

# Strategic Knowledge

## Democracy, Innovation, and the Enterprise

**T**here is an often overlooked big picture, or "big think," aspect to all the commotion about intelligent enterprises, the knowledge economy, and other models that prize information and learning as bases of competition. It's the "so what" question, and periodically it needs to be put up front: For all the technological sophistication we're developing, we can become blinded by our own success to a more overarching reality. Each success we have in making our firm smarter affects more than market share, customer service, or technological advance. We're doing a great deal to get organized for the 21st century. How we do that is often a surprise to people. We are emphasizing innovation as a principle of organization, and that has meaning for the very way we structure society.

Look at it this way: Tell a group of friends that there is only one place in the original Constitution where the word "right" is mentioned and the guesses at what that right is will start immediately. You'll hear about free speech, free press, religious freedom, or the right to bear arms. Actually, these rights are included as amendments to the Constitution in the Bill of Rights, adopted after the Constitution was drafted in 1787.

In fact, the only time the founding fathers could agree on specifying a particular right was when they were dealing with the rewards of innovation. They used these words: "To promote the Progress of Science and useful Arts by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries."

In effect, the authors of one of the most durable documents in the history of civilization agreed to protect the rewards of

**Equal access to information is  
not only good for the  
organization, it's good  
for society**

innovation before they got to the rights Americans normally think of as preeminent. They believed that a democracy's vibrancy depended on inventiveness in pursuit of commerce and reward. And this was so crucial to their intention of avoiding the stultifying, rigid environments seen elsewhere in history (as in feudal Europe), that they built protections for it right into the country's founding document. In this sense, innovation was Right Number 1.

Making information around the company easily accessible stirs innovation. Leveraging intellectual assets or providing learning on demand does, too. Treating the organization as a brain — a repository and processor of assorted know-how, information and wisdom — rather than a machine — simplistic input and output models — also deepens a respect for both the individual and the team as sources of innovation. All this, of course, is part and parcel of intelligent enterprises, and the stakes are larger than just meeting budgets and timetables. No one can deny that winning the trophy house or enjoying "getting there first" are great draws for innovation. But the reality is that there are not only less self-indulgent motives at work, there are also less self-indulgent consequences. We continue to be an innovation-oriented society in no small measure because business is

We shouldn't take this for granted. Let me tell you about a European exec-

utive who was given a pitch by a consulting group about mass customization and the role of data mining, customer intimacy, and customer profiling. His reluctance about venturing forward with new approaches wasn't about the technologies per se. He had a deeper concern and blurted out his realization: "Why, that has the potential to transform the company!" Imagine.

Innovation, of course, is a hard genie to put back in the bottle once it has been let loose. Innovation begets innovation. Fool around with economic innovation, and political change is not far behind. Get creative with technology, and financial and regulatory models will be threatened. As always, risk and reward are joined at the hip.

Still, if people and organizations can exchange one trajectory for another, the hope of a better life stays strong. Democratic yearnings are strengthened. The dynamic is straightforward: opportunity beckons and innovation responds. Meanwhile, innovation itself is carried in a chariot pulled by the pervasive application of information and intelligence.

Ultimately, the outcome will not only be a greater value on work, but also a greater appreciation for the dignity of the ordinary men and women who produce it. **IE**

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