Knowledge Management for [e-]Business Performance

An Overview of the Paradigm

Reference: www.KMBook.com

Leveraging Smart Technologies* and Smart Minds**

Routine, structured info processing for stable environments*
Non-routine, unstructured sense making for dynamic environments**

Lo Structure

From
Hi Structure to
Lo Structure

Hi Structure

Routine

Stable
Environment

'White Waters'

From
Stable to
'White Waters'

From
Routine to Non-Routine

Non-Routine
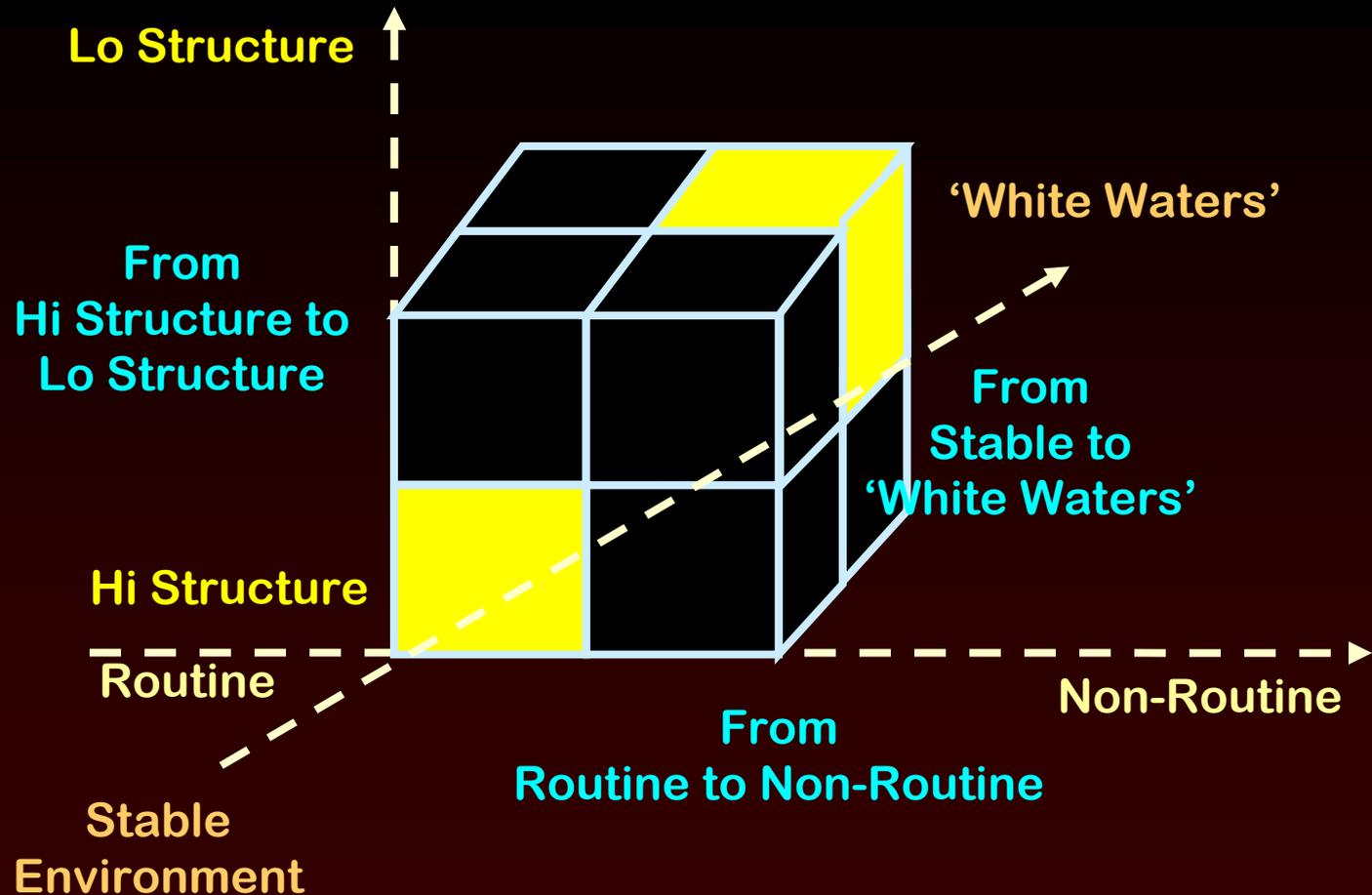
Best of Both 'Brick'* and 'Click'** Worlds

