

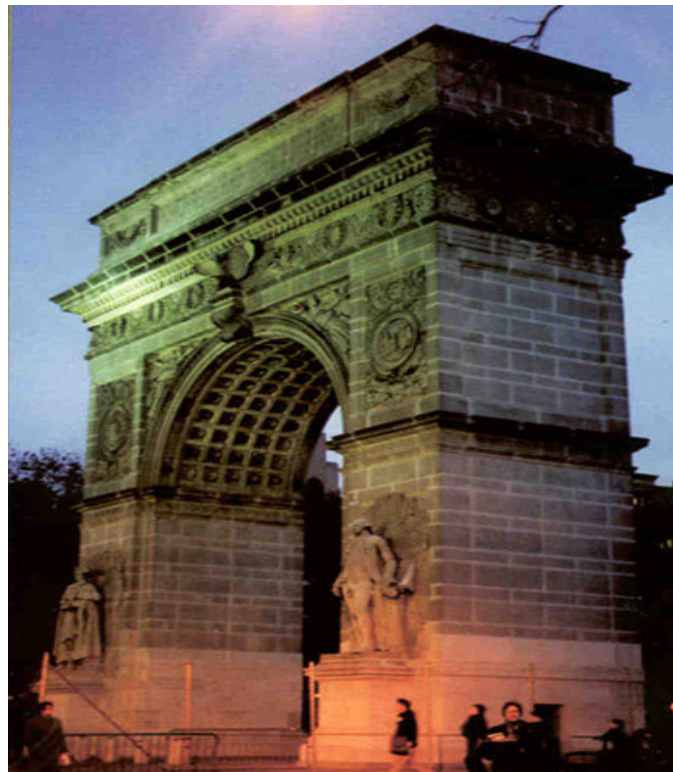


The Vincent C. Ross Institute of Accounting Research
and
The Intangibles Research Project
at Stern School of Business
New York University

Present the 3rd Intangibles Conference
on

**KNOWLEDGE: MANAGEMENT,
MEASUREMENT AND ORGANIZATION**

May 18-19, 2000



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ABOUT THE CONFERENCE

This is the third research conference devoted to intangible investments (intellectual capital). The first conference (May 1998) focused on the relationship between intangibles and capital markets and the second conference (May 1999) looked at the managerial and organizational aspects of intangible investments.

This conference focuses on the scientific foundations of knowledge management. The conference examines decision processes for developing and protecting knowledge, strategies to enhance and share knowledge within the organization, and the measurement and valuation of organizational knowledge in capital markets. The conference will conclude with a panel discussion of the future of knowledge management in organizations. Panel members include executives, consultants and thought leaders.

The conference presentations are all based on systematic research and case studies. Following is an outline of the conference.

CONFERENCE DIRECTOR: Baruch Lev
Philip Bardes Professor of Accounting and Finance
Stern School of Business
New York University
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SCHEDULE AND CONFERENCE OUTLINE

THURSDAY, MAY 18, 2000

12:00am - 1:00pm Registration and Lunch

FIRST SESSION: STRATEGIES FOR DEVELOPING AND PROTECTING KNOWLEDGE

1:00pm - 3:15pm

1. Effective Knowledge Strategies

Presenter: *Michael Zack, Northeastern University*

How can firms link knowledge management to business strategy? The dominance of knowledge assets in production functions of companies suggests that business enterprises need to link the creation, integration and exchange of knowledge to their competitive strategies. Michael Zack presents extensive research into firms' experience in developing knowledge strategies and practices.

2. Building Strategic Alliances

Presenter: *David Mowery, University of California at Berkeley*

Can a company leverage knowledge through strategic alliances? Using new measures of firms' technologies, David Mowery examines the impact of strategic alliances on firms' technological development and knowledge creation strategies.

3. Knowledge Protection

Presenter: *Wesley Cohen, Carnegie Mellon University*

Are patents the most effective means for inventors to exploit the benefits of knowledge? Surprisingly, an extensive survey by Carnegie Mellon finds that in many industries, patents are not a major protector of knowledge. Managers believe secrecy is more effective. The increasing rate of patenting serves other objectives, such as blocking rivals or commercializing (licensing) of knowhow.

3:15pm - 3:45pm BREAK

SECOND SESSION: MEASUREMENT AND VALUATION ISSUES

3:45pm - 6:15pm

4. Markets for Knowledge

Presenter: *Ashish Arora, Carnegie Mellon University*

What is the effectiveness of knowledge markets? Markets for knowledge can profoundly affect the creation and diffusion of knowledge. Ashish Arora examines the factors that make markets for knowledge function effectively. He reviews implications of knowledge markets for corporate strategy, corporate growth and national economic growth.

