

MAPPING KNOWLEDGE ASSET ROOTS OF ORGANISATIONAL VALUE CREATION DYNAMICS

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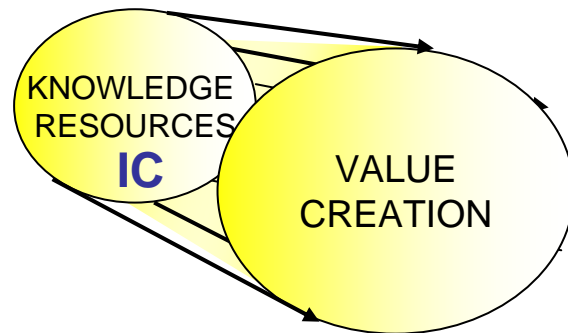
Outline of the presentation



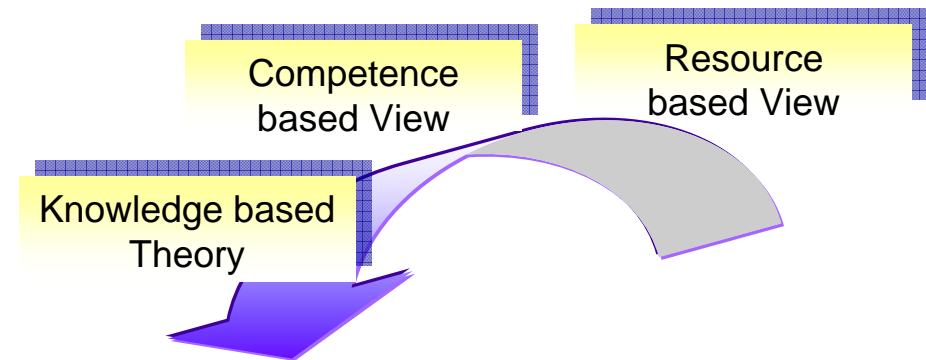
- Background of the study
- Research aim & questions
- The KAVCM & its application
 - The KAVCM: a static view
 - The KAVCM: a dynamic view
- Final remarks

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Companies have realised



Scholars have outlined



The company's competitive advantage is related both to company's specific resources and the ways of combining and deploying those resources.

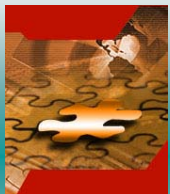
Great relevance has how organisations combine knowledge resources, since these resources contribute to create value not only by themselves but by their dynamic interactions

Outstanding interest concerning knowledge assets as performance drivers



however

- Few theoretical contributions that analyze how knowledge assets are engaged, separately and as a cluster, in value creation dynamics



- Lack of empirical investigations on the subject
- Lack of approaches/tools able to support the managers' understanding about how knowledge assets take part in company's value creation

