

Bill Gates 1

## Exploiting the Info Revolution



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*Success in the future will depend very substantially on the Internet. That means understanding what Bill Gates calls the digital nervous system (DNS). At the same time, you must develop your ability to work in a “knowledge company” in which “knowledge management” is the key activity.*

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## **UNDERSTANDING AND USING THE DNS**

The main benefits of the DNS are that it allows the same data to be used by teams simultaneously and provides up-to-the-minute information about customers and sales, thus enabling fast and appropriate response to customer needs and competitor challenges.

With the help of the DNS, Gates forced a massive shift in strategy at Microsoft, from sidelining the Internet to making it absolutely central to everything the company does and sells. Unquestionably, this is the kind of flexibility you will need in the years ahead.

Understanding the DNS and knowing how to apply its hardware and software to your management and business needs does not demand a high level of technical proficiency. If you can operate a typewriter keyboard and use a telephone, then you have the basic skills needed to exploit the DNS and manage knowledge.

## **DEVELOP KNOWLEDGE SKILLS**

There are four key skills that you will need to become an efficient and effective knowledge manager. They are all concerned with the handling of information.

### **THE FOUR KEY SKILLS OF THE KNOWLEDGE MANAGER**

- 1 Understanding information
- 2 Processing information
- 3 Communicating information
- 4 Correlating information

Think of yourself as a one-person company and set out to become an effective practitioner of knowledge management. In other words, put into action on a personal scale the principles and practices of a knowledge company. Encourage everyone in the company to develop their full capacity as individuals. Learn from each other — and the DNS — so the corporate intelligence increases.

# 1. Learning the disciplines

*As the first step in your personal development towards becoming a knowledge manager, identify the demands of the five “learning disciplines” outlined by Peter Senge.*

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## **THE DISCIPLINES AND YOUR ROLE**

The example of Microsoft demonstrates how understanding and applying these disciplines leads to higher levels of performance. Relate the disciplines to your own role as a manager.

### **THE FIVE LEARNING DISCIPLINES**

- 1 Developing your personal abilities
- 2 Applying the right “mind-set” to guide your performance
- 3 Committing yourself to the company’s vision
- 4 Improving your team-thinking abilities
- 5 Understanding how your actions affect the whole organization liaising your skills level.

## **RAISING YOUR SKILLS LEVEL**

See yourself as a person with valuable skills (“skills-set”) and the ability to raise your skills level. Give yourself measurable, stretching, and valuable objectives to focus your mind on improving your performance and position.

### **DEVELOPING A POWERFUL SKILLS-SET**

- Analyze your “skills-set”.
- Match your skills to the requirements of your present job - and the job you want next.
- Update your existing skills where necessary.
- Enhance and augment those skills that you need to achieve your current and future objectives.
- Start now!

## **YOUR PERSONAL VISION**

You need a vision both for yourself and for your business. This is the over-arching idea that embraces all your specific objectives. Gates had a very powerful vision: “A PC on every desk and in every home, using Microsoft software”. Your vision can be just as powerful.

### **CREATE A POWERFUL VISION**

- Reach well into the future.
- Correlate your vision with commercial success.
- Guide policy choices in distinctive directions.
- Capitalize on powerful trends and changes.
- Create proprietary strength.

To reach your personal objectives — and realize your powerful vision — you also need the help of others.

### **TEAMWORK**

Working in genuine teams (Senge's fourth discipline) is increasingly the norm. Team members need the same key skills, whether they are in a permanent or a temporary team. How good are your team skills? You should be able to answer "Yes" to these questions:

- Do you have one or more "partners" (people on whom you rely, and who rely on you, for complementary skills and advice)?
- Do you regard team leadership as "being the first among equals", rather than "being the boss"?
- Do you defer to colleagues, even of lower status, in the interests of achieving the team task?
- Do you align your personal objectives with those of the team?
- Do you ignore personalities and concentrate instead on people's actual contribution?

### **LOOKING AT THE WHOLE PICTURE**

Systems thinking — Senge's fifth discipline — is another crucial managerial skill. It means thinking beyond the immediate: every action produces a reaction and every effect has side-effects. Make sure you treat the root cause of any problem, not just the symptoms.

## 2. Using Digital Technology

*The DNS is an excellent tool for two-way thinking. To make its advantages work for you, seize every opportunity to learn how to use the new technology to the full.*

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### **EXPLOIT THE DNS**

Unlike other business technologies, the DNS is available to anyone — and at an economic price. It has four key uses that together keep you fully informed and up-to-date on a 24-hour basis.

