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**Professor J-C Spender**

*Final assignment:*

*“Managing knowledge in a fast pacing business world*

*- Establishing an international consulting venture”.*

*By Laurent Dorey*

**Final assignment:**

***“Managing knowledge in a fast pacing business world - Establishing an international consulting venture”.***

**Abstract:**

*The general consensus is that effective management of intangible assets (intellectual or knowledge) within an enterprise often serves as a source of competitive advantage and hence value creation for the organization. In today’s highly dynamic world, creating one’s own company, often appears as being the result of the identification of niches and uncertainties, which do create opportunities for (individual) organizations to fill. The innovative capabilities of newer venture residing in its ability to mobilize the knowledge, possessed by its employees and combine it to create new knowledge, resulting in product and/or process innovation.*

*SMEs with a clear KM strategy collaborate better internally and participate effectively in knowledge networks with customers, partners, communities of practices and business clusters, all the stakeholders taking part (two-way communication) in the company’s making, interpretation, acquisition, exchanging and synthesizing of knowledge (learning). Small firms employing innovative approaches in management, offsetting their disadvantages (lack of funding and undertaking of R&D) in exploiting sources of knowledge.*

*As the nature of knowledge in SMEs is almost all in tacit nature and knowledge more than often reside within the close vicinity of its leader/s (idiosyncratic), knowledge is more than often strongly embedded in its founder/s mental models, beliefs, and values (cognitive). Having been gathered during socialization, education, past experience and in phase with her/his traits of personality, turning such tacit knowledge into “tangible” (explicit) one may appear difficult. Its rarity and uniqueness (competitive advantage), its difficulty to be formalized and imitated (low transferability) and its intimacy with the entrepreneur’s style add to the difficulties. Due to the SMEs size, focus, competitive nature and fragility, it appears clearly that knowledge shall not reside in the sole mind (embedded) of their owners, and shall be made available to most.*

*On the explicit side of knowledge, and its management, Information Technology (IT) as such cannot confer a further competitive (knowledge-based) advantage to SMEs. This is due to the required commitment in resources and capacities but more especially due to the “rigidity” of such systems and tools, when applied in rather flexible, less formal (people centric) and relatively unstructured environments.*

*MNEs see a more productive diffusion of innovation, and can be perceived as being more aggressive, knowledge being central to innovation for them, both in terms of knowledge stock and knowledge flows. It is thus interesting to see that large (innovative) companies are working within their organization across countries, as a network of local autonomous (smaller) operations. They will tend to accumulate knowledge in peripheral units and disseminate it to the center and to other subsidiaries, internalizing locally embedded and often tacit knowledge spillovers, and transmitting it through the MNE’s network of unit.*

*Network ties (bricolage) may play a dominant role as a way to counterbalance the imperfectness of the available information to exploit, so to reduce its asymmetry, as in the informational’ locality of information, while encompassing it into the firm’s (idiosyncratic) specificities. Networking is strongly related to SMEs successful (competitive) internationalization (through access to information, capital, finance...) in a mix of institutional and social web, and knowledge-based SMEs are the most likely to internationalise rapidly, early (born global) and simultaneously (tending toward early real options decision mode).*

## A changing world

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Small and Medium size Enterprises (SMEs) are major employers and contributors to the market economy. Small businesses also often “driving innovation<sup>1</sup> and change” (Nisula & Pekkola, 2012). The general consensus is that effective management of intangible assets (intellectual or knowledge<sup>2</sup>) within an enterprise often serves as a source of competitive advantage and hence value creation for the organization. Innovation in business is indeed “created by the effective use of knowledge” (as cited by Howell et al., 2013) whereas Knowledge Management (KM) is a key activity in this regard. Intellectual capital has been identified as a “critical business success factor” even though it is a “complex phenomenon of interactions, transformations and complementarities” (Tsakalerou and Lee, 2013).

