

A preview:

The State of Knowledge Innovation Zones (KIZ)

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Entovation International, Ltd.

KiKM

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Knowledge Management

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Message from the Authors



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We are in a transition from an economic model of scarcity to one based upon abundance.

The State of Knowledge Innovation Zones (KIZ) is intended to create an understanding of our global interdependence and form the basis for dialogue.

KIZ are enabling new forms of enterprise, collaboration, knowledge sharing and commercialization of ideas within and between private, government, NGOs and academic sectors.

These Zones, modeled after free trade zones, are rapidly expanding the worldwide agenda for knowledge transfer, exchange and technological innovation. They are based on management of knowledge and knowledge flow... the infinitely renewable resource. We've tracked the programs and the players, visited several, researched hundreds. (See www.inthekzone.com).

The KIZ Report is the result of a decade of intensive research and analysis to understand how economic development efforts have been disrupted by the growing influence of intangible and intellectual wealth. KIZ are expanding and enhancing historical and cultural bounds. Herein we illustrate how zones of economic activity – whether geographic, enterprise or virtually based - benefit from examination according to the flow of knowledge.

History will document our success.





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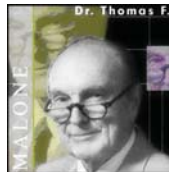
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01 Introduction



by Dr. Thomas F. Malone



We are at a historical choice point – a defining moment – in determining the kind of world our children's children will inherit. If we make these choices based only on the models of our industrial-age past, we will almost certainly miss the true opportunities before us.

A vision for our global society is emerging – beyond the industrial and agricultural eras. This society is environmentally sustainable, economically prosperous and equitable, and politically stable. The strategy to achieve this vision is knowledge-based, human-driven and innovation-rich.

Entirely new kinds of partnerships among the physical, biological, medical, social and information sciences, engineering, and the humanities are required. New partnerships need to be forged among academia, business and industry, government and non-governmental organizations. More initiatives are needed to test the power and economic viability of a focus on flow of knowledge. Profound issues of human values will be involved.

Architects of the 21st century recognize that intellectual wealth is the economic engine for prosperity. Leaders are ushering in an unparalleled era of collaborative advantage - beyond competition. Innovation initiatives abound, some more successful than others.

This Preview has been created to alert you to the innovation opportunities afforded by this promising Knowledge Economy. After an exhaustive study of knowledge and innovation initiatives worldwide, we have been able to define the key trends, evolving principles, core drivers, suggested performance measures, models of stakeholder innovation and a blueprint for architecting a viable development strategy – as a company or a country. What follows is a glimpse of these preliminary results and the models emerging to guide successful design and performance management.

Our future will be a function of “being” more, rather than “having” more. KIZ are a viable and sustainable path. The examples referenced in our study illustrate we are beyond a zero-sum game.



02 The KIZ Concept



This Initiative began with an exploration of geographic areas where there was a coalescence of people, infrastructure and financial investment into an economic entity.

A range of terms are used to describe them: Creative City, Science City, Region of The Future, Media Village, High Tech Knowledge Corridor, Knowledge Commons, Smart City, to name a few. We have defined these converging points as Knowledge Innovation Zones (KIZ). KIZ are geographic regions, economic sectors or communities of practice where knowledge flows from origin to the point of highest need or opportunity. You very likely live and work in one, if not several.

Success and sustainability of these endeavors requires understanding knowledge performance indicators, networked structures, knowledge roles and skills, innovation processes and collaborative technologies – all based upon solid research and prototyping.

Flows of goods and services have new driving elements – knowledge... and its partner – innovation. With Knowledge Innovation^{®1}, the dynamics of trade flow have changed forever. A new economy has emerged. The old rules do not apply and the new rules have yet to be understood and innovated.

¹ Knowledge Innovation[®] is a registered trademark of ENTOVATION International Ltd.

02 The KIZ Concept

For example, in defining a (new) economic zone for innovation, bridges form between the sectors (e.g. academia, government, NGO's and business), between science/technology/cultural parks and stakeholder constituencies. These bridges incorporate the cultural and performing arts and business – traditionally viewed in isolation. These forces are more powerful than the historical geopolitical behaviors and structures.

