

# Knowledge Strategy and "Ba"

## -- The Practice of Knowledge-based Management --

Column, Inc.  
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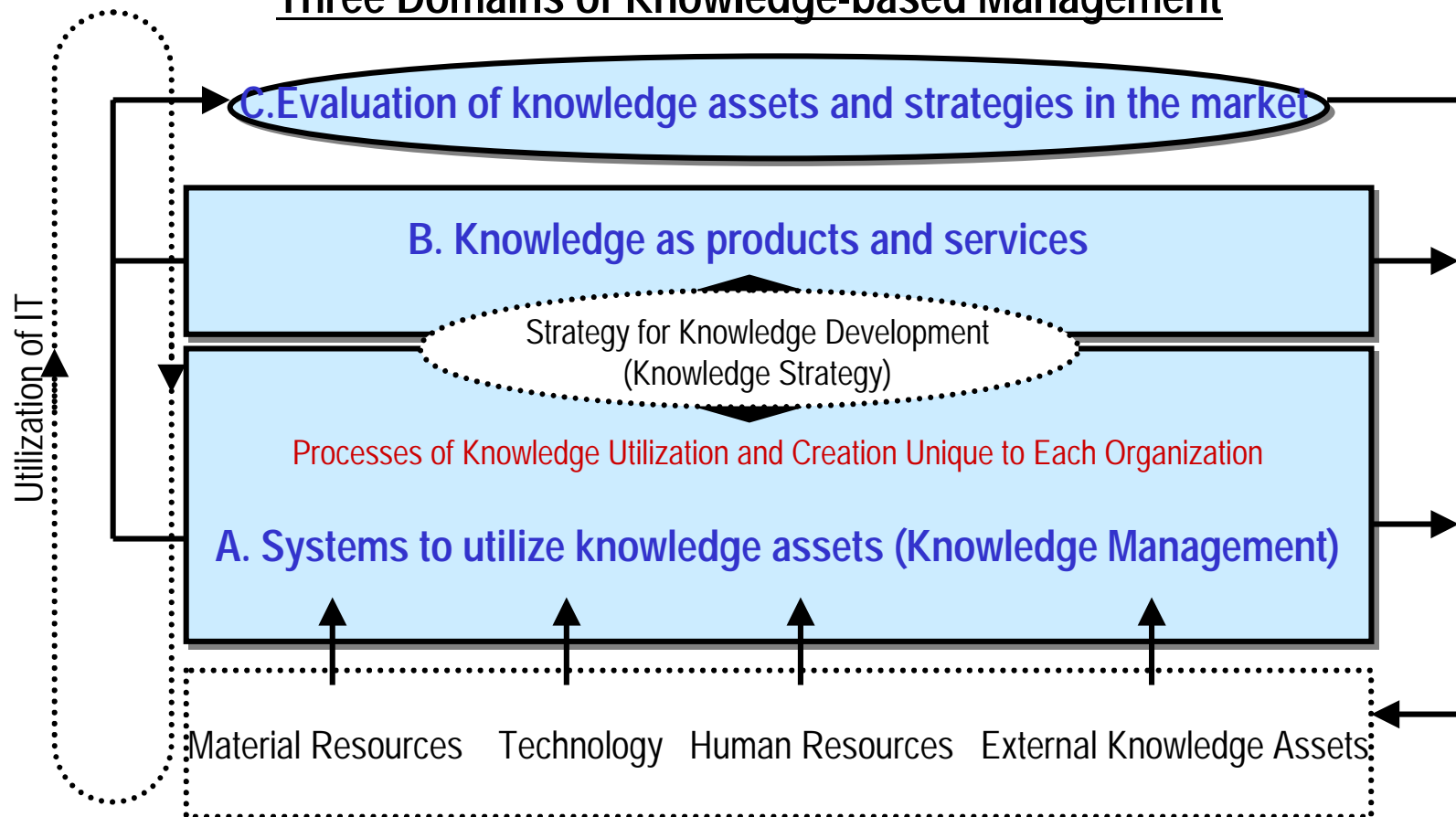
# I. Knowledge and Corporate Value

- Corporate value today is created through the utilization and creation of knowledge, and their (knowledge-based) management.
- “Knowledge Management” must be treated as part of knowledge-based management.

# Knowledge-based Management and Value Creation

- Knowledge (both knowledge assets and knowledge creation process) is becoming the source of value for more and more corporations.