In today’s highly dynamic world, creating one’s own company, often appears as being the result of a conjuncture of key events and experiences, which along time have gathered and converged to the point of making the entrepreneurial adventure a foreseeable, feasible and worthy “risk-taking” step. Leaving the status (quo) of being employed to manage or execute a set of tasks, while gaining new products, business, corporate, and professional experience, knowledge and skills (all of it encapsulated into career path and financial perspectives), may collide against family, life and societal commitments. All of which will make priorities difficult to reassess, at time of creation, while at the same time becoming aware of the criticality of the “knowledge resource”, and its poor management by (especially, but not exclusively) larger firms, which may help seize the “windows opportunity” open for grab. Further to it, and given the gathered experience’s relatively short “shelf life” especially for innovative knowledge (“in a dynamic and competitive business environment, new knowledge, new way of combining current knowledge or new way of combining knowledge requires learning” as cited by Michna & Bratnicki, 2011) and the overall economic perspectives (a “smaller” world), the identification of niches and “uncertainties” (Spender, 1996), do create opportunities for (individual) organizations to fill.

Indeed, as argued by Drucker (1995), “in the post-industrial global information economy it is ‘knowledge’ that will replace natural resources, capital and labour as the basic resource from

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<sup>1</sup> Innovate: Make changes in something established, especially by introducing new methods, ideas, or products. Retrieved April 26, 2014 from <http://www.oxforddictionaries.com/definition/english/innovate?q=+innovating>

<sup>2</sup> Noun: Facts, information, and skills acquired through experience or education; the theoretical or practical understanding of a subject. Retrieved April 26, 2014 from <http://www.oxforddictionaries.com/definition/english/knowledge?q=knowledge>

which to generate economic wealth". Consequently, the innovative capabilities of newer venture will reside in "its ability to mobilize the knowledge, possessed by its employees and combine it to create new knowledge, resulting in product and/or process innovation" (Çakar & Ertürk, 2010) which tend to define the "knowledge-based view" of the firm. The rationale of exploiting or exploring existing or new knowledge, will be based upon the nature of the firm and entrepreneurship of its inceptor/s at time of its creation, and the "niche" offered to seize. The former will abide by filling-in a "gap" on the market (vertically or horizontally), while the latter will move ahead of the competition, being the first to address a niche. The knowledge will "only have meaning to the extent that it is transformed into competitive products on the market" as cited by Del Castillo and Barroeta (2008).

Key to the competitive advantage, and dynamic capabilities of the firm, "firm-specific" (idiosyncratic) knowledge shall be the central point of the company's organizational context. The "way to understand things" (Spender, 1996) will distinguish the firm from the others, rendering it difficult to imitate. The accumulation of tacit knowledge (whether externally or from within the firm, local or remote) will be a core fundament for employees to dwell into and ensure that they are part of its gathering and combining in new (competitive) ways. Its management (KM) process shall offer an empowering learning frame in which collective knowledge will optimally circulate, grow and allow for creation of distinctive values from the inside, while the firm's (and management) cognitive proximity with key actors (whether customers, partners, suppliers, authorities) will position it upfront, ahead of the competition (first mover advantage). The combination of it shall provide the firm with larger market shares, higher return on investment (ROI), lasting profitability and longer organizational sustainability.

The knowledge-based view of the firm (Spender, 1996), attesting that "new ventures' competitive environment and search for entrepreneurial advantage has shifted away from "natural resources to knowledge assets". Their acquisition (transfer), and enhanced management, offering start-ups a unique chance of achieving difficult-to-imitate positions on the market, given their leader's capabilities to generalize its capture (embedment) and deployment within their structure, using Information Technologies (IT) only as a tool, and not as an end. For highly intertwined access to knowledge with close partners (such as in local network, capital ties as in spin-offs or exclusive collaborative agreements), management will have to pay attention to

the threat of “hold-up”, if no alternative sources of knowledge can be made available within reasonable reach.

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## David and Goliath

Beside purely key metrics (e. g. size, staff, scope, longevity...), SMEs differ grandly from Multi-National Enterprises (MNEs) when it comes to “information flow, absorption patterns and KM strategies to stay competitive and profitable” (Tsakalerou & Lee, 2013). Closer ties to customers and business partners (whether colleagues or associates), shorter decision-making paths and accrued flexibility, render SMEs more eager to adapt and evolve to continuous changes, as their larger counterparts. Furthermore, “SMEs with a clear KM strategy collaborate better internally and participate effectively in knowledge networks with customers, partners, communities of practices and business clusters”, all the stakeholders taking part (two-way communication) in the company’s making, interpretation, acquisition, exchanging and synthesizing of knowledge (learning). Entrepreneurs’ style influencing though grandly the information management level within the organization, strong ties with enhanced organizational shaping (effectiveness and collaborative learning) have been noticed in several research, as mentioned by Michna and Bratnicki (2011), whereas (Çakar & Ertürk, 2010) underlined that small firms employ innovative approaches in management, offsetting their disadvantages (lack of funding and undertaking of R&D) in exploiting sources of knowledge.