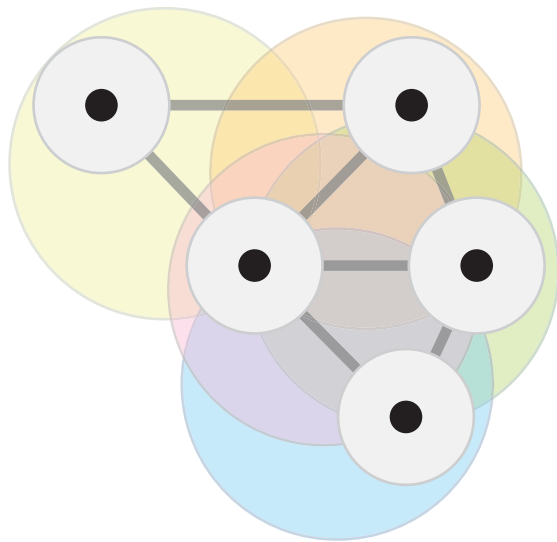


Fig.01

Driving them are investments collectively in billions of dollars and an economic agenda fueled by a shared desire to exploit knowledge and creative intellect as the engine to drive economic performance.

Just as in the past, some KIZ will grow and prosper; others will not. Our report provides insight into what works and what doesn't. The winners will be those who recognize and nurture the role of flow of knowledge as they invest worldwide in KIZ.

A new landscape has emerged – one that is founded upon innovation-based high performance. As we conducted KIZ analysis, several powerful and consistent trends were identified as having impact in business, socio-cultural and technological arenas.

KIZ Trends

- Increasing pervasiveness of networks
- Growing velocity of change
- The next generation Internet
- Pioneering of new business models
- Quest for the best talent
- Virtualization of creative and knowledge markets
- Cultural balance of local needs and globalization
- Increasing open source around the sharing of ideas
- Growth in the value of intangibles
- Shift from industrial to digital design economy
- Opportunity to better leverage visualization
- Clustering of talent, techniques, teams, and technology in KIZ



These trends – when viewed together – have a profound impact on the way we conduct business and invest in economic initiatives.

Awareness and consideration of these forces will improve your future viability and sustainability. Do we have the foresight for “future readiness”? Are we investing in the direction a market is headed rather than where it has been?

