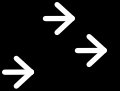


Opening session



FACULTY OF HUMANITIES
UNIVERSITY OF COPENHAGEN



UNIVERSITY OF
COPENHAGEN



10th International Conference on Knowledge Management

November 24-26, 2014, Antalya, Turkey

 HACETTEPE UNIVERSITY

ICKM2014



Opening session ICKM 2014



Michael René Kristiansson

Associate Professor at Royal School and Library and
Information Science, University of Copenhagen



A vertical decorative bar on the left side of the slide. It features a blue circular logo at the top, a red circular logo at the bottom, and a central section with a yellow and red vertical bar. There are also several small blue and white geometric shapes (circles, squares) scattered along the bar.

ENTREPRENEURSHIP AND ENTREPRENEURSHIP TEACHING IN A KNOWLEDGE MANAGEMENT PERSPECTIVE



Entrepreneurship on the political agenda

- The knowledge intensive economy calls for universities to contribute to economic, social and cultural development and
 - ...employability for graduates
 - Hence, politicians (some) like the idea of the *entrepreneurial university* – OECD, EU etc.
 - This leads to a growing interest for entrepreneurship in a university setting
- Entrepreneurship possibly a third leg besides 1) research, 2) teaching in the future (or maybe not – it is uncertain)



Foretaste



- You are going to learn about **EFFECTUATION** a rather new paradigm in entrepreneurship and entrepreneurship education/ teaching being contrasted to
- **CAUSATION** the traditional way of thinking entrepreneurship
- The notion/ concept of effectuation has been coined by Professor Saras Sarasvathy; professor at Darden School of Business, University of Virginia, USA
- Herbert Simon – Nobel Laureate in economics 1978; Saras supervisor
- Sarasvathy has experience in practical entrepreneurship





Disposition

- Background & frame
- Knowledge management (KM) in different settings
- KM literature – KM in organizations
- KM & project management
- KM & entrepreneurship
 - Long term planning
 - Effectuation
- Risk & uncertainty related to effectuation/ causation
- The effectuation model
- Workshop: Session for interaction and engagement (SIE)



Background (my)

- **Information policy** (new economy)
- **Knowledge management**
 - Scenario planning (the Shell approach)
- **Library development projects** (action research)
 - Strategic reflexive conversation
- **Entrepreneurship teaching** since 2010 at RSLIS
 - Effectuation



Frame: A cross disciplinary approach

- **Information policy** (new economy)
- **Knowledge management**
 - Scenario planning (the Shell approach)
- **Library development projects** (action research)
 - Strategic reflexive conversation
- **Entrepreneurship teaching** since 2010 at RSLIS
 - Effectuation





Why I am here today


- i-Conference 2014, Berlin,





Background: Entrepreneurship teaching experiences

COURSE/ MODULE	LEVEL	ECTS	YEAR
Entrepreneurship. Teaching in the field an internship	MA	10	2010A
Entrepreneurship from a societal perspective	BA	20	2011S
Entrepreneurship and communication	MA	20	2011A
Experimental entrepreneurship education. Theory and praxis	I-MA	10	2011A
Entrepreneurship and communication	MA	20	2013S
Entrepreneurship and partnership – development of cultural spaces	BA	20	2014S
Entrepreneurship and partnership	BA	20	2015S
Entrepreneurship and knowledge management 2015	BA	15	2015S





Cont.: Entrepreneurship as an element/aspect/segment

COURSE/ MODULE	LEVEL	ECTS	YEAR
Knowledge management	I-MA	20	2011A
Strategic communication in its cultural influence	MA	10	2012S
Out of the box	MA*	15	2012A
Knowledge management	BA	10	2012A
Knowledge management	BA	10	2013A
Knowledge and information in organizations	I-MA	15	2013A
Cultural communication	MA	15	2014S



