

Human Capital and Knowledge Management in the New Economy



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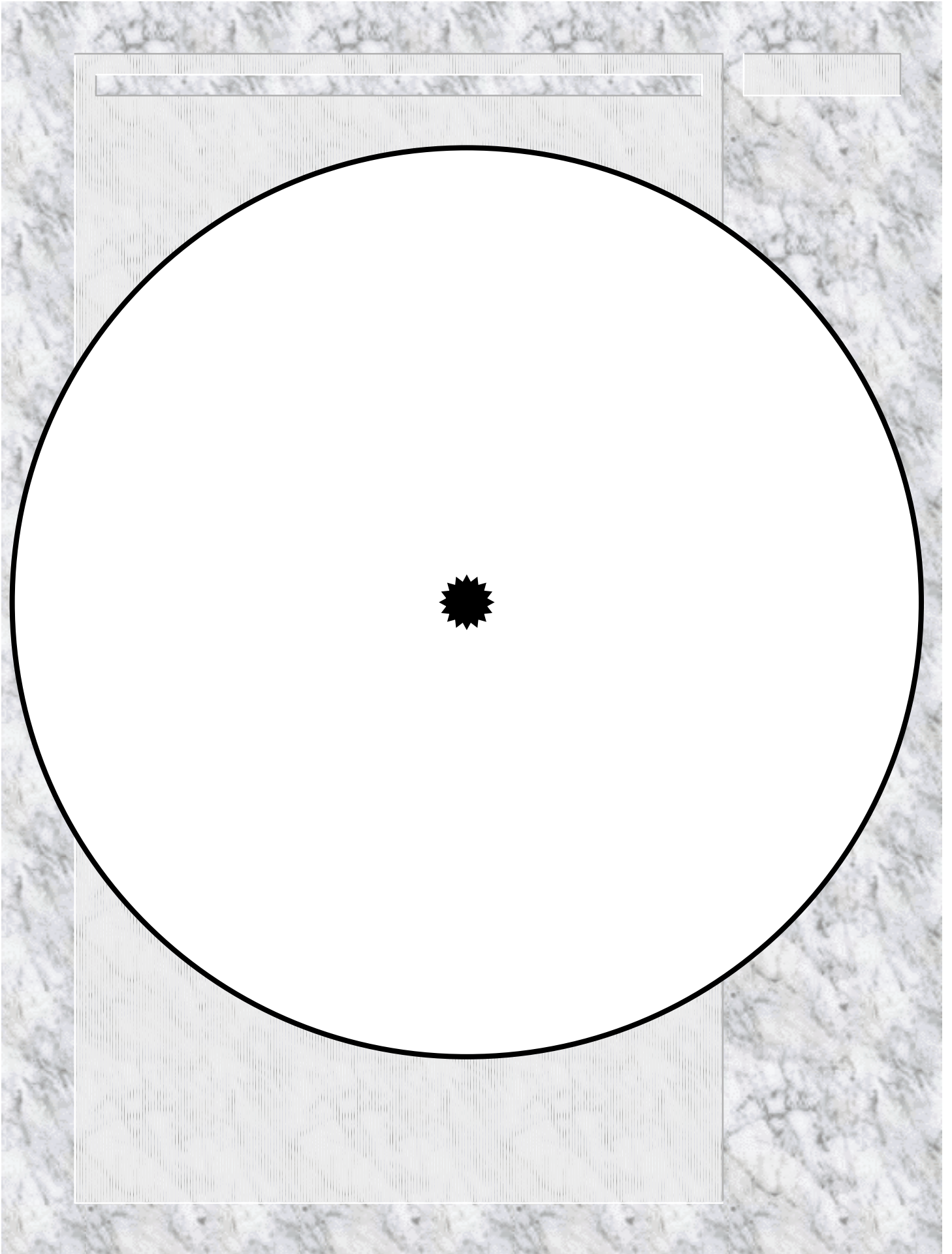
The Objectives

- Share with you some insights of the research in the “New Economy”.
- Present some provoking thoughts about the “New Reality”
- Face you with some questions

Introduction

The “New Reality” is much about:

- **changing the perspective,**
- **a different view,**
- **out-of-the- box ,**
- **out of the habits,**
- **out of the rules,**
- **out of the routines, etc .**





What is our world?
What is the emerging context?

Command and control
Focus on existing business

Industrial
=
old, classic
Economy

We know all about the history!

Direct participation
Focus on opportunities

New
Economy

turbulence
uncertainty

We don't know much
about the future.

Knowledge
=
future
Economy

Did you know ?

- There are 2.1 billion static web pages and
- There are 610 billion e-mails per year
- We have 1-2 Exabytes of information per year = 250 Megabytes pro person
1 Exabyte = 10^{18} bytes
- Printed documents = 0.003%

Did you know ?

We have worldwide:

	Titles	Terabytes
- Books	968,735	8
- Newspapers	22,643	25
- Magazines	80,000	10
- Office Documents	7'500,000,000	195

Creativity

Dreams of new new things.