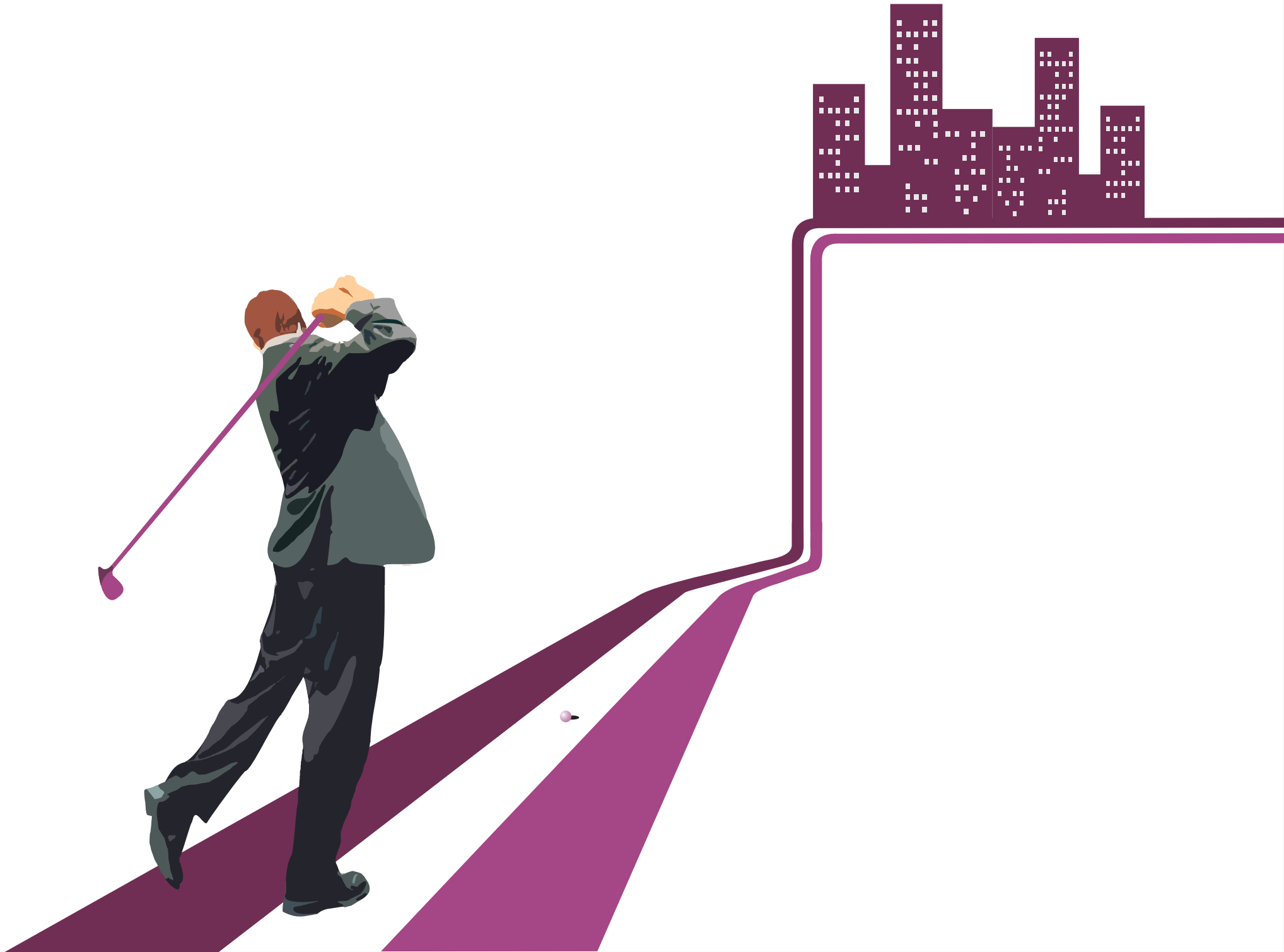
KIZ have created and are driven by new core principles. They reflect emerging global markets and market space, a growing capabilities’ gap, increased focus on intellectual capital, positioning innovation as a priority, risk reduction and a Knowledge Innovation (KI) mindset.

KIZ Principles

- Knowledge Purpose
- Economic Abundance
- Knowledge Commerce
- Triple Knowledge Line Growth
- Democratic Community
- Knowledge Governance
- Infinite Intellectual Capital
- Knowledge Network Symmetry
- Knowledge Fusion
- Knowledge Enabling Grid

Each KIZ must have a core purpose – something cohesive, distinctive, grounded in heritage and energized with a shared vision and mission.

This is critical to leverage knowledge and knowledge flow as the primary economic drivers. The prime intent is to employ creativity, knowledge and innovation as resource inputs for growth and prosperity and for livable and thriving cultural communities, as well as smart organizations, infrastructures and platforms.



03 The KIZ in Practice

KIZ are a global phenomena – Panama, Barcelona, Shanghai, Manchester, Rotterdam, Calgary, Monterrey, Vilnius, Mauritius, Al-Madinah, Kuala Lumpur, Johannesburg, Dubai and more... many more. They can be organized as a smart community with grass roots citizenship involvement (e.g. Desert Knowledge Australia) or government inspired, such as Singapore.

They've been spawned by investments from organizations such as the OECD, the EU, The World Bank, the UN, private foundations, local state and national initiatives. Regional economic development councils are discovering the potential value of this new frame of interaction.

Companies – regardless of size – consider their local positioning in a global context. All have a common denominator.



03 The KIZ in Practice

KIZ are governed by three general laws:

Laws of Knowledge Dynamics:

- 1st Law – Knowledge multiplies exponentially when shared.
- 2nd Law – Innovation value is created when knowledge flows from the point of origin to need or opportunity.
- 3rd Law – Collaboration provides optimal utilization of resources - tangible and intangible.

Enabled by the relentless explosion (and acceptance) of computer and communications technology, a global KIZ marketplace is emerging.

