

Knowledge Summit '99 David Skyrme
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Knowledge Commerce

Commercializing Organizational Knowledge

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Session Knowledge Map

Market Navigation **7P**

The Knowledge Economy
- Trends, mega- macro-

Economic Landscape
- Virtual, valuable, volatile

Market Maps & Opportunities


Knowledge Packaging and Commercialization


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Three megatrends

 **Technology**
- Performance; Connectivity; Mobility

 **Virtualization & Globalization**
- of markets, products and resources/labour




 **Information/Knowledge Work**
> 70% of work (US/EUR) information intensive

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The New Economy

**Networked
Knowledge
Economy**

Global and interdependent

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Knowledge Trends - Macro

1995-6	1999-2000
<ul style="list-style-type: none"> □ Few conferences, books and articles □ A few leading firms □ Sharing best practice □ Learning □ ICT - groupware □ US - Scandinavia <p><i>Skandia, Dow, Glaxo-Wellcome, Hewlett-Packard, BP, Buckman Labs</i></p>	<ul style="list-style-type: none"> □ 100+ conferences, books, 10+ journals □ Large firms + governments □ Innovation / conversion □ Communities / trading □ Intranets, e-commerce □ World-wide <p><i>World Bank, OECD, iqport, Xerox EU, China, 'competitiveness' etc.</i></p>

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Knowledge Trends - Micro

A New Dimension → Recognized Discipline

Strategic Initiative → Routine Practice

Best Practices → Breakthrough (10x) Practices

Inward Focus on Sharing → External Focus on Value

Knowledge Processes → Knowledge Objects

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Knowledge Trends - Micro (cont.)

Intellectual Capital → Tradeable Knowledge

Knowledge Maps → Knowledge Navigators/Agents

Knowledge Centres → Knowledge Hubs & Networks

Knowledge Communities → Knowledge Markets

Knowledge Management → Knowledge Innovation

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The New Opportunity

Internal Focus

Knowing and sharing
what we know

External Focus

Creating and converting
knowledge (innovation)

Intranet

Extranet

Internet

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K-Commerce

Knowledge Products/Services

E-commerce (transactions)

Marketing / Distribution

Internet

K-Commerce

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The Best Opportunity?

Ideas

Ideas

IPOs

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Knowledge Enhanced Products

- Add-on services
 - installation
 - training
 - consultancy
- Customization
 - grows smarter with use
- New knowledge products
 - databases

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Knowledge Packaging

Create → Convert → Commercialize

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Types of Packaging (examples)

<i>Internal KM Activities</i>	→	<i>External K-Products</i>
<input type="checkbox"/> Best Practice Sharing	→	Best Practice Databases
<input type="checkbox"/> Expertise Directories	→	Consultancy teams
<input type="checkbox"/> Intellectual Assets	→	IPR - licences, patents
<input type="checkbox"/> Intranets	→	Extranets
<input type="checkbox"/> Domain know-how	→	Expert systems, consultancy
<input type="checkbox"/> Communities (internal)	→	Communities (e.g. industry)
<input type="checkbox"/> Customer Knowledge	→	Customer profiles, databases
<input type="checkbox"/> Knowledge Centres	→	Advisory Services

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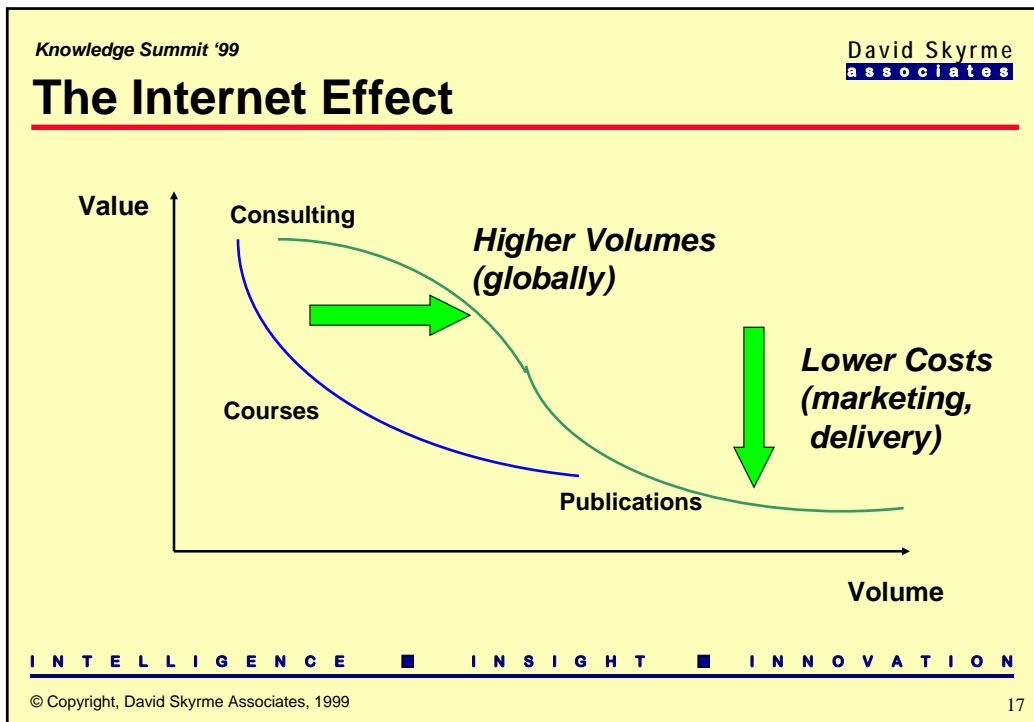
Knowledge Products / Services