KNOWLEDGE MANAGEMENT



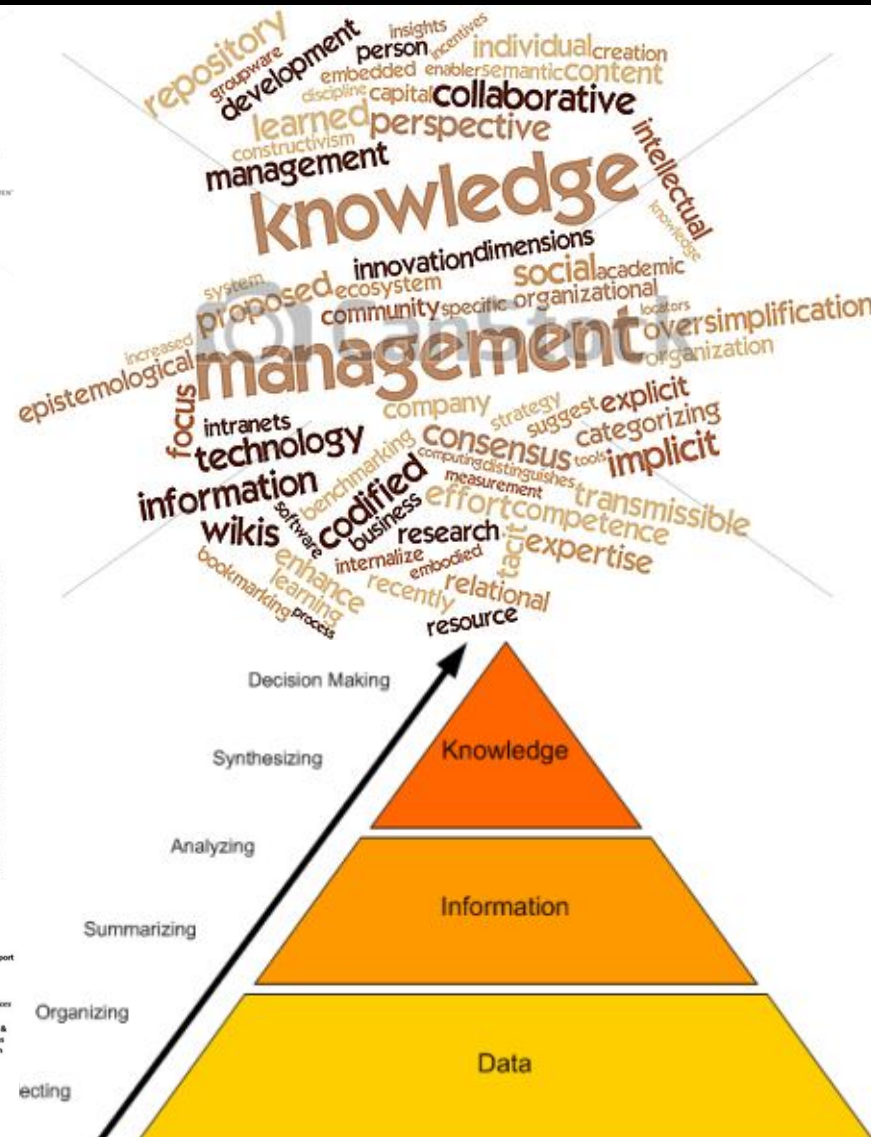
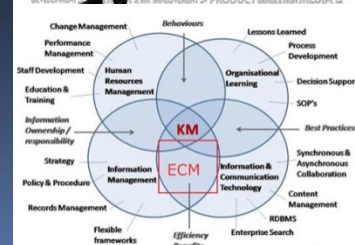
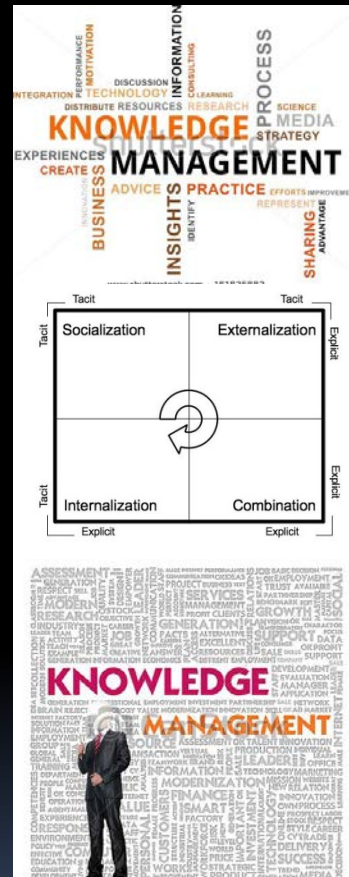
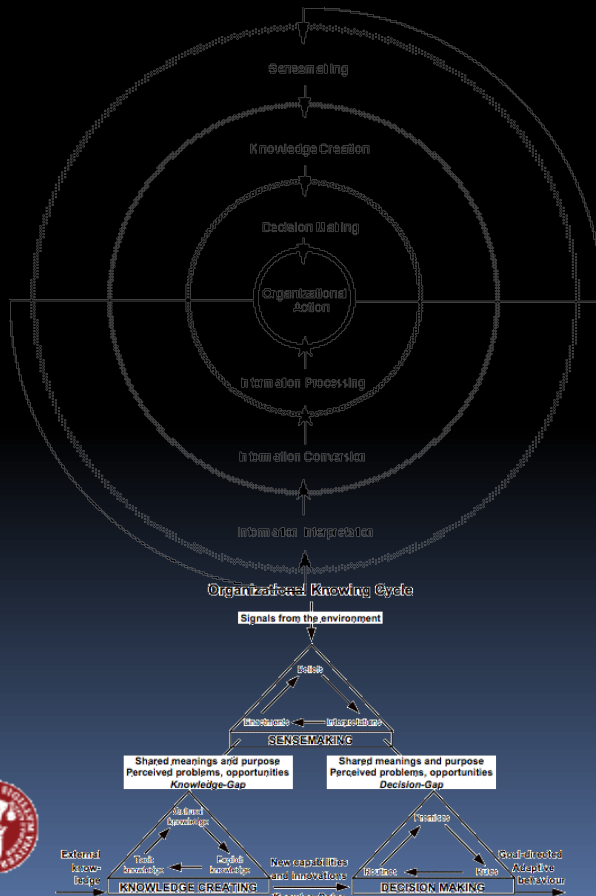