Initiatives can be categorized:

- Greenfields (i.e. initiatives built from scratch in undeveloped territory)
- Brownfields (i.e. redevelopment of previous smokestack industries' knowledge-based initiatives)
- Hybrid Projects (i.e. redevelopments integrating expansion as well as repurposing of previous industrial sites)
- Enterprise or Campus Projects (i.e. creation of new knowledge campuses by academic or corporate learning environment spaces)
- Virtual Community Projects (i.e. networks collaborating in cyberspace)

There are at least eleven non-financial drivers for a KIZ:

- Reputation Capital
- Leadership Capital
- Innovation Capital
- Diversity Capital
- Brand Capital
- Network Capital
- Cultural Capital
- Technological Capital
- Organizational Capital
- Strategic Capital and Knowledge Capital

By contrasting KIZ models, modern methods of valuation, the common trends and emerging issues, we can calculate the potential global marketplace to be 2-4 Trillion USD.



04 KIZ Methodology/Findings



Using our proprietary intelligence analytics, we were able to track new developments that appeared in websites, articles and presentations. Examples were referenced online as hot-linked resources in the form of a Global Knowledge Innovation Zone Map.

We found a significant boost of Internet activity after the cover story OECD articles in the late 1990's and the World Bank's 1999-2000 World Development Report. About the same time, the UNDP began to fund initiatives, such as Manizales (Colombia). The European Union has taken notice with substantial research and networking investments. Further, networks of Communitities, Dialogue Cities and Creative Cities emerged, as did many books and articles. Comparative rankings began to appear (e.g. the Knowledge-Value Cities Study and World Knowledge Development Index).

In 2005, UNESCO released two major reports *Understanding Knowledge Societies* and *Toward Knowledge Societies*. Each implicitly shed additional light on the KIZ phenomenon.

04 KIZ Methodology/Findings

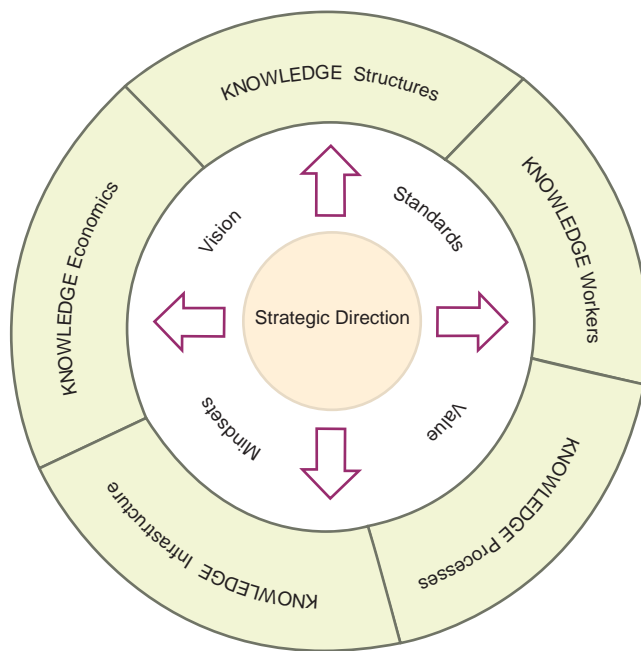


Fig. 03

From this, we distilled elements of knowledge-based strategy formulation integrating management elements (e.g. performance, structure, people, process and technology) and a strategic direction based upon new mindsets of core values, shared vision and leadership standards. (Fig.03)

Using this strategy architecture, we contrasted the relative maturity of ventures and the levels of investment involved. A well-structured KIZ, capable of sustained and real-time innovation, incorporates improved standards of operational excellence.

As organizations become more complex and knowledge-based, new roles emerge and existing responsibilities change. All require idea-generation and knowledge sharing.

Knowledge innovation requires ideas are acted upon, so there is a need for hybrid skills, including organization/business knowledge and general management skills, such as networking and communication.