? Nothing seems impossible.

Knowledge

- Information Technology
- Knowledge Technology

Virtual production/Internet

Mind

Organic

- **Work**
- Social Acceptance
- Meaning

Soil

- Hunting
- Agriculture

Handicraft Technology

Spirit

Capital

- Factories
- Mass Production

Production Technology

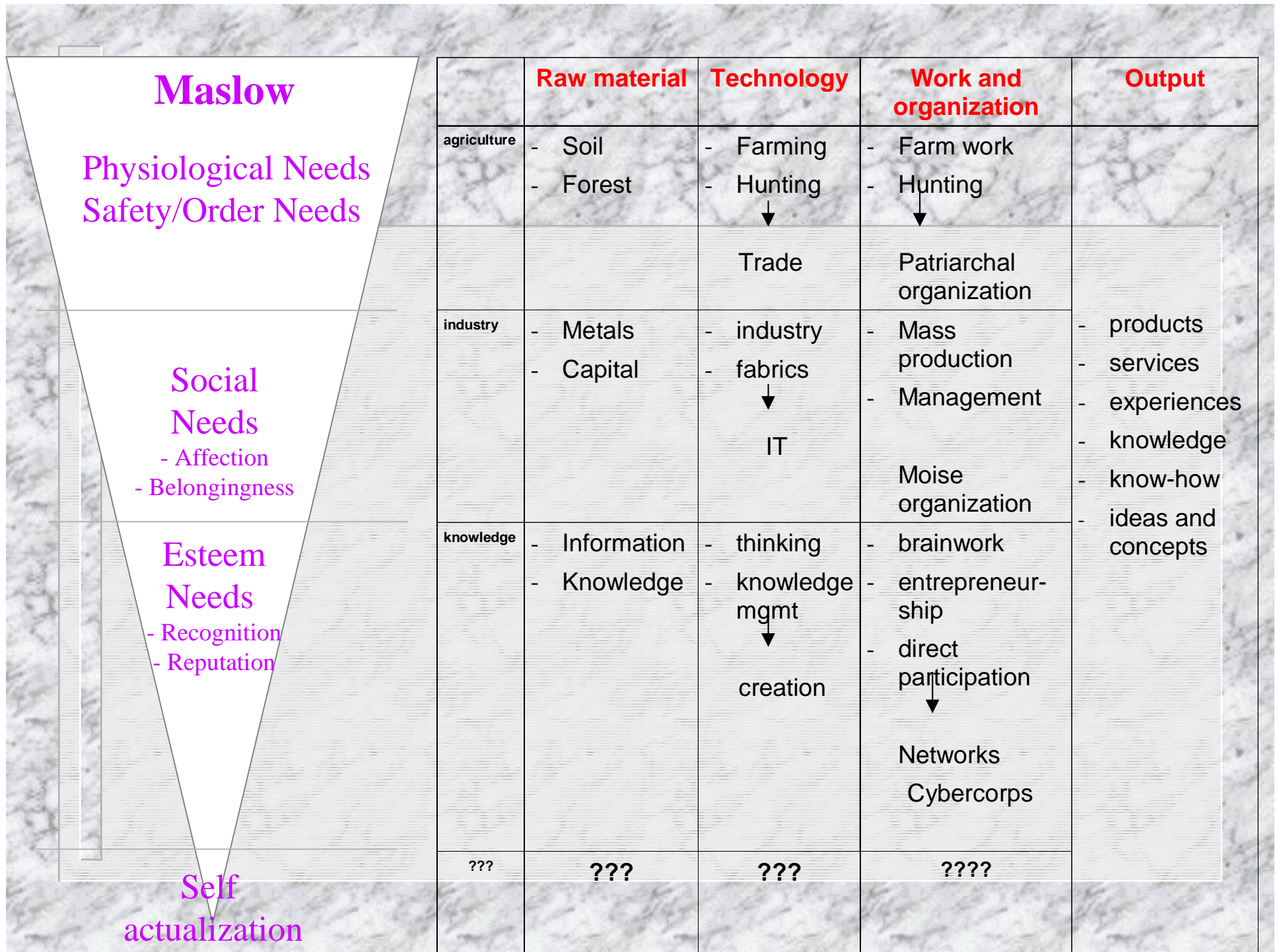
Art

Raw materials

Intuitions and utopias
Too many unknown things.

