

**Content Expert**

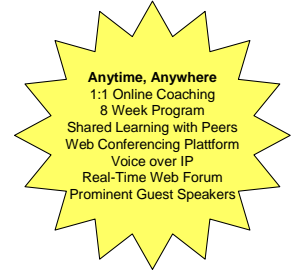


**Francisco J. Carrillo** is Professor of KM at *Monterrey Tech*, where he founded the *Center for Knowledge Systems* ([www.knowledgesystems.org](http://www.knowledgesystems.org)) in 1992. He developed the *Capital Systems Model* which has been applied in nearly 100 consultancy projects and as the basis of an extensive KM graduate curriculum. He is President of Mexico's ADIAT KM Commission and Chairman of the Entovation G/A Leadership Team and is on the Editorial Boards of *The Learning Organization* and *The Journal of Knowledge Management* (JKM). He has been guest editor for the *JKM* special issue on *Knowledge-based Development* (Vol. 6, No. 4, 2002) and the forthcoming *Knowledge-based Development II: Knowledge Cities* (Vol. 8, No. 5, 2004). He has built a KM network throughout the Americas ([www.iberamericana.org](http://www.iberamericana.org)) and is founder and editor of *The KMetaSite*, ([www.kmetasite.org](http://www.kmetasite.org)). He holds a Ph.D. from *King's College, London*, an M.Sc. from the *London School of Economics* and a M.Sc. from *UNAM*.

**KM implies an understanding of the relation between Knowledge and Value, between Capital and Management**

# Developing Capital Systems Strategies

**Learn how to build a knowledge-based business strategy and apply the capital systems method to a real organization.**



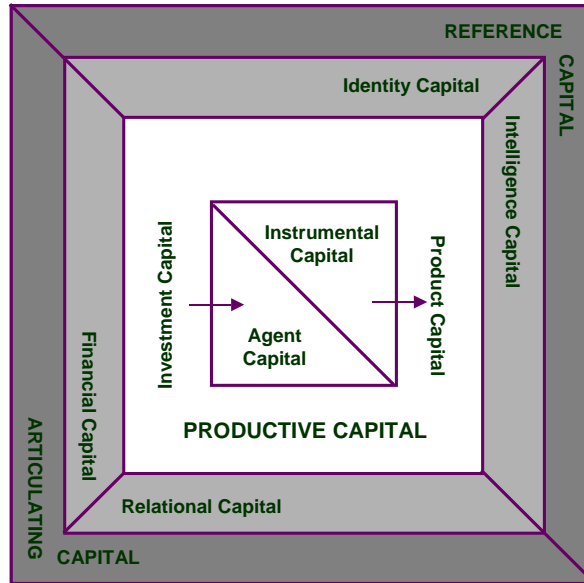
**Facilitator**



Dr. Oliver Schwabe is one of the world's foremost community moderators and facilitators with over 50 theme areas delivered virtually to over 2500 students in 60 countries in the past decade. Key clients include:

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**Benefits:** Learn by doing -- no dry lectures on board governance. You will assume the role of a board member in a context of your choice. From there participate in action learning to explore the concepts of board governance, assess how to implement them and apply newly acquired skills in specially designed, integrated simulation exercises.

The seminar itself focuses on providing insights into the fundamental issues of valuing board governance and finally on the development of a governance innovation proposal for the organization of each participant.

**Methodology:** An intensive 8-week program, consisting of 8 week-long coached e-Learning program based on the work of Doug MacNamara and other leading authorities.

**Target Audience/Time:** Directors of: Corporate, Health-care, Voluntary, Professional/Trade Association, Marketing and/or Resource Management Boards. CEO's, Corporate Secretaries, and other Senior Executives that must interact regularly with the Board. Ideally, the Board Chair and CEO will attend together, with other Board/Executive members in addition.

**Explore the core KM processes**

**Alignment and strategic consolidation of capitals:** Determining, systematizing, and operationalizing the value universe of an organization.

**Agent Capital Management:** Determining and developing the value-generating capacities of productive individuals and teams, as well as those of the organization as a whole.

**Instrumental Capital Management:** Determining, implementing and developing the optimal array of conditions and resources to leverage the value yield of all elements in the organization.

**"Fundamentally, how does one use 'knowledge' to build a new wealth pyramid for an individual, for a company and for a society?" Thurrow (1999)**

### State of the question in Intellectual Capital Management

The origins, evolution, current status and constraints in the field of Intellectual Capital Management, and the main authors, models, value categories and managing tools are reviewed. In particular, the constraints based on the inductive accumulation of indicators is signalled.

#### Measurement theory, value theory and knowledge value measurement

In reply to the question "How can knowledge value be measured?", the fundamentals of measurement theory, value theory and knowledge theory are synthesized in order to recover the basics of human understanding of each of these and build upon them.