However, as complexity, and “stiffness”, can grow along with business expansion in sizes and scopes, SME leaders may be intrinsically reluctant to genuine decision-making delegation (absolute CEO). It appears also true that not all SMEs want to become MNEs, nor are they acting as small MNEs. Indeed many SMEs may be closely associated with their leader, and what may constitute their superior strength (stability of ownership and management) and a total commitment to their business (Baumert, 1992), can also prove, more often than not, their strongest weakness. Indeed, to summarise, average life expectancy of family firms is estimated at 24 years, which is also equivalent to the average tenure of their founders (Beckhard & Dyer, 1983).

As the nature of knowledge in SMEs is almost all in tacit nature (Cohen & Kaimnekais, 2007, as cited by Ngah, 2009), and knowledge more than often reside within the close vicinity of

its leader/s (idiosyncratic), knowledge is more than often strongly embedded in its founder/s mental models, beliefs, and values (cognitive). Having been gathered during socialization, education, past experience and in phase with her/his traits of personality, turning such tacit knowledge into “tangible” (explicit) one may appear difficult. Its rarity and uniqueness (competitive advantage), its difficulty to be formalized and imitated (low transferability) and its intimacy with the entrepreneur’s style add to the difficulties. Wong and Radcliffe (2000), as shared by Ngah (2009), assessing that its transformation into explicit knowledge will help improve the SME’s performance, while Leonard and Sensiper (1998) pointed that “knowledge can remain tacit but collective tacit knowledge leads to creativity and innovation”. Sharing it is “critical to a firm success” (Davenport & Prusak, 1998), Gupta et al. (2000) even assessing that knowledge value grows when shared. The more shared the (company’s specific) knowledge the harder its imitation, the larger its potential for an economical rent.

It is important to note, as gathered by Child and Hsieh (2013), that SMEs can be classified in three categories as per the role knowledge plays in their activities, such as (a) “traditional” firm with a not necessary high element of offering, (b) “knowledge-intensive” SME with often a scientific based knowledge, and (c) knowledge-based SMEs with unique “proprietary (or acquired) knowledge without which they cannot survive”. It is thus of prime importance to focus on the Theory of the Firm (Spender, 1996) in the knowledge based view of the firm, and assess their key peculiarities in their knowledge management. Indeed depending upon the weight (strategy) of their “tacit” and “explicit” shares of the knowledge made commonly available, and its intensity, knowledge repositories shall be made available for all to share, with a focus on transferring, sense-making and application (Evangelista et al., 2010), as well as effectiveness of managing it across the people within the organization. Due to their size, focus, competitive nature and fragility, it appears clearly that knowledge shall not reside in the sole mind (embedded) of their owners, and shall be made available to most, while being “departure proof” as well. Networking, clustering and external associations providing further capacities and capabilities (knowledge sharing and blocking. Clark & Turner, 2004) in the access to new information. However, their informal nature and somehow “limited” requirements as for the volume of knowledge needed (as compared to much larger organization) will render their need for managing it across their organization faster, if not easier.

On the explicit side of knowledge, and its management, Information Technology (IT) as such cannot confer a further competitive (knowledge-based) advantage to SMEs, due the required commitment in resources and capacities (resource-based view of the firm, as cited by Andreu & Canals 2008), but more especially due to the “rigidity” of such systems and tools, when applied in rather flexible, less formal (people centric) and relatively unstructured environments. Knowledge Management Systems (KMS), and balanced scorecard (BSC) tools, running the risk to hinder the SMEs propensity for evolutivity (dynamic flexibility), while framing their strategy and management around rigid metrics, and norms, too distant from their needs for simplicity, reactivity and adaptability. It is worth noting that (Oriot & Misiaszek, 2012), “often the SME manager will get access to the information further ahead of her/his need for measuring it, as per the operational nature of her/his activities”, reducing by as much the efficiency of such normative systems and tools.

