

# Innovator's Strategy on The Market

Olga Girstlová

GiTy, a.s. Mariánské nám. 1, 617 00 Brno, Czech Republic

## 1 Introduction

In today's dynamic and technologically accelerating environment the innovation process in the field of information technologies and telecommunications keeps to be ever more demanding.

The enterprise needs renovation of young, innovation 'sparkling' that initiates, on regular basis, the creation of new products, services, customized solutions, and also the creation of new corporate processes. New innovations should 'permeate' quickly through the entire enterprise, all its departments and on each management level, in combination with the key processes in the enterprise.

The enterprise whose ambition is to become a 'factory producing innovations' cannot depend on an individual or a small group of corporate experts. Enterprise strategy should be impressed in corporate organism using the corporate Knowledge portfolio, this knowledge of individual employees in the key processes that initiate and support strategies of relevant parts of the enterprise and business units throughout the GiTy Group.

The enterprise as an efficient 'factory producing innovations' should interconnect organically the Strategic Targets and the C-I-P-F indicators in the field of Business Marketing Studies (BMS) that should be controlled and evaluated on regular basis. No individual can be successful in processing a great volume of strategic information. If the corporate strategic management is separated from the corporate implementation environment, it cannot mobilize knowledge and innovative efforts of individual employees; a delay of several months may threaten the enterprise and put it on a side track.

On the contrary, taking into account the corporate knowledge internal networks the innovation potential of individual employees and business units is extended. Information flows of knowledge in the internal knowledge network should be coordinated and controlled. The so-called Knowledge Hub is a convenient tool to create and share information and knowledge that is necessary for further development of the business in its innovation efforts.

## 2 Environment for Innovation and Knowledge Management

By creation of the *Knowledge Exchange Hub* (system environment enabling business innovation and knowledge management) a system tool is formed, which in essence is

the corporate *intranet page* to search, evaluate and disseminate information and knowledge.

Main functions of the Knowledge Exchange Hub (KEH) are as follows:

- analyses of competitors and competitive strength
- technological intelligence
- customer intelligence
- creation of new knowledge
- supplier intelligence
- impulsive mapping

In any of the above fields, the flow of information and knowledge should be coordinated by a skilled *coordinator*, who may be either an individual or an exactly defined group of people. It is coordinator's role to be a switch or signal point interconnecting key nodes of the growing network of internal innovations and information intelligence emanating from the corporate knowledge strategy.

According to access rules, factory employees have the same access to KEH as suppliers, customers, and users of corporate information and knowledge intelligence. Thus a vast majority of links is bidirectional. KEH is supported by external 'partners' enabling activities of the corporate information network (e.g. libraries, universities, consultants, international databases, etc.). The KEH nodes are individuals or groups either working in such network (e.g. customers) or contributing to such network (e.g. suppliers) or both at the same time. Suppliers provide facts, their observations, experience, opinion, analyses.

Customers (of the corporate internal network) benefit on information and knowledge provided by the corporate internal network. Customers of such network may search in it or deliver their specific requirements to the KEH coordinator. KEH provides information, short summaries, and executive summaries.

KEH maintains four major sections:

- Discussion lists (exchange of opinion concerning a specific subject)
- Live documents (representing existing co-operation in the development of 'hot' subjects)
- Archives (stored finished reports)
- A list of experts (in various positions and fields)

*The KEH coordinator* should send correct information to proper sites to proper people at proper time. KEH is the core of corporate innovation efforts, being simultaneously the driving force of the corporate innovation and knowledge strategy.