Atoms, Bricks and BPR optimally suitable for the world of 'Bricks'*
**Bits, Clicks and e-Agility optimally suitable for the world of 'Clicks'***

Virtual product

Virtual process

From
Atoms to Bits

'Gray Matter'
to e-Matter

Virtual distribution channel

From Bricks to Clicks

From
Automation to e-Agility

Managing Knowledge for Performance

Data

MEANING → **ACTION (K)** → **Performance**

Information

Computers   **People / Bots**   **Environment**
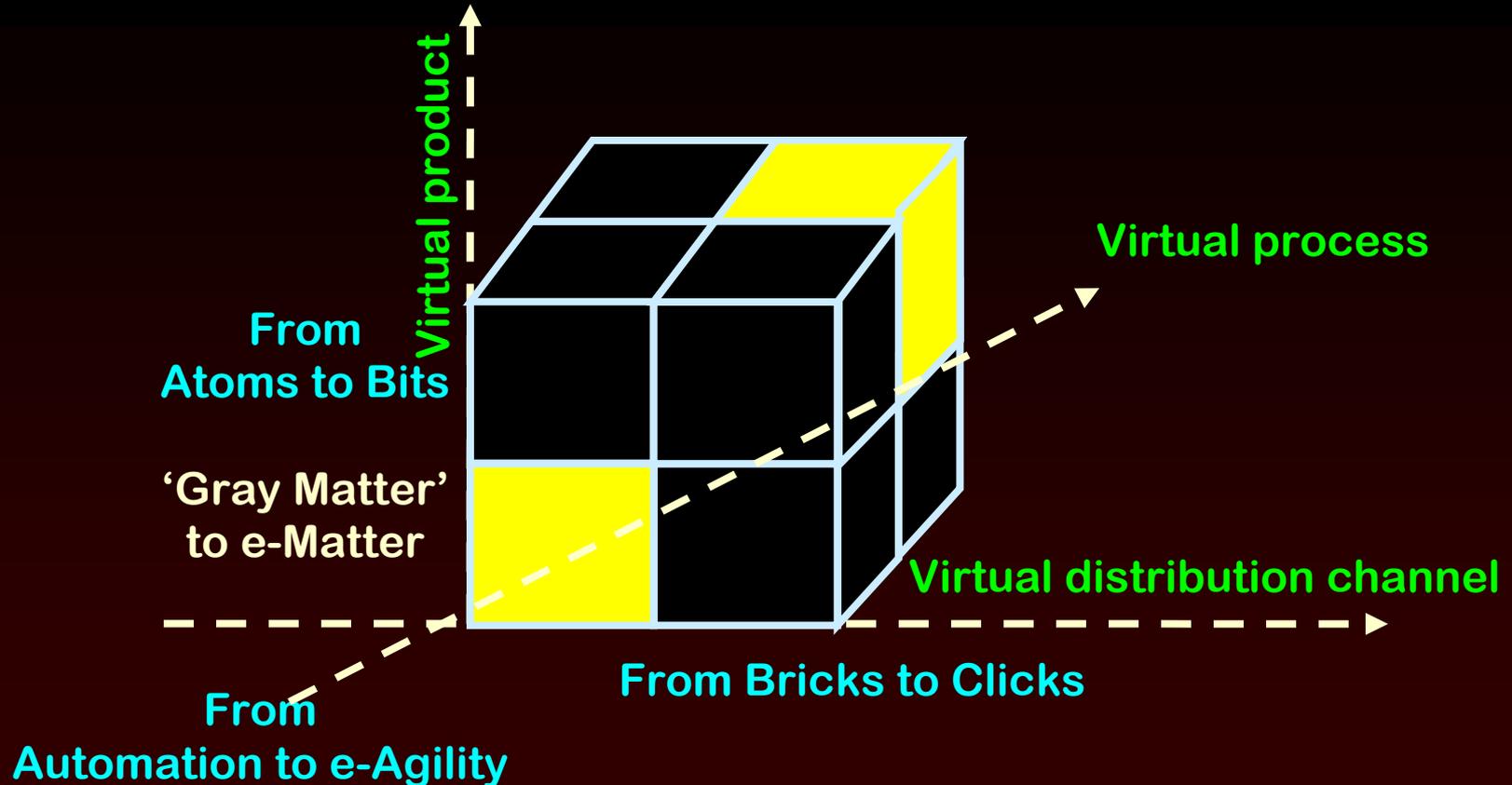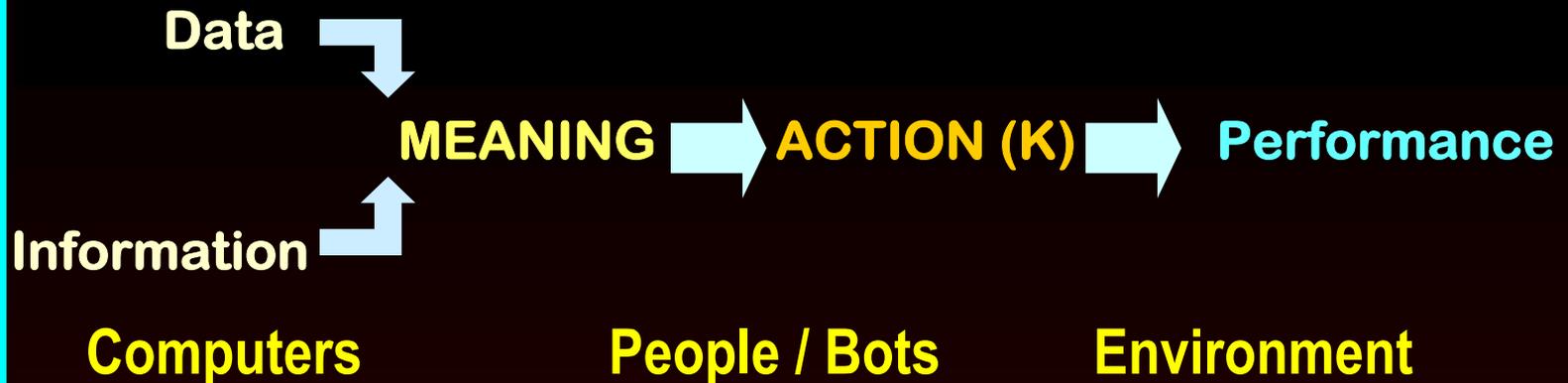
Only Performance Outcomes Matter!!!
Performance Outcomes Don't Correlate With IT Inputs!!!