In Jarra’s analyze of 40 cases of KM application in various large organizations (2002), and as cited by Wong and Aspinwall (2004), he summarized his finding as a four building block framework for KM, as shared in **Figure 1**. Key differences lie between the building blocks “practices” in SMEs, as compared to larger organization, but to my opinion, very few, if any, do in the set of activities linked to (and required by) Knowledge Management. The amount and nature of available resources, and roles, in SMEs limiting to some extent the scopes of possible “practices”.

<i>activities</i>	<i>practices</i>
<i>set a strategic priority for KM</i>	<ul style="list-style-type: none"> <li>- aligning the KM’s goals and strategies with the organizational business strategies</li> <li>- linking KM to value creation</li> <li>- gaining senior management support and commitment</li> </ul>
<i>define and understand organizational knowledge</i>	<ul style="list-style-type: none"> <li>- define what is considered as knowledge</li> <li>- identify knowledge assets</li> <li>- understand how and where knowledge is developed</li> </ul>
<i>manage knowledge</i>	<ul style="list-style-type: none"> <li>- establish a process to transfer learning</li> <li>- utilize information technology capability</li> <li>- employ a team to manage the KM process</li> <li>- measure the value of intellectual capital</li> </ul>
<i>knowledge environment</i>	<ul style="list-style-type: none"> <li>- facilitate knowledge sharing, creation and development</li> </ul>

**Figure 1:** Jarrar (2002). Large organizations 4-building blocks.

Due to their size and economies of scope (through the spreading of central resources and functions across a large span of activities and organization), MNEs see a more productive diffusion of innovation, and can be perceived as being more aggressive (as empirically researched and reported by Çakar & Ertürk, 2010), knowledge being central to innovation for MNEs, both in terms of knowledge stock and knowledge flows (Tsakalerou & Lee, 2013). It is thus interesting to see that larger (innovative) companies (MNEs) are working within their organization across countries, as a network of local autonomous (smaller) operations. They will tend to “accumulate knowledge in peripheral units and disseminate it to the center and to other subsidiaries, internalizing locally embedded and often tacit knowledge spillovers, and transmitting it through the MNE’s network of unit”, indicate Tallman and Chacar (2011).

As for internationalization of SMEs, and due to the idiosyncratic and embedded nature of the available knowledge across the organization, Crick and Spence (2005) translate the unplanned, yet responsive to the unexpected, reactivity (in making/facing decision) of the SMEs into the notion of serendipity. Yet, as Child and Hsieh (2013) have gathered, decision-making models in SMEs are ranging from (a) reactivity, (b) incrementalism, (c) bounded rationality and (d) real options reasoning, the latter being hardly available to SMEs, or more often at time of further internationalization, as per the enlarged base of experience, access to alternative and extended network in gathering explicit (local) information. Internationalization decisions being made at first on the base of available resources and knowledge and moving upward from reactivity to real option reasoning.

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## Born global-ness

Back to recent and lesser recent times, reasons to export, or to internationalize were many. Most commonly, they were due to a wish to (a) increase revenue and profitability (growth), (b) protect oneself against local market fluctuations (risk spreading), (c) stabilization of annual workflow (un-seasonality) and (d) finding new market for ones product (expansion). Common wisdom was indeed to start expanding outside one’s own borders, after having either secured a place, or reached maturity, in one’s own “home” market. Going international, was consequently a “second” best choice strategy, implemented to sustain the longer term business. More recent strategies for international manufacturing have been devised to generate competitive advantage



(Chen, 1999), especially as an answer to “two competitive pressures that companies face: pressure for globalization and pressure for local responsiveness”. Nowadays, “in the current borderless economy, all business is global and competition comes from everywhere”, with “technological advances, knowledge explosion, globalization and rapidity of change, as the universal global business drivers affecting organizations around the world” state Rosen and Digh (2001).

While we have seen that for SMEs serendipity stands for reactivity to unplanned events and (facing) new opportunities, it appears true that this has also to be combined with available resources and beliefs (epistemology<sup>3</sup>), in the way the company will process available information and adapt its organization to its first foreign venture/s. Markets and actors (whether partners, associates, employees), especially on the cross-cultural fronts and the distance to sources of knowledge sides, will play a “dramatic” role in the new way the SME and its management will have to operate. Even though “physical” distance can nowadays be counterweighted with relatively affordable, yet advanced, technological assistances, incorporation of new employees/partners will disrupt somehow (more than already the case when hiring new staff within the “mother” location, where most “values” will culturally be shared) the smoothness of the firm’s existing (idiosyncratic) processes. Indeed as shown by Hofstede (2001) and emphasized by Çakar and Ertürk (2010), four dimensions can be assessed to describe how culture and its translation can relate to innovation outside one own’s borders (**Figure 2**).