### **3 Knowledge Management in Corporation**

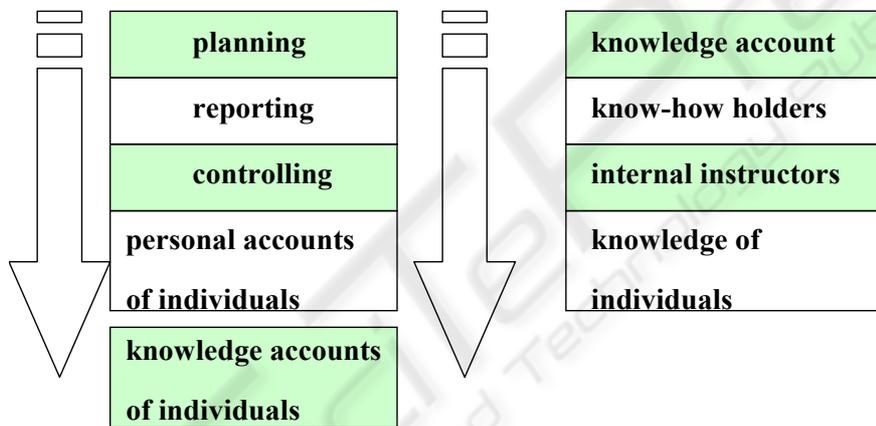
Corporate strategy should reflect the level of knowledge in the particular enterprise, because the two items are the necessary prerequisites for further success in business.

Knowledge – or exactly the *knowledge portfolio* - is the most important form of corporate wealth and therefore it should be well cared of, continuously created and rated.

**Knowledge accounts** in corporation, business units and those of key employees are cornerstones of successful and efficient knowledge management in any corporation. Any information concerning educational activities in the corporation for individual employees – may it be internal information (training, educational programs) or external information (internships, participation in conferences, scholarships and study tours abroad, educational activities) should be well recorded and documented in short executive summaries – with final recommendation or measures added – and attached to the corporate knowledge management system.

Creation of corporate knowledge is closely related to establishment of the Knowledge Exchange Hub (KEH). Everything is integrated in the corporate cycle of knowledge creation and management. Possible cycle of knowledge creation is shown in the following chart.

**Sales and marketing strategy = Sales plan = existing knowledge/missing knowledge**



**Fig. 1.** Knowledge's creation.

Knowledge accounts are based on comparison of the Debit – Credit sides (i.e. the volume of expended funds that have been invested in the particular employee; by regular follow-up, evaluation and rating there is found the volume of added value that has been created by the particular employee, at the same time entering into his knowledge account the volume of his knowledge). Through regular valuation interviews the HR department and immediate superiors have better chance to set up the report on personal growth and also new job opportunities can be prepared for the particular employee.

Defining employee's role and position in the corporation is another important point how employee's knowledge account can be used to the benefit of corporation and general knowledge cycle. Somebody becomes expert, know-how holder, internal instructor, coach or head of a new project team that creates new innovation strategies and business opportunities for the corporation. Everything is based on proper and continuous knowledge management in the corporation using knowledge accounts that

are attached to employee's personal economic account and show the added value created by the particular employee in terms of economic indicators.

Links between the two accounts – employee's personal economic account and his knowledge account – allow to obtain higher efficiency in qualitative terms that is used to assess corporate performance as regards the creation of added value.

Examination of individual's personal contribution is a very important point of regular assessment of knowledge accounts as regards:

- Enterprise management
- Development of innovations and new business opportunities
- Development of new solutions for customers
- Development of key value-creating processes in corporation, etc.

It is integral and fully interconnected system of continuous rating that is the purpose of knowledge management in the corporation. The system serves as a tool for control of individuals, work groups or specific business units, at the same time becoming a highly motivating program of personal growth, when individuals may control - in accordance with strategic knowledge requirements and objectives of the corporation – their own career growth using various existing forms of education and self-study.

Sharing of corporate knowledge via the corporate knowledge internal network is another important point of further growth of corporation resulting in creation of the corporate knowledge portfolio. For better understanding, let us introduce one possible form of depicting the corporate knowledge portfolio, namely using knowledge 'hub' of the corporate knowledge internal network.

On the basis of the above facts and circumstances, quality can be said to be the result of knowledge in the entire corporation. Good quality of offers made to customers is the result of high-quality knowledge of individual employees in the corporation, and high-quality corporate processes and successful management of the corporation as it follows especially from the properly set up and applied corporate management system.

