

KNOWLEDGE –BASED ENTERPRISE: LINKING KNOWLEDGE TO VALUE CREATION AND BUSINESS PERFORMANCE

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**ALAN BURTON-JONES
BURTON-JONES & ASSOCIATES**

www.burton-jones.com

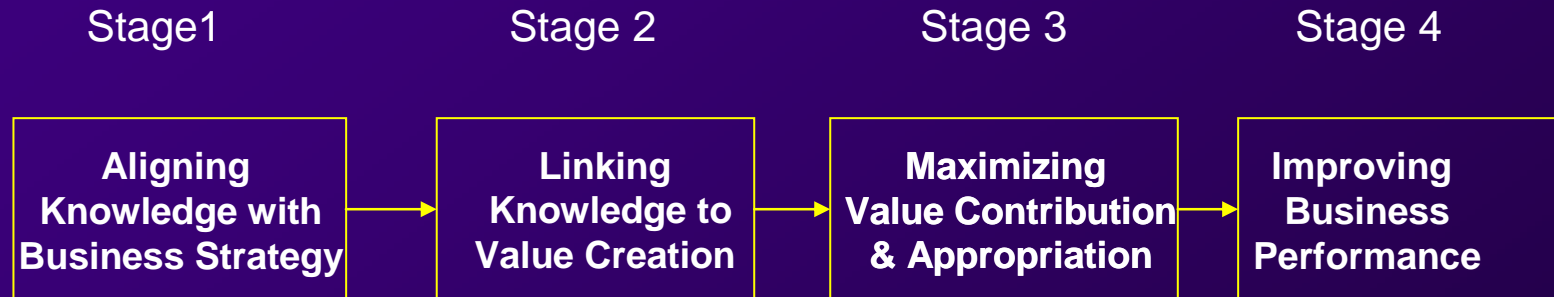
info@burton-jones.com

TOPICS

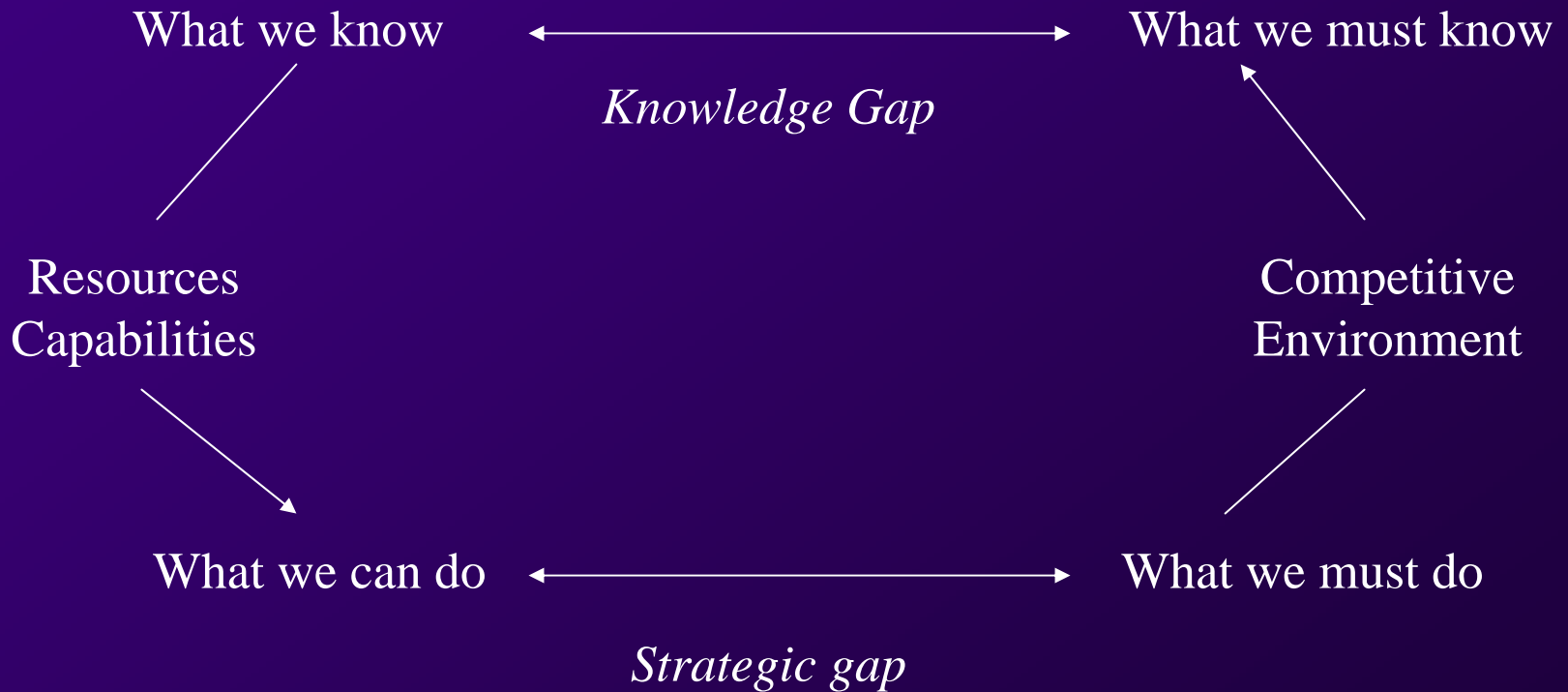
Introduction

1. Aligning knowledge with business strategy
2. Linking knowledge to value creation
3. Maximising value contribution and appropriation
4. Improving business performance
5. Conclusions

FROM KNOWLEDGE TO PERFORMANCE



KNOWLEDGE AND STRATEGY



MAPPING ORGANIZATIONAL KNOWLEDGE

EXPLICIT

What we
know we
know

What we
know we
don't know

TACIT

What we
don't
know we
know

What we
don't know
we don't
know

ASSETS

GAPS

LINKING KNOWLEDGE TO VALUE CREATION



THREE VALUE CONFIGURATIONS

