Prototyping and Deployment (T)

- Need for pilot KM deployment
- Select right nontrivial and representative pilot project ???
- Identify and isolate failure points ???
- KM System Life Cycle ???
- Avoid traps in RDI to maximize returns  ???
“The biggest mistake that companies often make is that they assume that the intrinsic value of an innovation such as a knowledge management system will lead to its enthusiastic adoption and use.”
Information Strategy - Synopsis

- IT Performance is dependent upon effective utilization of IT...
- IT Performance is dependent upon the strategic context of IT utilization
- Business world of ‘re-everything’ requires ‘re-everything’ IT strategy and IT design

Integrated E-Business IT Architecture supporting…
“Agile” E-Business Service Architecture
Deployment of KM Systems

- Prototyping and Pilot Deployments
- Issues of Goal Congruence
- Motivating KM through “exchange”
- Beyond data warehouses and data marts
- RID – Adapted Waterfall Model – loops
- Big Bang Approach to Deployment
- Of Relay Races and Rugby
From Reengineering to “Re-Everything”

OLD

Technology Focus

Reengineering
Rationalization
Automation

NEW

e-Customer Focus

“Re-Everything”
Business Model Innovation

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

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Beyond Reengineering…

‘e- Agility’ Focus

Radical Rethinking of the organization and its business

NEW

‘White Spaces’
Virtual Form
E-Form
Ecosystems
Extended Supply Chains…

70% RISKS

70% RETURNS

‘Machine’ Focus

Low

Low

REENGINEERING

“Radical Redesign”
of Business Processes

RETURN

High

Low

High

RISK

Business Model Innovation
RDI Methodology and Business Releases

- Results driven incrementalism – Measurable results
- Logistics of “Doing” – Theory vs Practice
- Business Releases and Software Releases ??
- Good Idea, need better pragmatics
- Dividing Business and Technology Releases
e-Business Model Innovation

RADICAL DISCONTINUOUS CHANGE

DESIGN FOR AGILITY, FLEXIBILITY AND ADAPTABILITY

e-BUSINESS TECHNOLOGY ARCHITECTURE  e-Business SERVICES ARCHITECTURE

BALANCE TIGHT INTEGRATION OF e-TECHNOLOGY WITH ADAPTIVE INTEGRATION OF e-SERVICES

TIGHT EFFICIENCIES OF SCALE & SCOPE

ADAPTIVE AGILITY & FLEXIBILITY

PROCESS REENGINEERING WORKFLOW REDESIGN AUTOMATION

BUSINESS MODEL INNOVATION FOR ‘RE-EVERYTHING’

Detect & Correct  Sense & Respond

INTEGRATION OF DATA, ACTIVITIES & PROCESSES

CREATIVE ABRASION & CREATIVE CONFLICT

‘K’ for ‘A’

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CKO and Reward Structures (T)

- CKO – Unneeded, Desirable, Necessary ???
- CKO Title – Substance vs. Lip Service
- Various Titles – covered in D&P
- KM Leadership Roles

“Traditional roles do not address either KM or the cross-functional, cross-firm processes that underlie creation, sharing, application, and distribution of knowledge.”
Possible Responsibilities of CKO

- Championing
- Educating users and management team
- Measuring the impact of KM
- Mapping existing K
- Defragmenting scattered K
- Creating Technology Channels K, I, T, E
- Integrating Business Processes and Technology
- Organizational Glue – Leap of Faith
CKO’s Job Description

- **TITLE:** Partner - Chief Knowledge Officer
- **CLIENT:** A prestigious global professional services firm with nearly 30,000 employees that provides auditing, accounting, tax and related consulting services to clients in a broad cross section of industries. The firm achieved a ranking from Fortune magazine as the 8th best organization to work for based upon its progressive human resources programs, its values and the vision of its leadership.
CKO’s Job Description

• REPORTING RELATIONSHIPS: The Chief Knowledge Officer will report directly to the Managing Partner of the firm and hire, manage, and motivate the knowledge management staff, developing the organizational structure to fully leverage Knowledge Management in the firm for impact.
CKO’s Job Description

• **EDUCATIONAL REQUIREMENTS:** An undergraduate degree and advanced degree is required.

