective knowledge, ideas, insights and expertise. This can be an immensely valuable asset when it is effectively developed and communicated.

McKinsey & Company has been particularly adept at transforming its knowledge into a wealth-generating asset. McKinsey is one of the most successful and influential management consulting firms in the world. It also pioneered the promotion of knowledge capital. The firm produced research on timely management issues and presented the findings in articles in such respected publications as the *Harvard Business Review* and the *Wall Street Journal*. This approach enabled McKinsey to educate prospective clients about key business challenges while also demonstrating the firm's expertise in these areas. In this way, McKinsey became one of the original "thought leaders." This term describes organizations or individuals who share helpful new knowledge and ideas about the issues and challenges experienced by their target audiences.

Lamentably, in an effort to capitalize on the benefits of thought leadership, too many blogs, newsletters, white papers, articles and other communications produced by organizations to demonstrate thought leadership, are often only banal accounts of their services or work. In many cases, organizations spend too many resources marketing self-important content rather than developing content that is of real value to recipients.

True thought leadership can attract people, gain their confidence and trust and in turn build an organization's credibility and influence. To do so, however, the ideas and insights an organization shares must be based on the needs of those receiving the information. This information must also be new or different, relevant to recipients' specific challenges and based on proven experience or evidence.

While you might think this sounds like an undertaking better suited to large, well funded nonprofits, it may in fact be small organizations that can do the best job. A few years ago the Bloom Group conducted a survey involving 179 professional services firms in the US regarding how they develop and market their intellectual capital. The study found that firms with superior intellectual capital in the content of their marketing programs were much more likely to generate market awareness and business leads.

Some of the study's other findings are also insightful. Investing more in the development of intellectual capital rather than its marketing, for example, led to more successful thought leadership. This speaks to the importance of content quality over quantity. Churning out more

brochures and white papers doesn't produce better results – it's the originality and relevance of the content of those materials that counts.

Another interesting study finding: educational vehicles were more effective in communicating intellectual capital than were marketing vehicles. Thus presentations at educational conferences and articles authored by the firms' own experts, for example, produced a better return on investment than marketing vehicles such as ads and brochures.

And finally, the study also found that the effective development and communication of intellectual capital is becoming more important for organizations to differentiate themselves and compete effectively. This is also an important consideration in the growing and increasingly competitive nonprofit sector.

These findings have relevance for all nonprofits – especially small organizations that must attract attention in Canada's large pool of charitable and nonprofit organizations. Therefore if you want to capitalize on your intellectual capital, here are some important points to keep in mind.

- Think of your organization's knowledge as an asset that you can manage to produce value.
- Define the special insights, advice or ideas you have to offer, to whom, and how this can help them.
- Be a pioneer: take the lead on an issue or voice an opinion based on your knowledge.
- Develop your credentials and expertise.
- Use your knowledge capital to develop original, compelling and clear content based on proven experience or evidence.
- Communicate this content through educational channels that enable you to engage your target audiences.

Transforming your knowledge capital into a competitive advantage can help your organization attract funders and volunteers and achieve your mission and vision. So, if you want your nonprofit to be recognized for the value of your work, work on developing your knowledge capital.

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