Rating of corporate performance considering the corporate added value, the business unit added value and that regarding the individuals, is the best benchmark of quality.

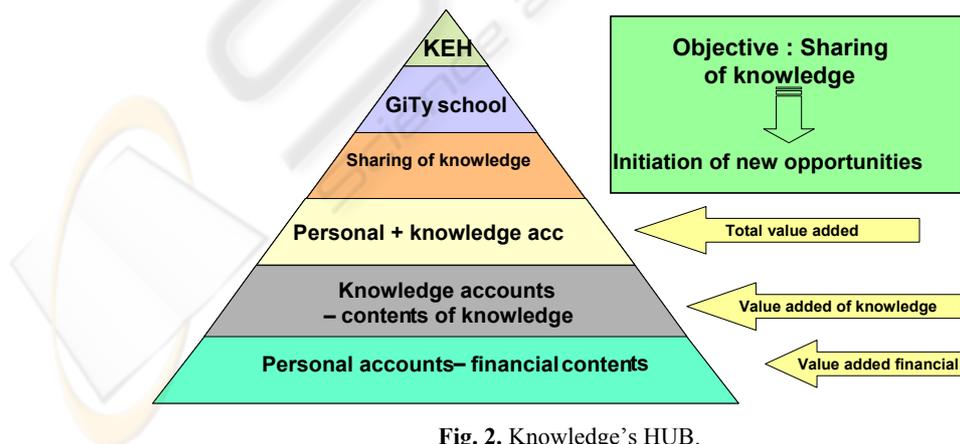


Fig. 2. Knowledge's HUB.

#### 4 Knowledge Accounts and Their Significance in Corporate Practice

It is the *corporate knowledge internal network* that is an efficient tool enabling to share knowledge in the corporation. It unleashes the creative potential of people and enables knowledge to be efficiently created and shared. *In terms of its performance, the corporate knowledge internal network is examined using the knowledge accounts.* Investment in corporate knowledge or in knowledge of individual employees should result in creation of added value not only as regards the individuals, but the whole corporation. The added value is examined using personal knowledge accounts of each employee. Knowledge accounts of employees are closely linked with their personal economic accounts that tell us which added value has been created by each employee in economic respect.

Knowledge creation within the corporate internal network is closely related with sharing of knowledge within the corporate internal network and with knowledge accounts in that particular network. Therefore for implementation of the corporate knowledge internal network it is highly necessary to set up a convenient methodology enabling us to depict the need of knowledge as it follows from the corporate strategic documents, in which the level of knowledge needed to meet the specific corporate strategy is defined (see the process cycle called 'Creation of Knowledge').

#### 5 IT Environment

All above mentioned systems has to be supported by SCI – Supported communication infrastructure realized into company network. In the GiTy company exist communication infrastructure which make possible to use data, voice and video communication. Knowledge management system and knowledge measuring is supported by following software products:

- E-synergy environment for creation, sharing a communication of knowledge both – individual and company (knowledge base).
- Microsoft products – environment for evaluation and presentation of knowledge and global company knowledge map

Knowledge map is a common tool depicting and describing company knowledge. Map contains information about knowledge, describing link between knowledge and its bearers.

**Mapa znalostí » Konzultant » Petr Juránek**

Hledaný výraz:

Obchodní zástupce | Manažer pro významné zákazníky | Montér | Projektant | Konzultant | Systémový inženýr | Produkt manažer | Koncept GiTy - build | Koncept GiTy Net | Koncept CTSe | Technologie - výrobce | Znalost angličtiny | Certifikáty - technologické | Certifikáty - ostatní | Skolení - technologické | Skolení - ostatní

**Konzultant**

- Petr Juránek
- Miroslav Pospíšil
- Zbyněk Surovec
- Petr Růža
- Gabriela Filoušková
- Marek Chlup
- Rudolf Musil
- Richard Müller
- Ondřej Proškuska
- Daniel Schejbal
- Karel Matyáš
- Lukáš Džbánek
- Peter Jankovský