#### **FOUR KEY USES OF THE DNS**

- 1 Producing, receiving, storing, accessing, and distributing documents and data of all kinds
- 2 Communicating and sharing information with other people anywhere in the world
- 3 Receiving “real-time”, instant information about the operation and results of the business
- 4 Transacting business with customers and suppliers

While you can manage successfully without going near a screen, you will work more reliably and cheaply if you make use of the new technology. Find ways of replacing manual with digital means.

Conquer technophobia

If you are not an emailer, have not mastered spreadsheets, or cannot use groupware to connect with others, ask yourself whether technophobia is the cause. If so, eliminate it by:

- Confronting the fear head-on
- Finding out what hardware and software you need (both in the office and on the move)
- Obtaining all the equipment you require
- Mastering the machines and programs through training
- Using the technology intensively, until it becomes second nature

Do not leave the DNS to others, even the “experts”. That will give them a great advantage — and put you at a great disadvantage

# 3. Managing your Knowledge

*Your success and failure, like those of a corporation, depend on how much intellectual capital you have and how well you use it. Keep looking for ways of working “smarter”. The DNS can help you exploit and augment your intellectual capital.*

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## **ANALYZE YOUR KNOWLEDGE**

In order to improve your intellectual capital, first you need to analyze your capabilities. Take an objective view by answering the following questions:

What individual powers and resources do you possess? Taken together, how high do these score when measured on a scale of 1 (minimal) to 5 (excellent)?

What knowledge have you accumulated about, the organization, its businesses, and the market sector? How does this knowledge rate on a scale of 1 (shallow) to 5 (deep)?

What special skills have you acquired during your career that you can use in your work? How do these skills rate on a scale of 1 (of minimal use in your work) to 5 (highly effective)?

What do you know about your customers, both internal and external? How does this knowledge measure up on a scale of 1 (shallow) to 5 (deep)?

On a scale of 1 (poorly) to 5 (very well), how effectively do you apply your individual powers and resources, your knowledge and special skills, and your overall understanding of the customer?

## **ANALYSIS**

If you have answered the questions honestly, there is likely to be a significant gap between the maximum rating score (25) and your final judgment of yourself. Use the results in a positive way to assess what your next step should be. Ask yourself how you can improve by: undertaking further training and seeking wider experience; becoming more effective inside and outside the organization.

## **REASSESS YOURSELF REGULARLY**

Acquiring and applying knowledge is a never-ending process, so run through the questions above every six months. The knowledge company can never afford to relax — and nor should you.

## **KNOWLEDGE SHARING**

Managing your own knowledge is only part of the picture. To create the collaborative culture that Gates encourages at Microsoft, you need to have a two-way exchange of ideas by:

- Pooling your knowledge with that of others — both in your own team and outside
- Taking steps to have the knowledge of others readily available
- Learning from an objective analysis of past and present successes and failures (especially the failures)
- Continually looking at the outside world, through all available media and contacts, to receive the stimulation of new knowledge and new ideas
- Developing ways to turn new knowledge and new ideas into new products, processes, services, and methods.

## **LEARN TO SUCCEED**

As you analyze your own performance, do not be dismayed if you fall short of the ideals recommended by Gates. Remember that there is no such thing as perfection in the management and mobilization of knowledge and Gates and Microsoft do make mistakes. But as Gates demonstrated in his annual memo listing the company's great mistakes, you can always learn to do better. By constantly seeking knowledge and turning it into profitable reality, you too can achieve phenomenal results.

### **USING THE DNS TO TURN FAILURE INTO SUCCESS**

Microsoft's belated conversion to the Internet as a top priority is a classic demonstration of sharing knowledge and new ideas to turn failure into success.

The Internet comeback started with a memo from one man, J. Allard, in January 1994. A week later, Steven Sinovsky made a report on booming Internet use at Cornell University. The two memos "set off a firestorm" of e-mails. The development plan and action items were made visible to everybody. Teams were set up to develop the e-mail-driven thinking and analysis; then "retreats" threshed out the priorities and coordinated the response. The first major progress review in August 1994 saw "the newer employees running the show" as problems were solved on the run.

By early 1995 every team's task was defined. Says Gates: "our DNS informed and propelled" the strategy unveiled that December.