## Three Domains of Knowledge-based Management

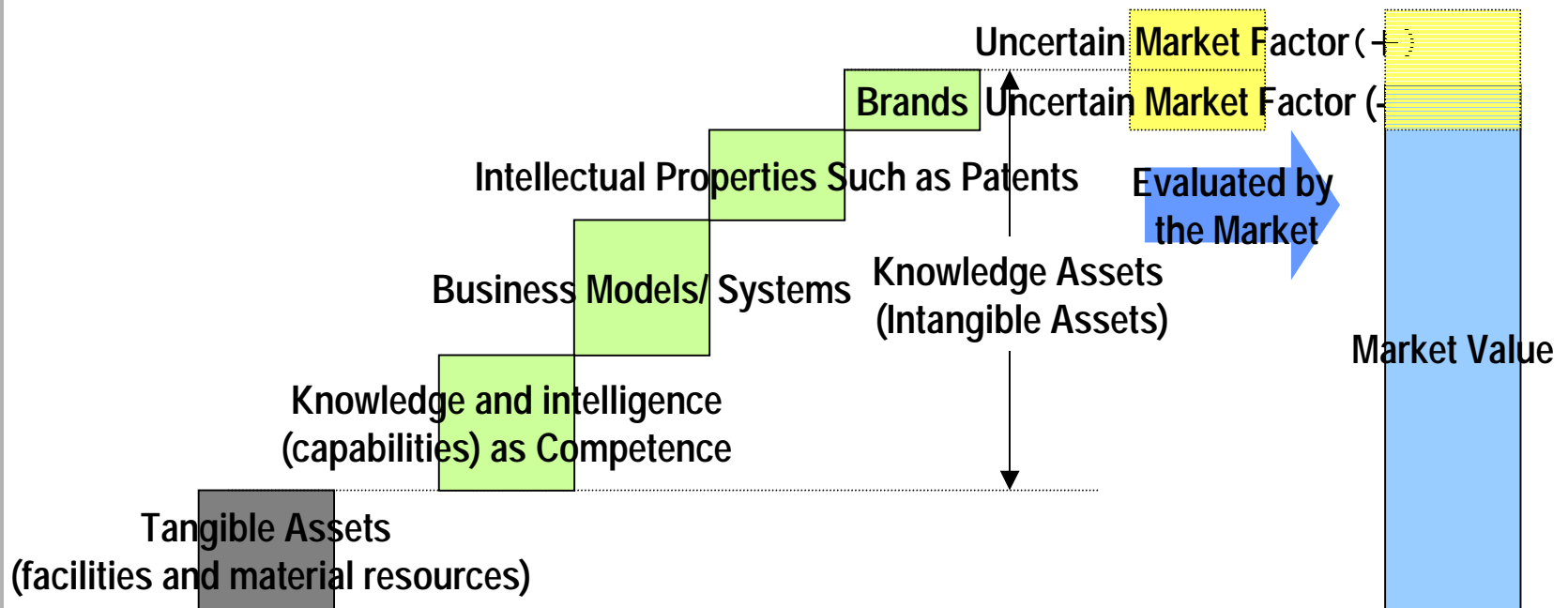


# Knowledge Becomes Important When:

- ❑ The source of profit shifts from hardware to services and solution.
- ❑ Value is created more from intangible assets than tangible assets.
- ❑ Business centers on customized products and services made to order, not standardized ones. Customer knowledge becomes important than ever.
- ❑ The professional human resources is indispensable for growth and competition.
- ❑ An organizational structure/environment allowing maximum utilization of information as well as the utilization of IT is indispensable for competition.

# Background: Corporate Value

- The development of a methodology to grasp and evaluate knowledge assets behind NPV (net present value) is an urgent necessity.



## II. Knowledge, Information and "Ba"

- The utilization of IT is indispensable in utilizing knowledge. But information sharing and knowledge sharing are quite different. We can bridge the gap between them only with (the concept of) "ba".

# Information and Knowledge(1)

- There are two types of knowledge: tacit knowledge and explicit knowledge.

- Tacit knowledge:communicated only through people interaction.



- Explicit knowledge:communicated through words.
- If semantic information is separated from the explicit knowledge from which it originates, and is distributed as separate pieces of information, we would lose the contexts and circumstances existing in the original knowledge.( But in knowledge management in the narrower sense, the sharing and utilization of semantic information is often misinterpreted as knowledge sharing.)