KM levels/ settings/ contexts

KM in organizations

KM in projects

Personal KM





KM literature

- Most of the literature in the field of KM is about knowledge and information management in **ORGANIZATIONS**
- "...knowledge management is learning how to design ... strategy, structure, and systems so that the **ORGANIZATION** can use what it knows to innovate and adapt... (Choo 2002: 501)



Knowledge management (WIKI)

FOCUS ON **ORGANISATIONAL OBJECTIVES** such as:

- Improved performance
- Competitive advantage
- Innovation
- Sharing knowledge (of lessons learned)
- Integration and continuous improvement of the organisation
- Organisational learning
- Etc.



KM & entrepreneurship

- Plenty of literature focusing on KM in organizations
- Some literature addressing KM in conventional projects
- But what about literature/ information dealing with ***KM in entrepreneurship projects?***



The relationship between

PROJECT MANAGEMENT & KM



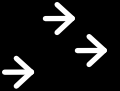
A small project

You don't need
knowledge
management to handle
a small project like the
one illustrated in the
picture



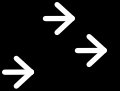
A bigger project

It is more relevant to consider the use a knowledge management in relation to a bigger project like building a house.



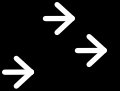
A large project; a hospital

You definitely need convergence of project management & knowledge management in a large project like building a hospital.



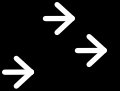
Building a hospital

You need project management: Integration, scope, time, cost, human resources, quality, communication, risk, procurement (Srikantaiah, Koenig & Hawamdeh 2010: 12-13)



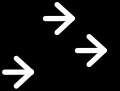
A huge project: a hospital system

And in a huge project as building a hospital system you need convergence of project management & Knowledge management and scenario thinking



But what about a project that does not yet exist

The relationship between entrepreneurship project management & KM?



KNOWLEDGE MANAGEMENT AND ENTREPRENEURSHIP






Planning (long-term)

- Scanning the environment
- Market research
- Competitive analyses
- Forecasting & prediction
- Identifying & evaluation of opportunities
- Goals & objectives
- The business plan... investor commitments, allocation of resources, evaluation etc.



But in the early stages of a firm it is different

- ...firms, in their early stages, are more likely to have *focused on forming alliances* and *partnerships* than on other types of competitive strategies, such as sophisticated *market research* and *competitive analyses, long-term planning* and *forecasting*, and formal management practices in *recruitment* and *training* of employees (Sarasvathy, 2001: 261)
- 



Bringing people on board



- Calling people
- Taking and giving advice
- Negotiating stakeholder commitments
- Negotiating goals & a vision
- Transforming stakeholder commitments into executable goals




From now on

EFFECTUATION



Effectuation from 2001

- Effectuation has been frequently cited since 2001
- A seminal article by Sarasvathy "Causation and effectuation. Toward a theoretical shift from economic inevitability to entrepreneurial contingency". *Academy of Management Review*, 2001, 26(2): 243-263



Effectuation is based on empirical research

- 27 expert entrepreneurs revealed their actual entrepreneurial behavior based on a particular/ specific interview-technique
- Very different story from what was stated in the textbooks at the time (2001)



