

Knowledge as a Business Opportunity: Knowledge Transfer Practices in Finnish AEC Industry Networks

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1. Project background and motivation
2. Interviews
3. Knowledge transfer practices and business opportunities related to them
4. Value Networks research group

DESNET

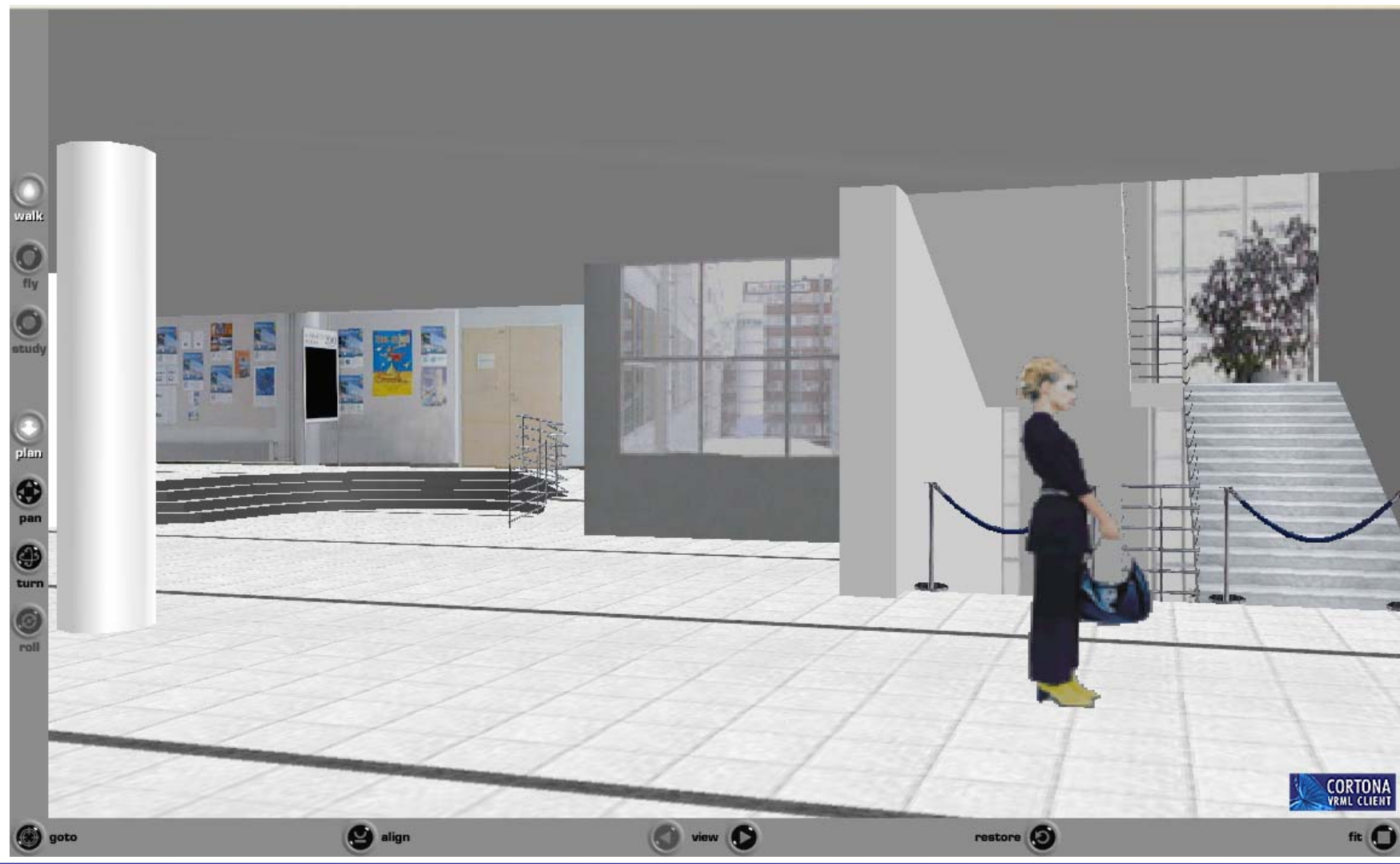
Potentials of networking in the adaptation of ICT solutions for life cycle design of buildings