## Information and Knowledge (2)

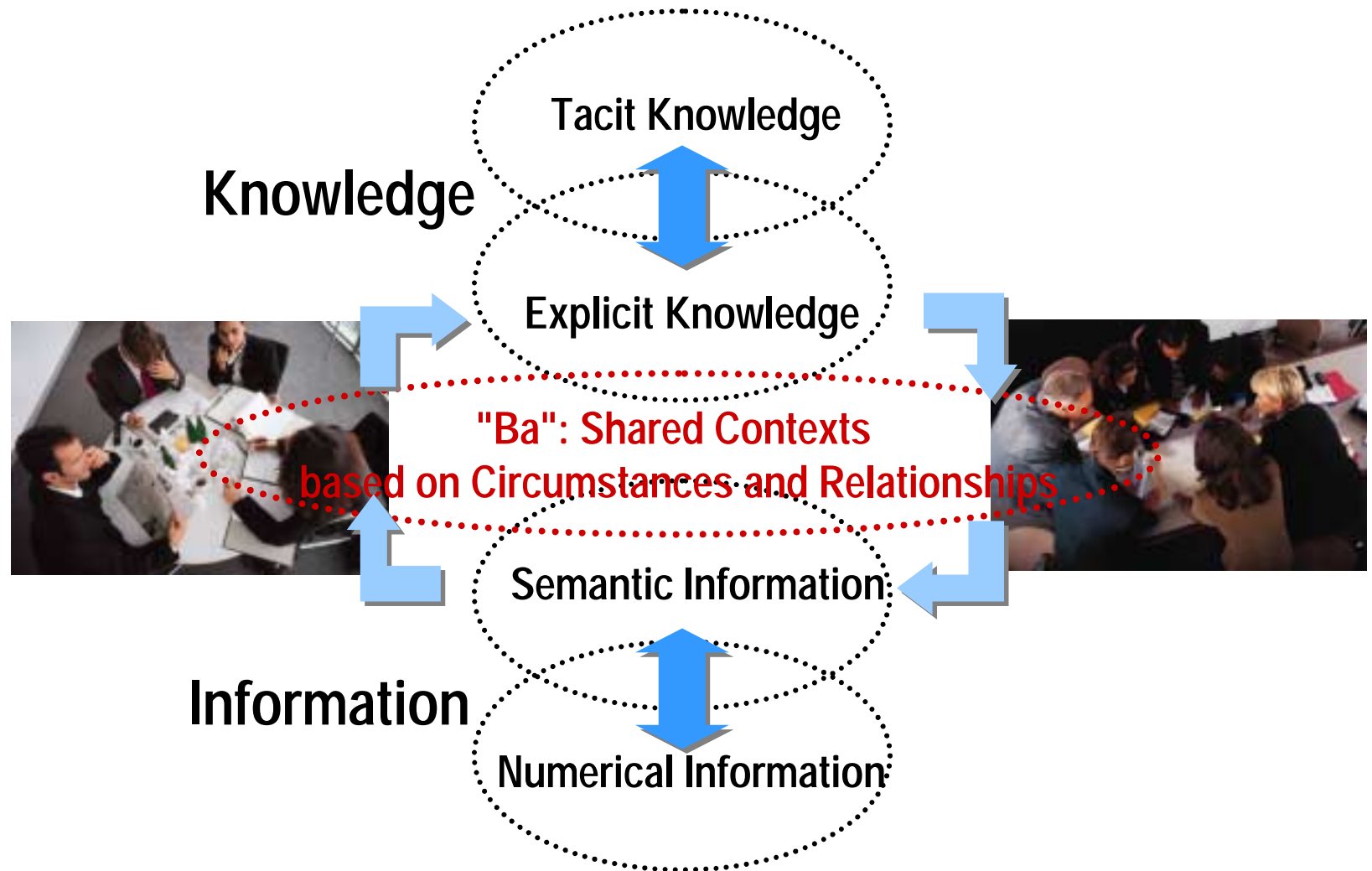
- Information sharing entails the realization of processes to offer, store, discover, search and transfer information by use of IT.



- Knowledge sharing entails the acquisition and utilization of knowledge through direct or indirect interactions between people utilizing information.