	<u>Value Chain</u>	<u>Value Shop</u>	<u>Value Network</u>
Value creation logic	Transformation of inputs into products	(Re)solving customer problems	Linking customers
Process	Sequential	Cyclical, spiralling	Simultaneous, parallel
Primary activities	Inbound logistics Operations Outbound logistics Marketing Service	Problem-finding and acquisition Problem-solving Choice Execution Control/ evaluation	Network promotion and contract management Service provisioning Infrastructure operation
Relative importance of knowledge resources	1. Structural 2. Human & Relational	1. Human 2. Relational & Structural	1. Relational & Structural 2. Human

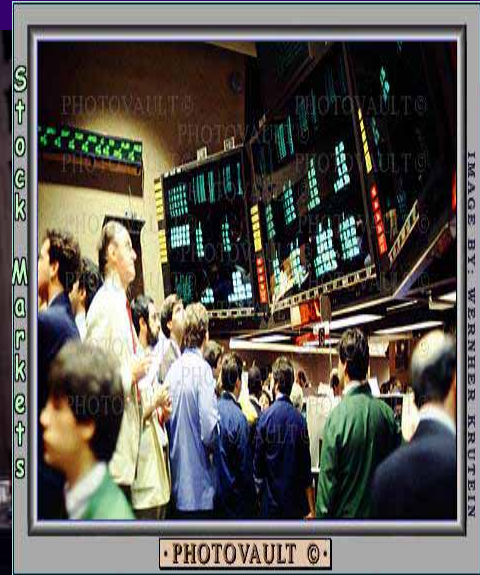
'CREATIVE' ENVIRONMENTS



CLUSTERS AND NETWORKS



Photo by Scott Bauer, ARS/USDA



Stock Markets

PHOTOVAULT ©

IMAGE BY: WERNHER KRUEJEN



KNOWLEDGE CHARACTERISTICS

Industry Clusters:

Wall Street, Silicon Valley,
Hatton Garden, Carnaby
Street

Intelligence gathering,
Resource sharing
Uncertainty reduction
Loose coupling/independence

Cooperatives and Communities

Prato Network, Mondragon,
Kibbutz

Learning
Knowledge sharing
Knowledge integration
Tight coupling/dependence

COMMUNITY CHARACTERISTICS

Project team

- Results driven
- Time restricted
- Formal structure

Community of Practice/Innovation

- Knowledge driven
- Specialist restricted
- Semi- formal structure

Community of Interest

- Interest driven
- Few restrictions
- Loose structure



Tightly coupled

Goal directed

Loosely coupled

Not goal directed

COMMUNITY CHARACTERISTICS (CONT.)

Communal sharing: Altruistic motivation ;democratic management; all types of knowledge: few hierarchical boundaries

Authority ranking: Duty motivation ; hierarchically managed ; mainly factual knowledge; well defined boundaries

Equality matching: Based on reciprocity; democratic/group management ; personal knowledge ; fluid boundaries

Market pricing : Commercial motivation ; self managed ; personal knowledge ; fluid boundaries

CRITICAL MANAGEMENT ISSUES

- Identifying community objectives
- Understanding social dynamics
- Guiding community direction while avoiding over-formalisation
- Obtaining value for the organization

Examples : Xerox; Sainsbury's, Scotland Yard

VALUE CONTRIBUTION AND APPROPRIATION



EVIDENCE -BASED MEASURES OF “WILLINGNESS TO CONTRIBUTE”

CONTINUANCE AND ATTENDANCE

e.g. punctuality; diligence; attention to work; general workplace behaviour

TASK PERFORMANCE

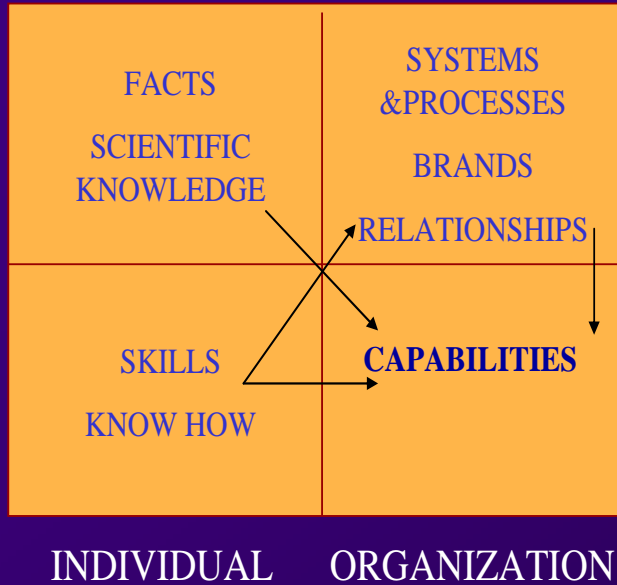
e.g. quality; efficiency; judgement displayed

ORGANIZATIONAL CITIZENSHIP

e.g. extra role behaviour; willingness to ‘go above and beyond’