Managing Knowledge for Performance

Data

Information

MEANING ➡ ACTION (K) ➡ **Performance**

Computers **People / Bots** **Environment**

Attention Non-Linear
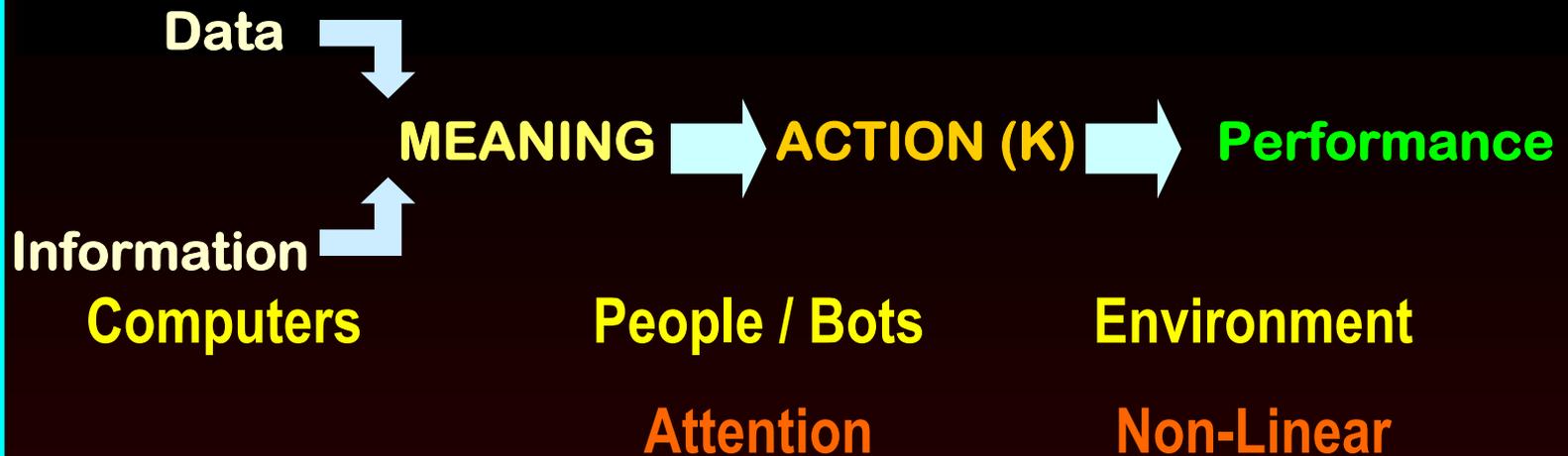
"The wise see knowledge and action as one."

"Knowledge resides in the user and not in the collection [of information]…

…It is how the user reacts to a collection of information that matters."

KM Technologies for "Interesting Times"

- **myth**: KM technologies deliver the right information to the right person at the right time