#### The Economic Theory of The Firm

What makes a business be a business? What are the necessary and sufficient conditions for a human organization to constitute a productive enterprise? Formal Economic Theory has addressed these questions through the Theory of The Firm. Main approaches are reviewed and summarized.

#### Formal requirements for Capital Systems

Based on the prior inputs, we are in a position to identify the formal requirements of a knowledge value measurement system. These are established within the framework of "Knowledge-based value systems" as productive organizations.

#### The Capital Systems Method

A taxonomy aiming to integrate all forms of both traditional ("tangible") and knowledge-based ("intangible") forms of capital while satisfying the formal requirements specified above, i.e., a "Knowledge-based Theory of the Firm" is introduced. From here on, a case is built with regard to each participant's organization.

#### Integrated and Consolidated Value Report

The main challenges faced by an accounting system and how these have evolved throughout the years, all the way through the most recent scorecarding and performance-management electronic systems are reviewed in order to establish the design specs of a Capital System Report. An actual example is shown.

#### Offerings

Eight (8) week facilitated online course  
 One day face-to-face workshop  
 One (1) hr tele-coaching  
 4 x 2 hours tele-coaching using online platform

#### Method

Students will build the case of a real organization (can be a SBU or department) as the main evidence of learning. They will propose a project to be approved by (unit/topic) No. 4 and developed from then on. The deliverable is a document with all the basic elements of a knowledge-based business development strategy for the chosen organization.

#### Course materials

Specific readings and exercise materials will be provided for each (unit/topic). Some general background readings for the course (all available at the CKS web page [http://www.knowledgesystems.org/p\\_csc3.html](http://www.knowledgesystems.org/p_csc3.html)) are:

Carrillo, F. J., "Managing Knowledge-based Value Systems", *Journal of Knowledge Management*, vol. 1, no. 4, Junio 1998.

Carrillo, F. J., "Capital Systems: Implications for a Global Knowledge Agenda", *Journal of Knowledge Management*, Vol. 6 No. 4 Octubre 2002.

Carrillo, F. J., "Capital Cities: a taxonomy of capital accounts for knowledge cities", *Journal of Knowledge Management*, Vol. 8 No. 5 Octubre 2002 (forthcoming).

#### Suggested textbooks

Chatzkel, Jay L., *Knowledge Capital: How Knowledge-based Enterprises really get built*. London: Oxford University Press, 2003.

Wei Choo, Chun and Nick Bontis, *The Strategic Management of Intellectual Capital and Organizational Knowledge*. London: Oxford University Press, 2002.



This tree symbol can be seen on [www.unic.net](http://www.unic.net) - message is the roots for the fruits, i.e turning the tree upside down.

#### Knowledge-based Business Strategy

On the basis of the Capital System and the Integrated Value Report, a whole new perspective on the business (or any human organization with identifiable value goals) emerges, allowing for sharply focused strategies and value alignment deployment throughout the entire organization.

#### Development of Referential and Articulating Capitals

Capital elements that are not productive by themselves but which boost the production capacity of agents and means of production are described, with examples and indicators. Each participant identifies and operationalizes its own capital elements on this category.

#### Development of Productive Capital I: Human Capital

Human Capital, the most prominent of production capital is considered for complete development, at the three major levels of development: individual (competency-based), teams (value practices) and whole organization (organizational learning).

#### Development of Productive Capital I: Instrumental Capital

The three major processes of Instrumental Capital are also considered for complete development: methods and procedures, ITC platforms and knowledge bases. Their integration through enterprise knowledge portals and distributed systems is also reviewed.

#### Capital Systems deployment: Dashboards, EPMs and alternatives

Course content concludes with a closer look at the most recent systems aimed at deploying value-based performance management throughout the organization and some of the intelligent platforms which are taking KM to an explicit recognition of the operational (production processes), tactical (knowledge about production) and strategic (meta-KM) decision-making realms.

#### Project presentations

Before closing the course, each participant shares with all others her/his project, through which the main elements of the capital system are referred to a specific organization, so that the program for an implementation process is clearly documented.

**Registration:** Please contact Dr. Oliver Schwabe via [oliver.schwabe@eurofocus.com](mailto:oliver.schwabe@eurofocus.com)

**Dates:** Course starts monthly or by agreement. **Group size:** up to 10 **Time commitment:** Each week minimum 10 hours **Delivery:** Asynchronous delivery via [www.sveibytoolkit.com](http://www.sveibytoolkit.com) and [www.communityzero.com](http://www.communityzero.com). **Online seminars** are conducted using [www.centra.com](http://www.centra.com). **Payment:** Via [www.paypal.com](http://www.paypal.com). **Refunds:** Only before receiving course materials