KIZ leaders are learners and are open to real-time discovery. A new form of knowledge leadership has emerged that can be classified into the following roles:



KIZ Capabilities For high-performing knowledge champions

Roles	Primary Roles	Complimentary Roles
1.	Sage	Visionary, expert, guru, wise man, elder, shaman, sense-maker, futurist, educator, strategist, the brain, genius, consultant, mentor, coach, wizard, doctor, professor
2.	Knowledge Nomad	Seeker, adventurer, explorer, tourist, student, learning, apprentice, hunter, archaeologist, map maker, ecologist, lover, miner, prospector
3.	Knowledge Broker	Trader, cross-pollinator, network, collaborator, partner, ally, politician, trust agent, facilitator, coordinator, negotiator
4.	Story-Teller	Communicator, author, evangelist, meme maker, change agent, motivator, scenario planner
5.	Knowledge Entrepreneur	Knowledge investor, intellectual capitalist, venturer, merchant, angel, business man, property developer, arbitrageur, market-maker, speculator, asset manager, director, opportunist
6.	Creator	Artist, scientist, inventor, imagineer, discoverer, innovator, pioneer, improviser, catalyst, ideationist, originator, simulator modeler designer gamer animator farmer
7.	Knowledge Warrior	Artist, scientist, inventor, imagineer, discoverer, innovator, pioneer, improviser, catalyst, ideationist, originator, simulator modeler designer gamer animator farmer

Fig. 04

04 KIZ Methodology/Findings

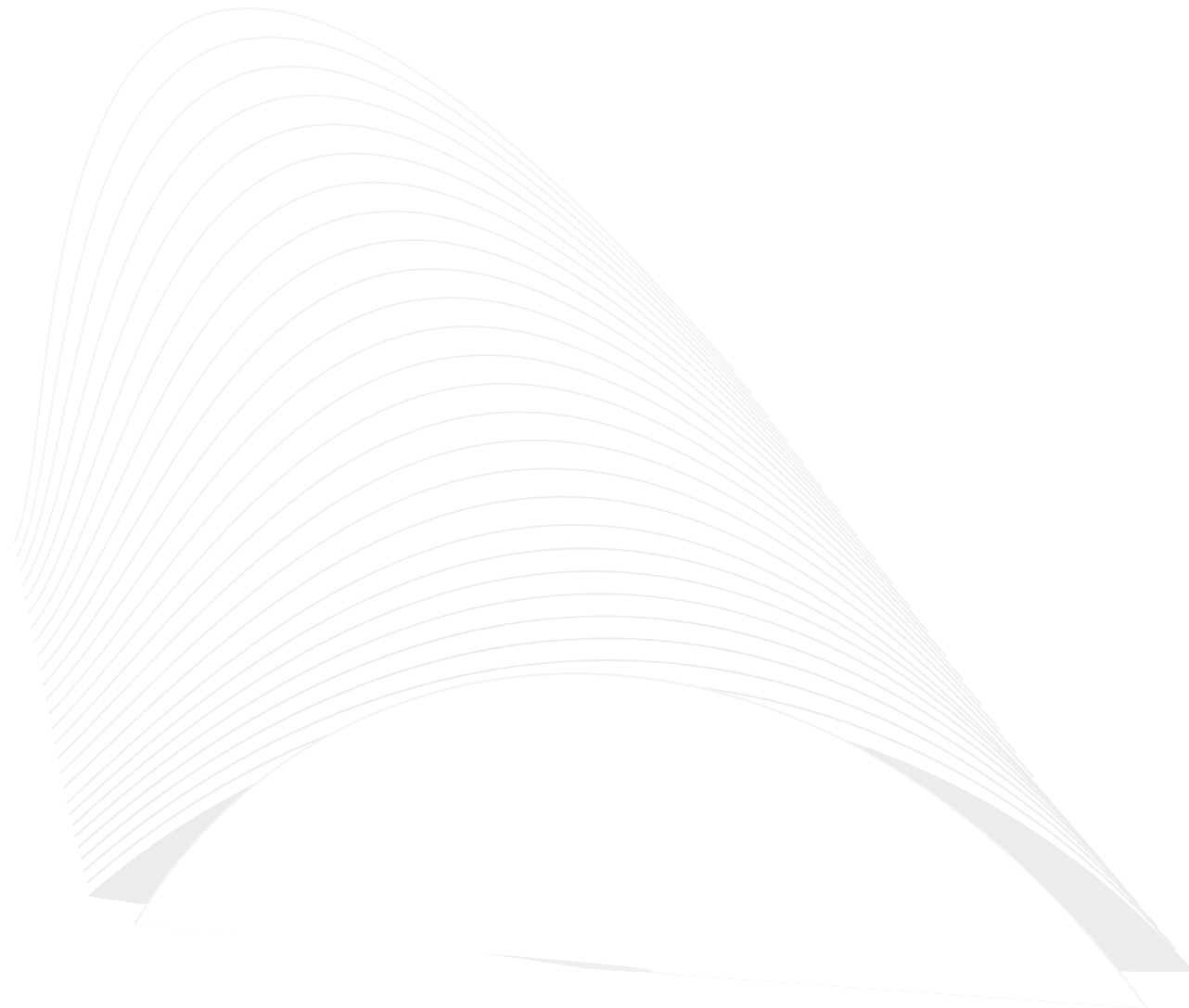
This Research report is a distillation. It constructs the foundation for the next generation of activity - a prototyping arena for KIZ to join, collaborate, experiment and, then, prosper. We deal with more specific findings in each of the relevant report sections; but some of the highlights include:

Major Findings:

1. There has been a worldwide explosion of KIZ initiatives.
2. They are a crucial next generation development nexus between knowledge entrepreneurship and the creative and knowledge-based economy.
3. They collectively signal the emergence of a powerful global market and market-space.
4. The KIZ concept is on a path as a major contributor to:
 - Job growth
 - Neighborhood gentrification, urban revitalization
 - Place attractiveness, tourist appeal
 - Export growth
 - Educational attainment
 - Social cohesion participation and knowledge citizenship
 - Access to communications technology
 - Sustained prosperity and quality of life

5. There is a need to raise the strategic priority, profile, and focus of the knowledge innovation agenda.
6. Improved metrics are critical, especially with respect to the creation, monitoring and measurement of intellectual capital and intangibles.
7. There is the development of a growing KIZ leadership capabilities gap.
8. There is a great potential risk that these initiatives will result in failure or under achievement.
9. Most KIZ are technology, R&D and/or academic-based rather than leveraging the knowledge flow among stakeholders.
10. There is a need to adopt and internalize the knowledge-innovation mindset and to radically expand our notion of what is truly encompassed by the creative and knowledge-based industries.

There is widespread agreement that knowledge, creativity and intellectual capital are driving forces behind the expansion of our global economy. There is a dramatic gap between aspiration and reality.





05 KIZ Performance Measures



Forward-thinking enterprises have understood the full role performance measures play in the economy and their influence on (and by) the social environment. They include this perspective in how they account for their assets and results.

As the global knowledge driven economy grows, we need to operate with new mental models, a new mindset and new frameworks. Drawing upon what we have learned, we developed the Triple Knowledge Lens (TKL). TKL is a disciplined way to focus on the knowledge economy and business; the knowledge society, community and culture; and the knowledge-based infrastructure. All three must be in balance for sustainability to occur.