Effectuation team

Sankaran Venkataraman



Stuart Read



Nick Dew



Saras Sarasvathy




Robert Wiltbank




Anne-Valérie Ohlsson





Five principles in effectuation

- **MEANS** (bird). Start with what you have – your means – than you can control uncertainty
- **AFFORDABLE LOSS**. Affordable loss rather than expected returns
- **PARTNERSHIP** (quilt). Strategic alliances rather than competitive analyses
- **LEVERAGING/TRANSFORM CONTINGENCIES** (lemonade). Exploitation of contingencies rather than exploitation of preexisting knowledge
- **CONTROL** (pilot). Be in control, design the future rather than predicting since you cannot control uncertainty; the unknowable



Effectuation is contrasted with causation (“dichotomy”)

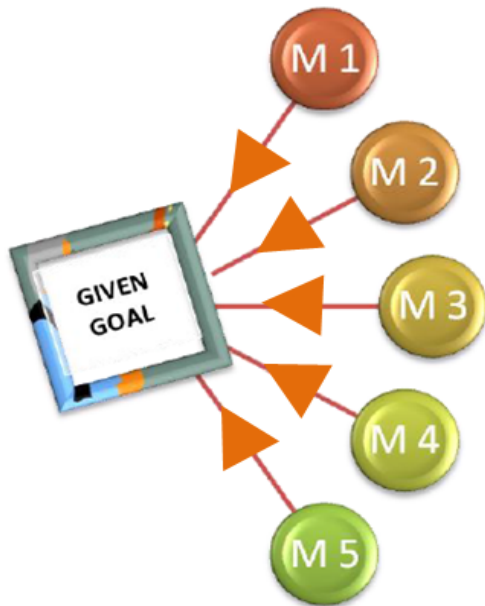
	CAUSATION	EFFECTUATION
<i>View of the future</i>	<i>Predict</i> the future. The future that is a continuation of the past	<i>Control</i> the future by design. You are not able to predict the unknowable anyway so give up trying
Givens	<i>Goals</i> are given	<i>Means</i> are given
<i>Basis for taking action</i>	Vision determines goals	Means determines goals
<i>Predisposition toward risk</i>	<i>Focus on expected return.</i> Calculate best opportunity	<i>Affordable loss.</i> Risk no more than you can afford to lose
Predisposition toward contingencies	<i>Control contingencies.</i> Surprises can be negative. So avoid (or neutralize) surprises	<i>Leverage contingencies.</i> Surprises can be positive. So be open and transform contingencies into new opportunities
Attitude toward success/ failure	<i>Outcomes</i>	<i>Process</i>



Causal vs. effectual reasoning

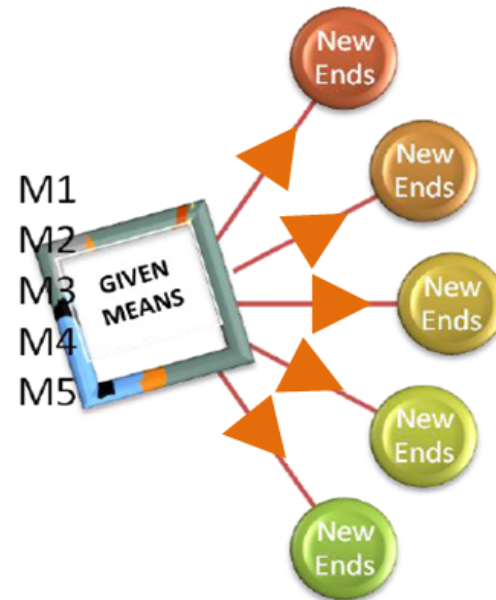
CAUSAL

By selecting the means I will get my predetermined goals.



EFFECTUATION

With a given set of means, so as you are, we imagine new ends, see what we can reach.