Information

Inspiration
Visions and expectations



- be somebody

Status
pride

Feasibility
•be able to do
•know-how

Employability
•find a job

- own things

Ownership
greed and responsibility

- being responsible for something

•Purpose
•Sense of life
•Value creation

Achievement
love

- be able to achieve things

Routines and networks
•have connections

Professional career
•knowledge
•have a future

Power
influence

- be able to do things

The diagram features a central grey rectangular area with a white background. On the left, a blue semi-circle is connected to a blue horizontal line. On the right, a green semi-circle is connected to a green horizontal line. Two large yellow arrows point from left to right, one above and one below the central area. The top arrow is labeled 'Incubators: driven by VCs, large consulting firms and large corporations'. The bottom arrow is labeled 'Virtual Platforms: for suppliers, for distribution and for Knowledge Management'. In the center, the text 'Turning capital into human capital' is written in red. To the left of this central text is the word 'Capital' in purple, with a bullet point below it: '•Growing availability'. To the right is the word 'People' in purple, with two bullet points below it: '•Scarcity of talent' and '•Scarcity of experience'.

Incubators: driven by VCs, large consulting firms and large corporations

Capital

- Growing availability

Turning capital
into human capital

People

- Scarcity of talent
- Scarcity of experience

Virtual Platforms: for suppliers, for distribution and for Knowledge Management

New rules are driving the development of the “**New Economy**”

- Speed
- Start from scratch
- New business models.
- Lots of technology
- Lots of information
- Low entry barriers.
- The competition is ferocious

**Old/Classic
Economy**

**M&A
dot coms
+
old companies**

Do.t coms
- yahoo.com
- eBay.com
- amazon.com

Spin-off's

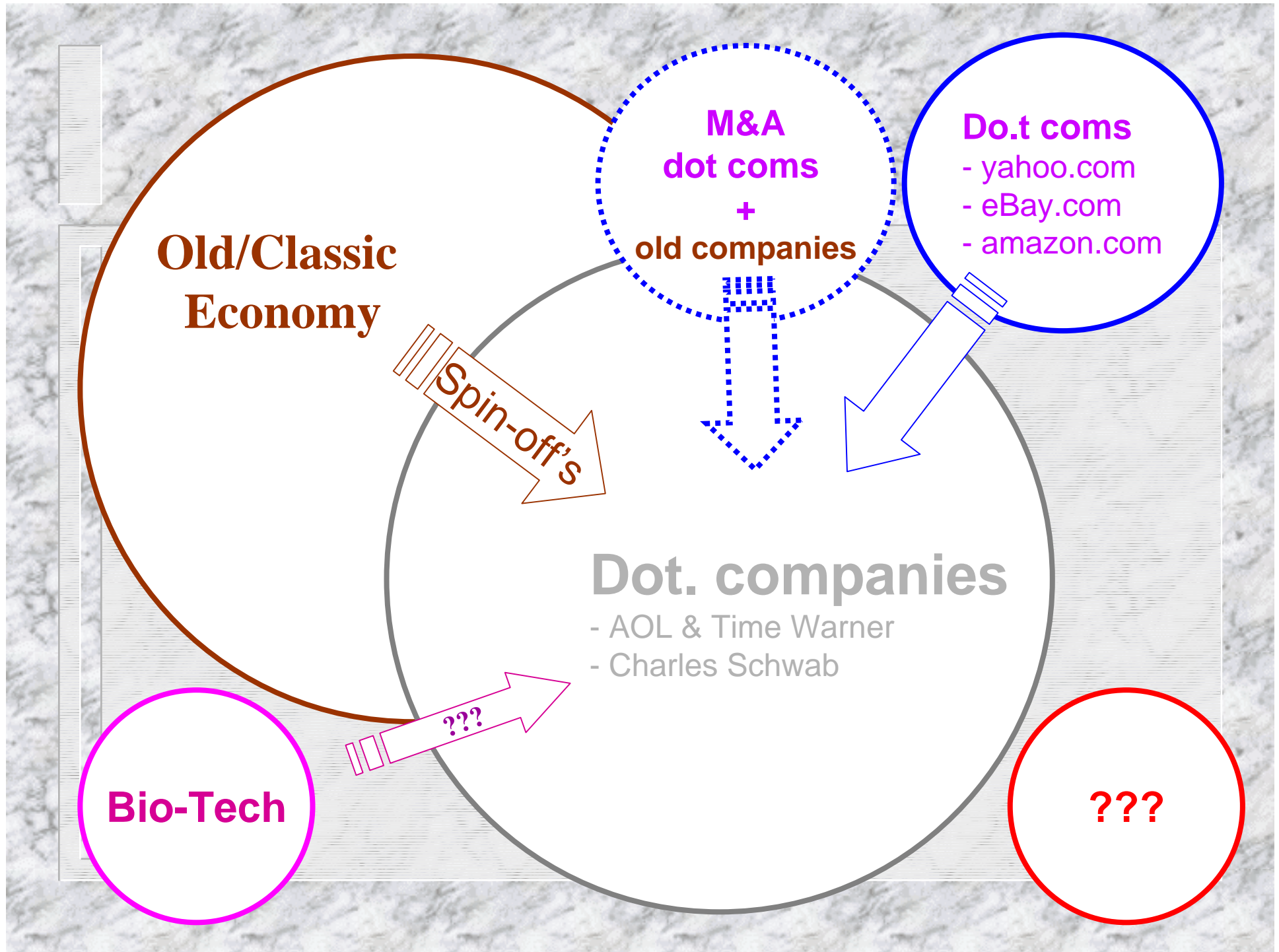
Dot. companies

- AOL & Time Warner
- Charles Schwab

Bio-Tech

???

