IKI History

► founded in 2001 at the George Washington University (GWU) - USA
► by Prof. Michael Stankosky and Prof. William (Bill) Halal
► M.O.U. signed between IKI-SEA and IKI-GWU
► 2008 IKI Southeast Asia hosted by Bangkok University
► 2012 IKI GWU becomes the International IKI (I²KI) http://www.i2ki.org
► not for profit organization
Our mission

- **Raise awareness** about the benefits of implementing KM, Innovation, Business Creativity and Learning strategies in Thailand and in other South-East Asian countries

- To build a South-East Asian community of people involved in KM, Innovation Management, Business Creativity and Learning initiatives (Strategic and operational)

- To help Thai and South-East Asian organizations to implement and to leverage their KM, Innovation and Learning initiatives.

- **To develop and transfer** expertise in applying cutting-edge research and practical real-world experience to produce measurable improvements in organizational performance and innovation.

Bridging the gap between theory & practice
Organizational Creativity & Knowledge Management

Vincent Ribièrè, Ph.D.
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"Imagination is more important than knowledge."

— Albert Einstein

I am enough of an artist to draw freely upon my imagination. Imagination is more important than knowledge. For knowledge is limited, whereas imagination embraces the entire world, stimulating progress, giving birth to evolution.

(Albert Einstein)
1. Your Knowledge
2. Your team’s knowledge
3. Your company’s knowledge
4. Competitive industries knowledge
5. All knowledge
6. The unknown

To Know or not to Know?

<table>
<thead>
<tr>
<th>Knowledge Sources</th>
<th>Known</th>
<th>Unknown</th>
</tr>
</thead>
<tbody>
<tr>
<td>Known</td>
<td>KK</td>
<td>KDK</td>
</tr>
<tr>
<td>(Know what you know)</td>
<td>(Know what you do not know)</td>
<td></td>
</tr>
<tr>
<td>Unknown</td>
<td>DKK</td>
<td>DKDK</td>
</tr>
<tr>
<td>(Do not know what you know)</td>
<td>(Do not know what you do not know)</td>
<td></td>
</tr>
</tbody>
</table>
Knowledge Oil Well Approach to KM

Drilling for knowledge
Tapping into unused intangible assets

Extractive KM Methodologies & Tools

Based on: Cavaleri, Seivert 2005

Knowledge is NOT an object!

Information
Know-How
Experience Etc.
The “Green” KM Strategy

Goal: to achieve a greater economic utilization of existing intangible assets by leveraging them.

Share Knowledge

Conservate Knowledge

Not Waste Knowledge

Where is the “New” recycled knowledge?

Knowledge Oil Well Approach to KM

• Improve performance?
  ✓

• Flexibility?
  ✗

• Innovation?

• Sustainable competitive advantage?
Why innovation? Why now?

"Companies inherited an important set of virtues from the industrial era: diligence, efficiency, replication, and control.

But these virtues are becoming less important in an age where the new required virtues are: creativity, imagination, diversity, speed, openness, and flexibility."

(Hamel)
A need for **New level of knowledge creation**

“The most valuable currency in any business is its employees’ initiative and **creativity**”

- W. Edwards Deming

“The problems that exist in the world cannot be solved by the level of thinking that created them”

- Albert Einstein

Innovation distinguishes between a leader and a follower

*Steve Jobs*
85% of New Products Fails

Harvard Business Review

61% of CEO worldwide say that innovation is a priority of a primary focus within their business

55% don’t effectively seek innovation opportunities.

66% Don’t have well defined innovation strategies.

Accenture / Bain / Deloitte / Forrestier / Price water house cooper
From Ideas to Successful...

- **Service Innovation** (i.e., 7-Eleven)
- **Product Innovation** (i.e., Tesla)
- **Process Innovation** (i.e., FedEx)
- **Social Innovation** (i.e., Fair trade)
- **New Business Models** (i.e., Airbnb)

![Innovation Steps](image)

10 types of Innovation:

Innovation is the transformation of an idea into a successful product, service, process of business model that will deliver new business value.

