

## Theme 6: Weekly Digest – Third and fourth week

This month's theme-based community is tackling the issue about the **Winning Strategies in Knowledge-based Economies**.

The third week discussion focused on the *The Development of winning Strategies*, the fourth week was dedicated to *Competencies & Leadership in Strategy*.

### 1. Quotes of the week:

#### Third week:

**"If people talk about what is unpredictable, I say so what? So is the rest of life. And it's the same with strategies. There is a whole bunch of things that you just decide aren't going to happen. Although any of them could happen"** - *Michael Lissack, in the RODEO interview*

#### Fourth week:

**"Innovation means, fundamentally, change, being responsive to life in her full splendor of constant dance and fluctuation"** - *George Por, in Radical Innovation with Communities of Practice*

### 2. Highlight of the third week: Online workshop with Kazem Chaharbaghi and Peer Ederer

Read the transcription of the workshop with the strategy experts Kazem Chaharbaghi and Peer Ederer at the 19th of May. Approx. 15 participants joined the very lively discussion on "Current Issues in Strategy Development".

[http://www.knowledgeboard.com/cgi-](http://www.knowledgeboard.com/cgi-bin/item.cgi?id=110564&d=1&h=417&f=418&dateformat=%o%20%B%20%Y)

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### 3. Interview with K. Chaharbaghi on themes of the Online Workshop

As a follow-up to the Online-Session with Kazem Chaharbaghi and Peer Ederer on 19th May, the remaining questions were kindly answered by Kazem Chaharbaghi during the following interview. The interviewer was Flavius Sturm (IAT, University of Stuttgart). Read it at:

[http://www.knowledgeboard.com/cgi-](http://www.knowledgeboard.com/cgi-bin/item.cgi?id=110879&d=1&h=417&f=418&dateformat=%o%20%B%20%Y)

[bin/item.cgi?id=110879&d=1&h=417&f=418&dateformat=%o%20%B%20%Y](http://www.knowledgeboard.com/cgi-bin/item.cgi?id=110879&d=1&h=417&f=418&dateformat=%o%20%B%20%Y)

### 4. Highlight of the fourth week: Online Keynote Presentation with Prof. Paul Shoemaker

On Monday, the 26<sup>th</sup> of May, **Prof. Paul Shoemaker** from Decision Strategies International and Mack Center for Technological Innovation held his keynote presentation on "*Strategic Decision Making*". Prof. Shoemaker talked about the preconditions for "embracing" uncertainty and explained how companies can learn to profit from leaving the boundaries of the known. The presentation was followed by a lively discussion initiated by comments of participants.

### 5. Questions and Answers

**Third week: With Paul Riches and Jeroen Kemp on Knowledge Organization Transformation Roadmaps**

**Answer by Paul Riches, 20 May 2003 - Transformation Roadmaps - One way?**

Thanks for the interesting comments.

Atai - do you have real world examples in mind for the reverse transformation, where a truly k-based organisation has shifted from visionary facilitative leadership to tight command and control? I would have thought that this destroy a lot of potential value and would have to be implemented in a very careful and targeted way. We imagine that the transformation roadmaps will be:

- Dynamic and reflect changes in the environment at a frequency that is manageable and sustainable by the organisation
- Represent a reasonable fit between an organisation and its environment in the areas of greatest impact
- No one size fits all. Different enablers will be emphasised for different organisational conditions. So if competition within the industry drives cost-cutting then transformation initiatives may reflect this.

An high profile example/analogy of an organisation that is more to do the with legacy of its original purpose that is now experiencing serious issues with its fit within a changed environment is the United Nations.

**Third and fourth week: With Peer Ederer on "*Perspectives on network level strategy*"**

**Comment by Nick Trendov , 20 May 2003, *View of Networks from Silicon Valley***

Networks constantly reform according to people, place and time. Corporations leverage network relationships to get to market quicker and with fewer hard asset requirements. The combination of the Internet and lateral branding/knowledge flows along the network may have been the largest contributor to value creation, and destruction, in the past fifteen years. GE, IBM, Oracle and others constantly add value laterally, along their value chain communities, as well as their brands.