# "Ba" connects information to knowledge

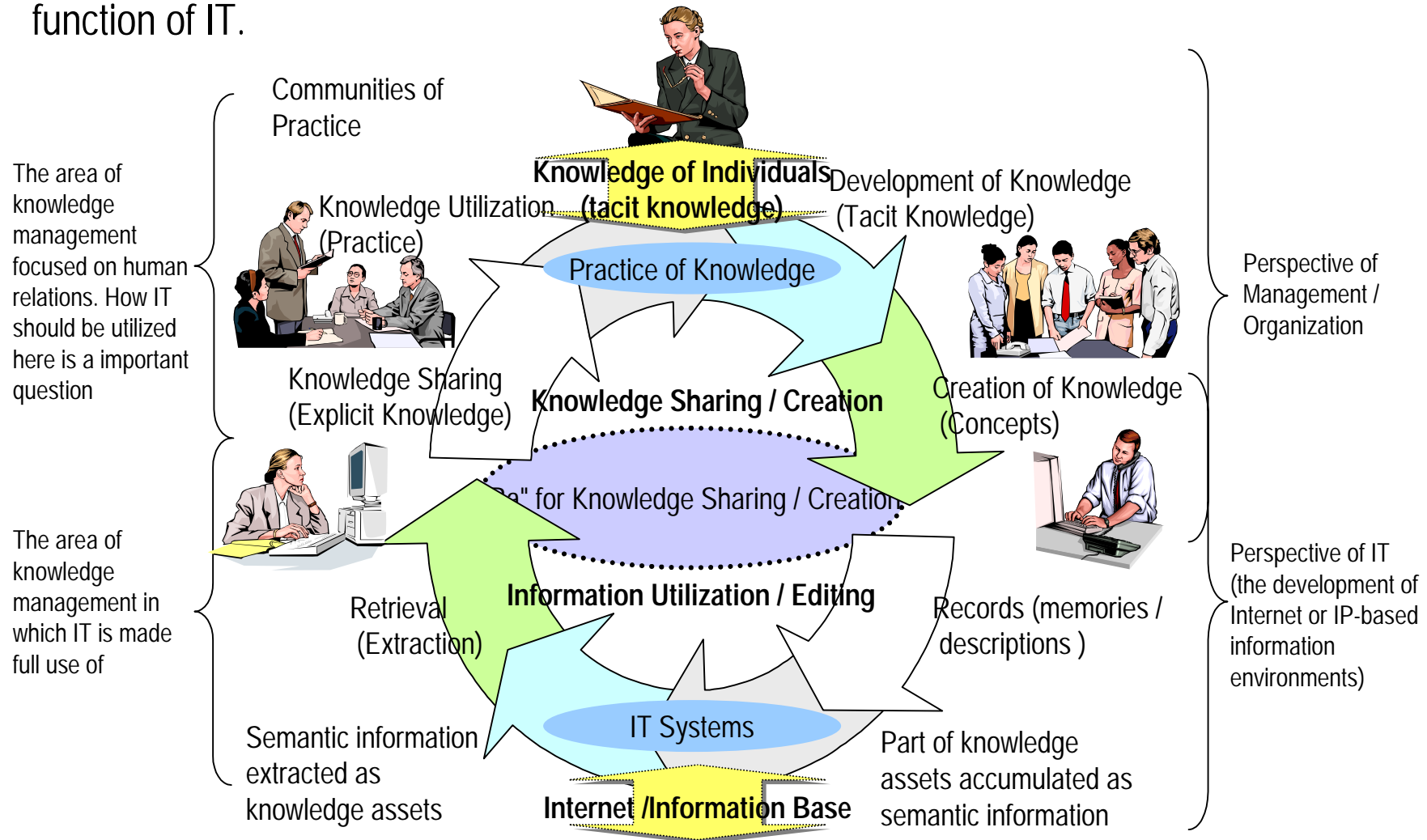


# What is "ba" ?

- "Ba" means **shared contexts, circumstances and connections** in which knowledge is created, shared, utilized and stored.
  - These contexts are shared through physical, virtual and mental relationships (office spaces, teams, communities, human networks, shared experiences and so on)
- "Ba" bridges **the gap between information (sharing) and knowledge (sharing)**.
  - The creation and utilization of "ba" in terms of both organizations (organizational structures, systems and culture) and IT systems contribute to knowledge sharing and creation.