- **myth**: KM technologies can store human intelligence and experience

- **myth**: KM technologies can distribute human intelligence

True Critical Success Factors of KM?

Knowledge Management for
E-Business Performance

Information Networks + Creativity & Innovation ➡ **Knowledge Management** ⟷ **[e-]Business Performance**
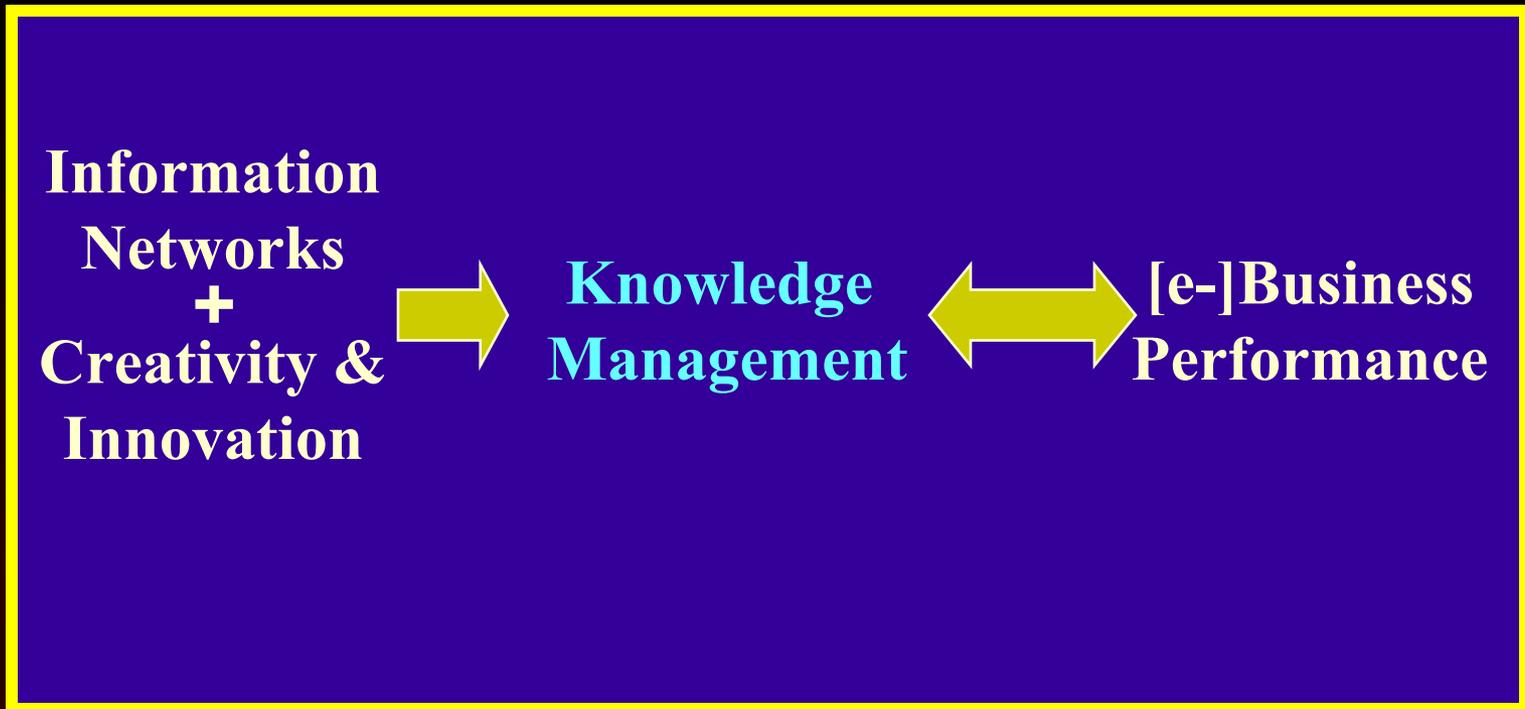
Business Model Innovation
Best of Both 'Brick'* and 'Click'** Worlds

