

# The New Global Enterprise, its Operatives and Ecosystem

## Innovating and Competing in the 21<sup>st</sup> Century

**“The future is here;  
but, it’s not evenly  
distributed.”**

Anonymous quote conveyed to me  
by my long-time friend,  
Dr. Giorgio Ingargiola,  
picked up during his days at  
the Cal Tech Computer Science  
Department, 1969-71.

The New Survival Imperative:  
The modern economic entity needs  
to be in continuous chrysalis—the  
next incarnation of the Enterprise or  
Person gestating while the current  
one runs its course.



***theFormkb:***

***trans-holistic-electronic***

**Form**

***knowledge-based***

Only Knowledge Matters:  
it is  
the last bastion  
of  
competitive advantage.

It is an infinite game—  
knowledge  
commoditizing  
knowledge.

Ergo, the  
*New Global Enterprise*  
innovates and morphs frequently  
to remain competitive.

And so,  
products, processes and people  
must change,  
near continuously—but NOT the  
Ecosystem.

So,  
how will sustainable  
corporations and people  
organize and work  
in this, the 21<sup>st</sup> Century?

It is happening now—  
the shift in focus  
from  
managing production and definition of work  
to  
serving markets and clients,  
via value networks.

For most of the 19<sup>th</sup> and 20<sup>th</sup> Centuries, corporate focus evolved to create and maintain (1) production controlled markets, and, (2) share of those markets.

This allowed business strategists (a) to concentrate on fairly long product cycles, and (b) to optimize product design and production against predictable patterns of promotion, delivery and consumption.

In the 21<sup>st</sup> Century, to stay competitive, the focus must be on *Return on Assets at Risk*—knowledge being, perhaps, the most important asset—where *Value* is created and delivered, in collaboration and in real-time, with *Clients and Network Partners*.

With the enterprise changing near continuously, the horizon for measuring *Return on Assets at Risk* will be relatively short, and the minimum acceptable return on all assets is the cost of money plus *epsilon*—the challenge is in getting paid for value delivered and being able to transform the enterprise quickly to accomplish that end.

The internet is the Global Enterprise Backbone and supports a 24-Hour Global Market and Ecosystem by  
(1) reducing advantage from information asymmetries, and,  
(2) rendering capital, location and time virtually inconsequential.

E-mail and the World Wide Web are the killer applications on the Internet, providing almost instant communications and the sharing of knowledge: The effect is *any product-service, at any time, to/with anybody, in any place*—there a few barriers to entry for the innovators.

Thus, the key characteristics of the *New Global Enterprise* are agility and flexibility in organizational boundaries, processes and communications across those boundaries while increasing ever the ability to produce and consume large quantities of information.

The organization is the Handy Cloverleaf<sup>1</sup> composed of (1) *Core Managers of Assets* who create business models and strategy while engaging with (2) a *Changeable Group of Tactical Partners*, and, all of whom utilize (3) a *Highly Adaptable Workforce*—the infrastructure of the value delivery is *Business Service Networks*.

<sup>1</sup> Handy, Charles, *The Age of Unreason*, 1989

From the 18<sup>th</sup> to 20<sup>th</sup> Centuries, workers became more and more a part of the *Means of Production* rather than being independent economic operatives as their agrarian, artisan or merchant forebears were.

Whether producing a Model T Ford or a Maytag washing machine, handling an insurance claim, or opening a bank account, work was increasingly organized into assembly lines producing goods or into business workflows rendering services— MBAs studied Operations Management to learn how to analyze and optimize this type of work.

The commoditization of key knowledge assets facilitates the migration of *Core Competencies* into *Context*, and so, work will focus forward on the constant *Production of Means* to renew the *Core*.

The *New Global Enterprise* will require the constant disassembly of old production lines and assembly of new ones—MBAs need to study how to manage effectively under uncertainty, as the *Means* will be changing constantly to address changing market needs and modes of competition—all with shifting alliances within possibly many value networks.

The effect on  
*People* at work  
will be for them  
to be *Highly Adaptable* and  
*Employable*  
instead of just fixed employees.

People will need to constantly learn and update their skills and capabilities—they will become integrated instead of the jobs being differentiated—the most important skill/capability being able to cope with and to operate in uncertain and changing environments.

Thus, the key characteristics of the *New Global Operative* are agility and flexibility in adopting and adapting to new processes while honing the ability to produce and consume large quantities of information—learning being the *Core capability*.

People will manage *portfolios of time*<sup>2</sup> diversified amongst family, professional tasks, leisure and other activities—because their skills and knowledge will be needed, Boomers in the US will not fully retire and they will complement where younger and/or non-US resources can't or won't.

<sup>2</sup> Handy, Charles, *The Age of Unreason*, 1989

So, if markets are constantly changing as are the processes to accommodate and support them, what are the invariant processes of the *New Global Enterprise*?

Do invariant processes exist  
or  
is everything continually in flux?

Knowledge Management  
is the immutable  
*Core Competence*  
of the  
*New Global Enterprise.*

There are three subordinate, invariant processes that form the  
*New Core Business Process Infrastructure:*  
(1) Intellectual Capital Management,  
(2) Commitment Management, and,  
(3) Knowledge Transfer.

The current wide-scale corporate activities in down-sizing and right-sizing with the concomitant out-sourcing of non-core processes logically leads to a *New Global Enterprise*.

Resizing devolves to a Handy Cloverleaf organization—Core Managers' business strategies models, and IP are the *Intellectual Capital*, out-sourcing contracts are the *Key Commitments*, and, selecting/switching Tactical Partners and allowing the Adaptable Workforce to operate requires *Knowledge Transfer* both to and from them.

# Intellectual Capital Management encompasses

- (1) Business Strategies,
- (2) Business Models, and,
- (3) Intellectual Property  
Documentation and Protection.

Business Strategies set the vision and direction, Business Models define how the money is to be made and sustained, and, Intellectual Property Documentation and Protection defines and conservers the key competitive knowledge.

Commitment Management  
encompasses sets of  
(1) Acceptable Counterparties,  
(2) Standard Terms & Conditions,  
and,  
(3) Templates for Business  
Processes and Active Contracts.

Acceptable Counterparties are those with whom deals are done, Standard Terms and Conditions are how deals are struck and implemented, and, Templates for Business Processes and Active Contracts structure the deals and record the deals, respectively.

Knowledge Transfer encompasses  
(1) Representations of Business Knowledge,  
(2) Processes and Methods to manage Business Knowledge, and,  
(3) Processes and Methods to deliver that Business Knowledge on a need-to-know basis.

Representations of Business Knowledge include reference states and behaviors as well as a grammar and syntax—the Business Knowledge being created, stored, updated and displayed—and are conveyed to and used by those Partners and Workers to perform just those tasks and processes delegated to them.