**FINANCE**
- Business Model: How the company makes money (Ex: UBER)
- Network & Ling: How a company organize to support innovation (Ex: IKEA)

**PROCESS**
- Enabling Process: Enterprise structure & value Chain (Ex: Airbnb)
- Core Process: Proprietary Processes that add Value (Ex: TOYOTA)

**OFFERING**
- Product Performance: Extended system that enhance an offering (Ex: Motorola)
- Product System: How you express your offering's benefit to Customers (Ex: Virgin)

**DELIVERY**
- Service: How you connect your offering to your Customers (Ex: Nespresso)
- Channel: How you create an overall experience for customers (Ex: Apple)
2 main types of Innovation

**Core/Incremental Innovation**

Improve today’s business either by:

- Enhancing existing offerings

Or by

- Improving internal operations

Or by

- Adopting/Deploying a breakthrough technology

---

**Cycling Worlds**

Continuous improvement

Problem driven (incremental) innovation

Adapted from JONNE CESERANI
Gilette Razors

1 blade -> G2 (2 blades) -> Contour (pivoting head) -> Contour plus (lubricating strip) -> Sensor Excel (‘springs’) -> March3 Turbo (3 blades) -> M3 Power (With battery to simulate electric shaver)
2 main types of Innovation

**Core/Incremental Innovation**

*Improve today’s business either by:*
- Enhancing existing offerings

*Or by:
- Improving internal operations

*Or by:
- Adopting/Deploying a breakthrough technology

**Transformational innovation**

*“New to the company business”*

*Generates new growth by:*
- Reaching new customers segments
- New markets
- Developing new business models
- Radical new ways of operating and working
- Adopting/Deploying a disruptive technology

---

**Cycling Worlds**

- Continuous improvement
- Problem driven (incremental) innovation
- Systematic innovation
- “breakthrough”

Adapted from JONNE CESERANI
Not invented here

BINGO

Yes, but... We are too busy! Yes, we have tried before. Our customers aren’t ready for that. We are not ready for that.

We left that business years ago. We are the market leader. We want to invest in that. That’s only a start-up.

Let’s develop it ourselves. We have our own R&D department. The new guy doesn’t know the rules.

It’s against the rules. We have our own R&D department. This won’t change our sales.

Impossible to make money with that. We are not in that business. It is not designed for that.

The best won’t like it. Since when did you become an expert at...? Not for our department.

Open innovation is a fad.

crossindustryinnovation.com
Is knowledge a pre-requisite for innovation?

“If you want to make an apple pie from scratch, you must first create the universe”

Dr. Carl Sagan
No one lives long enough to learn everything they need to learn starting from scratch.

- Brian Tracy

Path Dependence Theory

- **Path dependence** explains how the set of decisions one faces for any given circumstance is **limited by the decisions one has made in the past**, even though past circumstances may no longer be relevant. (a kind of soft determinism)

- Recent evolution to cognitive/knowledge path-dependence

- Technological trajectories (lock-in)
Everything is a Remix Part 3: The Elements of Creativity

http://everythingisaremix.info/watch-the-series/

The Basic Elements of Creativity

- Copy
- Transform
- Combine

http://everythingisaremix.info/watch-the-series/
How to create “new” knowledge?

Periodic Table of Elements
Bisociation

- A blending of elements drawn from two previously unrelated matrices of thought into a new matrix of meaning by way of a process involving comparison, abstraction and categorisation, analogies and metaphors

*The Act of Creation is a 1964 book by Arthur Koestler*
Products created from Bisociation

- Chipboard
- Windsurf
- Adhesive brush
- Glue
- Wood shavings/sawdust
- Sailing dinghy
- Surfboard
- Adhesive tape
- Clothes brush

Source: J. Townstend & J. Favie

Bisociation

HUMOUR

All humour illustrates the principle of creative bisociation in that the Eureka moment is created by the listener/reader when he or she makes the connection between the two previously unrelated 'planes of thought'.

Did you know that an Irishman/ Belgian/
Newly/Polak broke
the world record for
the 100 metres
last week?
He ran 103 metres!

100 metres - distance
100 metres - time

Source: J. Townstend & J. Favie
Where do you (or your company) get your best ideas from?
How to create “new” knowledge?