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APPROPRIATING VALUE FOR THE ORGANIZATION



...knowledge –
process mapping

...recording
lessons learned

...learning
company specific
policies &
procedures

**...knowledge
elicitation**

... exchanging
ideas and
information with
others

...succession
planning

...enculturation

...providing value
for money

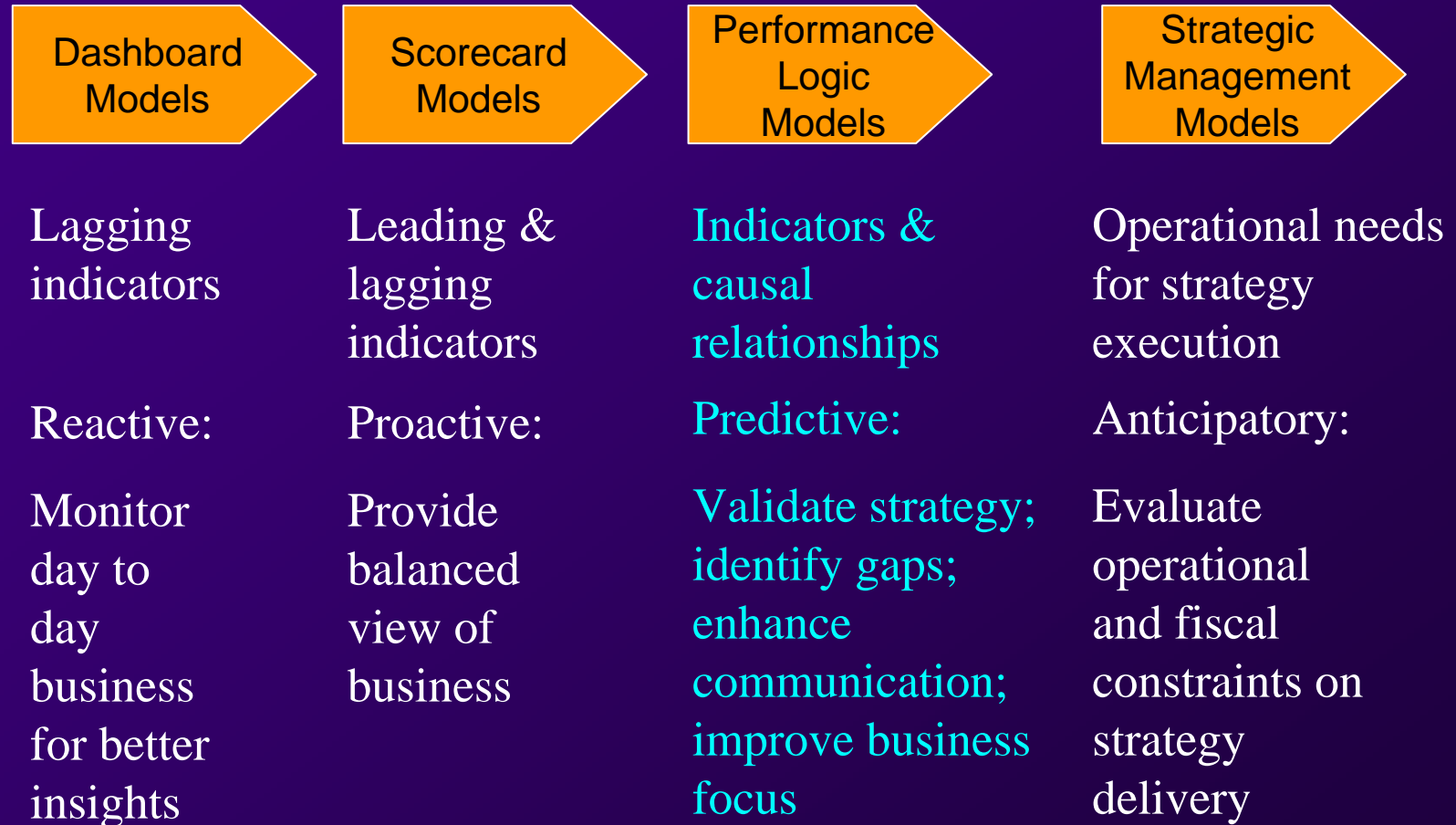
Interpretative Approaches To Knowledge Elicitation: The Case Of The Volvo Engine Optimisers