Information Networks

+

Creativity & Innovation

→

Knowledge Management

↔

e-Business Performance

Product – From **atoms** to **bits**
Channel – From **bricks** to **clicks**
Processes – From **Automation** to **e-Agility**

From Reengineering to "Re-Everything"

OLD   **NEW**

Automation Focus   **e-Agility Focus**

Reengineering

⬆

Rationalization   ⬅➡   **"Re-Everything"**
                                                        Business Model Innovation
⬆
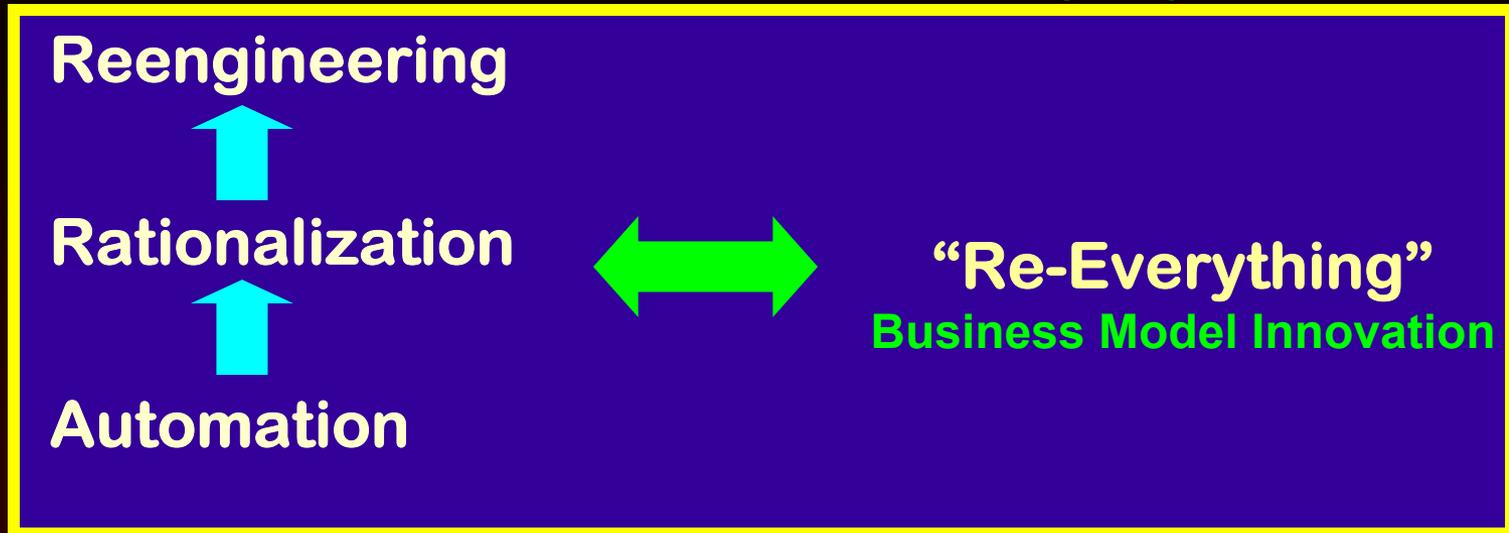
Automation

