

New Focus on Knowledge and Collaboration Begins in 2002

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The criticality of information exploitation in business and government means that intellectual assets, collaboration and knowledge management are moving to the forefront of investment in 2002.

ANALYSIS

Reflecting a renewed sense of the value of intellectual assets, our major predictions for 2002 indicate an exciting year for users and vendors of knowledge-intensive products and services:

- A proliferation of "smart" technologies for mobile and wireless to include virtual team collaboration, media content management, voice portals, geospatial information management and personal knowledge management (KM) over the next three years will be led in 2002 by the availability of a wide range of smart mobile devices (0.8 probability).
- In 2002, R&D spending on information exploitation by defense, intelligence and homeland security agencies will surge (0.9 probability). The resulting innovations will fuel a business activity boom in 2005 and 2006 (0.7 probability).
- In 2002, the Web conferencing market will double, exceeding \$500 million by year's end (0.8 probability).
- By YE02, six or more vendors will offer packaged "smart enterprise" portfolios of portal, content and document management, KM and collaboration products (0.8 probability). Many will also include e-learning.
- In 2002, expertise location and management applications will be the fastest-growing KM technology, with the installed user base more than tripling to more than 500,000 by year's end (0.8 probability).
- By YE02, 50 percent of the leading e-learning vendors will offer basic content management functionality to help leverage learning-content reuse among employees, partners and customers (0.7 probability).

Two events of 2001 dramatically illustrated the cost of ignorance: The collapse of new economy business models and the terrorist attacks on the United States. Both share a common trait — the failure to effectively exploit information that would have provided better decision making. In 2002, government spending on information exploitation will start to have a major impact on the soft technologies associated with collecting information and building knowledge, which will lead to a boom similar to prior phases of government investment in infrastructure and hardware. Though less grave, new economy business failures, led by dot-coms and culminating with the collapse of Enron, illustrate that, when intangibles are the primary source of shareholder value, transparency of information and effective management of the intellectual assets are essential.

Enlightened enterprises, no longer able to take for granted the intellectual assets on which they rely, are examining more closely how to operate productively in a distributed and interconnected world. Our assessments of 2002 show market dynamism in all these areas related to KM and collaboration.

Beyond the Hype

In "The 2002 Knowledge Management Hype Cycle" (SPA-15-0651), French Caldwell and Kathy Harris look at various KM practices and technologies and where they fall in terms of Gartner's cycle of advance hype, industry disillusionment and eventual productivity. Some tools, such as document management and knowledge-base repositories, have reached the Plateau of Productivity on the KM Hype Cycle. Others, notably portals and content management, have not yet matured.

Communities and expertise location are at the Peak of Inflated Expectations, and enterprises can expect to see them slide into the Trough of Disillusionment before these technologies become truly productive. However, the length of the KM Hype Cycle — five to six years or more — means that enterprises willing to invest in new practices may reap benefits from new technologies, even enterprises that are risk-averse.

"Whither" Content Management?

Mark Gilbert discusses likely 2002 trends in the content management market in "Buying Content Management in 2002? Read This Now" (SPA-15-0084). 2001 was a tough year for Web content management (WCM) vendors because there was a shift in the power balance from vendors to buyers. Macroeconomic forces — the dot-com collapse and the recession— contributed to this shift, as did increased commoditization of WCM products' functionality. WCM prices fell rapidly.

The E-Workplace

The importance of the e-workplace in 2002 is the topic of "Things Tactical and Practical: The E-Workplace in 2002" (SPA-14-9708) by Simon Hayward and Mark Gilbert. The electronic dimension of the workplace is becoming more important than the physical for a growing majority of work activities and workers. The range of systems supporting these workers is adding complexity to the work and the IT infrastructure. Web conferencing and mobile device access are just the latest twist. Although most enterprises will continue to respond tactically to these pressures in 2002, the need for a strategic shift is growing.

Learning About E-Learning

Learning is often the disregarded element of knowledge transfer, but it is starting to gain recognition. E-learning is poised for explosive growth through 2005. In "E-Learning in 2002: Growth, Mergers, Mainstream Adoption" (TG-14-9862), James Lundy describes how e-learning, now a relatively small part of the corporate training market, will become roughly one-third of the \$100 billion corporate training market by mid-decade. However, enterprises need to exercise caution in planning their e-learning initiatives, since market volatility and mergers mean many e-learning vendors will go out of business or be acquired during the next few years.

Laying the Foundations of a New Business Boom

The boom in defense and homeland security spending has already begun. In "Side Effects of Military Spending: Innovations Through 2010" (SPA-14-9383), Debra Logan and James Lundy forecast that spending by the military and homeland security agencies will surge, directly benefiting defense contractors, security and KM vendors, and university research departments. This R&D will lay the foundation for another technology-fueled business boom beginning in 2005.

Features:

"Side Effects of Military Spending: Innovations Through 2010" (SPA-14-9383) Immediate and longer-term effects of military and government spending on the technology sector of the economy. **By Debra Logan and James Jacobs**

"Things Tactical and Practical: The E-Workplace in 2002" (SPA-14-9708) Potential outcomes of Web conferencing and use of mobile wireless devices in the e-workplace. **By Simon Hayward and Mark Gilbert**

"Buying Content Management in 2002? Read This Now" (SPA-15-0084) Only the most risk-averse enterprises or those lacking a significant Web strategy will postpone adopting a WCM system. **By Mark Gilbert**

"The 2002 Knowledge Management Hype Cycle" (SPA-15-0651) Many KM practices are maturing and the confusion around KM is abating. **By French Caldwell and Kathy Harris**

"E-Learning in 2002: Growth, Mergers, Mainstream Adoption" (TG-14-9862) E-learning is a recession-proof technology; demand rises when training budgets are tightened. **By James Lundy**

This research is part of a set of related research pieces. See "Gartner Predicts 2002: KM & Content Mgmt., Collaboration & E-Learning" for an overview.

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