BUSINESS PERFORMANCE

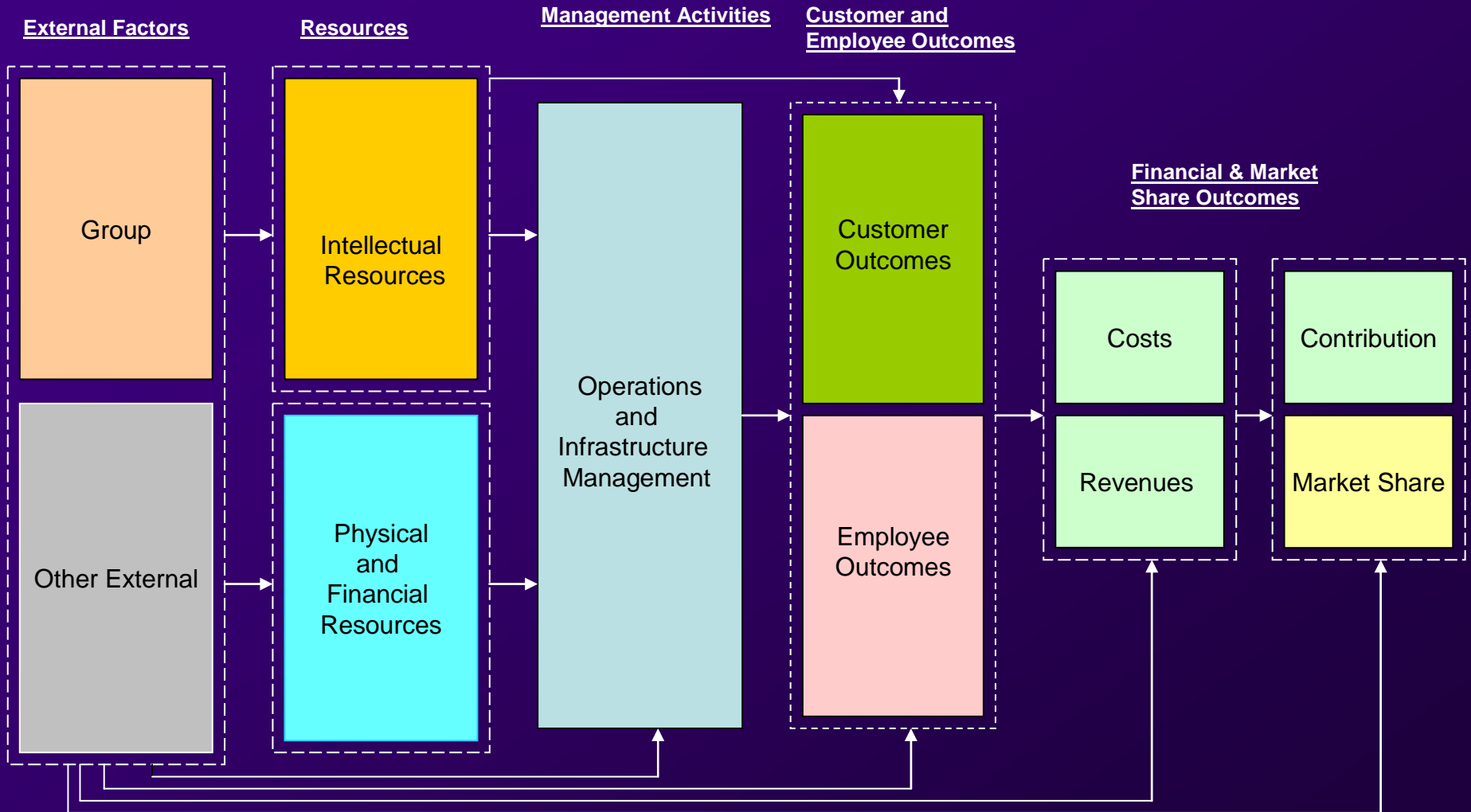


PERFORMANCE MANAGEMENT MODELS



Increasing power and sophistication →

QUALITATIVE CAUSAL MAP: HIGH LEVEL



BENEFITS OF PERFORMANCE MAPPING

- Developing management awareness and consensus
- Understanding the relative influence of knowledge resources and other elements
- Highlighting performance issues
- Identifying combinatorial effects
- Improving planning and monitoring

SUMMARY & CONCLUSIONS

Key Concepts:

- Managing knowledge is increasingly ‘what firms do’ - not a separate function
- Better KM = better business performance

Key Stages :

- Strategic alignment
- Value creation
- Value appropriation
- Business performance

Any questions