???



Classic vs. New Economy

- **Speed of recruitment**
- **New business models**
- **New business and management practices**
- **Command and control vs. Entrepreneurship**
- **Employment vs. direct participation**
- **Having and being vs. becoming**

Classic vs. New Economy

- Legacy vs. speed of development
- Structure and organization vs. Culture
- Ownership vs. core
- Tenure and age vs. performance and value creation
- Production technology vs. IT
- Work a s duty vs. fun and excitement

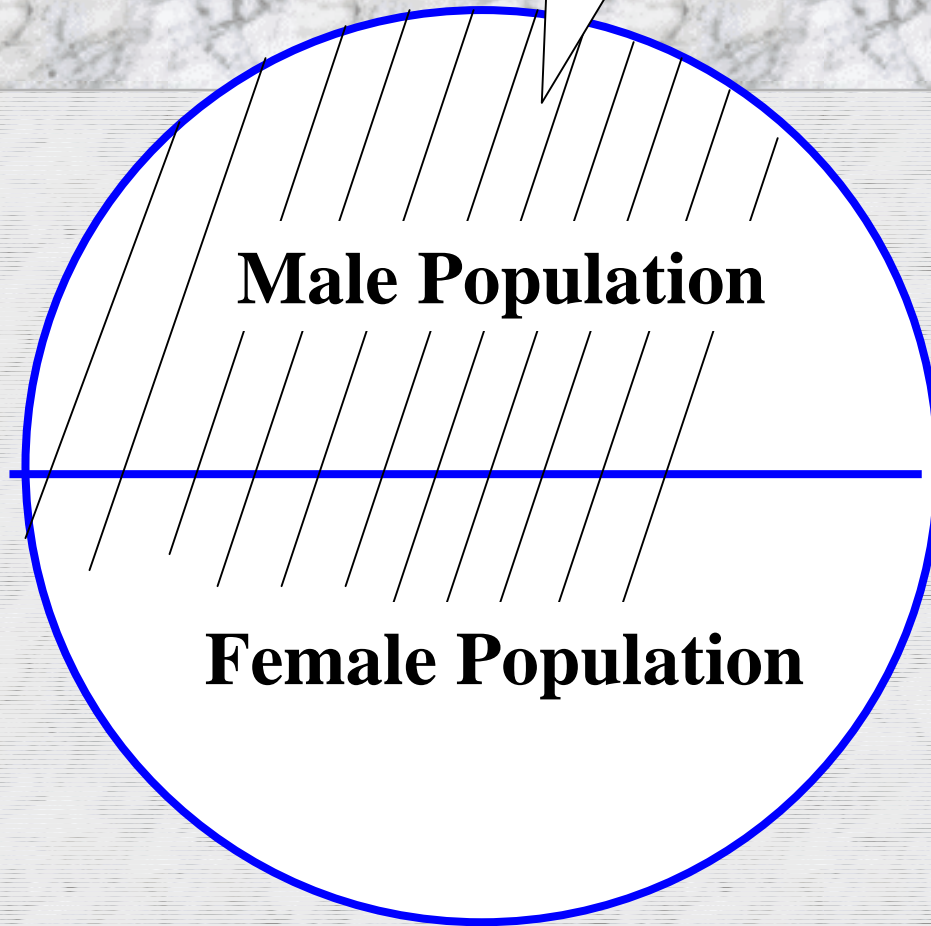
People will be more valued for their creativity, thinking skills, relationship management, their networking skills and capabilities; which means that the third millennium could well be a women's millennium.