Reengineering	**…IT-intensive Radical Redesign**
Rationalization	**…Streamlining Workflows**
Automation	**…Replacing humans with machines**

From Reengineering to "Re-Everything"

Stable Business Environment	Dynamic Business Environment "Re-Everything"
Reengineering	Innovative CVPs
⬍	Innovative BVPs
Rationalization	Adapt the Programmed Logic to Deliver the VPs
⬍	
Automation	
Harvest the Given Business Logic	Rethink the Given Business Logic
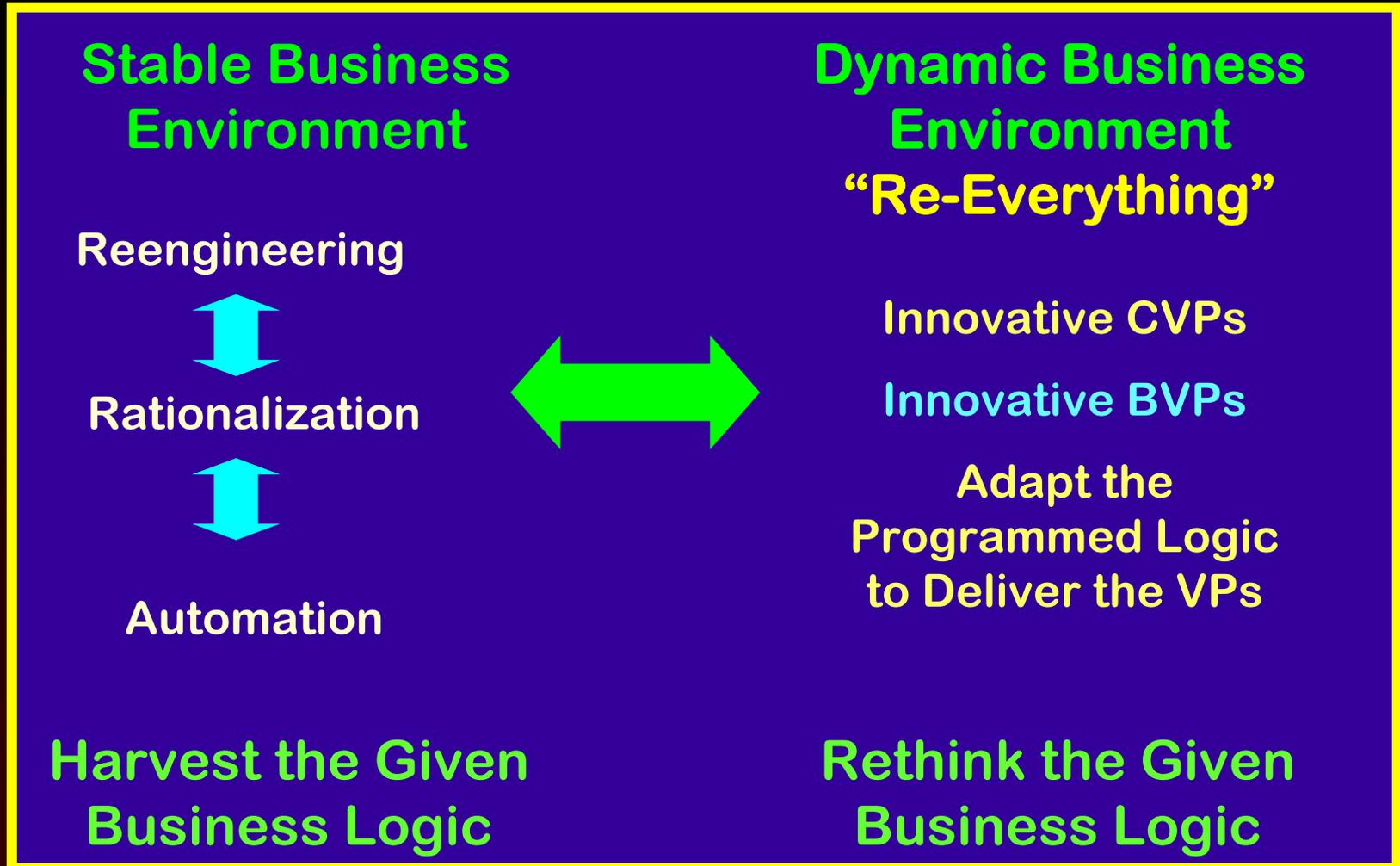
Rewriting the Rules for the New Economy