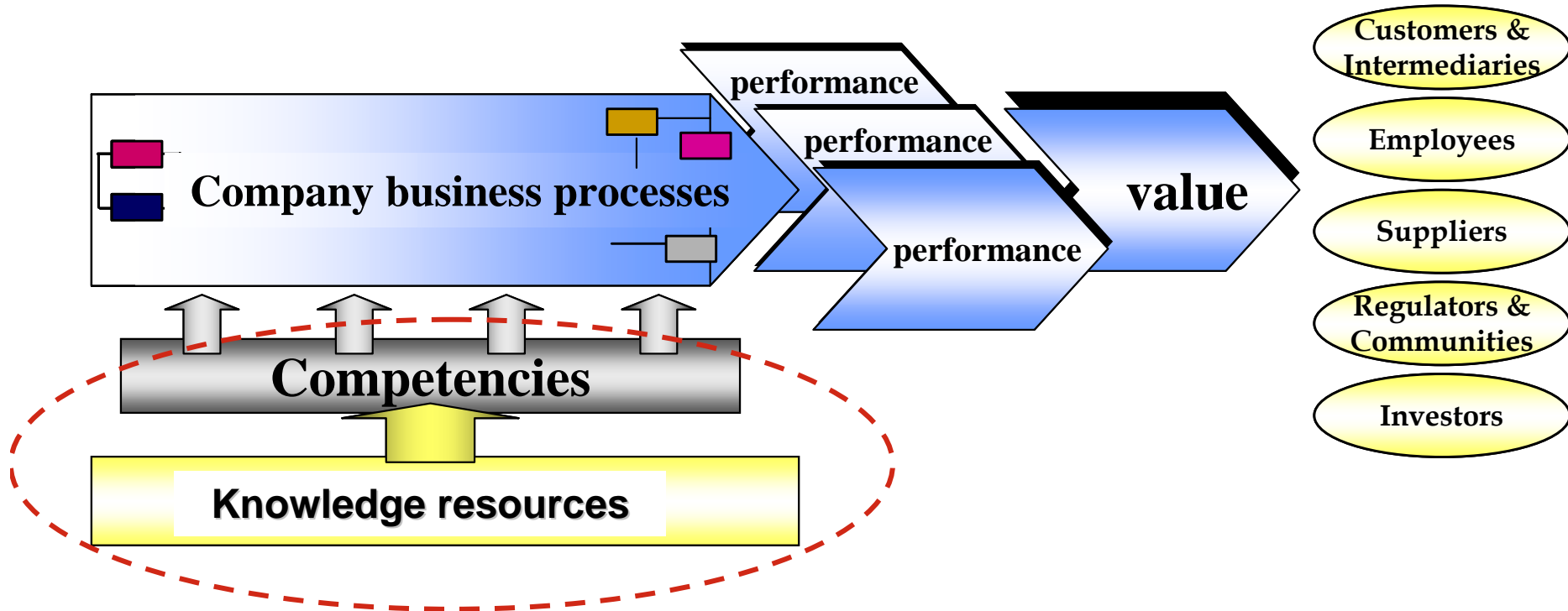
RA: providing a model for analyzing and evaluating the role and the dynamics characterizing the involvement of knowledge assets in the company's value creation dynamics

RQ1: How are knowledge assets engaged, separately and as a cluster, in value creation dynamics?

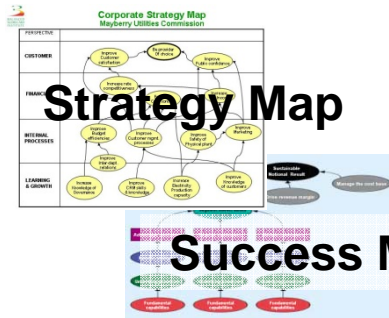
RQ2: How is it possible to identify knowledge assets which drive company's value creation dynamics, taking into account mutual interactions among knowledge assets?

RQ3: How is it possible to analyze the ways through which knowledge assets are dynamically involved in company's performance objectives achievement?

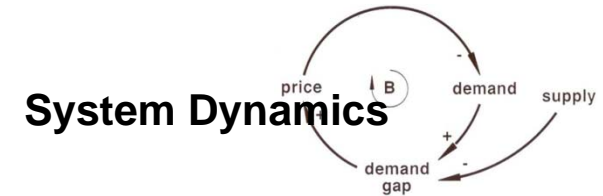
**Knowledge resources are at the basis of competencies/capabilities
and affect company's performances and value creation**



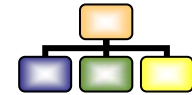
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Strategy mapping



Analytic Hierarchy Process



Methods supporting decision making

Disclosing and assessing how knowledge assets are engaged in company's value creation dynamics

Two views

Static view : a time-based assessment of the knowledge assets and of their importance for value creation

Dynamic view : description of causal loops characterizing the complex system of relationships linking knowledge assets to value creation over time.

