Emergent Knowledge
The Spark for Information Advantage

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Emergent Knowledge: Knowledge that was previously impossible, or at least impractical, to use on a regular basis but now arises out of data made feasible to collect by information technology advances.
Outline

- Technology Trends
- The Potential Effect on Business
- Key Challenges, Three Suggestions
- Three Month Plan
Migration of Information Technology

- Corporate IT
- Back Office and Supply Chain
- Web
  - Customer Interface
  - Offerings and Markets
- Embedded
- Internal
  - Productivity
  - Productivity
  - Experience
- External
  - Transaction costs
  - Experience
  - Products/Services
Emails from Your Car

OnStar Vehicle Diagnostics — a complimentary service, exclusively for subscribers

Mouse over the hot spots to see what key systems are checked for each monthly e-mail report. For more information on monitored systems, click here.

Now you can drive with more confidence knowing that you're prepared for the road ahead.

- About every 30 days, some of your vehicle's key systems like your engine, air bags, and antilock brakes are checked while you drive. Then you receive an automatic e-mail report.
- Each e-mail report also includes your current mileage, remaining oil life, maintenance alerts, subscription notices, and more.
Technology Trends

- Pervasive Connectivity
- Network application interoperability
- Miniaturization
- Increased intelligence and cheap storage
- Lots more data and better analytics
Law of Disruption

Technology, Connectivity, and Efficiency

Market Potential

Innovation Opportunities

Human, economic, and political systems

Technology advances exponentially; organizations change incrementally.
The next five years will fulfill many of the promises of the last five years

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Challenges

- A mishmash of disparate applications and a cacophony of incompatible data streams.

  *Think separate, incompatible, and overlapping customer databases.*

- Many organizations’ ability to gather data already exceed their ability to analyze it.

- Most valuable applications are probably not yet apparent, as are the unanticipated consequences or the secondary effects.

- Pessimism about privacy and security.
Three Suggestions

1. *Emergent Knowledge* — Find the patterns, not just the data streams.

2. *Product Platforms* — Build platforms, not isolated applications.

3. *Trusted Partnerships* — Build trust, not CRM.
Suggestion One: Emergent Knowledge
Find the patterns, not just the data

- Identity
- Location
- Diagnostics
- Preference
- Quality of Service
Suggestion Two: Product Platforms
Build platforms not isolated applications

- Consists of an interdependent set of shared capabilities that enable the functions of a particular product, or a family of products.
- Specifies a standard interface by which different groups internally and externally can collaborate with each other relative to that product and its derived information.
- Provides the foundation upon which a company can build an ongoing stream of new products or capabilities.
Platforms Drive Continuous Innovation

- Primary applications
- Enterprise cost savings and product improvement
- Customer relationships
- New products
- New business models
Privacy and Security?

Like herd animals on the Serengeti, customers can only huddle in masses and hope that predators attack someone else.
Suggestion Three: Trusted Partnerships

*Principles*

1. First, do no harm
2. Build trust through transparency
3. Share the wealth
Getting Organized: Three Month Plan

One: Inventory Opportunities

Two: Develop a holistic view using an innovation portfolio approach

Three: Balance the Portfolio

Launch prioritized projects
Inventory Opportunities

- The best ideas are at the front lines
- Chances are a number of projects being considered or are launched
- Use innovation workshops to educate, align, spark, and uncover ideas
Some Questions to Ask

- Can we augment our products to collect diagnostic data and connect with customers, as GM did by installing OnStar in its vehicles?
- Can we augment our customer interfaces to reveal customer preferences and to customize the customer experience, as Amazon does?
- Are there large stores of customer, operational, or performance data, either thrown off by business processes or generated to meet regulatory requirements, waiting to be knitted together into emergent knowledge?
- What key business, customer, and competitive issues might be better addressed by emergent knowledge?
An Innovation Portfolio

Competitive Impact

- Advantage
  - Enabling SIBs
- Parity
  - Required SIBs
- Disadvantage

Investment Categories

- Stay In Business
- Return on Investment
- Option Creating

Potential Killer Apps (Options)
Retooling Portfolio Example

Note: Size of circle is proportional to amount of investment.
Commodity Company Example

Competitive Impact

Advantage

Parity

Disadvantage

Note: Size of circle is proportional to amount of investment

Investment Categories

SIBs

ROIs

OCIs
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