Automation Focus

Old
KM-Biz

e-Agility Focus

New & Improved
KM-eBiz

	Automation Focus	e-Agility Focus
Metaphor	Machine	Ecosystem
Knowledge	Utilization	Creation
Assets	Tangibles	Intangibles
Strategy	Prediction	Anticipation
Design	Structure	Edge of Chaos
Role of IT	Converge	Diverge
Management	Compliance	Self-Control
Returns	Diminishing	Increasing
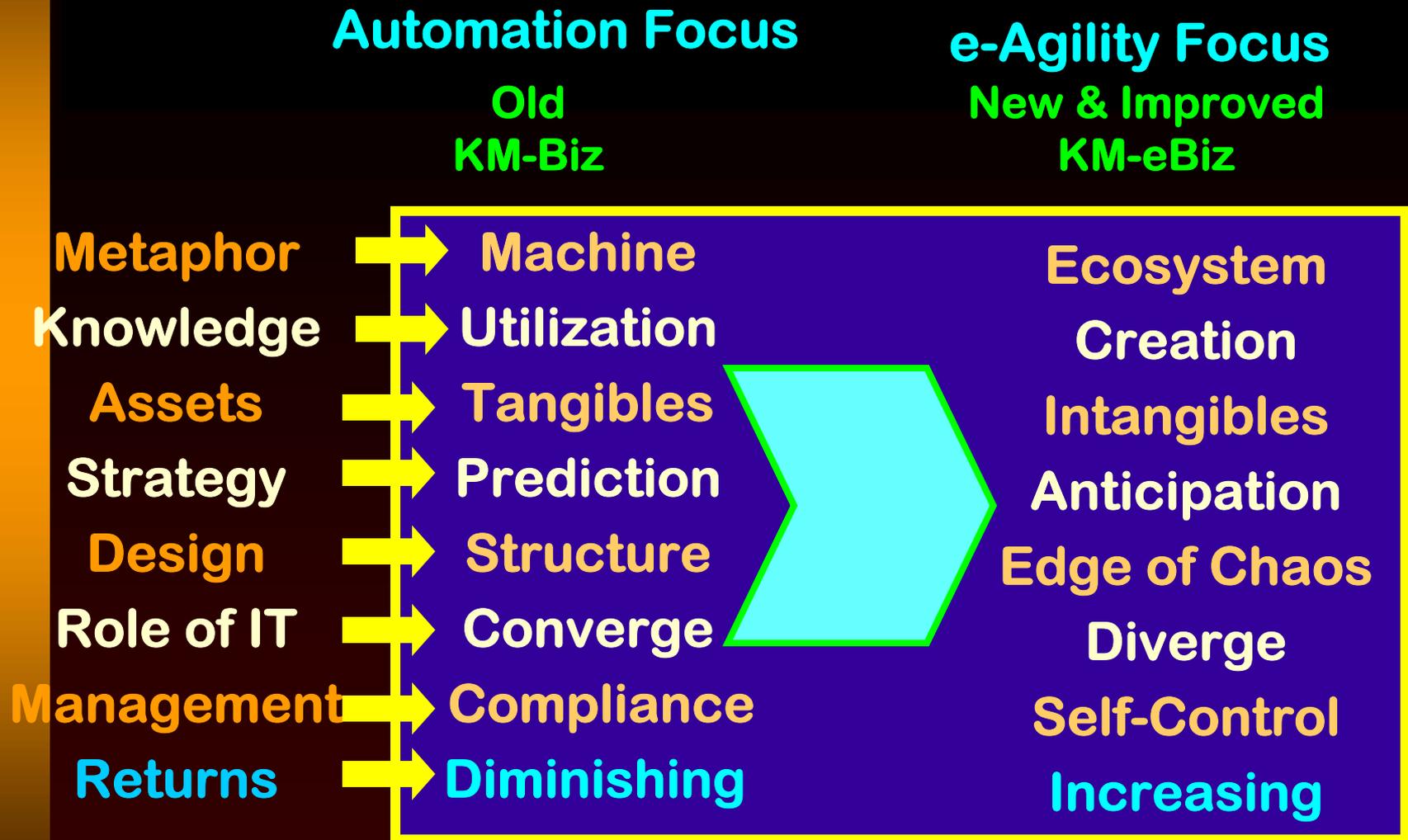
Managing Knowledge for e-Enterprise Performance