Closed Vs. Open Innovation
## Closed Vs. Open Innovation

<table>
<thead>
<tr>
<th>Closed innovation</th>
<th>Open innovation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mostly internal ideas</td>
<td>Many external ideas</td>
</tr>
<tr>
<td>Low workforce mobility</td>
<td>High workforce mobility</td>
</tr>
<tr>
<td>Low role of the venture capital</td>
<td>Active venture capital</td>
</tr>
<tr>
<td>Few new businesses, weak ones</td>
<td>Many new businesses</td>
</tr>
<tr>
<td>All the best people are working within the company</td>
<td>Not all the best people are working within and</td>
</tr>
<tr>
<td></td>
<td>outside the company</td>
</tr>
<tr>
<td>R&amp;D creates profit only when they invent, develop</td>
<td>External R&amp;D can create remarkable value and has</td>
</tr>
<tr>
<td>and market everything themselves</td>
<td>to be integrated with the internal R&amp;D</td>
</tr>
<tr>
<td>Develop the product internally and be the first to</td>
<td>R&amp;D can create profit even if not done internally by</td>
</tr>
<tr>
<td>market</td>
<td>forming forces with outside parties</td>
</tr>
<tr>
<td>Winner is, who gets the innovation to the market first</td>
<td>To develop better business model is more important</td>
</tr>
<tr>
<td></td>
<td>than to be the first in the market</td>
</tr>
<tr>
<td>Winner, if all the best ideas are developed internally</td>
<td>Winner, if best use of internal and external ideas</td>
</tr>
<tr>
<td>Have the intellectual property under control internally</td>
<td>Profit from licensing the intellectual property and</td>
</tr>
<tr>
<td></td>
<td>it supports the business model</td>
</tr>
</tbody>
</table>

As a result, innovation is too often like:
1997

Linsu Kim examines the pivotal role that technology development has played in South Korea's dramatic transformation over the last three decades from an economy based on subsistence agriculture to a highly-industrialized global competitor.

Is it worth stealing?

Yes

Move on to the next thing

No

Austin Kleon
Inspiration?

Painting by Piet Modrian (1872-1944)

Dress by Yves Saint Laurent (1936-2008)

"Good artists copy, great artists steal."

- Pablo Picasso
Knowledge Management and Innovation Management - Conflicting?

The use and development of things that are already known

Doing something different, attain new Knowledge

The Past
Managing “Old” knowledge

Innovation

The future
Looking for the unknown “New” knowledge
THE FUTURE IS IN THE PAST
In what ways is Chinese company innovation different from Western innovation? 
Ten characteristics

1. Greater focus on local needs and customers
2. Acceptance of ‘good enough’ standards
3. Incremental, not radical innovations
4. Willingness to supply special needs
5. Use large numbers of staff to solve the problem
6. They work their staff harder
7. Fast trial and error – fail fast, but learn
8. Less formal, faster processes
9. More intervention by the boss
10. Closer ties to government
1. Your Knowledge
2. Your team’s knowledge
3. Your company’s knowledge
4. Competitive industries knowledge
5. All knowledge
6. The unknown

NOT INVENTED HERE
cross-industry innovation

RamonVullings.com
@RamonVullings
Best Practices

Handovers From Surgery to Intensive Care

Ferrari’s Formula One Handovers and

Lessons learned from Ferrari pit stop team

• The routine in the pit stop is taken **seriously**

• What happens in the pit stop is **predictable** so problems can be anticipated and procedures can be standardized

• Crews **practice** those procedures until they can perform them perfectly

• Everyone knows their job, but **one** person is always in charge
Summary of the new handover protocol

A dance choreographer was involved to help the team position themselves to stay out of the way of others.

Working with the choreographer also introduced the discipline of quietness and calm.
Best/Good/Proven Practices

Do Best practices and Lessons learned kill/hinder innovation?

What about bad or worst practices?

Should we evolve from Good practices (past) to next/promising practices (future)?
Next Practices

“Best practices only allow you to do what you are currently doing a little better, while next practices increase your organization’s capability to do things that it could never have done before.

By jumping a level up to next practices, you’re taking a giant step in that you are actually creating your future recruiting capabilities, rather than relying on the innovation of others.”

Dr. John Sullivan (HR Thought Leader), June 2006

Next Practice Culture

<table>
<thead>
<tr>
<th>Memes for Next Practice Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>“What Would the Web Do? (WWWDo)”</td>
</tr>
<tr>
<td>“What problem are we solving for whom?”</td>
</tr>
<tr>
<td>“Interrupt the subconscious”</td>
</tr>
<tr>
<td>“Tell me why not”</td>
</tr>
<tr>
<td>“Better not best”</td>
</tr>
<tr>
<td>“What’s the story of the strategy?”</td>
</tr>
<tr>
<td>“Show me not tell me”</td>
</tr>
<tr>
<td>“Consider not what has only worked of before, but what could work better now we are here”</td>
</tr>
<tr>
<td>“Who says it can’t be done!” (Arthur Duhon Little)</td>
</tr>
</tbody>
</table>