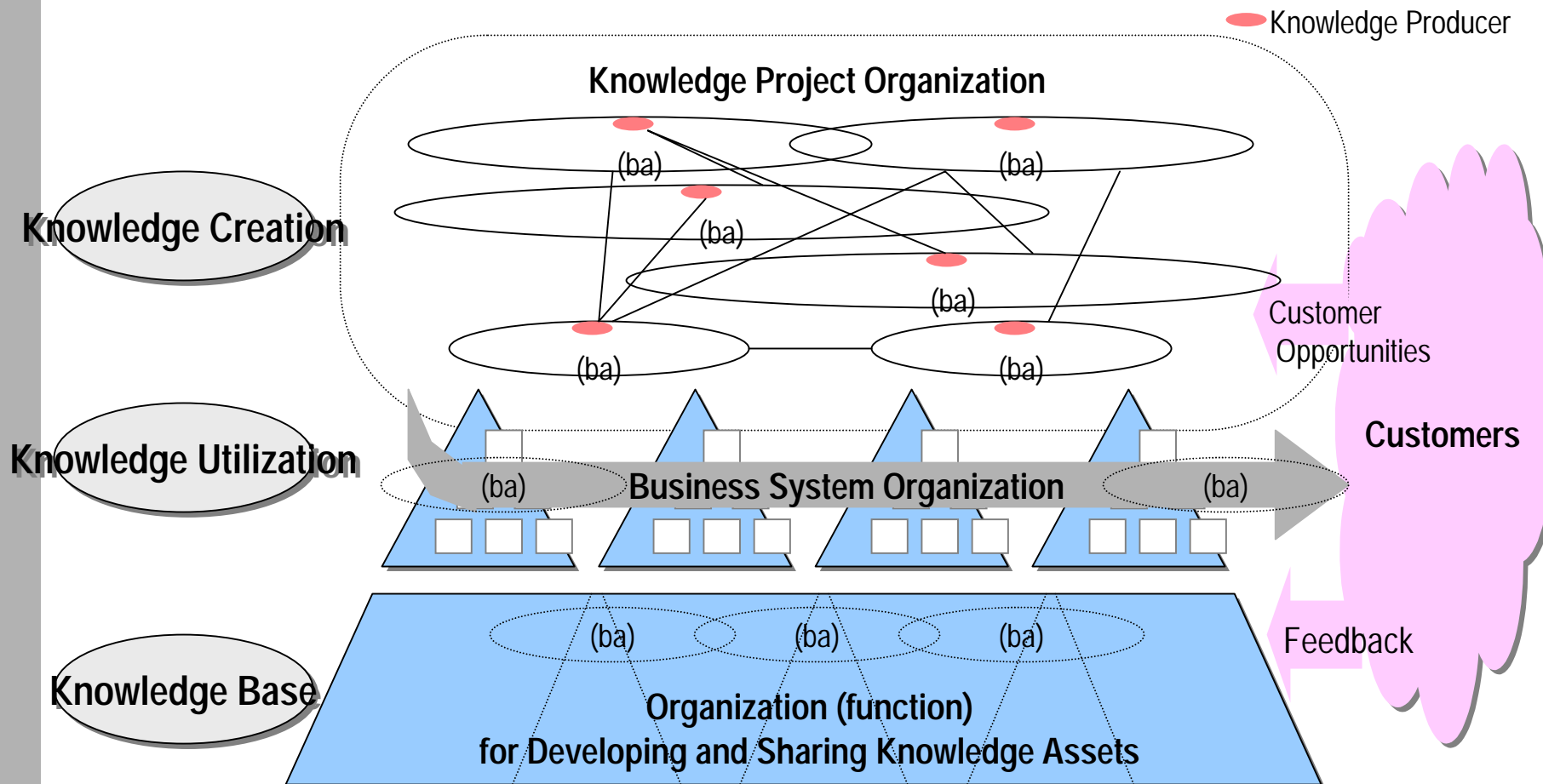
# Knowledge Creation By Linking IT with Knowledge Possessed by People: through the medium of "ba"

- "Ba" in the processes of knowledge creation and utilization determines the role and function of IT.