• **SUMMARY OF RESPONSIBILITIES:**

• The CKO will be responsible for leading and managing the firm’s initiative to create a Knowledge Management function that will enhance revenues, profitability and client service. More specifically, the Chief Knowledge Officer will:
CKO’s Job Description

• Articulate and champion the firm’s knowledge management vision and the plans for achieving it.
• Build consensus within the firm’s senior management team regarding the vision and priorities for the programs, technologies and supporting change management initiatives.
• Coordinate with the CIO on the architecture, design and creation of a new infrastructure and the improvement and enhancement of existing infrastructure to support Knowledge Management programs and processes.
• Hire, manage and motivate the knowledge management staff to achieve maximum impact on the firm’s profitability.
• Manage the day-to-day operations of the Knowledge Management function. This includes the management of staff and oversight of the development and work integration for the Knowledge Management processes including knowledge capture, aggregation, synthesis, quality assessment, storage and dissemination.
• Coordinate with the Learning function to establish firm wide Knowledge Management training and education.
CKO’s Job Description

• Monitor trends in knowledge management including process, technology and culture, to identify new methods, tools and change management initiatives that support realization of the Firm’s Knowledge vision.

• Coordinate and assess new efforts to pilot and implement new processes and capabilities that incorporate feedback from user communities.

• Support the demonstration of the firm’s knowledge capabilities in specific client and prospect meetings.

• Establish metrics and measurement processes that will enable assessment of the value of the firm’s knowledge assets and communicate its progress to senior management.
CKO’s Job Description

**PREVIOUS EXPERIENCE & ABILITIES REQUIRED:**

- Experience in building progressive Knowledge Management programs for an organization viewed as an industry leader.
- A demonstrated track record of success in building, growing, and effectively running “best in class” Knowledge Management programs.
- Personal qualities include a high energy level, creativity, self-confidence, charisma, initiative, and an ability to build consensus as well as communicate and facilitate ideas.
- Extraordinary intellectual capabilities and impressive record of academic accomplishments
- Strong organizational and planning skills indicative of an ability to develop and lead the implementation of an enterprise knowledge management strategy with supporting processes and systems.
CKO’s Job Description

Deep understanding of knowledge processes and change management initiatives required to support the development of a knowledge sharing culture.

- Strong interpersonal and leadership skills to attract, develop, and motivate a team of the most qualified knowledge professionals.

- Strong program management skills and a passion for solving business problems using technological solutions.

- Previous experience and awareness of the importance and role of external and internal content and be familiar with knowledge management tools such as the Internet; search engine and information retrieval; data mining; document management and enterprise portals and software selection.

- A polished executive presentation and superb communication skills indicative of an ability to interface effectively with and positively influence senior management within the firm.

- Effective listening skills, political savvy and results orientation.

- The vision and leadership to build a “best in class” Knowledge Management organization.

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e-Business Model Innovation

RADICAL DISCONTINUOUS CHANGE

DESIGN FOR AGILITY, FLEXIBILITY AND ADAPTABILITY

e-BUSINESS TECHNOLOGY ARCHITECTURE ↔ e-Business SERVICES ARCHITECTURE

BALANCE TIGHT INTEGRATION OF e-TECHNOLOGY WITH ADAPTIVE INTEGRATION OF e-SERVICES

INTEGRATION OF DATA, ACTIVITIES & PROCESSES

TIGHT EFFICIENCIES OF SCALE & SCOPE ↔ ADAPTIVE AGILITY & FLEXIBILITY

PROCESS REENGINEERING WORKFLOW REDESIGN AUTOMATION ↔ BUSINESS MODEL INNOVATION FOR ‘RE-EVERYTHING’