This approach creates leverage for the assets of suppliers and customers in order to achieve objectives favourable to the entire chain. Partnerships facilitate the asset leverage and amplify the importance of bits over atoms in going to market. Distortions in this pattern occur when monopolistic or oligopolistic behaviour occurs in a market. Then partners battle and impede value flow to the end consumer. Movements of key people, changes in standards and increases in implementation times also impact network relationships. The ties of formal networks become stressed and value flow suffers.

Strategy in a network environment, in my opinion, becomes probabilistic and I have found the use of Scenario thinking to be helpful in its understanding and creation.

#### **6. Survey about *SUCCESS FACTORS for STRATEGY in KNOWLEDGE-BASED BUSINESS!***

This Survey is part of the KnowledgeBoard theme in May 2003 on "Winning strategies within the knowledge-based economy". In a report on the World Economy (The Economist, Sept. 28 2002), it was stated that "...several factors that might make the economic cycle more rather than less volatile over the coming years ...after a period of relative calm, the business cycle is likely to become bumpier again."

Express your opinion until the end of June here:

<http://www.knowledgeboard.com/survey/>

#### **7. Poll Results: *How can strategy help to ensure company success/ survival in turbulent environments?***

By monitoring organisational core competencies	10%
Increasing the ability to innovate by aligning business development to changes	40%
By aligning the organisational development with an overall vision	20%
By providing an occasion for systematic reflection of organisational values	30%
Strategy doesn't provide any help, it is an abstract construction	0%

10 people voted.

### 8. Latest Articles

**Abstract by Chaharbaghi** on *Strategy and the Link between Revolution and Evolution*  
 Dr. Chaharbaghi was one of our guests in the online workshop in the third week. He says: “Strategy has recently become the most important item on the management agenda without a clear explanation of its meaning. The term “strategy” is increasingly used at all levels and in all contexts. Its constant use has resulted in a term that has come to mean everything but ultimately nothing. Within this context, there is a growing concern about the proliferation of models and greater variability of the language used to express these models by gurus, consultants and academics.” Read the whole article at

<http://www.knowledgeboard.com/cgi-bin/item.cgi?id=110460&d=1&h=417&f=418&dateformat=%o%20%B%20%Y>

**Abstract by Peer Ederer** on *Perspectives on network level strategy*.

Peer Ederer is senior strategy consultant of Strategy Works, a strategy consulting firm based in Rotterdam, the Netherlands. Read what he, one of our guest speakers in the online workshop of the third week, says about perspectives on network level strategy.

<http://www.knowledgeboard.com/cgi-bin/item.cgi?ap=1&id=110505&d=pnd&dateformat=%25o-%25B>

**Abstract by A.C. Garavelli, M. Gorgoglione and V. Albino** from *Politecnico di Bari: Strategies for Knowledge Transfer - Part Two and Three*.

The excerpted scientific paper seeks to provide a set of strategies for managing knowledge transfer by focusing on cognition, organizational culture and technology. The issue tackled in the paper is clearly narrower than that of defining “strategy from a KM point of view”, which is the month’s theme main focus. However, since knowledge transfer can be seen as a basic mechanism for creating value through the intangible assets, the article represents a possible answer, though partial, to the question of integrating knowledge with other value creation enablers.

**Abstract by Bernhard Katzy, Marcel Dissel and Rob Monseurs** on *Investing in dynamics capabilities as a strategy in the knowledge-based economy*.

The authors put forward the hypothesis that firms that invest in ‘dynamic’ organizational capabilities that render ‘organizational services’ show better business performance. Their ongoing work focuses on the relatively recent stream of research on dynamic capabilities.

Discuss this hypothesis with the authors at <http://www.knowledgeboard.com/cgi-bin/item.cgi?id=110977&d=1&h=417&f=418&dateformat=%o%20%B%20%Y>

**Abstract by George Por** on *Radical Innovation with Communities of Practice*.

As the pace of changes quickens in every domain touched by today’s technical and knowledge revolution, so does the pace of growth in books, workshops and websites on

radical innovation. That's because most companies need to engage in radically innovating their products, services, and processes if they want to remain or become relevant players in the changing game of business.

The intent of writing this living, continually work-in-progress document is to focus a critical mass of attention on the single most generative factor of radical innovation: professional communities of practice and the interstices between them.

<http://www.knowledgeboard.com/cgi-bin/item.cgi?id=110849&d=1&h=417&f=418&dateformat=%o%20%B%20%Y>