Today

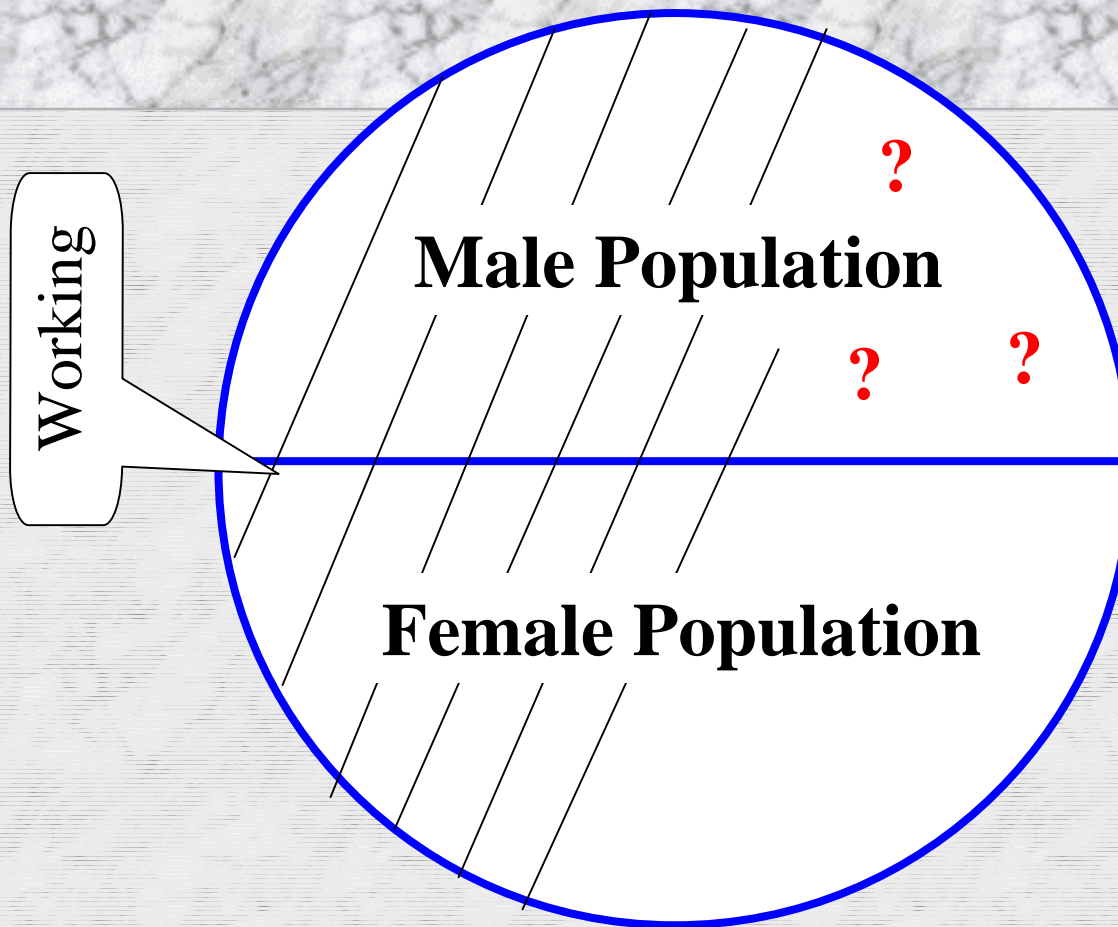
Working

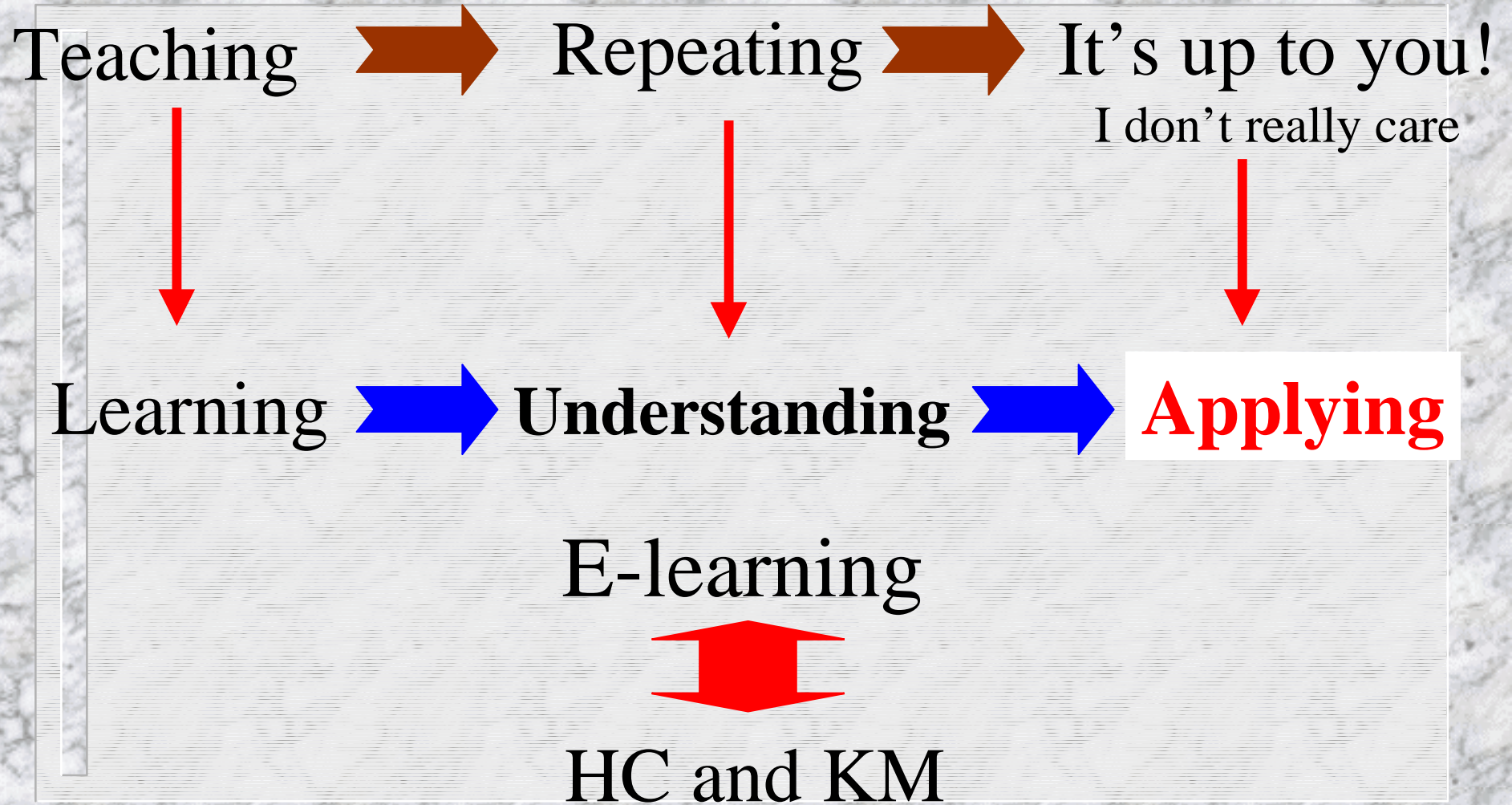
Male Population

Female Population



Tomorrow





E-learning

- The education market is \$ 2.1 Trillion (W.R. Hambrecht & Co.)
- On-line learning will be \$ 22 Billion in 2003 (Gartner Group)
- >33% of US higher education institutions offer on-line courses

According to PWC

70% of the 1000 top-tier companies cite lack of trained employees as number one barrier to sustaining growth.

Do we need intuition?