Source: Greg Smith & Carl Bana

© Vincent Ribièrè 38
Do Impossible things!
Idea classification tool

“Illiterate of the 21st century will not be those who cannot read and write, but those who cannot learn, unlearn, and relearn”

Alvin Toffler
Cycling Worlds

Operational cycle

Routine

Success

Opportunity for change

Procedures

Develop solutions

Innovation cycle

Speculate

Constructive review

Experiment

Known solutions

Single loop learning

Double loop learning

Source: JONNE CESERANI

Single and Double Loop Learning

Single-Loop Learning

most common learning style, problem solving

Action Strategies and Techniques

What we do

Double-Loop Learning

more than problem solving, this learning style reevaluates and reframes goals, values, etc.

Results and Consequences

What we obtain

Governance Variables

Goals, values, beliefs, conceptual frameworks

Why we do what we do

© Vincent Ribiére
A need for Ambidexterity

**Exploitation**

• Left brain

**Exploration**

• Right brain

WHAT IS ORGANIZATIONAL AMBIDEXTERITY?

• The pursuit of two different modes of learning:

1. **Exploitation** = using current resources and capabilities in an efficient and reliable fashion to head in the same direction

2. **Exploration** = searching for, acquiring and developing new resources and capabilities to go in a new direction

Ian P. McCarthy
## AMBIDEXTERITY

<table>
<thead>
<tr>
<th>EXPLOITATION</th>
<th>EXPLORATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Follow the rules and drive out the variance and slack.</td>
<td>Break the rules and promote variance and slack.</td>
</tr>
<tr>
<td>Focus on serving existing customers and their needs.</td>
<td>Serve new customers with new needs.</td>
</tr>
<tr>
<td>Manage and refine existing competences.</td>
<td>Develop and lead new competences.</td>
</tr>
<tr>
<td>Optimize the organization for existing rules.</td>
<td>Develop new organization system with new rules.</td>
</tr>
<tr>
<td>Make money now.</td>
<td>Make money later.</td>
</tr>
</tbody>
</table>

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## WHY IS IT IMPORTANT?

- Firms, teams and individuals that attain an appropriate balance between exploration and exploitation will achieve superior performance over time.

- ‘Balance’ does not mean 50% exploitation and 50% exploration. It depends on your industry velocity (rate and direction of change)
TWO APPROACHES

• **Structural ambidexterity**
  – “involves splitting exploitation and exploration into different organizational units (i.e., separate divisions, departments or teams)” ([McCarthy & Gordon, 2011: 241](#))

• **Contextual ambidexterity**
  – “the capacity to attain appropriate levels of exploitation and exploration behaviors in the same R&D organizational unit” ([McCarthy & Gordon, 2011: 241](#))

**CONTEXTUAL AMBIDEXTERTY**

Involves creating an organizational context that inspires, guides and rewards people to pursue both exploitation and exploration behaviors.

But how do you create the context to allow yourself and others to juggle, toggle and be ambidextrous?
**ANSWER = MANAGEMENT CONTROL SYSTEMS**

The systems (e.g., rules, rewards, policies, practices, and technologies) that managers use to direct and adjust the behaviors of employees to ensure organizational relevance, greatness and survival.

Ian P. McCarthy

---

**SIMONS ‘FOUR LEVERS OF CONTROL’**

<table>
<thead>
<tr>
<th>Control System</th>
<th>Behavior Focus</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beliefs systems</td>
<td>Communicate values and goals.</td>
<td>Establish purpose and the activities to be performed.</td>
</tr>
<tr>
<td>Boundary systems</td>
<td>Specify and enforce rules of the game.</td>
<td>Define the activities to be avoided.</td>
</tr>
<tr>
<td>Diagnostic systems</td>
<td>Determine and support targets.</td>
<td>Perform the correct activities well.</td>
</tr>
<tr>
<td>Interactive systems</td>
<td>Promote learning and exploration.</td>
<td>Perform new activities.</td>
</tr>
</tbody>
</table>

Ian P. McCarthy
“The balancing of exploitation and exploration tensions is much like riding a bike – it requires a continuous and irregular shifting of control system use over time”

(McCarthy & Gordon, 2011: 255)
Exploit and explore in parallel

Table 3: Bi-model business: explore and exploit in parallel  
Source: Arthur D. Little analysis

"Get the water out of the glass, without touching the glass"

Source: Creax
How many ways do we know to MOVE a Liquid?