# "Ba" and Hypertext Organization

- Designing a professional organization with "ba" as units: dynamic exploitation of the strength of both project-type organizations and hierarchical organizations



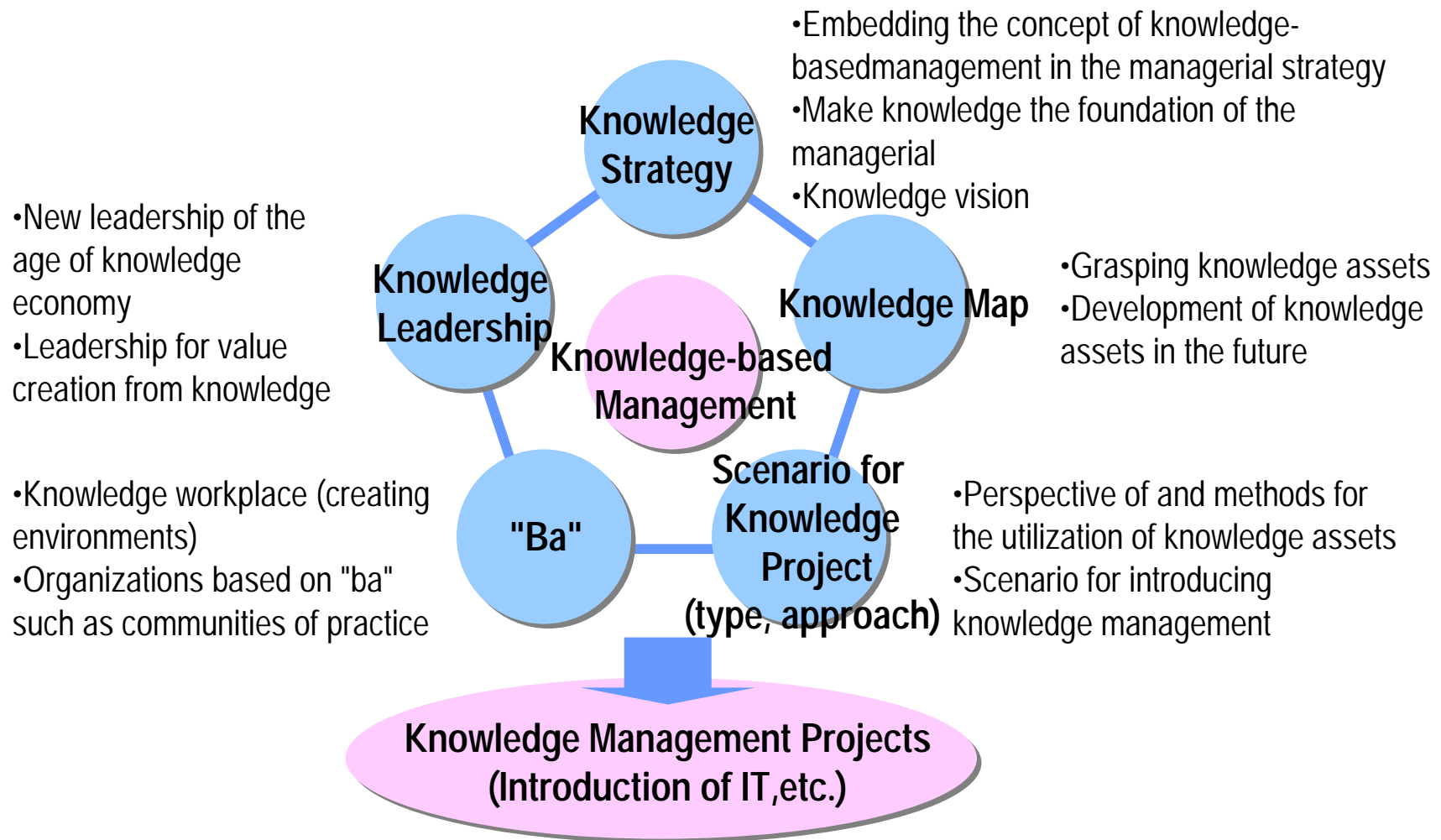
Source: Nonaka and Konno, 2000

### III. Intellectual Innovation: Types of and Approaches for Knowledge Management

- A perspective of corporate reform (intellectual innovation) for knowledge-based management is indispensable behind the practice of knowledge management. The most appropriate type and approach must be selected in accordance with your knowledge strategy and its aim.