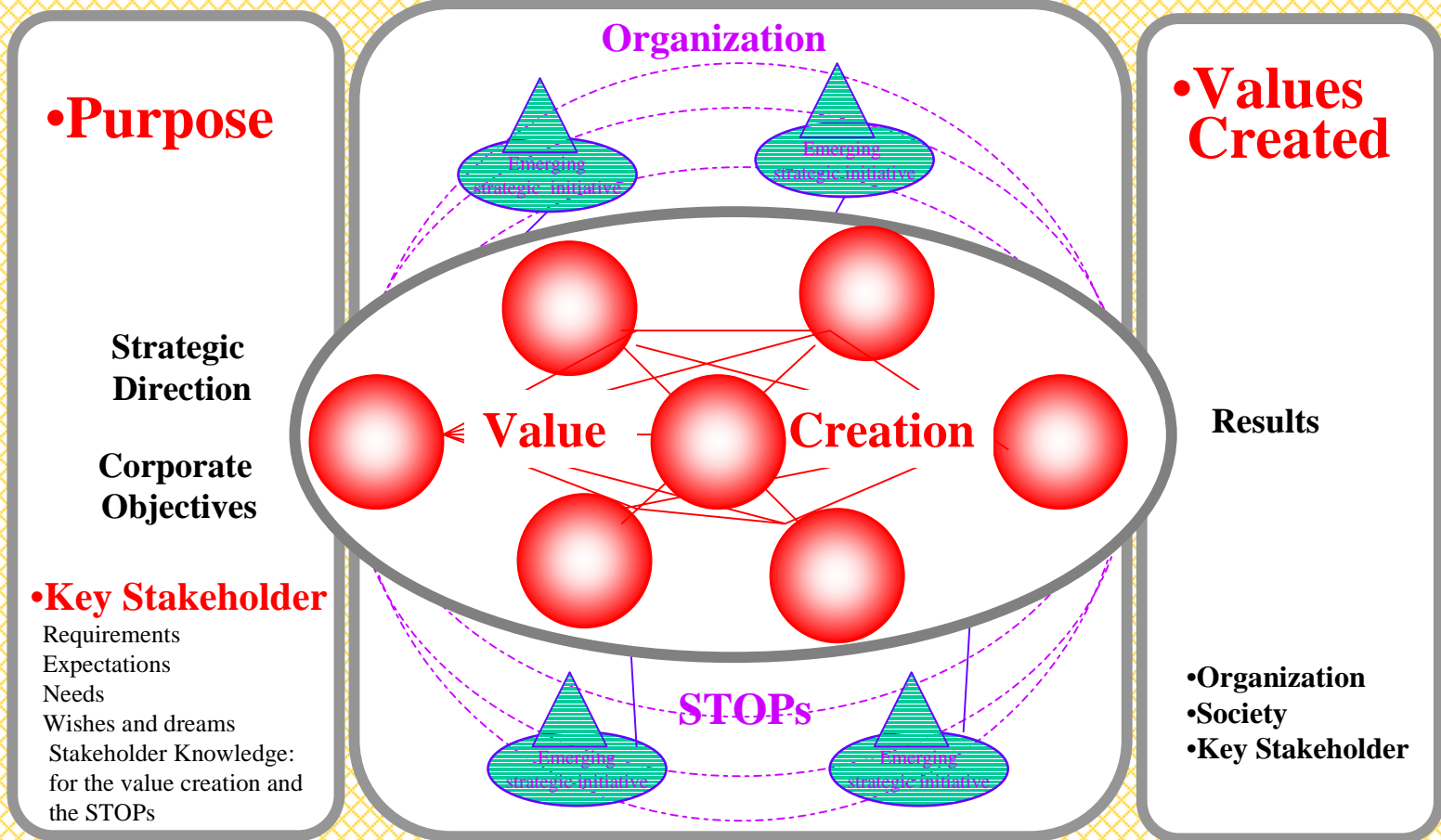


Many managers haven't changed enough.

They remain addicted to treating people as if they were still children, instead of treating them as adults capable to work on their own and to take on responsibilities.

External emerging context

Internal emerging context