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<sup>3</sup> Noun: The theory of knowledge, especially with regard to its methods, validity, and scope, and the distinction between justified belief and opinion. Retrieved April 26, 2014 from <http://www.oxforddictionaries.com/definition/english/epistemology>

<i>dimension</i>	<i>meaning</i>
<i>Uncertainty avoidance index (UAI)</i>	- avoidance of uncertainty has been found to be negatively related to innovativeness
<i>Individualism (IDV) vs. collectivism</i>	- collectivism was found to be negatively related to innovativeness
<i>Power distance index (PDI)</i>	- countries with low power distance have a greater tendency to innovate
<i>Masculinity (MAS), vs. femininity (Assertiveness focus)</i>	- people with a high assertiveness focus welcome information sharing about business issues, participative managerial practices, and empowerment

**Figure 2:** Çakar & Ertürk (2010), 4 dimensions from culture to innovation, adapted from Hofstede (2001).

In today's world, born global firm, also called new international venture, global start-up, International New Venture, differ grandly from the previous generations of cross-national ventures in the way that needs to export, or internationalize, do not come as a "second best" choice, but as an intrinsic part of the company's business model, its business DNA indeed. This is often due to reasons of (a) ease of access to foreign countries and culture (e.g. through travelling, trade, media), (b) full (native) literacy in the use of global tools, competencies and behaviors (e.g. languages, online networking), and (c) appetite to globalization whereas places and distances are playing a second role into the building and using of a (global) network of competencies and opportunities. Dominant theoretical models of intercultural competency across domains focus on three dimensions, that is cognition (ability to perceive and interpret information about a culture other than his or her own), affect (appropriate feelings, attitudes, and traits necessary to successfully interact with culturally different others), and behavior (competencies and abilities to communicate effectively in cross-cultural interactions), as stated by Lloyd and Härtel (2010).

Indeed, either native or semi-native (that is in the early years of the new firm), internationalization remains strongly linked to the firm's inceptor past personal experiences (work related) and consciousness to foreign markets (exposure), at least at the time of first foreign venture. It does not lead to a proper Real Options Reasoning (ROR) as seen previously, yet

can be associated with Phronesis<sup>4</sup> as an association between pragmatism and tacit knowledge. Network ties (bricolage) may play a dominant role as a way to counterbalance the imperfectness of the available information to exploit (Evers & O’Gorman, 2011), so to reduce its asymmetry, as in the “informational’ locality of information” (Boisot, 1998), while encompassing it into the firm’s (idiosyncratic) specificities. Bell et al. (2003), as cited by Child and Hsieh (2013) assessing that (a) networking is strongly related to SMEs successful (competitive) internationalization (through access to information, capital, finance...) in a mix of institutional and social web, and (b) that knowledge-based SMEs are the most likely to internationalise rapidly, early (born global) and simultaneously (tending toward early real options decision mode).

Now, being able for the SMEs to identify, assess, gather, diffuse and exploit (foreign sourced) knowledge, that is to transfer it into the (head quartered) organization, and for nearly the very same reasons as with “local” knowledge, will take to “un-embed” it from its sources, while avoiding to “re-embed” it within the receptor’s sole minds. Tallman and Chacar (2011), speaking of Internal Network of Practices (INoPs) as a way to informally bring together (external capture and internal transfer) knowledge that has a high tacit content from a micro-organizational level of Communities of Practice (CoPs), developing common repertoires of knowledge and routines, so to enable the flow of tacit component knowledge. As for other things related to SMEs information sharing and management of tacit knowledge, key role will be played by the entrepreneur and the availability of resources.

Even though not one international venture is the very same copy of another one, it will be through clustering (whether local, as in industrial clusters or incubators, or international as in networking or resources pooling), that benchmarking (horizontal) or affiliation (vertical) with customers and/or suppliers, will grant access to knowledge spillovers and facilitate its transfer. Geographical distance being less and less of prime importance though, in today’s interconnected world.