- VTT Building and Transport (Tarja Häkkinen, Sirje Vares)
- BIT Research Centre / Helsinki University of Technology (Pekka Malinen, Niina Rintala, Teemu Surakka)
- VTT Information Technology (Pekka Siltanen, Antti Pärnanen)

DESNET

Our task

to identify the most advantageous models of networking. These should enable the client to state whole-life related requirements for buildings and **support the use and development of new ICT solutions for the product specific information**



November 29, 2006

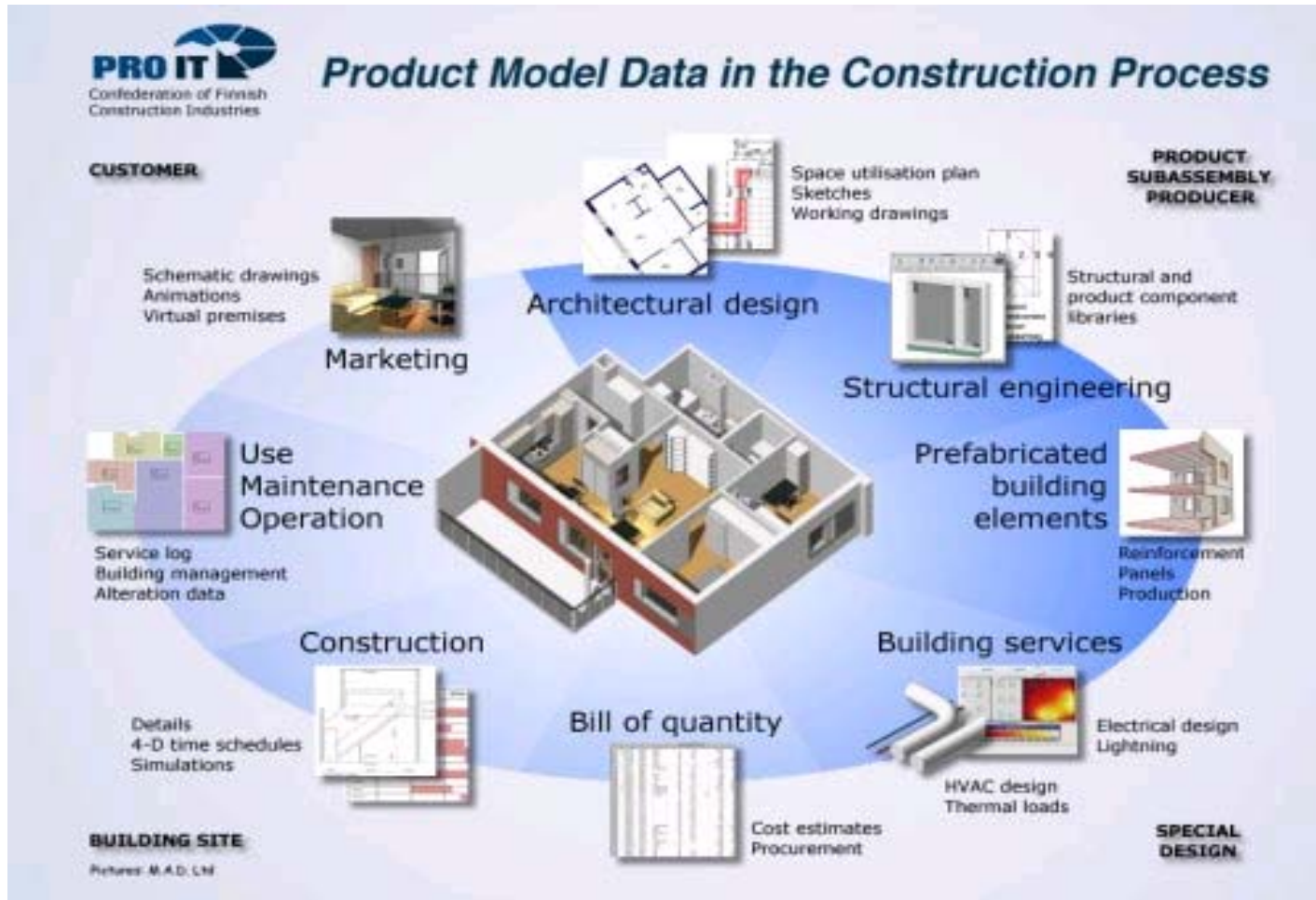




Source: The Finnish Real Estate and Construction Clusters Vision for 2010 - report 4

November 29, 2006





Source: Confederation of Finnish Construction Industries

The first round of interviews supports the conclusions of the Finnish real estate and construction cluster's own analysis (Vision 2010 report) about the major trends in the industry:

“Without a doubt the needs of the residents, or clients if you like, increase ... quality of buildings is at good level in here, but we could do much better ... and as the importance of home increases in the values of people, their needs [concerning residential building production] increase. And it is clear, that the renovation of buildings increase [especially the need for pipe line renovations]. These are the two mega trends that make networking more and more important in this industry.”