Culture, LEM, Change and Transformation, Knowledge, , \$

Strategic Framework

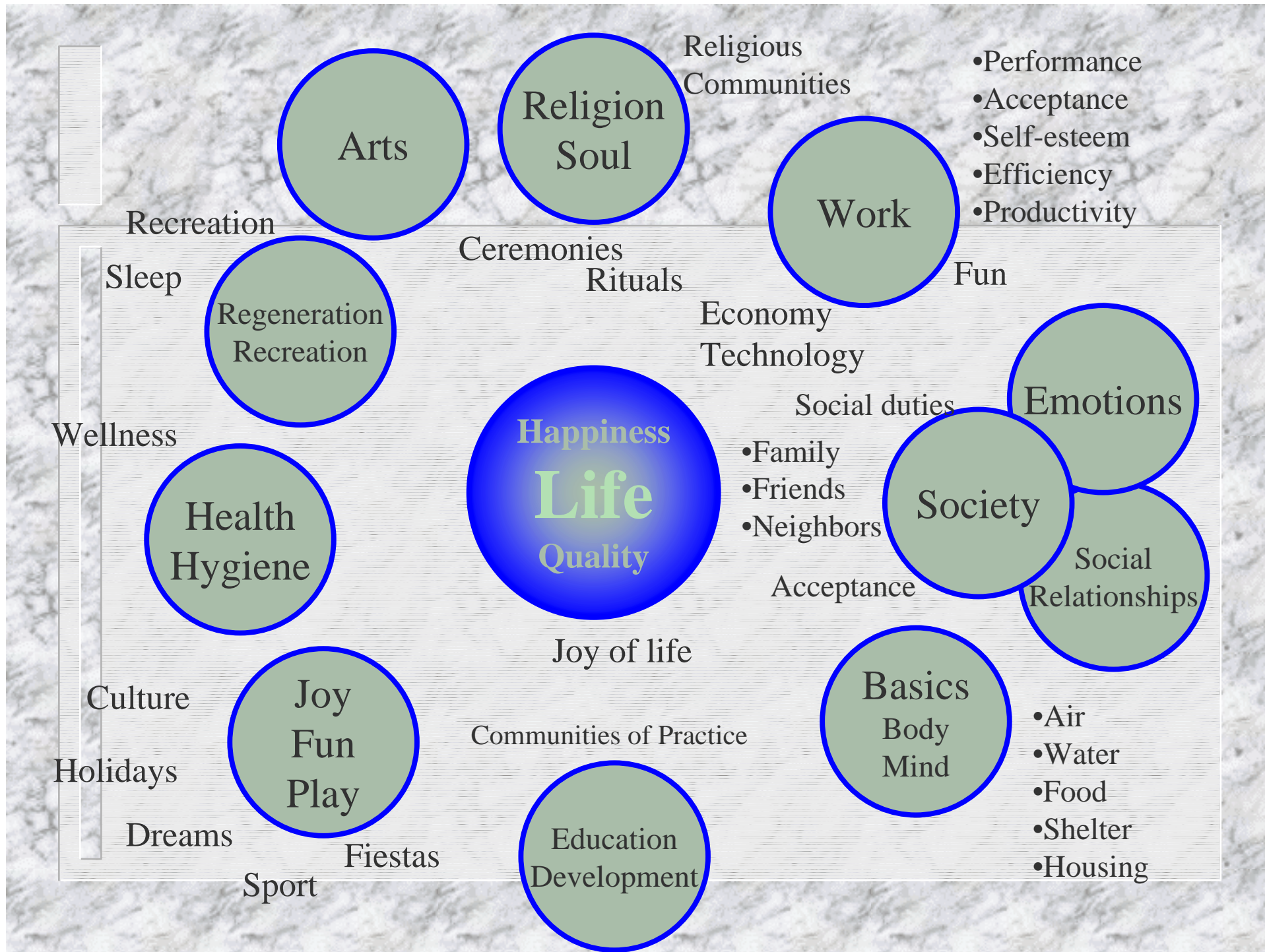
- **Purpose**
- **Stakeholder**
- **Corporate Objectives**
- **Business Model**
- **Value Creation**
- **Organization, Structure and Culture**
- **Corporate Core Competencies**
- **Transparent Progress Reporting**

