Chapter I
Setting a CKM Strategy

INTRODUCTION

In today’s dynamic business environment, change is omnipresent. Organizations have to develop sound change management strategies in order to counter the same. Transition to knowledge-based economies made establishment of effective knowledge management (KM) mechanisms within companies crucial to achieve business competitiveness. This chapter addresses background concepts, critical issues, and future trends related to the blueprinting of CKM as a knowledge-based strategy for anticipating and meeting customers’ needs profitably. Crafting CKM requires a set of activities, i.e. plan, design, build, and implement, which seek to create or leverage the firm’s distinctive core competencies (DCCs) in order to attain a sustainable competitive advantage (SCA).

This chapter advocates the premise that successful businesses are those that have both vision and commitment to make that vision a reality. The vision might be customer-oriented, e.g. the strategy is CKM, the processes include CKM value chain primary activities (capture data from customers, create profiles of customers, compose knowledge about customers, maximize value for customers, measure return on relationships with customers, and master the learning throughout CKM change), and CKM value chain support activities: reorganizing people, reconfiguring processes, and retooling Information and Communication Technologies (ICTs).

CONCEPTUAL FOUNDATIONS

This section covers background concepts related to competitiveness strategies, viz. strategic thinking, strategic planning, and tools for strategic planning.
Strategic Thinking

Attaining SCA requires the development of an effective business strategy. The prerequisite to the development of an effective business strategy is logical, critical, dynamic, and creative thinking. The basic problem in the search for SCA is how to determine from which resources, competencies, or core competencies SCA may originate. The answer to how firms would propose, analyze, and select strategic actions is through strategic thinking (Swift, 2001).

Strategic thinking, as illustrated in Figures 1.1, 1.2, and 1.3, is a creative and dynamic synthesis that involves three dimensions (Boar, 1994; Swift, 2001):

1. **Time**: People think across different timelines (past, present, and future).
2. **Substance**: People think between the concrete and the abstract.
3. **Concurrence**: People may think about one or more issues simultaneously.

Most of the time, people engage in point thinking to solve daily problems, wherein all problem solving efforts converge on one point. In point thinking, an average person, or a mundane thinker, thinks uni-dimensionally (one issue in concrete terms in the present) (Figure 1.1). In contrast, strategists think dynamically within the thought bubble of the three strategic dimensions (Figure 1.2). Since the combinations of strategic ideas are boundless, strategic thinking is a very powerful way to develop deep and far-reaching insights, rather than tactical and short-term views, about problems and to solve them in novel, unanticipated, and creative ways. SCA is born and nourished from this kind of thinking (Swift, 2001).

When faced with hyper-competitive business environments, more advanced strategic thinking needs to be added. A strategist thinker may adopt four-dimensional dynamic thinking about multiple issues in multiple dimensions, at higher

*Figure 1.1. Mundane/ordinary thinking model*
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