05 KIZ Performance Measures

Triple Knowledge Lens :
Economy - Society - Infrastructure

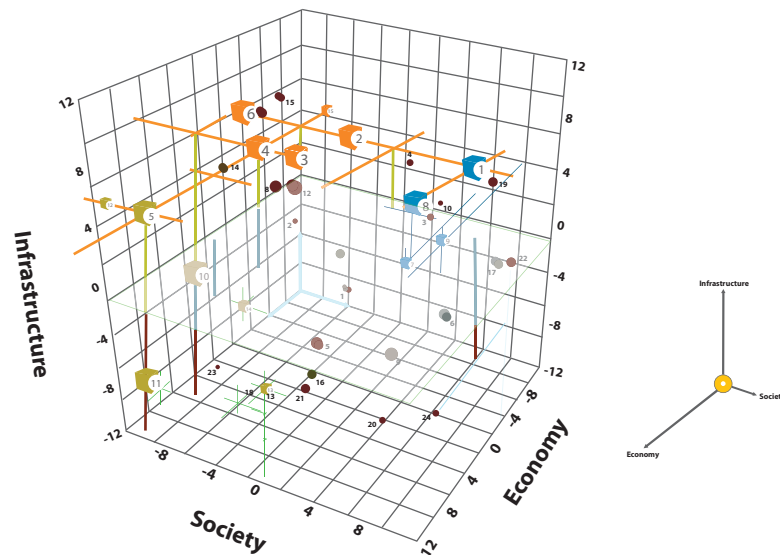


Fig.05

A new Knowledge Value Proposition has emerged that links the economic, behavioral and technological factors. We can visualize the innovation impact from the flow of knowledge – from the point of origin to the point of need or opportunity. Further, with the worldwide acceptance of the need to better track intangible or intellectual wealth, we can now take the next step to architect zones of innovation based upon how knowledge is created and converted for the profitability of an enterprise, the vitality of a national economy and the advancement of society. (Fig.:05)

Enterprises have long understood the role economic signals play in our economy and their influence on (and by) the natural and social environment. Indicators of intangible value – never mind the variables that affect them – were not always included in enterprise accounting systems. Yet financial metrics alone are inadequate to provide a description of the health and well being for a given geography or enterprise.

Over the past decade, there have been numerous efforts to create new performance measures. In the figure on the right-hand side we suggest new parameters for assessment of the economy, society and infrastructure. (Fig.: 06)



	Knowledge Economy & Business	Knowledge Society , Community & Culture	Knowledge Infrastructure, Organisation, Technology & Environment
Indices			
Wealth in Intellectual Capital Index (WICI)			
Wealth in Human Capital Index (WHCI)			
Knowledge-based Economy Strength Index (KBESI)			
Knowledge Markets Maturity Index (KMMI)			
Knowledge-based Business Innovations Index (KBBII)			
Wealth in Relationship Capital Index (WRCI)			
Population knowledge Motivation Index (PKMI)			
Creative Affinity Index (CAI)			
Knowledge Stakeholders Interactions Innovation Index (KSIII)			
Wealth in Structural Capital Index (WSCI)			
Knowledge Enabling Technology Index (KETI)			
Knowledge Ecologies Index (KEI)			
Principles, Policies, Practices, Processes Innovations Index (PPPPII)			

Fig. 06

Each index includes drivers that impact performance and for each we have defined the primary, secondary and tertiary variables of influence.

If properly defined – simulation models can be constructed to determine the relative influence or impact of each variable on the each new form of intellectual or intangible value.

From this, new metrics will emerge going well beyond the traditional market-share or GDP economic comparisons. There is work to be done.



06 Knowledge Innovation Stakeholders



There is a broad range of KIZ. It is useful to review the kind of stakeholders who have a vested interest. A large KIZ investment will involve stakeholders from government, economic development agencies, educational institutions, private sector companies, NGO's and civic associations.

It is quite common, therefore, to see the leadership of a KIZ coming from a public-private partnership, a consortium, an alliance, a syndicate or some multi-faceted group.



