Developing and supporting information entrepreneurs

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Keywords

Information management, Knowledge management, Knowledge economy, Entrepreneurialism

Abstract

Opportunities abound to make money by packaging and applying information and knowledge, offering information and knowledge based services, and managing intellectual capital more effectively. However, to exploit them a new generation of information, knowledge and learning entrepreneurs need to be developed. Companies that are intent upon creating and exploiting intellectual capital need to encourage and support information entrepreneurs. The current situation and climate for information entrepreneurship need to be assessed, and educators, trainers and developers should define relevant competencies and take appropriate steps to equip people with them.

Creating wealth in the knowledge economy

To create a growing proportion of the wealth within an increasingly knowledge based economy entrepreneurs need to understand how to access and work with information, share it and create conditions in which its use leads to the development and application of knowledge and understanding that becomes a source of intellectual capital through its expression in goods and services that provide value for customers. The skills and competencies required to do this are distinct from those needed to manage money and machines. Different forms of relationships have to be established and sustained.

The know-how proportion of goods and services continues to rise. There are many possibilities for establishing information and knowledge based businesses within the global information and knowledge economy (Coulson-Thomas, 1999b, 2000b). For example, 25 different areas have been identified in which learning related services could be offered (Coulson-Thomas, 1999b). Opportunities for participation exist for small enterprises, large corporations, individuals and even families.

So much information is available that busy people struggle to keep up with the flow. Managers and executives are bombarded with information in a variety of formats. Much of it is dated and not relevant to contemporary priorities and concerns.

As some face being drowned in information, so there are unprecedented opportunities for others to help them cope with the overload. Information needs to be sifted, screened and sorted, presented in ways that make it easier to absorb and understand. Increasingly, people are demanding tailored packages of information that are relevant to particular requirements issues, or decisions.
Investors and corporate management teams are realising that share valuations can be boosted by the more effective creation and exploitation of intellectual assets. A recent survey of 51 companies that currently derive gross income of around £9.3bn from their “know-how” reveals that revenues from 19 out of 20 key categories of intellectual capital are expected to grow over the next five years (Perrin, 2000).

**Information entrepreneurs**

The extent to which the enormous potential that exists will be realised depends upon the energy and imagination of information entrepreneurs, those whose calling and business is the acquisition, development, and sharing of information, knowledge and understanding. Information entrepreneurs (Coulson-Thomas, 2000b) need to understand:

- the opportunities being created by the greater availability and accessibility of information and knowledge;
- how to identify and exploit market opportunities for distinctive information and knowledge products and services;
- how to acquire, develop, share, manage and capitalise upon information, knowledge and understanding, and help and enable others to use and apply them effectively;
- how to use combinations of emerging technologies to connect and network relevant people and organisations together;
- how to develop the competencies to network with others, and work and learn in new ways in order to create value; and
- how to lead and manage network organisations and virtual teams.

Information entrepreneurs do not grow on trees. There are people with specialist knowledge and those who understand individual technologies. However, an appreciation of how particular combinations of people and technologies can be brought together and the process of establishing and managing a knowledge business is less widespread. Yet it needs to become commonplace if we are to take full advantage of the opportunity which exists to transform so many aspects of our lives.

To seize the opportunities already referred to we must create a new generation of information entrepreneurs. Universities must equip their graduates for the information and knowledge economy, while the professions must prepare their members - and companies their employees and business partners - for information entrepreneurship.

*The Information Entrepreneur* (Coulson-Thomas, 2000b) provides practical help and guidance for those who are uncertain about how to proceed. It is one of a number of tools developed within the 3Com Active Business Initiative, which is designed to stimulate a more proactive approach to the development of information and knowledge based businesses. Other offerings within the 3Com initiative include an e-audit undertaken with the support of an interactive, computer based assessment tool.

All entrepreneurs should possess certain qualities, attributes and competencies (Coulson-Thomas, 1999a, 1999c). For example, they have to identify opportunities to add value by meeting requirements of customers that are not being addressed by existing provision, and they must be focused and tenacious in response. They require a clear sense of direction, particularly if they are to work with others. Most entrepreneurs need also to be tough, pragmatic and resilient.