RISK & UNCERTAINTY IN EFFECTUATION





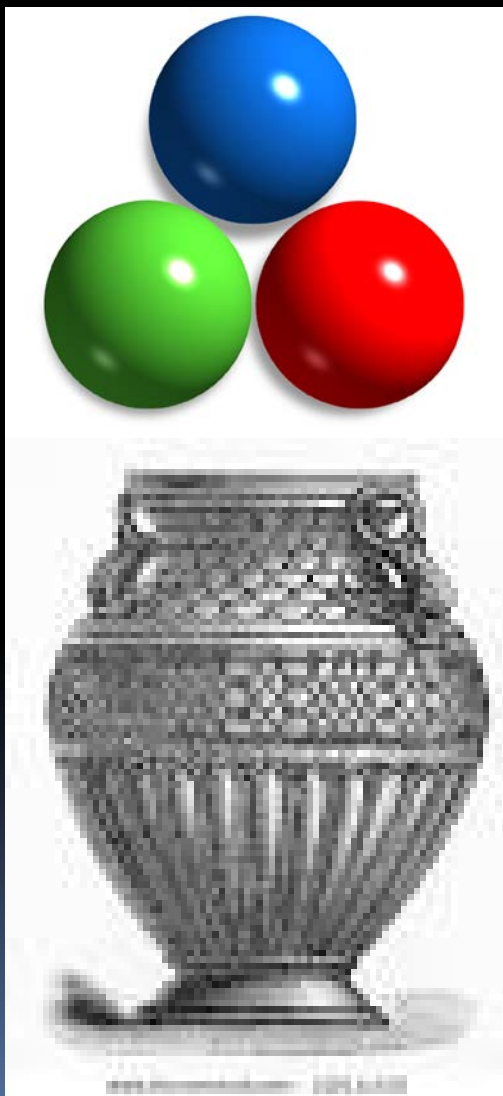
Risk in an effectual perspective

- A conceptual distinction between “risk” and “uncertainty” (cf. Knight, 1921)
- The commonly used statistical **METAPHOR OF THE URN** containing different colored balls serves to illustrate the difference between the two





Risk

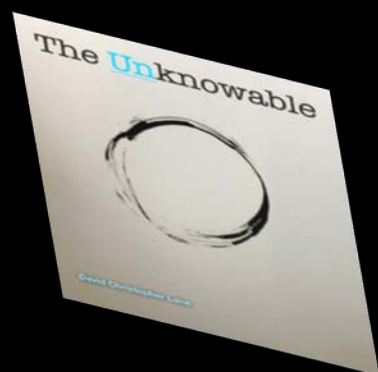


- Risk are similar to a speculative game involving an urn containing for example one green, one blue and one red balls
- Whoever draws a red ball is awarded a prize of \$50
- For any given draw, we can precisely calculate the probability of getting a red ball, because we know the underlying distribution of balls inside the urn from which we are making the draw






Uncertainty; the unknowable



- Problems involving uncertainty involve the same award of \$50 for the draw of a red ball, except we do not know how many balls are in the urn, what colors they are, or even if there are any red balls at all in the distribution





Uncertainty in an effectual perspective

- **PREDICTION** is the ability to determine future events based on past recurring patterns
- **RISK** involves calculating the odds of a specific outcome
- **UNCERTAINTY** is a situation which no historical data exists to help the decision-maker...
- ...uncertainty cannot be modeled or predicted...
- ...a future that not only unknown but also unknowable



Problem: Perception of uncertainty

- Uncertainty is not a problem, but a challenge
- However, it is a problem if the way you perceive uncertainty prevent you from starting an entrepreneurial project



Control in an effectual perspective

Causation

- To the extent that we can predict the future, we can control it

Effectuation

- To the extent that we can control the future, we do not need to predict it





Questions to ask/ not ask

Don't ask

- How can I become a successful entrepreneur?

Ask instead

- What type of entrepreneur can I become and what can I create?