Absorption  Electroosmosis  Osmosis
Acoustic Cavitation  Electrophoresis  Pascal Law
Acoustic Vibrations  Electrostatic Induction  Resonance
Archimedes Principle  Ellipses  Shock Wave
Bernoulli’s Theorem  Evaporation  Spiral
Boiling  Ferromagnetism  Super Thermal Conductivity
Brush Constructions  Forced Oscillations  Superfluidity
Capillary Condensation  Funnel Effect  Surface Tension
Capillary Evaporation  Gravity  Thermal Expansion
Capillary Pressure  Inertia  Thermocapillary Effect
Coanda Effect  Ionic Exchange  Thermomechanical Effect
Condensation  Jet Flow  Ultrasonic Capillary Effect
Coulomb’s Law  Lorentz Force  Ultrasonic Vibrations
Deformation  Magnetostriiction  Use of foam
Electrocapillary Effect  Mechanocaloric Effect  Wetting

Source: Creax

45!

Ferran Adria et El Bulli
Creative Methods at el Bulli

The spark of creativity at El Bulli (in a C-K perspective)

Concepts
(no logical status)

- soufflé
- poach
- boil
- Emulsion
- fry
- Bake in oven

Knowledge
Systematic Creativity applied to Espumas (foam)

Taste | Temperature | Base
--- | --- | ---
Dulce | Gelatina | Agua
Salado | Grasa | Flores
| Caliente | | Mermelados

Concept-Knowledge (C-K) Theory

- Systematic (step by step) method to design breakthrough products, technology, solutions, services, etc...

Scientific, Technologic, Market, Behavior, etc.
Breakthrough design technic

**New products, services, brands and businesses**
*Structured innovation process*

- **Fast track:** from idea to reality in 3-6 months

**Decision Gates**
- New Ideas
- Opportunity Evaluation
- Commercialization
- Business Plan
- Proof of Concept
- Fund
- Launch Ready

**Systematic design**
- Known specifications
- Known technologies
- Known market

**Innovative design**
- No specifications
- Technologies and market are not fully known

Source: A. Hatchuel
Example

Concept
A cheap and light camping chair

Knowledge

To sit?

**Definition:** to be in a position on a chair, etc. in which the upper part of your body is upright and your weight is supported at the bottom of your back

**Agreed on:** To stand in feeling comfortable and by having our 2 hands free

Example

Concept
A cheap and light camping chair

Knowledge

To sit

**Agreed on:** To stand in feeling comfortable and by having our 2 hands free

**By observation:**
- Chairs have legs
Number of legs

<table>
<thead>
<tr>
<th>Legs</th>
<th>Concept</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>A cheap and light camping chair</td>
</tr>
<tr>
<td>1</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td></td>
</tr>
<tr>
<td>More?</td>
<td></td>
</tr>
</tbody>
</table>

0 Leg?

- Many
- Not for camping!
- Hanging!
- On the floor!

Example

Concept

Knowledge

- Anatomy – Observation – Interview
- Back pain!
- How do we sit on the floor?
Solution to back pain sitting position

Yoga

Nomadic Ayoreo Indians of Paraguay (Cloth band/strap)

Example

Concept

A cheap and light camping chair

Knowledge

To sit

How do we sit on floor?

cloth band
textile strap
A cheap and light camping chair

Commercialized product: “Chairless”

New concepts and new knowledge
In Conclusion …

Key messages

- Identify your knowledge
- Good, Promising and next practices
- Benchlearning
- Open Innovation
- Ambidexterity
- Concept and Knowledge Approach
- Important role of CoP and CoI
“Creativity is just connecting things. When you ask creative people how they did something, they feel a little guilty because they didn’t really do it, they just saw something. It seemed obvious to them after a while.”

TwistedSifter.com

Remember, it’s all about connecting the dots!
YOU WILL NEED:

- Curiosity
- Kindness
- Stamina
- A willingness to look stupid

Austin Kleon

Fail fast.
Fail cheap.
Fail early.
Go out to fail.

Follow The Innovation F-word!
“HANG OUT WITH MORE PEOPLE WHO DON’T DO WHAT YOU DO.”

AUSTIN KLEON
Integrated focus: Knowledge and Innovation

Don’t hesitate to contact me vribiere@gmail.com