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<sup>4</sup> (Ancient Greek: φρόνησις, phronēsis) is a Greek word for a type of wisdom or intelligence, which is a common topic of discussion in philosophy. In Aristotelian ethics, for example in the Nicomachean Ethics, it is distinguished from other words for wisdom and intellectual virtues – such as episteme and techne – as the virtue of practical thought. For this reason, when it is not simply translated by words meaning wisdom or intelligence, it is often translated as “practical wisdom”, and sometimes (more traditionally) as “prudence”, from Latin prudentia. Retrieved April 26, 2014 from <http://en.wikipedia.org/wiki/Phronesis>

## Own venture

When I started playing with the idea to run my own “little” knowledge-based company (Add-Wise Conseils by name, yet Palauva Sarl by legal status), back in 2010, I was met by two contradictions and one affirmation. Employed for over 15 years in France and abroad, in large to small, yet international companies, in global sales and marketing position, and having relocated in France the year before, I still wanted to feel and live the thrill of global businesses, travels, connections, and life outside my own boundaries, while staying (for some years) grounded in France (for family reasons). On the other hand, I also wanted to see my expertise internationally recognised, to fulfil my expectations of being “bankable” on the world stage, for the times to come. Consulting and teaching being the main two ideas for that aim, my level of expertise allowing for a short-term start, yet bound to decrease if not attended to. Thus my application and enrollment in an advanced international business program as offered by the International School of Management (ISM), its DBA program and its very intrinsic world-spanning network. So I wanted to capitalize and grow in key areas where I could compete, keeping abreast of the international “competition”, while based in France, together with initiating a long thought Application Software project (so called Lightern®). The sole affirmation I was (am) confident in, was my capacity to “walk my talk” and do a somehow decent job at it (milestones & compromises included). At time of “jumping” into the “uncertainty”, and its management (absence), as illustrated by Spender (2014), and as summarised by **Figure 3** below, it felt a mix of Real Options Reasoning (ROR) and Bricolage, as far as business rationale was concerned.

<i>concept</i>	<i>translation</i>
<i>Real Options Reasoning (ROR)</i>	<ul style="list-style-type: none"> <li>- move to a location, central to a sound “catchment area”</li> <li>- enlarge my scope of expertise by enrolling in higher education</li> <li>- extend my reach farther than my main area of expertise (Europe)</li> <li>- compromise on shorter-term goals (e.g. undergraduate teaching)</li> <li>- implement appropriate tools for explicit knowledge exploitation</li> </ul>
<i>Bricolage</i>	<ul style="list-style-type: none"> <li>- start from a new location, with no “customers” from the past.</li> <li>- renew an international and local network through Schools, online media, push activities, local associations and events</li> <li>- initiate an Application Software project leading to ex-nilo creation of a 2<sup>nd</sup> company, outside of my core competencies, needing to be “incubated”</li> <li>- associate and/or delegate some key support functions to “non-stakeholders” partners (friends, family)</li> </ul>

**Figure 3:** “reasoned bricolage” rationale in start-up creation (Add-Wise Conseils).

Today, even though I do not dream of becoming one of the “big four” in worldwide consulting, my ambition relies on expanding dynamically my reach (geography and competences wise), through the use of unformal and formal (association) participation into National or International Networks of Practices, keeping an ongoing ontological<sup>5</sup> view at my “enterprise”. Rent creation and sustainability requirements will most certainly come to mean that my knowledge-based theory of the firm (ToF), as defined by Spender (2006), or more simply put my business model (as shown in **Figure 4**), is intrinsically specific to my company (uniqueness). It appears though already clear that in the current and foreseeable economic environment, my “model” will evolve with time and opportunities. Through transfer of tacit to explicit knowledge, I will aim at lowering the (current) high reliance on (my) firm specific knowledge, with the goal of being not “too self-centered and thus unable to imagine innovation” (Andreu et al., 2008), as shared on **Figure 5**, through a SWOT analysis.