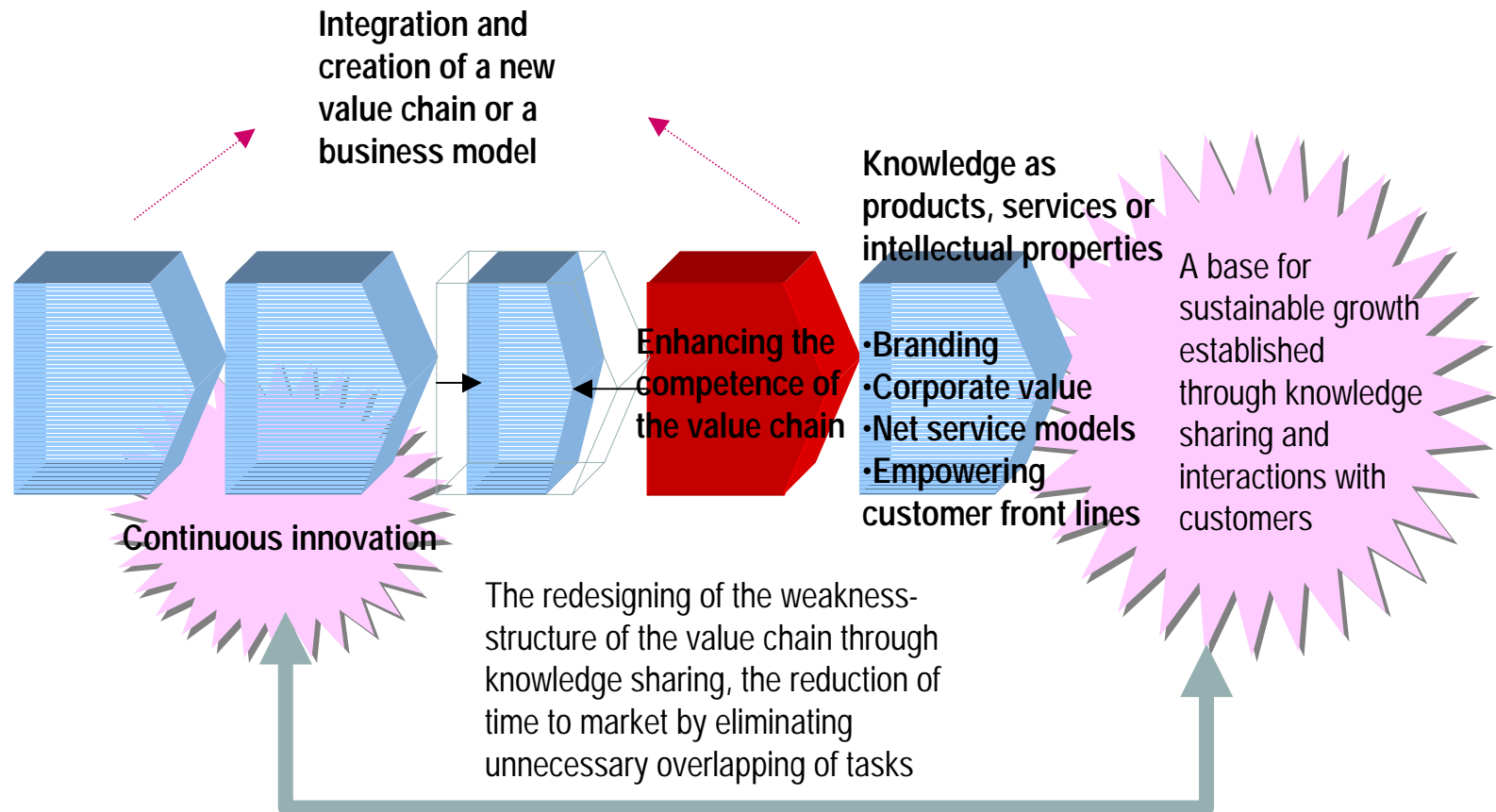
# Knowledge Management < Knowledge-based Management