**Qualities of information entrepreneurs**

The information entrepreneur needs a sufficient understanding of systems to be able to use an appropriate range of technologies to identify and access relevant sources of information, knowledge and understanding. However, technical expertise of itself is unlikely to be enough. Communication and relationship building skills are also required to interact with information providers and assemble the combination of experience and knowledge needed to assemble a package that has market value.

Information entrepreneurs need curiosity and drive to undertake intelligent searches and to be able to judge or determine the significance, relevance and value of what they uncover (Coulson-Thomas, 2000b). Many more people can access information than assess it or use it effectively. Understanding where information has come from, underlying assumptions, and how it has been compiled
can be of critical importance, if an enterprise or a course of action is not to be built upon foundations of sand.

**Developing information entrepreneurs**

So what is being done to create information entrepreneurs? In spite of their importance, a recent research report (Coulson-Thomas, 1999b, 2000c) reveals that far too little effort is being devoted to the critically important areas of e-business, business development and entrepreneurship. Key business requirements such as winning bids and corporate venturing are largely ignored. Courses on “empowerment” abound, but not one of the companies examined devotes development resources to creating any form of intrapreneur.

Many members of the training and development community do not appear to be addressing key requirements for success in e-business and the knowledge economy (Coulson-Thomas, 1999b, 2000c):

- Enormous sums of money are devoted to exposing a diversity of people, working on very different activities, to common courses that have little relevance to their particular requirements and priorities. Enterprise requires individual initiative, will and drive rather than collective understanding.

- Most training and development inputs do not reflect business development priorities, or result in new strategic capabilities and intellectual capital outputs. Most learning centres and corporate universities merely recycle existing knowledge.

- Despite the enormous potential for income generation, education, training and development are rarely the vital source of knowledge, intellectual capital and value for customers and shareholders they could so easily become.

Corporate employees must be encouraged and helped to become active intrapreneurs or committed business partners (Coulson-Thomas, 1999c). *The Information Entrepreneur* (Coulson-Thomas, 2000b) gives advice on the packaging and selling of information and provides checklists for identifying opportunities for new knowledge based ventures and winning business. There are separate checklists for public policy makers, investors, entrepreneurs, managers, and various individual members of corporate boards.

The involvement of various directors – and of the board as a whole – is crucial. E-business, enterprise and information entrepreneurship cannot be left to the IT director. Success requires more than simply putting appropriate technology in place. Data-warehousing is not enough. In many companies current information is being captured and shared, but new information and knowledge needs to be created and exploited (Coulson-Thomas, 1997).

**Business development requirements**

Winning business is absolutely critical for start-ups and many SMEs. Established businesses have existing customers to build relationships with and get further orders from. However, new ventures and small businesses can only grow by winning new business.

Certain e-businesses, especially business to consumer dot.coms, can burn up cash at a phenomenal rate. Many are in a desperate race to generate income streams before their initial investment funds run out. Many business plans are replete with detail on spending plans, but rather vague on how revenues are to be earned and new business is to be won. The top priority for new venture teams should be to identify and assemble the critical success factors for winning business within the selected field of operation. Potential investors should not be approached until this is done.

There is no excuse for not obtaining or providing relevant advice on winning business. The Winning Business Research Programme has identified the skills required, and the critical success factors, for winning business in a variety of commercial sectors and professions (Coulson-Thomas, 2000a). Put more of these put in place and an entrepreneur or business development team is likely to be more successful.

**Intellectual leaders and laggards**

Those companies that do focus upon the better exploitation of their intellectual capital report encouraging results. In the survey
undertaken for the report Managing Intellectual Capital to Grow Shareholder Value nearly four out of ten respondents claimed that intellectual capital exploitation has “opened new markets for us”, while around a quarter said “exploiting intellectual capital has helped to turn us into a learning organisation” (Perrin, 2000). However, nearly a half believe “we have not explored enough opportunities for exploiting intellectual capital”, while fewer than a half were able to monitor and calculate the revenue contribution of any of the 20 categories of intellectual capital studied (Perrin, 2000).

