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**

From Routine to Non-Routine

From Hi Structure to Lo Structure

Stable Environment

Hi Structure

Non-Routine

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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’**
Managing Knowledge for Performance

Only Performance Outcomes Matter!!!
Performance Outcomes Don’t Correlate With IT Inputs!!!
"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

New & Improved e-Biz

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From Reengineering to “Re-Everything”

OLD

Automation Focus

Reengineering
Rationalization
Automation

NEW

e-Agility Focus

“Re-Everything”
Business Model Innovation

Reengineering …IT-intensive Radical Redesign
Rationalization …Streamlining Workflows
Automation …Replacing humans with machines
From Reengineering to “Re-Everything”

Stable Business Environment

Reengineering

Rationalization

Automation

Harvest the Given Business Logic

Dynamic Business Environment “Re-Everything”

Innovative CVPs

Innovative BVPs

Adapt the Programmed Logic to Deliver the VPs

Rethink the Given Business Logic

Harvest the Given Business Logic

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Rewriting the Rules for the New Economy

Automation Focus
Old
KM-Biz

Metaphor
Machine

Knowledge
Utilization

Assets
Tangibles

Strategy
Prediction

Design
Structure

Role of IT
Converge

Role of IT
Compliance

Management
Diminishing

Returns

e-Agility Focus
New & Improved
KM-eBiz

Ecosystem
Creation

Intangibles
Anticipation

Anticipation
Edge of Chaos

Diverge
Self-Control

Increasing
Managing Knowledge for e-Enterprise Performance

INFO-PROCESSING MODEL

DESIGN FOR AGILITY, FLEXIBILITY AND ADAPTABILITY

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

RADICAL DISCONTINUOUS CHANGE

In Control

OUT OF CONTROL

RADICAL DISCONTINUOUS CHANGE

Engineering Design ‘Machine’ Focus

Communities of Practice, Customers, Suppliers, Partners

Emergence ‘e-Agility’ Focus

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

INTEGRATION OF DATA, ACTIVITIES & PROCESSES

CREATIVE ABRASION & CREATIVE CONFLICT

For e-BUSINESS MODEL INNOVATION
**New & Improved e-Biz**

- **Customer Driven Virtual Communities**
- **Supplier Coopetition in Business Ecosystems**
- **Human Capital as Key Enabler**
- **Industrial Age Corp. Vertical Fully Integrated**
- **Customer-driven e-Markets**
- **E-Business Ecosystems**
- **Cyber Corporation Extended ‘Chains’ Tightly coupled**

**Value Creation**
- Customer Driven
- Service enhanced customization
- Supplier driven
- Mass production
- **Product** – From atoms to bits
- **Channel** – From bricks to clicks
- **Processes** – From BPR to e-Agility

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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