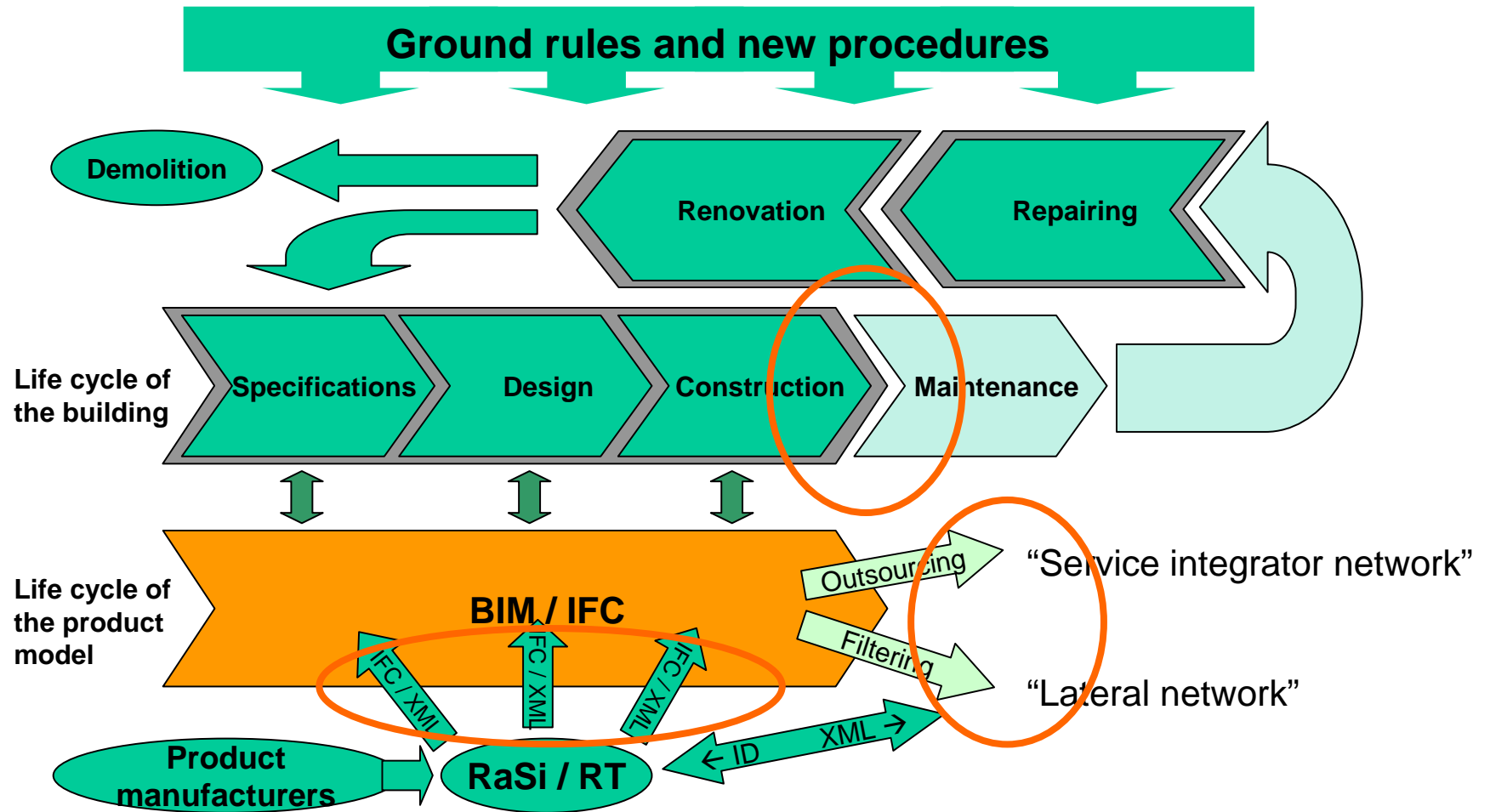
FIVE GLOBAL TRENDS

1. Customer relationships are evolving towards partnerships
2. **Technology is reshaping the business environment**
3. Ownerships and support functions are in transformation
4. **Importance of environmental aspects is growing**