Model construction

Identification of:

✓ organisational core competencies at basis of key processes

✓ knowledge assets which make up organizational competencies

✓ interactions among identified knowledge assets and among competencies

By means of:

e.g. Focus groups

Matrix of direct dependencies

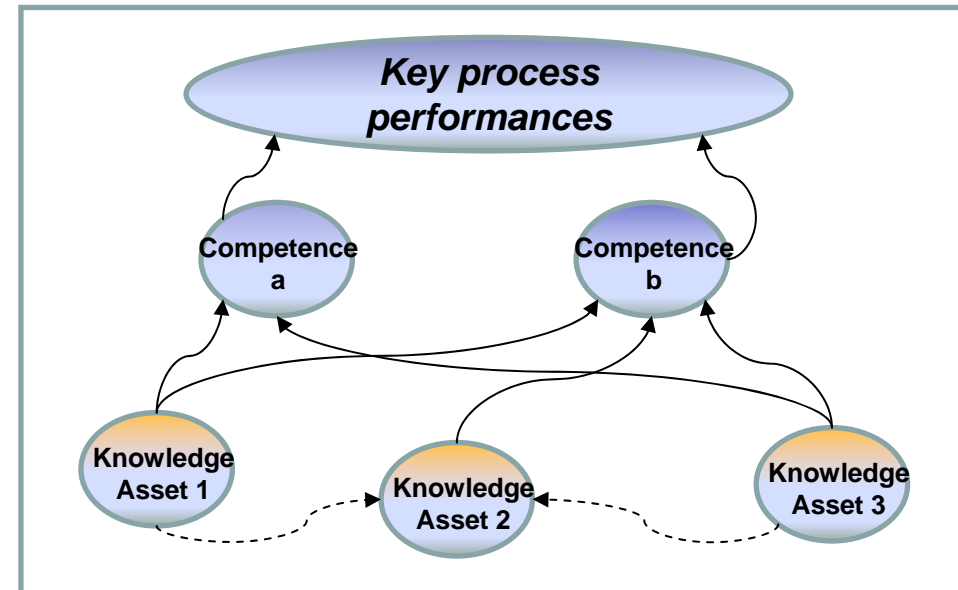
	KA1	KA2
C1	yes	no	...
C2	no	yes	
....

Matrix of indirect dependencies

	KA1	KA2	...
KA1	yes	no	...
KA2	no	yes	
....

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Visualisation of how knowledge assets are engaged in company's value creation dynamics



Applying

AHP

For assessing the relative importance of each knowledge asset against competencies and identifying *Key Knowledge Assets Value Drivers*

System Dynamics

For representing and analyzing the dynamics which link knowledge assets to competencies

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Understanding the model through its application

Empirical context

Small company operating in construction sector from 2002

It designs residential buildings and sells the projects to end customers.
The construction activities are managed in outsourcing

With a great focus on customer care and increasing of the value embedded in products and services

Engaged in a substantial re-examination and codification of its strategy at the time of the research