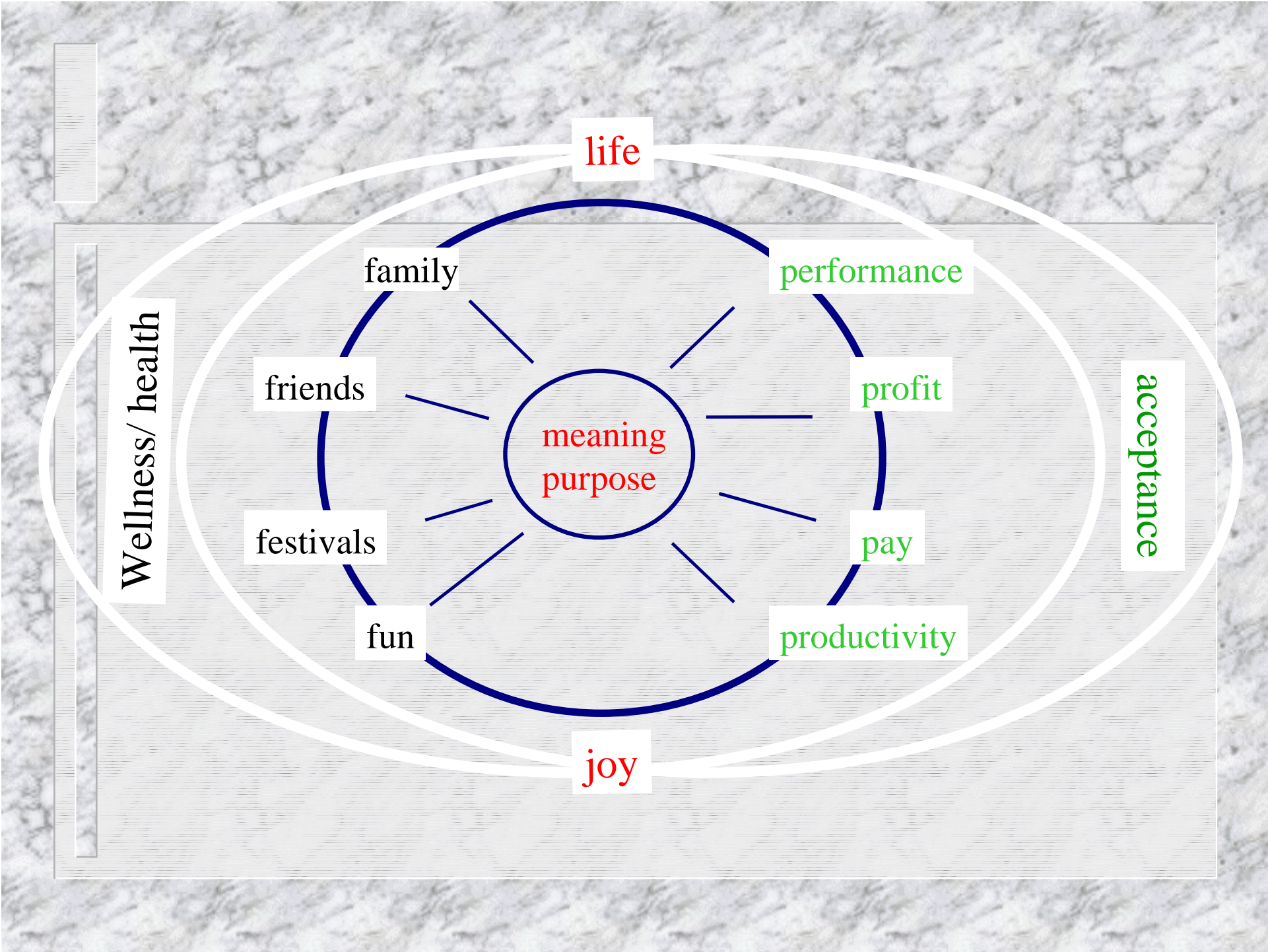
Key stakeholder	Needs and expectations of the key stakeholder	Values expected by the key stakeholder	Corporate objectives
<ul style="list-style-type: none"> • Owner/Shareholder 			
<ul style="list-style-type: none"> • Management team 			
<ul style="list-style-type: none"> • Employees 			
<ul style="list-style-type: none"> • Strategic partners 			
<ul style="list-style-type: none"> • Customers 			
<ul style="list-style-type: none"> • Suppliers 			
<ul style="list-style-type: none"> • other 			

New Corporate Culture

- Becoming
- Entrepreneurship
- Direct participation







**“Working smarter
not harder !”**