5. Internationalization of investments and businesses

Source: The Finnish Real Estate and Construction Clusters Vision for 2010

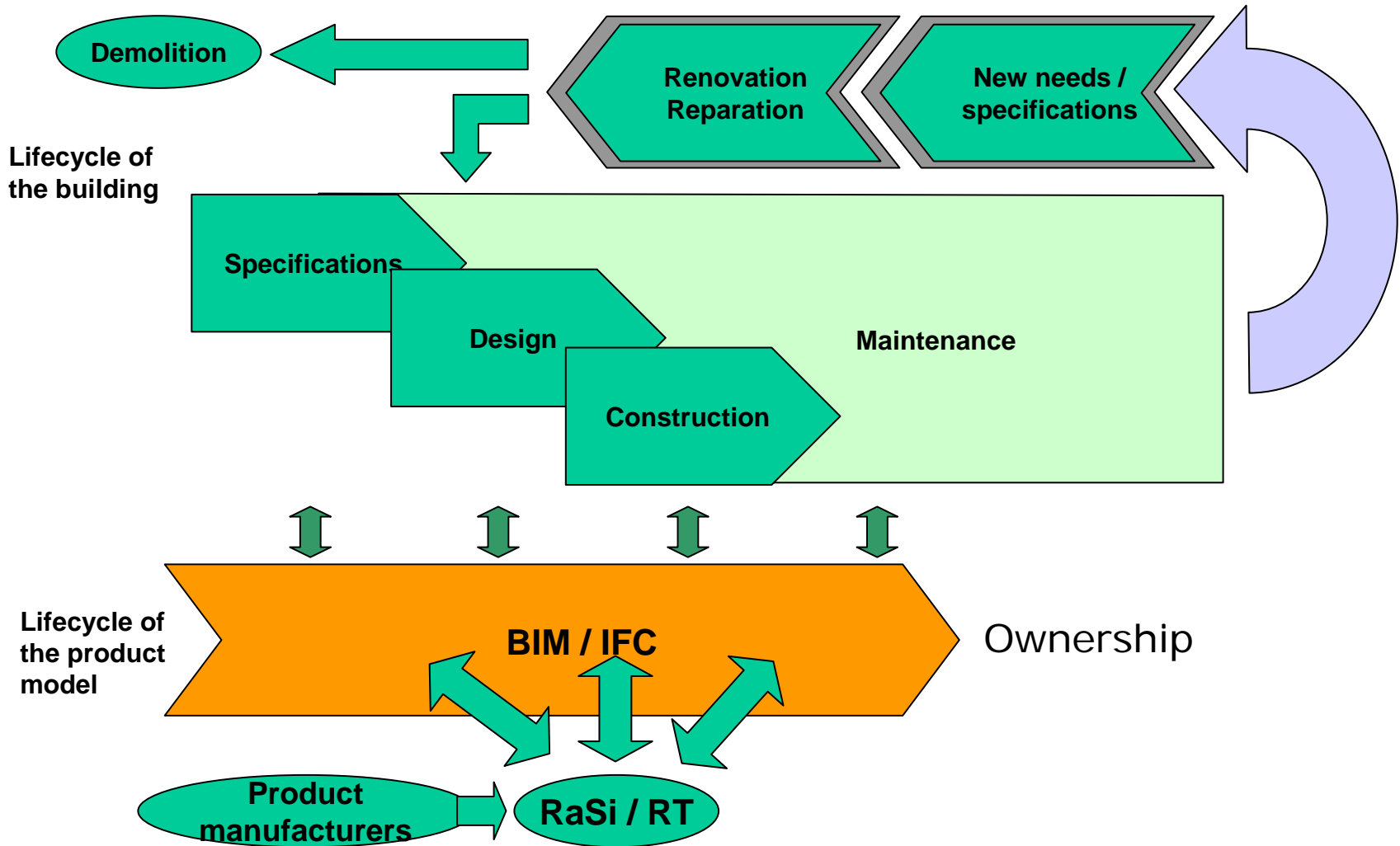
One of the big topics of these interview was knowledge transfer and creation in the industry:

“In my mind the biggest hurdle is, that this industry, as a whole, have to stress the importance of [know-how] – for example to get the value of proper renovation visible and that way [help us] lift the chin up and get a good posture and commercialize that know-how.”



RESULTS OF THE SECOND ROUND

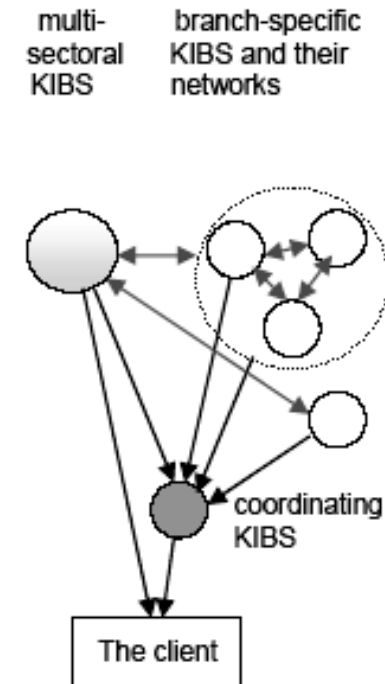
1. Clear cut market segmentation in the maintenance of the building doesn't represent the market situation too well
2. Current regulations and processes don't support networking in the industry, but they allow it to happen
3. "Service integrator networks" are expected to become more and more popular / important in the future
4. Possibilities to combine "active" and "passive" information during the life cycle of buildings interested professionals
5. Some of the construction companies in the second round expressed growing interest in the end user



CONCLUSIONS

- Attitudes towards BIM and IFC - standard can be divided into two groups – technological believers and skeptics.
- “Service integrator networks” (networks formed by coordinating KIBS in the picture) can be found already in AEC industry and their importance is growing.
- Potential business opportunities are found in the combination of “passive” and “active” information and in the growing interest on the end users.

Future: coordinating KIBS



Source: M. Toivonen. 2004. *Expertise as business - Long-term development and future prospects of knowledge-intensive business services (KIBS).*

MANAGEMENT OF VALUE NETWORKS

The research framework of the Value Networks Research Group is based on understanding of value creation and different capital assets related to it. In addition to traditional economic assets there are also other important assets like social capital, which plays a major role in network relationships and operations. Understanding of value creation is further on the basis for successful value capture and value delivery.

<http://www.valuenetworks.fi/home/>

Further information:

Rintala, Niina. "Cross-Company Networks and IT Use in the AEC Industry". Submitted to Automation in Construction in January 2006.

Surakka, Teemu. "Networks between Finnish construction and service companies in the lifecycle of buildings". Forthcoming. EPC 2006, Espoo, Finland, 30.8.-1.9.2006.