- 4014513 - ...NAB,SKG...
- 4015980 - PRE,NAB...
- 4015981 - PRE,NAB...
- 4015982 - PRE...
- 4015983 - PRE...
- 4015984 - PRE...
- 4014535 - Angličtina

**Koncept GiTy Net**

- Information and Communication Security (od pr. viz Poznámky)
- Information and Communication Security (od pr. viz Poznámky)
- Information and Communication Security (od pr. viz Poznámky)
- Information and Communication Security (od pr. viz Poznámky)
- Information and Communication Security (od pr. viz Poznámky)
- Information and Communication Security (od pr. viz Poznámky)
- IT Systems Management (MAN\_SIT\_MAN\_BEZP\_BEZP\_TECH)

**Znalost angličtiny**

- Prezentace

Fig. 3. Knowledges base – Using the E-synergy environment.

**Knowledge Map**

Product area	Product	Supplier	Skills	SPU	Present	Offer	Learn	Realized	Sales channel
Product area 1	Product 1/1	Company X	Present, offer						
Product area 2	Product 2/1	Company Y	Present, offer						
Product area 3	Product 3/1	Company A	Present, offer, learn						
		Company B	Present, offer, learn						
	Product 3/2	Company A	Present, offer, learn						
		Company B	Present, offer, learn, realized						
	Product 3/3	Company A	Present, offer, learn						
		Company B	Present, offer, learn, realized						
	Product 3/4	Company C	Present, offer, learn, realized						
		Company D	Present, offer, learn, realized						
		Company A	Present, offer, learn, realized						
		Company C	Present, offer, learn, realized						
	Company D	Present, offer, learn, realized							

Fig. 4. Knowledge map – Example of a form.

**MAPA ZNALOSTÍ - ICT (30.5.05)**

Problematika	Odbornost	Výrobce	Forma odbornosti	Divize	Prezentace	Nabídka	Školení	Realizace
Inteligentní budova	BAS,BMS	Delta Controls	Prezentovat, nabízet	ICT	Pospíšil, Růža	Pospíšil, Růža		
	cat.7	Siemon	Prezentovat, nabízet	ICT	Pospíšil, Růža	Pospíšil, Růža		
Strukturovaná kabeláž	LAN	Bezdrát	Cisco	Prezentovat, nabízet, realizovat, školit	ICT	Hudec, Musil	Hudec, Musil	Gistr, Jankovský, Michalčík, Mlejnek, Procházka, Svoboda, Vohradský, Vyhřídilal
		Enterasys	Prezentovat, nabízet, realizovat	ICT	Surovec	Surovec		Procházka
	Převodník	Allied Telesyn	Prezentovat, nabízet, realizovat, školit	ICT	Musil	Musil	Musil	Gistr, Vohradský
	Switch	Allied Telesyn	Prezentovat, nabízet, realizovat, školit	ICT	Musil	Musil	Musil	Gistr, Vohradský
		Scom	Prezentovat, nabízet, realizovat, školit	ICT	Juránek	Juránek	Juránek	Mlejnek
	Enterasys	Prezentovat, nabízet, realizovat	ICT	Surovec, Juránek	Surovec, Juránek			Procházka
	Cisco	Prezentovat, nabízet, realizovat, školit	ICT	Hudec, Musil	Hudec, Musil	Hudec, Musil	Gistr, Jankovský, Michalčík, Mlejnek, Procházka, Svoboda, Vohradský, Vyhřídilal	
	IP Telefonie	Cisco	Prezentovat, nabízet, realizovat, školit	ICT	Hudec, Musil	Hudec, Musil	Hudec, Musil	Michalčík, Svoboda
	Router	Cisco	Prezentovat, nabízet, realizovat, školit	ICT	Hudec, Musil	Hudec, Musil	Hudec, Musil	Gistr, Vohradský
		Enterasys	Prezentovat, nabízet, realizovat	ICT	Surovec, Juránek	Surovec, Juránek		

Fig. 5. Knowledges map – Example of map used in ICT business.