Detect & Correct

Sense & Respond

CREATIVE ABRASION & CREATIVE CONFLICT

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Metrics of KM (T)

- Final ROI and Tobin’s Q
- TCO ???
- Better Way: Cost-based, Market-value based and Effect-on-income (Tangible and Intangible Gains)
- Using Too Many Metrics
- Using Wrong Metrics
- Using Metrics that are Hard to Control ???
- Balancing the Hard and the Soft Issues
- Benchmarking, QFD and Balanced Scorecard
Intellectual Capital & Financial Capital

- Financial Capital
  - Past
- Human Capital
  - Present
- Market Capital
  - Present
- Process Capital
  - Present
- Renewal & Development Capital

IC

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Information Strategy

Information & Control Systems for…

- Faster and faster pace of change
- Shift from incremental to radical change
- Shift from continuous to discontinuous change
- Shift from internal to external locus of change
- New world of business: world of “re-everything”
- Shift from reactive to anticipatory response

Shift from “Focus on Core Competencies”… to…
Creation of New Business Models and Industries
Strategic Context of IT Utilization

‘Old’ Biz
- Metaphor
- Knowledge
- Assets
- Strategy
- Design
- Role of IT
- Management
- Returns

Machine
- Utilization
- Tangibles
- Prediction
- Structure
- Converge
- Compliance
- Diminishing

Ecosystem
- Creation
- Intangibles
- Anticipation
- Edge of Chaos
- Diverge
- Self-Control
- Increasing

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The E-Business (R)evolution

“We’re shifting back to our natural way of doing business because of the Net. For most business history, people did business through bazaar, where the exchange of knowledge was the raison d’etre and the exchange of currency and products the by-product.”


“To be truly successful with B2C E-business, you need a different set of skills and deliverables than what would have made you successful in the pre-Web time.”
BPR to e-Agility

<table>
<thead>
<tr>
<th>Level of Change</th>
<th>BPR</th>
<th>e-Agility</th>
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<tbody>
<tr>
<td>Start From</td>
<td>Radical</td>
<td>Radical / Incremental</td>
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<tr>
<td>Frequency</td>
<td>Clean Slate</td>
<td>Existing Model</td>
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<tr>
<td>Time Required</td>
<td>One-time</td>
<td>Ongoing</td>
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<tr>
<td>Participation</td>
<td>Long</td>
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<td>Risk</td>
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<td>X-Network</td>
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<td>Primary Enabler</td>
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<td>Type of Change</td>
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<td>IT / Human Capital</td>
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<tr>
<td></td>
<td>Culture/Structure</td>
<td>“Re-Everything”</td>
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e-Biz (R)evolution

FROM COMPLIANCE TO COMMITMENT

External Controls for Compliance

Self Controls for Commitment

Stable and Predictable Organizational Environment

Pre-specification of rules, procedures and best practices

Self Control for Knowledge Utilization

‘Wicked’ Organizational Environment

Self Control for Knowledge Creation

Knowledge Utilization

Knowledge Creation

Human Capital as Key Enabler

Supplier Coopetition in Business Ecosystems

Customer Driven Virtual Communities

KNOWLEDGE PROCESS

Knowledge Utilization

Knowledge Creation

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Relating Information, Knowledge and Performance

Data → MEANING* → ACTION → Performance
e-Business Performance

Intellectual Capital & Financial Capital

- Financial Capital
  - Past

- Market Capital
  - Present

- Human Capital

- Process Capital
  - Present

- Renewal & Development Capital
  - Future

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Dimensions of e-Business Performance

- Virtual product
- Increasing Returns

From Atoms to Bits

‘Gray Matter’ to e-Matter

From Bricks to Clicks

From BPR to e-Agility

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e-Business Performance

Customer Driven
Virtual Communities

Supplier Coopetition
in Business Ecosystems

Human Capital
as Key Enabler

Customer-driven
e-Markets

E-Business Ecosystems

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

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