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Steps of the application

static view

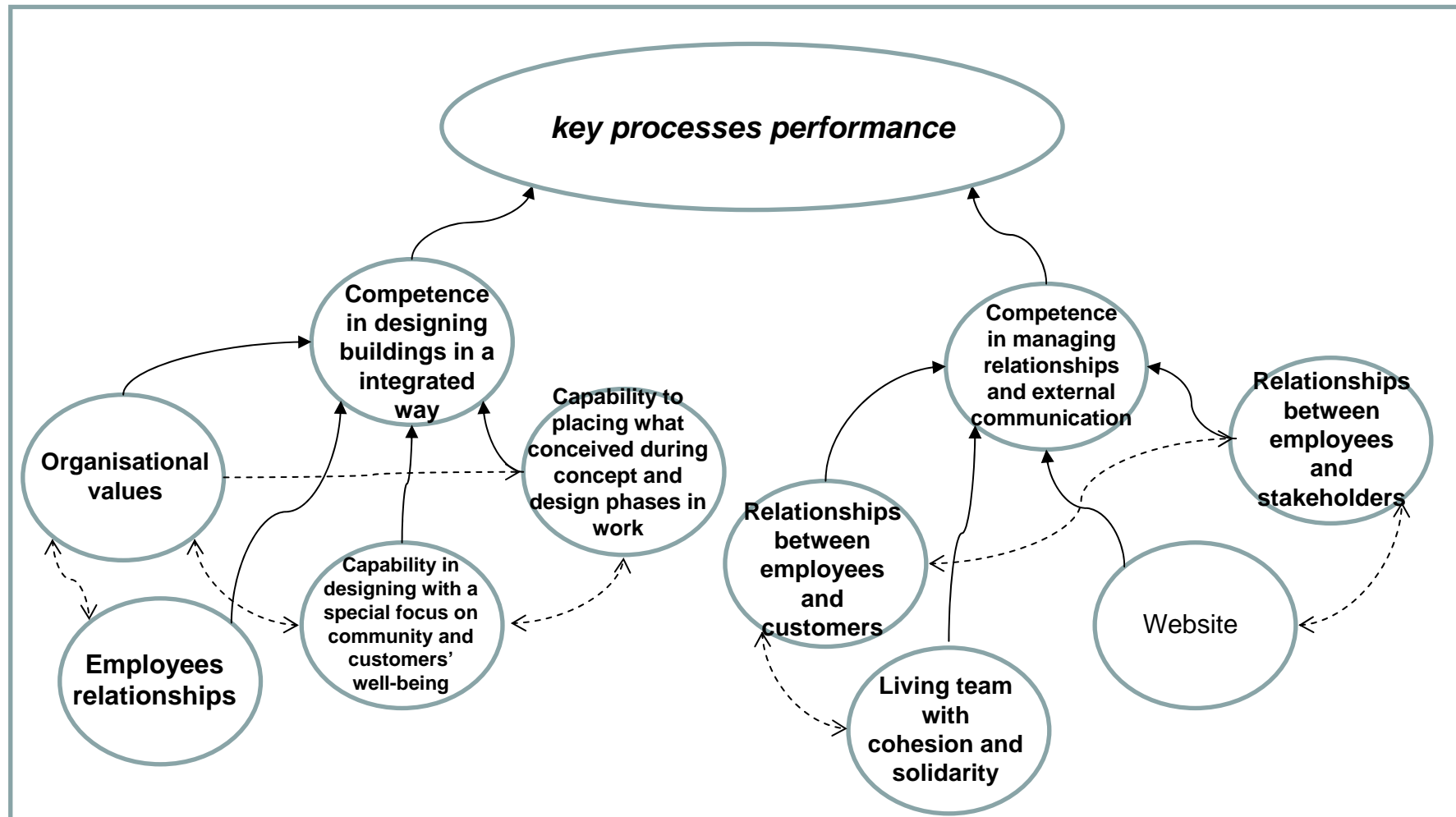
S1) identification and characterization of the knowledge assets founding company's core competencies and identification of relationships among knowledge assets as well as among competencies.

S2) identification of the *key knowledge assets value drivers*, according to the static view of the knowledge assets' assessment;