RADICAL DISCONTINUOUS CHANGE

DESIGN FOR AGILITY, FLEXIBILITY AND ADAPTABILITY

ERP, EAI, EEAI, CRM, SCM, Workflows, BPR, Intelligent Agents, Best Practices

Engineering Design 'Machine' Focus

In Control

INTEGRATION OF DATA, ACTIVITIES & PROCESSES

INFO-PROCESSING MODEL ⟷ **SENSE-MAKING MODEL**

KNOWLEDGE MANAGEMENT for e-BUSINESS MODEL INNOVATION B2C, B2B, B2E, P2P… and Beyond

TIGHT SYSTEMS Optimization and Efficiencies ⟷ **LOOSE SYSTEMS Agility, Flexibility, and Adaptability**

KNOWLEDGE HARVESTING & EXPLOITATION

KNOWLEDGE CREATION & RENEWAL

Communities of Practice, Customers, Suppliers, Partners

Emergence 'e-Agility' Focus

Out of Control

CREATIVE ABRASION & CREATIVE CONFLICT

New & Improved e-Biz

Customer Driven
Virtual Communities

Supplier Coopetition
in Business
Ecosystems

Human Capital
as Key Enabler

Customer-driven
e-Markets

E-Business
Ecosystems

**Customer
Driven**

**Service
enhanced
customization**

**Value
Creation**

**Supplier
driven**

**Mass
production**
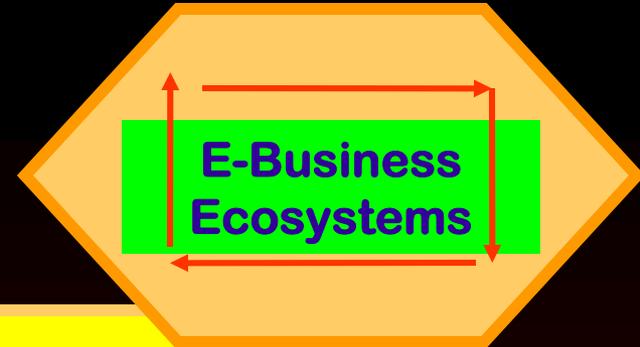
Cyber Corporation

Extended 'Chains'

Tightly coupled

Industrial Age Corp.
Vertical
Fully Integrated

Product – From atoms to bits
Channel – From bricks to clicks
Processes – From BPR to e-Agility

Whither the "New Economy" Workplaces?
New Rules About Culture and Tools

- **Survival Depends Upon Performance Outcomes**
- **And… Performance is 'Out of Control'**
- **Given Radical… Discontinuous… Change**
- **'Best Practices' become 'Core Rigidities'**
- **'What We Know' is Inadequate… Dangerous!**
- **Prediction Fails… Need to Anticipate Surprise…**
- **Failures of Technology, Tools and Controls**
- **Welcome to the "New Economy" Workspaces!!!**
- **Important: Strategy + People + Technology**