Questions to ask/ not ask

Don't ask

- How much risk taking makes a great entrepreneur

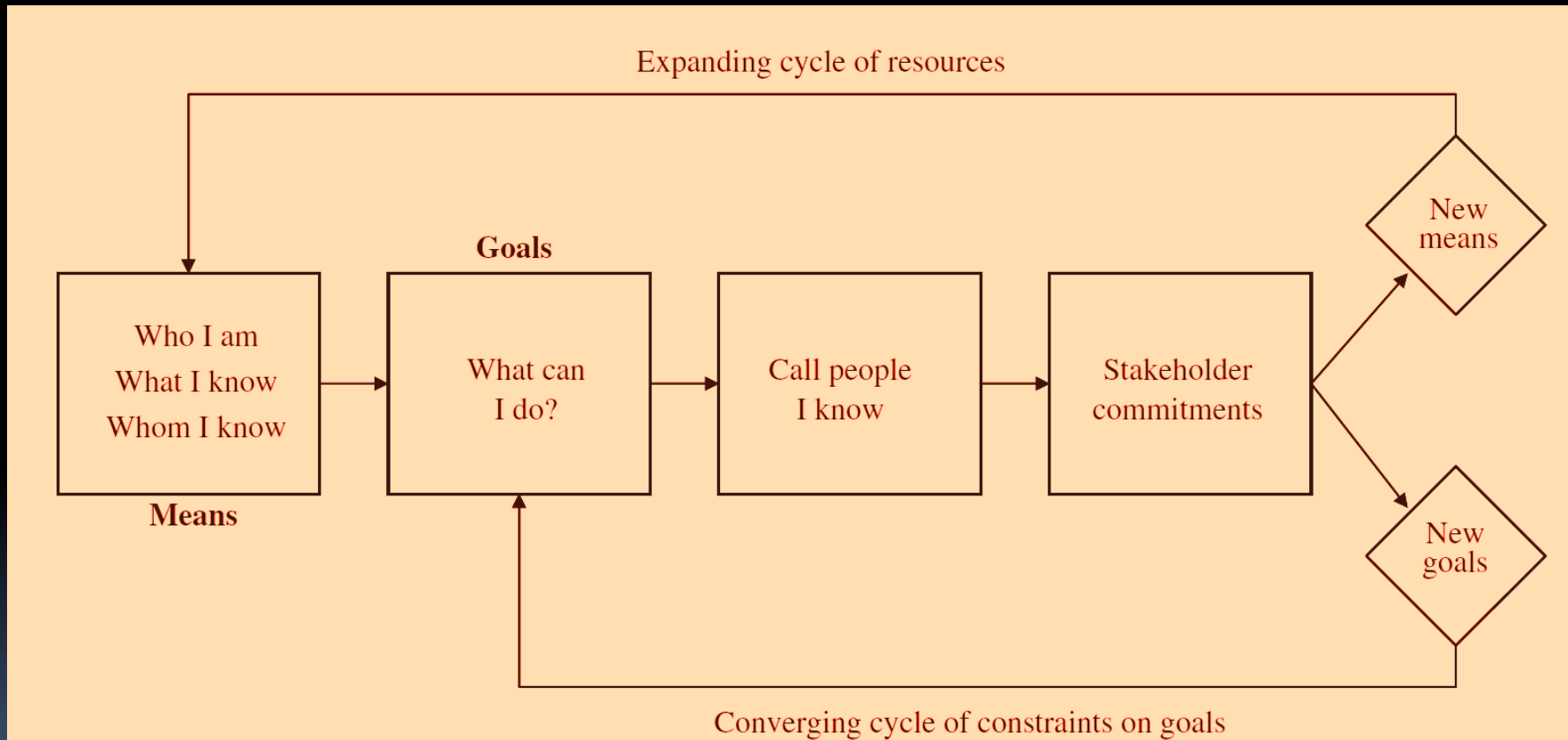
Ask instead

- What kinds of strategies work better for higher versus lower risk-takers?