dynamic view

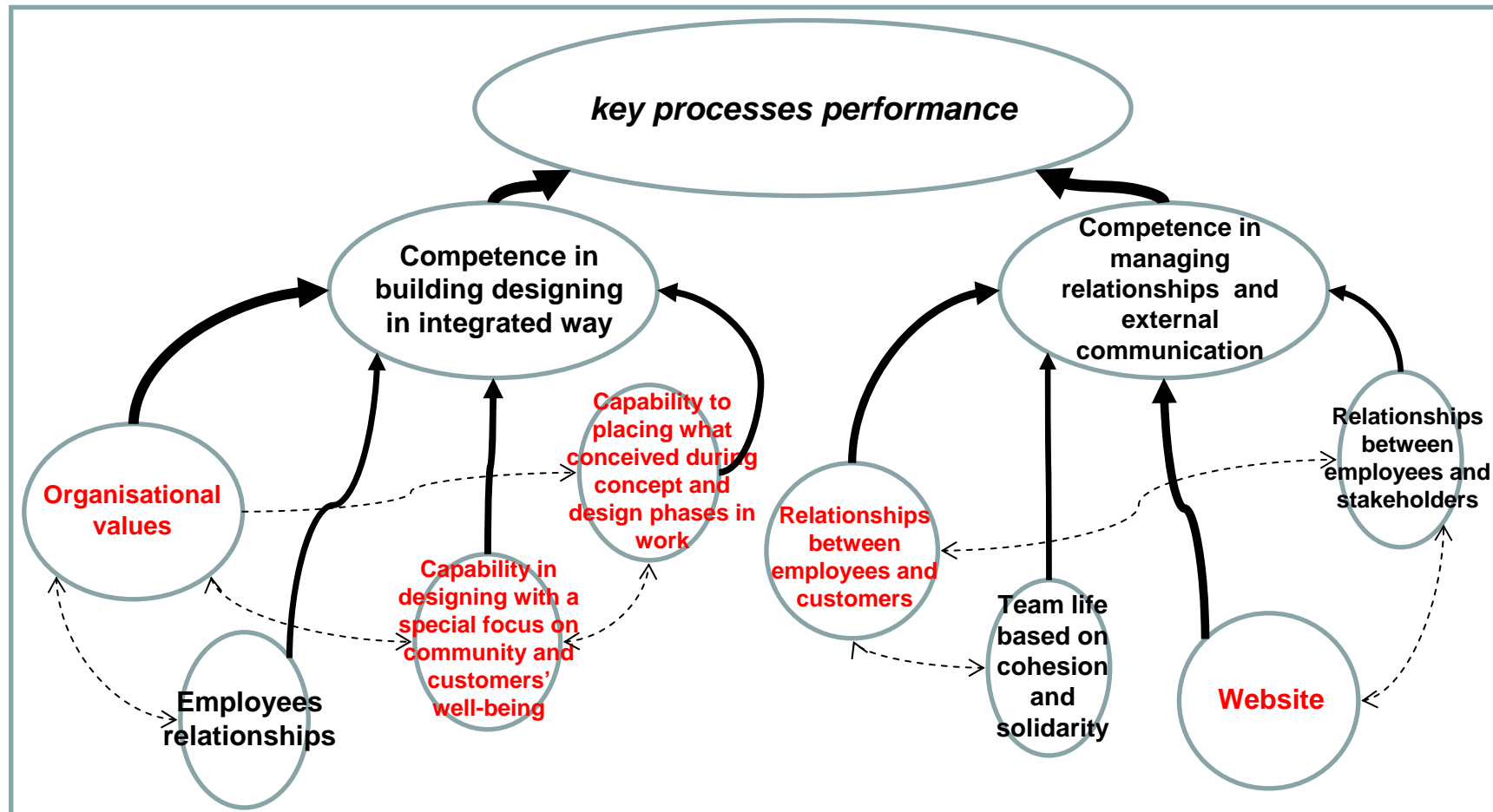
S3) analysis of *dynamics* linking key knowledge assets value drivers to organizational competencies, according to the dynamic view of the knowledge assets' assessment.

S1)



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S2)