- Realizing each enabler in terms of knowledge-based management



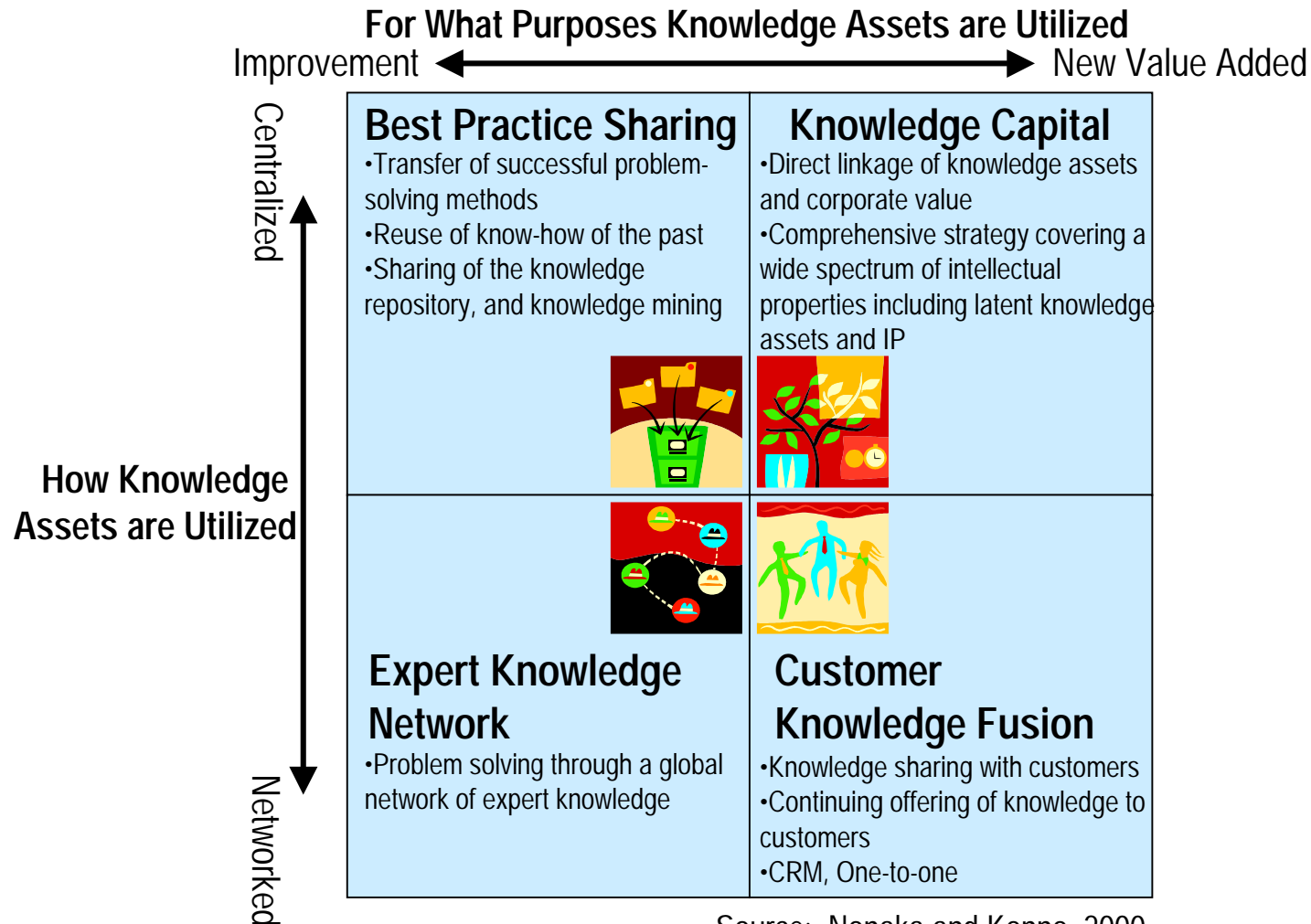
# Knowledge Management and Value Chain

- How knowledge management specifically affects the value (creation) chain



# Types of Knowledge Management

- Realizing each enabler in terms of knowledge-based management



Source: Nonaka and Konno, 2000



# Approaches for Knowledge Management

## I. **"Knowledge Problem Solving" Approach (responsive)**

- A solution focusing on a particular section, department or function, on the precondition that a specific software program is introduced to solve problems.
- It is effective when you have very specific problems at job sites and the targets to be met also are very clear.

## II. **"Change Management" Approach (catalytic)**

- Knowledge management as a catalysis for corporate strategy or business process reform.

## III. **"Intellectual Renovation" Approach (embedded)**

- Phasing in knowledge management efforts in order to become "a knowledge company"

# Knowledge Innovation with Organizational Reformation

- Showing the direction to be followed through a knowledge vision, a knowledge map (knowledge strategy)
- Gradually forming a system to incorporate newly acquired or created knowledge.