5. Customer Knowledge

Presenter: *Rashi Glazer, University of California at Berkeley*

How can companies measure customer knowledge-base? The presentation describes and demonstrates the INFOVALUE methodology for determining the value of a company's customer information files. The value of a company's knowledge about its customers, in turn, becomes the foundation for the development of customer-manager based organizational structure rooted in accounting systems that reflect profit and loss by customer.

6. Capital Markets Valuation of Internet Knowledge

Presenter: *Baruch Lev, New York University*

How can the value of Internet knowledge be measured and reported to investors? Most Internet companies are virtually "virtual," having no tangible assets to speak of. The "measures of knowledge" are non-financial (non-accounting) in nature, such as franchises, value of products under development, relationships with customers and alliance partners, and first mover advantages. Baruch Lev presents empirical findings on the relative importance of major value drivers of Internet companies for investors.

6:15pm - 7:15pm

RECEPTION

FRIDAY, MAY 19, 2000

8:00am - 8:30am

BREAKFAST

THIRD SESSION: KNOWLEDGE SHARING TACTICS

8:30am - 10:45am

7. Creating a Knowledge Ecology: Eureka

Presenter: *Johan de Kleer, Xerox Palo Alto Research Center*

How can companies create software and social practices to encourage knowledge sharing? The single largest set of Xerox employees is 25,000 technicians, who were primarily viewed as executing diagnostic and repair procedures predetermined by the designers of the products. Since most of the difficult problems encountered in the field cannot be diagnosed or repaired with these standard procedures, Xerox technicians constantly invent diagnostic and repair procedures to resolve unforeseen problems. Eureka attempts to preserve and share this knowledge among the 25,000 technicians. It combines a software system with social practices to support knowledge sharing. When fully deployed, it is expected to result in a 10% reduction in service hours and parts usage.

8. Shaping Value and Risk Through Intellectual Property Insurance

Presenter: *Martha Amram, Managing Director at Navigant Consulting*

How can companies share and manage intellectual property (IP) risks through insurance? This presentation is based on an on-going project, based on Real Options theory and models, to create intellectual property insurance products. Martha Amram will cover three aspects: the dynamics of the IP marketplace; how company strategies might change once they have the ability to shape and share IP risks; and the valuation approach that underlies these products.

9. Information Sharing in Open Source Software

Presenter: *Eric von Hippel, MIT*

Why do people help each other solve problems in Open Source Software? Conventional explanations include altruism or expectations of reciprocity. Eric von Hippel's study of hundreds of Apache Usenet transactions explores the motives and gains in open source information systems. Economic gains received by both help-seeker and help-giver within each simple transaction provide an explanation of a voluntary system of Open Source Sharing. (Paper coauthored with Karim Lakhani).

10:45am - 11:15am

BREAK

FOURTH SESSION: KNOWLEDGE IN THEORY AND PRACTICE

11:15am - 1:30pm

10. Knowledge and Learning: Lessons from Economic Research

Presenter: *Boyan Jovanovic, New York University*

How can economic research help management and policymakers? Knowledge, learning and technology, play major roles in economic theory, particularly in growth models. Extensive research was aimed at understanding the roles of knowledge and learning in the performance and growth of business enterprises, industries and nations. Boyan Jovanovic synthesizes this research, focusing on the implications of what economists know about knowledge, for managers and policymakers.

11. Knowledge, Knowing and Organization

Presenter: *Arie Lewin, Duke University*

How can organization research help management and policy makers? Arie Lewin reviews the emerging theory of evolution of new organizational forms in times of increasing disorder. He discusses the basic knowledge creation processes and the ability to adapt knowledge in different organizational forms.

12. Complexity Science and the Enhancement of Organizational IQ

Presenter: *William McKelvey, University of California, Los Angeles*

Can complexity science help managers enhance organizational IQ? Knowledge based firms aim at generating sustainable economic rents through an optimal mix of human and social capital development, referred to as distributed intelligence or firm IQ. Complexity science helps CEOs identify activities to enhance the IQ of the firms. William McKelvey discusses optimal managerial policies that foster IQ enhancement without authoritarian control structures.