Uncodified
(tacit)

Codified
(encapsulated,
explicit)

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- ## Creating Value (knowledge assets)
- Identify demand for knowledge - FAQs
 - Review assets vs. user needs
 - Make them accessible / usable - formatted, organized
 - Customize - think customer decisions, processes
 - Quality e.g. assessed, accredited
 - Connections - e.g. hyperlinks, links to advisory services
 - Add intelligence - expert commentary, dialogue
 - Well marketed - increased usage enhances value
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Examples

- IPR e.g. Dow, Project Alba
- Consultancies e.g. ERNIE, GBP
- Market specific portals e.g. Chemdex
- Online info e.g. PracticeDatabase.com
- Customised info e.g. Reuters *Inform*
- Knowledge networks e.g. Teltech
- Trading Platforms e.g. iqport

Learn from the Leaders

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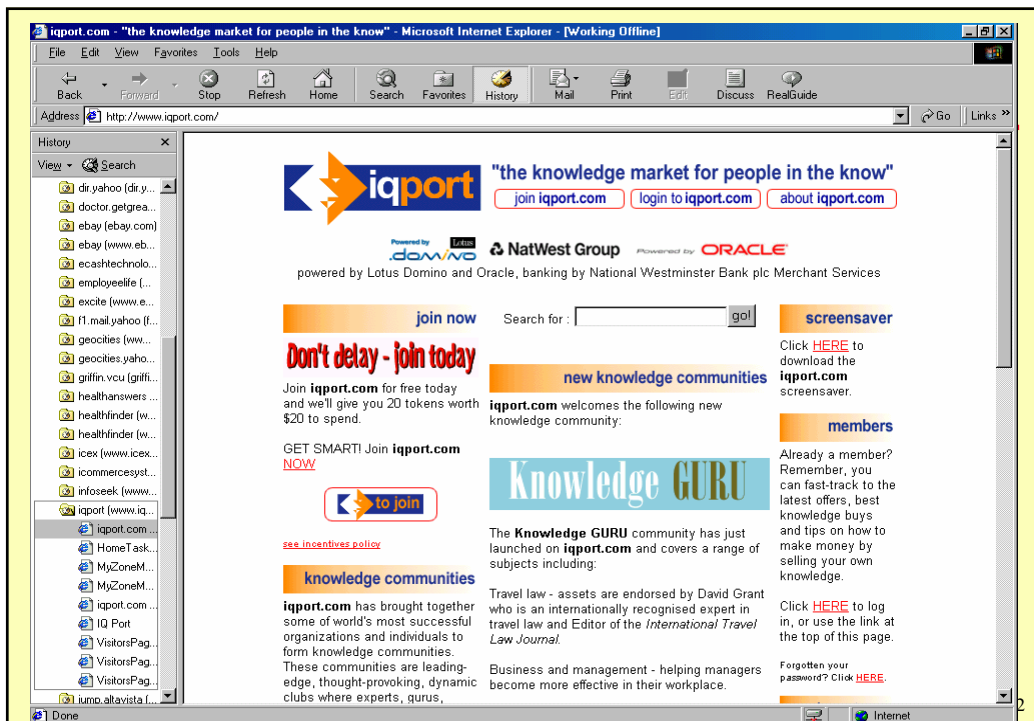
Amazon.com

- ❑ 4 million books, mostly discounted, 24 hrs/day
- ❑ Personalization, 1 Click buying
- ❑ Connects to related books
- ❑ Alerts -emails when new titles of interest
- ❑ User reviews = validation, emergent community
- ❑ Affiliates, strong brand awareness
- ❑ High levels of customer service

Extracting and Exploiting Customer Knowledge

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iqport.com

- A trading platform for knowledge assets
- Classification system, search engine
- Wrappers - describing what's in the asset
- Guilds - aggregate assets, add extra services
- Accreditation - validating and branding by guilds
- Micropayments - pay-as-you-go, revenue sharing
- Scope for communities, online consulting etc.

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Internet and 4Ps of Marketing

- Product
 - many variants possible, faster time to market
- Price
 - expectations of much lower prices; information is “free”
- Place
 - direct to end-users; disintermediation/re-intermediation
- Promotion
 - direct, can be more targeted, but audience has more choice and control (oblivion is just a click away!)

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4Ps Become 7

Product Packaging
 Positioning
Promotion Portals/Pathways
 Page Impression(s)
Place Progression
Price Payments
 Performance

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7Ps of Internet Marketing

- **Packaging** - same knowledge, different/customized packages
- **Positioning** - rising above the crowd, something distinctive
- **Portals and Pathways** - from where your customers go first
- **Page impression(s)** - informative, helpful, 'stickiness'
- **Payment mechanisms** - make it easy to do business
- **Progression** - from free to things they will pay for
- **Performance** - responsiveness, service, statistical analysis

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Summary - Opportunities

- Human capital (people-based knowledge)
 - product knowledge surround: add-on services
 - advisory services using expertise
 - create communities
- Structural capital (object-based knowledge)
 - package / sell existing or by-product information
 - give access to databases (extranet)
 - harvest / convert some human capital to explicit
- Hybrid - explicit plus expertise

Use the Internet for Volume and Reach

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Summary - Challenges

- Internet speed - 100 days - are you fast enough?
- Unique knowledge - what does your IC audit show?
- Expectations of 'free'
- 'Independence' vs. consultancies
- External marketing focus - vs. internal pull
- Internet marketing - how fast up learning curve?
- Constraints/Culture of main business - cf. Reflect.com

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“What is the value of an idea that
comes in the flash of a second but
is based on a lifetime of experience?”

Karl Erik Sveiby

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