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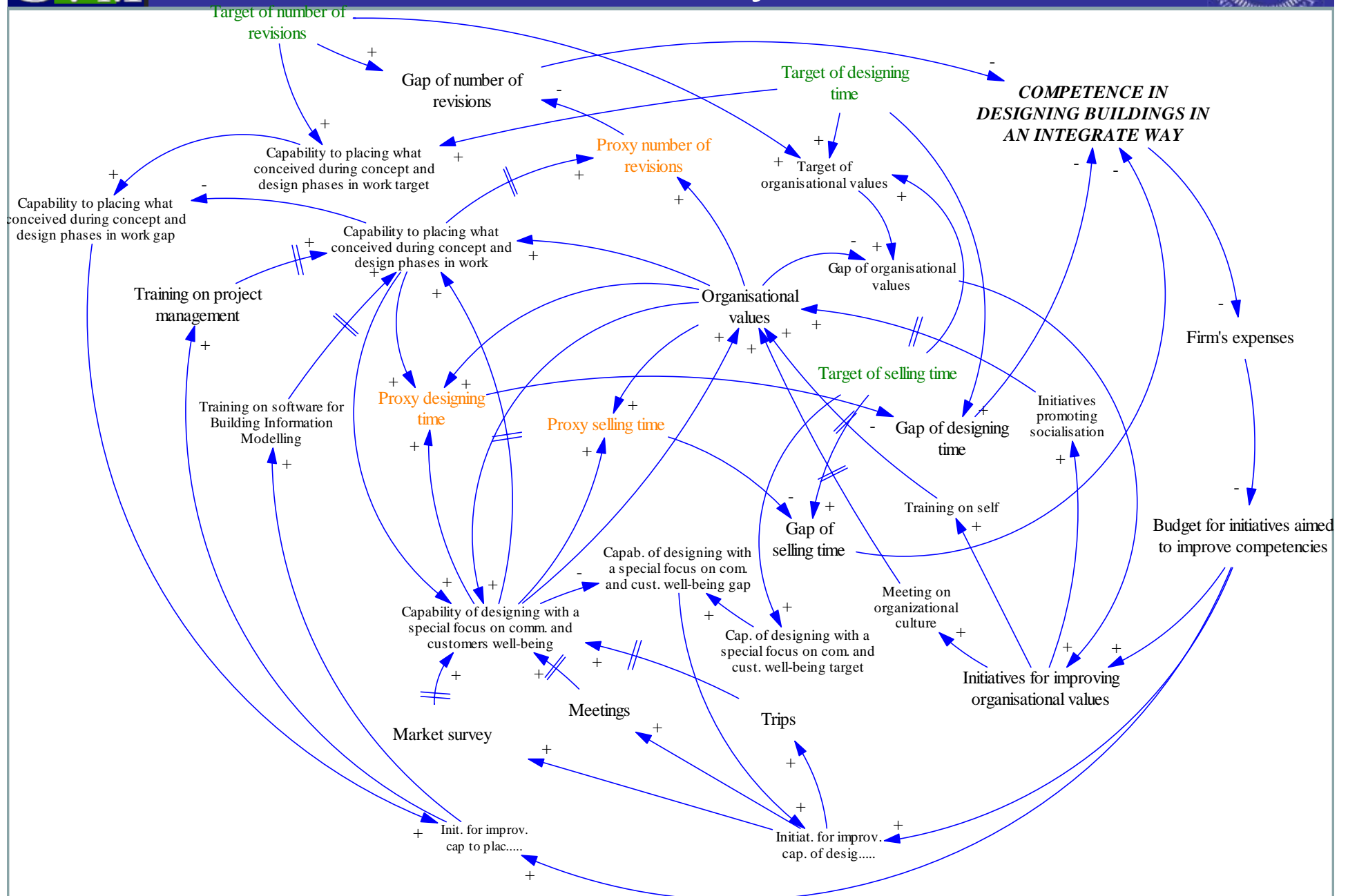
The map provides:

- i) a visualization of the causal links between knowledge assets and competencies;
- ii) an evaluation of the relative weight of knowledge assets against competencies through a rigorous approach such as the AHP ;
- iii) a disclosure of those knowledge assets that, due their high weight, significantly support strategy execution and value creation, i.e. key knowledge assets value drivers;
- iv) insights concerning the planning and evaluation of knowledge assets management initiatives

Competencies	Key Knowledge Assets Value Drivers	Knowledge Assets Management initiatives
Competence in designing buildings in an integrated way	Organisational values	Meeting on organizational culture; training on self-expression; initiatives promoting socialisation
	Capability of designing with a special focus on community and customers well-being	Meeting and trips aimed to promote knowledge sharing and knowledge creation; Market survey
	Capability to placing what conceived during concept and design phases in work	Training on software for Building Information Modelling; Training on project management; Training on rules regarding design
Competence in managing relationships and external communication	Website	Design and implementation of the company's web site
	Relationships between employees and customers	Knowledge transfer of targeted information about company to the key company's stakeholders; Reorganizing sales area for enhancing customers' relationships

- Developed by managers with the support of researchers;
- Mainly aimed to:
 - explore and represent the dynamics which link knowledge assets to organizational competencies;
 - clarify and test managers' statements about the relevance of knowledge assets for competencies and, as a result, for the achievement of performance outcomes;
 - choose and implement the best knowledge management initiatives in order to improve competencies as a whole and achieve performance outcomes.

The KAVCM: the dynamic view



- ✓ The model can be adopted as a stand alone approach or as an integrated and complementary methodology of the strategy map
- ✓ Further research – e.g. through action research projects, case studies, application of statistical methods – for investigating the *relevance* and *impact* of the KAVCM in strategy planning and execution as well as in the design and implementation of Knowledge Assets Management initiatives.

Thank you for your attention

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