1:30pm - 2:15pm

LUNCH

FINAL SESSION: PANEL DISCUSSION

2:15pm - 3:30pm

The Future Course of Knowledge Management

PANEL MODERATOR: ROBERT HERZ, *PricewaterhouseCoopers*

PANEL MEMBERS

- Yochai Benkler, *Associate Professor of Law, New York University School of Law*
- Brian Hackett, *Program Manager-Research, The Conference Board.*
- Daniel E. Klingler, Ph.D., *Vice President Informatics & Knowledge Management Bristol-Myers Squibb Pharmaceutical Research Institute*
- Jean Mayhew, *Director of Knowledge Management, United Technologies*
- David Norton, *President, Balanced Scorecard Collaborative, Inc.* (Norton, with Robert Kaplan, are the originators of the Balanced Scorecard).
- Susan O'Neill, *Partner, Global Knowledge Management, PricewaterhouseCoopers*
- Larry Prusak, *Executive Director, IBM*
- Thomas A. Stewart, *Board of Editors, Fortune*

General Information

Participation fee for the conference is \$300. The fee is waived for faculty members of academic institutions and Ph.D. students.

For further details and registration information please contact:

*Ms. Autherine Allison
Stern School of Business
Vincent C. Ross Institute
40 W. 4th Street, 314A Tisch Hall
New York, NY 10012-1118
(212) 998-4143 – Phone
(212) 995-4230 -Fax
aallison@stern.nyu.edu*

Registration to the conference will be made on a **first come first served basis**. Due to limited space, early registration is encouraged. (Registration form follows).

REGISTRATION INFORMATION

Conference on**Knowledge: Management, Measurement and Organization**
May 18-19, 2000

Conference Location..... **Management Education Center**
Stern School of Business
44 West 4th Street
New York, NY 10012

REGISTRATION FORM

PLEASE TYPE OR PRINT CLEARLY.

Last Name: _____

First Name: _____

Title: _____

Company: _____

Address: _____

City, State, Zip: _____

Country: _____

Phone: _____

Fax: _____

Email: _____

Registration fee \$300.00 (waived for academic participants)

Please make check payable to the Vincent C. Ross Institute/New York University and mail with registration form to:

Atherine Allison
Stern School of Business
New York University
Vincent C. Ross Institute
40 West 4th Street, Suite 300
New York, NY 10012-1118

Please email completed registration form to aallison@stern.nyu.edu or fax 212-995-4230

NOTE: *Confirmation notices will be sent to all registered participants.*

HOTEL INFORMATION

Dear Conference Participant,

For your convenience, a block of rooms has been reserved at a corporate rate for attendees of the Knowledge: Management, Measurement and Organization Conference at both the *Club Quarters, Downtown & Holiday Inn Downtown* until April 17 and April 26, 2000 respectively. To take advantage of the corporate rate, kindly make your reservation by calling the number listed next to "For Reservations Please Call," as indicated below. Please advise the reservation agent that you will be attending the **Knowledge: Management, Measurement and Organization Conference**. For the best room selection and availability, please make your plans as early as possible. **Please be aware that after the registration deadline date, any unreserved rooms will be released and normal rate and availability restrictions will apply.**

RESERVATION AND GENERAL HOTEL INFORMATION

Hotel:	Club Quarters, Downtown 52 William Street New York, NY 10005 (212) 269-6400 (to reach hotel guests only)	Holiday Inn Downtown 138 Lafayette Street New York, NY 10013 212-966-8898
<u>For Reservations Please Call:</u>	NYU Guest Accommodations (212) 443-4700	212-966-8898
<u>RESERVATION DEADLINE:</u>	<u>APRIL 17, 2000</u>	<u>APRIL 26, 2000</u>
Rate	\$120 (executive; small, comfortable room with one double bed) per night \$139 (director, standard-size with one queen-size bed) per night	\$205 (single/double occupancy) per night
Amenities:		
<i>Private Bath</i>	Yes	Yes
<i>Fitness Center</i>	Yes	No
<i>Restaurant</i>	Yes	Yes
<i>Coffee Maker</i>	Yes	Yes
<i>Refrigerator</i>	Yes	No
<i>Hair Dryer</i>	Yes	Yes
<i>Cable TV</i>	Yes	Yes
<i>Iron/Ironing Board</i>	Yes	Yes
<i>Telephone w/ Voice Mail</i>	Yes	Yes

Note: Rooms are on reserve for the dates May 17 through departure on May 19, 1999. Check-in is 3:00 p.m., check -out time is 12:00 noon.

If you have any questions, please do not hesitate to contact Aurtherine Allison at (212) 998-4143.