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Building an online knowledge network will have long-range impacts on the organization at several levels:  At the level of human resource management, it will impact job descriptions and incentive structures.  At the practice level, it will require new training, job evaluation, scheduling, and day-to-day task-management processes.  And at the cultural level, it may profoundly influence the way the company is organized and branded. Purposeful online conversation affects the company’s relationship with the marketplace and with the online public. If the company prepares well, these changes will work to the company’s advantage. The risks of taking no action to improve the flow of knowledge and information within the organization and with its customers are becoming too serious to ignore. Change is a constant, but change today is more certain, swift, and unpredictable than ever before. The most direct way for an organization to keep up with external change is to use internal change to its advantage.

It must increase its intercommunication by putting out as many feelers as possible to bring a collective view of the constantly shifting situation into the organization. Reporting the Surprises A current and comprehensive perspective of the marketplace has become a strategic necessity, but the means for gaining and maintaining such a perspective challenges old management models. The decentralized, self-organizing social communication structures required to efficiently gather and circulate the knowledge that individuals learn and develop don’t fit gracefully under the hierarchical, centrally controlled structures that still rule most organizations. Most organizations are looking for ways to make their wholes smarter. They are changing their information strategies to keep up with the velocity of the Net and to keep up with, or preferably overtake, their competitors. A growing percentage of businesses now practice some form of e-commerce-whether it be selling over the Web, communicating with customers online, or managing business relationships with supply chain partners through compatible software- and that, too, is having an unavoidable effect on their strategic thinking.

Yogesh Malhotra is a recognized expert in the fields of knowledge management and business innovation. In an article published in the online periodical, Brint Institute’s Online Book on Knowledge Management, he describes organizations as moving their knowledge management focus “ from information processing to knowledge creation.” He also maintains that today’s organization must recognize that its most limited resource is no longer information; it has become human attention-the ability to deal effectively with the growing volume and speed of information. In Malhotra’s recommended knowledge strategy for today’s fast-changing e-business world, information manipulation is replaced by processes that emphasize the “ renewal of archived knowledge, creation of new knowledge, and innovative applications of knowledge in new products and services that build market share.” The new is what matters most here, and the strategy must seek to home in relentlessly on what is most emergent and relevant.

Organizations no longer operate in a stable business environment where the future can be predicted by what happened in the past. Business strategy, Malhotra warns, must change from “ prediction” to “ anticipation of surprise” because the emphasis of the 21st century organization has moved from “ structure” to “ the edge of chaos.” Leading the Moving Target In both skeet shooting and football passing, the shooter or passer must aim not where the target is but where it is going. Strategy must anticipate where the organization’s target goals will be by the time a product gets to market or a project is completed. The trick today, Mr. Malhotra warns, is that the strategy must also anticipate surprise. In skeet shooting and football, the clay pigeon and pass receiver are far more predictable in the timeframes of their seconds-long trajectories than the marketplace is in the timeframe of the business cycle.

A clay pigeon travels in a smooth arc. A pass receiver runs an agreed-upon pattern. Only the exceptional skeet shooter or quarterback can compensate for the sudden wind gust or improvised pass pattern. Rigid, top-down strategizing has always assumed fairly predictable futures, but such an approach breaks down when the future is highly speculative. An intensively communicative and flexible organization-like an ant colony-is better able to detect sudden changes and to communicate appropriate adjustments in preparation or reaction. Effective strategy today must account for surprises in both the short and long terms. Nimble Strategy for Short-Term Surprises The emergence of the PC, the explosive growth and standardization of the Web, the rise and fall of the dot-com business model, a volatile economy, and most recently, the unpredictable tragedies and global repercussions of September 11 have forced organizations to adjust as quickly as possible to changing market conditions, changing consumer moods, and changing knowledge needs. With instability in world politics and potential environmental threats like global warming looming on the not-so-distant horizon, there’s no reason to believe that the accelerating forces of change will let up.

Evolutionary Strategy for Long-Term Trends Surprise and chaos make an active, well-organized, and responsive knowledge network a critical asset. Certain demographic and technological trends provide further justification for enabling fluid online conversation within the organization. With every year, a greater percentage of Americans continue to use the Internet. The dot-com bomb may have wiped out many businesses and their revenue models, but it did not halt the trend of increasing presence on the Net as the following statistics indicate:  A report published by the National Telecommunications and Information Administration and the Economics and Statistics Administration found that 143 million Americans (54 percent of the population) used the Internet in September 2001. That’s a 26 percent increase over August 2000. According to eMarketer, there were 445 million people online worldwide at the end of 2001, of which 119 million, or 27 percent, were located in the United States.

By 2004, there will be 165. 5 million U. S. Internet users, accounting for 23 percent of the global total.  Nielsen/NetRatings reports that in the fourth quarter of 2001, 24 million people worldwide gained Internet access at home. The rate of growth of the global Internet population in the fourth quarter was nearly double the third quarter’s 15 million new at-home users.  Projections by Commerce Net show Internet usage in the United States rising to 75 percent of the population by the year 2005. Those numbers represent a steady increase in the number of Net-literate workers, consumers, and customers, many of whom will be conversing through online channels. Any intelligent business strategy must come to terms with the trend that more people and more of their communications will be moving online. Reference Bloor, Robin. The Electronic: From the Silk Road to the eRoad.

London: Nicholas Brealey Publishing, 2000. Bloor describes the brave new world in which an economy based on paper-based information is rapidly transforming into one in which the market, money, and its supporting information are all electronic. 2. Boyett, Joseph H., and Boyett, Jimmie T. The Guru Guide to the Knowledge Economy: The Best Ideas for Operating Profitably in a Hyper-Competitive World. New York: John Wiley & Sons, 2001. This is a valuable distillation of the wisdom of 115 successful business titans who describe what it takes to survive and succeed in this new global, knowledge-intensive, increasingly high-tech world.

References:

Peter Drucker, Seth Godin, Bill Gates, Alan Greenspan are among those featured. 3. Bressler, Stacey E., and Grantham, Charles E., Sr. Communities of Commerce: Building Internet Business Communities to Accelerate Growth, Minimize Risk, and Increase Customer Loyalty. New York: McGraw- Hill, 2000.