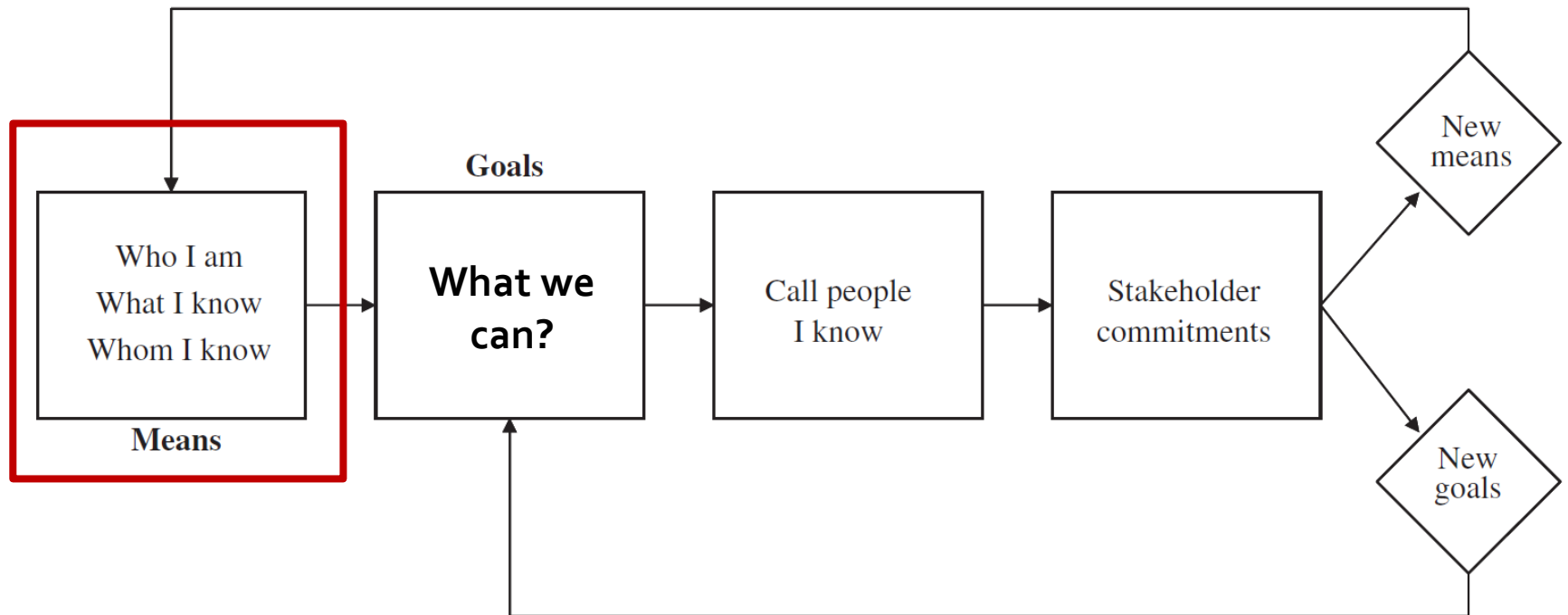
THE EFFECTUATION MODEL

The effectuation model





Expanding cycle of resources

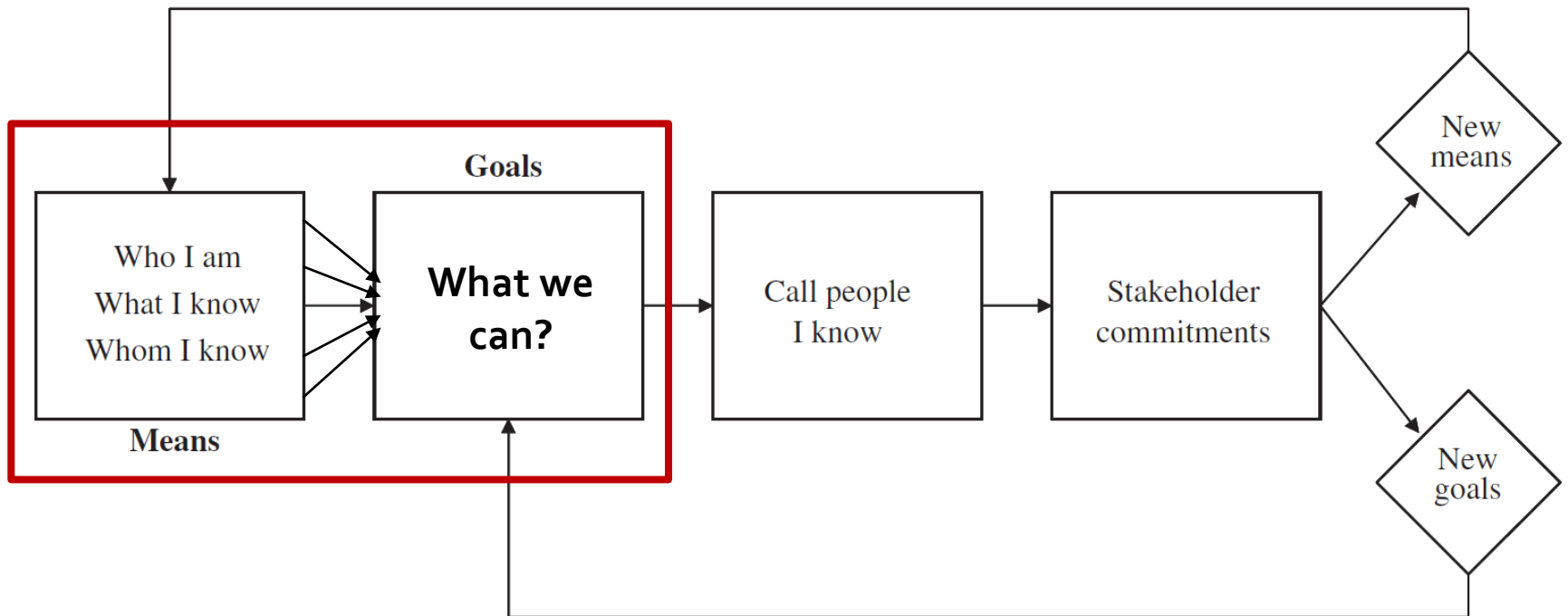


Converging cycle of constraints on goals





Expanding cycle of resources

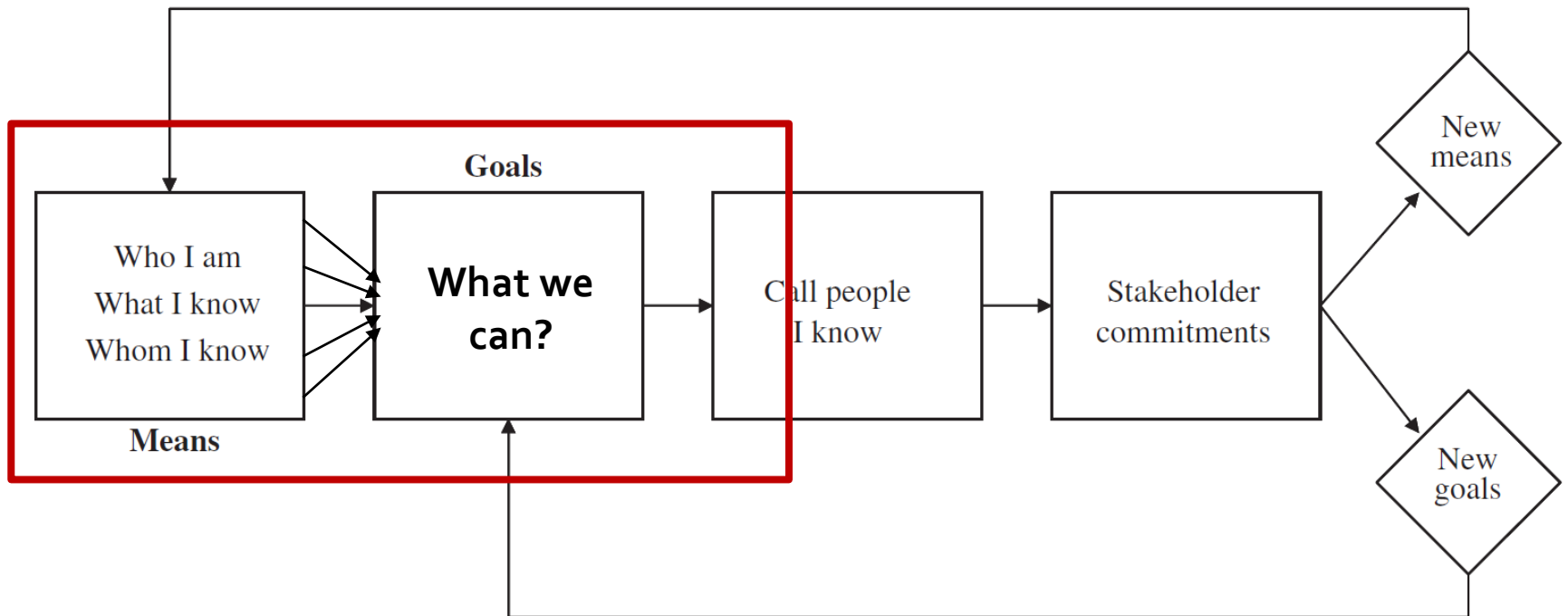


Converging cycle of constraints on goals





Expanding cycle of resources



Converging cycle of constraints on goals





Workshop: What kind of a project can **YOUR** group make?



- Who we are?
- What we know and don't know?
- Whom we know?
- **WHAT WE CAN**
- Outline a entrepreneurial project
- Make a draft





Who you are

- Tastes
- Values
- Preferences
- Passions
- Interests



What you know

- Education
- Job experiences
- Knowledge for life
 - Something you like to change
- Informal learning



Workshop (SIE)

SECI	Process	Question	Technique	Time
Externalization	Individual exercise	Who I am? What I know and don't know	Paper work	8 min.
Socialization	Conversation	What can we do together? A project draft?	Group work	12 min.
Internalization	Feed back to plenum	How has the group work been?	Group rapport	8 min.



Entrepreneurship



Ice hotel

- <http://www.effectuation.org/video/effectuation-icehotel-bringing-effectual-principles-together>



Bounded rationality

- Knowledge (cognitive)
- Information (assess to)
- Culture
 - Values, preferences
 - Decision routines: Rules, programs, simplification, satisficing



Questions

Causation

- How much risk taking makes a great entrepreneur
- How can I become a successful entrepreneur?
- How can I build a successful firm?

Effectuation

- What kinds of strategies work better for higher versus lower risk-takers?
- What type of entrepreneur can I become and what can I create?
- What types of ideas and opportunities can or should I/ we pursue?





Who you know

- Your rolodex, facebook
- Alumni
- Serendipitous encounters
- The strangers in your life