<i>Business Model</i>
<ul style="list-style-type: none"> <li>- international multi-faced consultancy</li> <li>- operating within collaborative &amp; cooperative Network of Practices,</li> <li>- around a core set of 3 to 4 cognitive processes,</li> <li>- led by a culture of trust and shared knowledge.</li> </ul>

**Figure 4:** Add-Wise Conseils, knowledge-based theory of the firm.

<i>Strengths</i>	<i>Weaknesses</i>
<ul style="list-style-type: none"> <li>- organizational &amp; societal structure</li> <li>- strong international experience &amp; network maintenance</li> </ul>	<ul style="list-style-type: none"> <li>- ability to generate new knowledge</li> <li>- informal management (resource constraints)</li> <li>- tacit to explicit knowledge transfer</li> </ul>
<i>Opportunities</i>	<i>Threats</i>
<ul style="list-style-type: none"> <li>- Web 2.0 network &amp; knowledge management</li> <li>- organizational learning (further education)</li> </ul>	<ul style="list-style-type: none"> <li>- too much reliance on firm specific knowledge</li> <li>- (time constrained) limited ability to apply, share and preserve knowledge</li> </ul>

**Figure 5:** Add-Wise Conseils, SWOT (knowledge) analysis.

<sup>5</sup> Noun: The branch of metaphysics dealing with the nature of being. Retrieved April 26, 2014 from [http://www.oxforddictionaries.com/definition/english/ontology?q=ontological#ontology\\_6](http://www.oxforddictionaries.com/definition/english/ontology?q=ontological#ontology_6)

To be able to keep generating knowledge (and consequently innovation) within my organization, so to preserve an economical rent, I will have to address the above mentioned (especially) Weaknesses, and ward against the (today's identified) Threats, moving beyond the "mechanistic ToF" towards a "learning organization" (Spender, 2006) and "knowledge generation/forgetting". For that purpose, through hiring and alliances, and as underlined by Davenport and Bibby (1999), my role as a leader will be to "inspire entrepreneurial dynamism" so to influence employees and associates, to evolve into a "high-order" learning (corporate) style of organization (explorative network) with common values such as co-operation and (cross boundaries) knowledge sharing. On the "hard network" side of it, the so-called exploitative network, and as shared by (Romiti & Sarti, 2011), partnerships will focus on co-production of joint offers (e.g. audit, seminar, trainings...) whereas each part will bring its own expertise, while a special focus on cognitive proximity between partners will warrant (to some extent) opportunistic behaviors and cross exploitation of knowledge. Trust being a cornerstone to reducing the level of uncertainties and complexity. Identification and assessment of partners may mean the need to use a "network broker" whether online (e.g. professional networks, business platforms) or off-line (e.g. professional & political unions, associations...), while an eye will be kept on sustained growth, through network reshaping, enlarging and/or benchmarking.

As of time of writing, my current product and market growth strategy (Ansoff growth matrix) is as presented on **Figure 6**. As mentioned earlier, one single legal structure do exist, yet with two brands (Sarl Palauva as for teaching, Add-Wise Conseils as for consulting) for the time being, while the "Lightern<sup>®</sup>" project is still in its infancy.

	Existing Products	New Products
Existing Markets	Business Development 	Seminars 
New Markets	Teaching  Sarl PALAUVA	Application Software 

**Figure 6:** Sarl Palauva – brands and projects in an Ansoff's matrix perspective.

## Conclusion

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While the world we are all living in may appear to get smaller by the day, so is the competition coming closer, and faster, to us. As such, managing tacit (idiosyncratic) knowledge and being able to transfer it either to explicit one, or to one's own company stakeholders, wherever they are to be found, constitute a unique advantage, a key to innovation, and success. The most commonly referred tools (i.e. IT) being only tool to the benefit of transferability of embedded knowledge.

Now with this very notion in mind, it appears clearly important that my Theory of the Firm shall match with the very nature of my activities and act as a the "corporate language" of my firm, sustaining my current product and market growth strategy, while underlining the areas where enhancement of my knowledge management processes will help me stand the test of time. Having opted for a "born global" knowledge-based company, my ability to expand vertically or horizontally across (physical, time, behavioral) boundaries, and succeed in transferring back (and forth) knowledge, and consequently innovation, through trust and shared values, will be tantamount to my capacity to evolve in time and keep abreast of my most direct competitors.

In that respect, and as evidenced before, my own entrepreneurial decision mode shall be qualified as a causal one (Sarasvathy, 2001) with selection of means to reach the goal or to create the effect, consistent with ex-ante planned and rational approach.

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