Within the sample of 51 companies examined there were stark differences between the “leaders” who are expecting intellectual capital revenues to grow substantially in the next five years, and the “laggards” who are expecting small or no growth during this period (Perrin, 2000). For example, the leaders are twice as likely to believe that paying more attention to intellectual capital will improve shareholder value, and that they have not explored enough opportunities for doing so.

Leader companies may be focusing more upon the exploitation of intellectual capital simply because they are expected by shareholders to do so. The “leaders” are around four times as likely as the laggards to be experiencing “pressure from investors to do more to exploit intellectual capital”.

Assessing the current situation

Many companies large and small, and a variety of public sector organisations, need to assess the relevance of information entrepreneurship and the potential for it. Key questions which both investors and management teams need to address are as follows (Coulson-Thomas, 2000b):

- Is the company operating in a sector in which information, knowledge and understanding are accounting for an increasing proportion of the value being generated for customers? What are the implications for personnel policies?
- Has the organisation agreed the competencies required by information entrepreneurs in its particular context? Have these been communicated? Is the training and development community aware of them?
- Are people encouraged to take responsibility for their own learning and development, and to come forward with ideas for information and knowledge based businesses?
- Are people equipped to cope with information and knowledge flows, and to create, share, package and apply new knowledge and understanding? Are relevant information, knowledge, tools, techniques and support networks made available and used?
- Have the various forms of intellectual capital been identified and protected? Are they fully exploited and is their revenue contribution monitored?
- Is an appropriate framework used to capture and store intellectual capital in a variety of forms? K-Frame, which won for Cotoco Ltd (www.cotoco.com) the 2000 eBusiness Innovations Award for Knowledge Management, can handle intellectual property in a wide range of print, presentation, audio, animation and video formats.
- Is the reward strategy consistent with corporate goals and objectives, and particularly the generation of value for customers and the creation and exploitation of intellectual capital? Are the acquisition of competencies and learning rewarded?
- Are processes and procedures in place to monitor and measure the extent of learning, information and knowledge sharing, and intellectual capital creation and exploitation that is occurring?

Learning from best practice

“Laggards” can also learn from the experiences of “leaders”. Information entrepreneurs and information and knowledge based businesses have been well represented among finalists for the e-Business Innovations awards. In some cases, new markets for certain forms of intellectual capital have been created. Thus Photodisc offers advertising, publishing, Web and multimedia designers an image library of over 75,000 high resolution images and personalised information services, while
Music Now allows music tracks to be purchased and downloaded via its Web site.

The 2000 e-Business Innovations awards in the international SME categories were presented at the OECD summit on the competitiveness of SMEs in the global economy which was held in Bologna, Italy. The overall winner securing the premier award – the 3Com Active Business Award – was Atom Films of Seattle in the USA (www.atomfilms.com). The company has created a Web-based market for animated films with over two million movies being streamed in a month and another 500,000 films being downloaded. Details of winners since the inception of the awards can be found on www.ecommerce-awards.com

Next steps for educators, trainers and developers

The education and training community should consider its contribution to the development and support of those who possess scarce information handling and knowledge development skills:

- Educators, developers, professional institutes and associations, and sector training organisations should get together and define the general competencies required by information entrepreneurs and the specific competencies that will be needed in particular contexts.
- Educators, trainers and developers should establish what needs to be done in terms of course provision, competency assessment and learning support to produce more information entrepreneurs. The roles of schools, colleges, universities and specialist consultants in the information and knowledge society should be reassessed.
- Professional and representative institutes and associations should examine how prepared their members are for operation in the information and knowledge economy, and provide whatever support is necessary to enable them to cope better.
- Academic research and professional investigation should focus more upon the practical problems of information entrepreneurship, managing intellectual capital and leading and managing network organisations and virtual teams.

The Information Entrepreneur (Coulson-Thomas, 2000b) concludes: “Information Entrepreneurs may not be the last information age pioneers we will meet on the journey to the fully wired-up digital age but they could turn out to be among the most crucial. The Information Entrepreneur bears a heavy burden on merely human shoulders. Upon his or her imagination and drive will hinge the fate of corporations, governments and countries.”

References

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