Fig.07

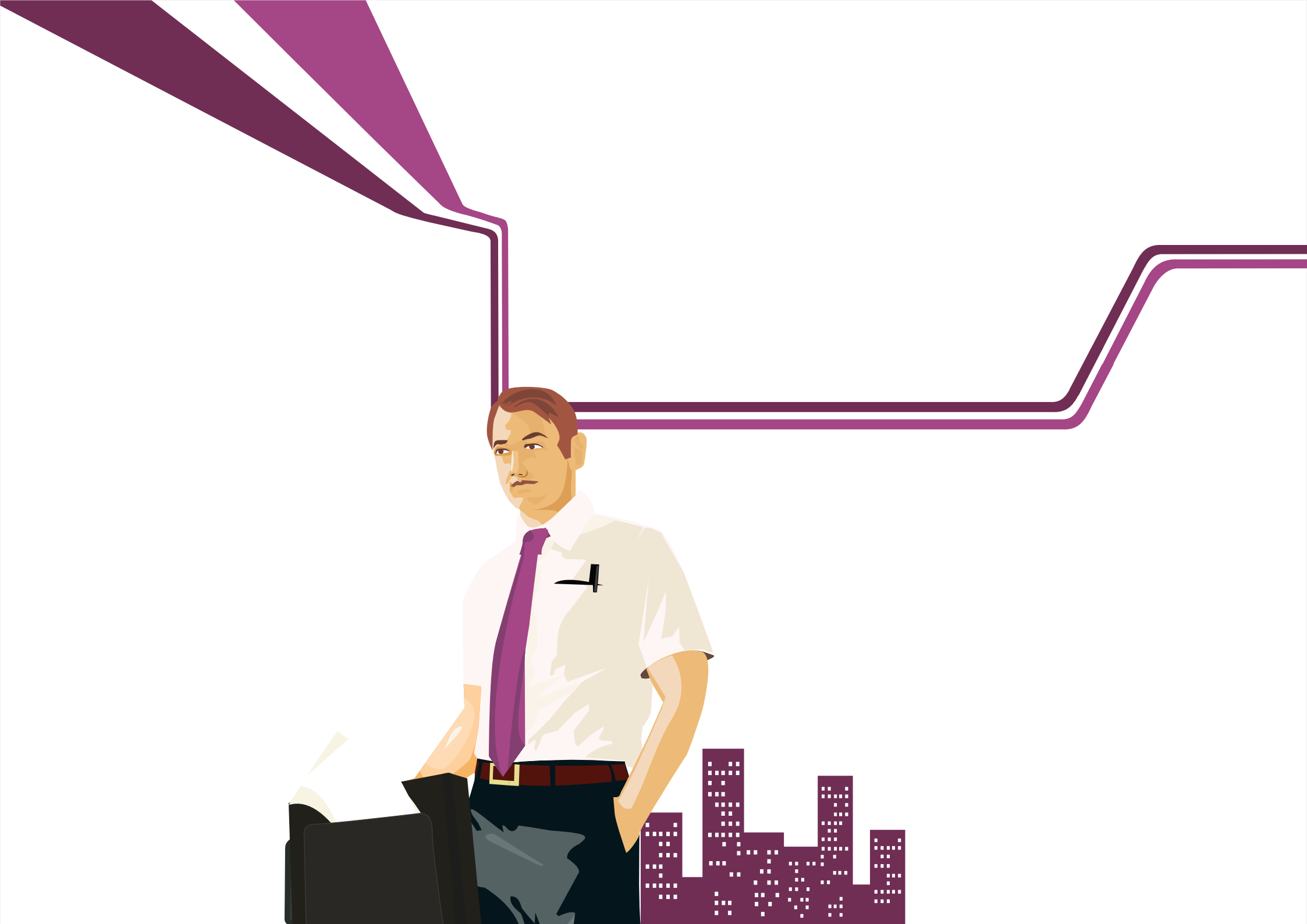
The illustration on the left-hand side depicts the typical KIZ stakeholder universe and organizations involved. (Fig.: 07)

Customers – as a source of new ideas - have always been integral to the innovation process. Current global business conditions have shed new light on the value of customer interactions, as well as the scope and structure of the innovation process itself (e.g. when a pharmaceutical company places patients and caregivers at the heart of its business strategy).

With new emphasis on networks, industry clusters and collaboratories; increased attention is being placed on the potential for stakeholder innovation, including stakeholders such as suppliers, alliances, distributors, customers and even competitors.

Effective KIZ focus on the interface itself, viewing stakeholders as a source of knowledge, not just sources of financing or customers to whom goods and services are delivered. Good ideas - from wherever they come - must be nurtured and applied as efficiently and effectively as possible in order to reap economic rewards. This constitutes the evolving KIZ eco-system.





07 KIZ Recipe/Tool Kit



KIZ initiatives are proliferating and the speed is accelerating. Leaders are learning real-time from the achievements and mistakes of others. There is the growing need for new effective knowledge leadership, stewardship, strategies, governance, policies, standards, enabling technologies and performance optimization techniques. We need demonstration projects and proven recipes for success accompanied by practical knowledge mastery. How can we develop and instill a knowledge innovation mindset, a common language of understanding and shared innovation action?

07 KIZ Recipe/Tool Kit

Every KIZ is unique. Its inherent values and vision are opportunities to create distinctiveness. They all, however, share common underpinnings:

KIZ Underpinnings

- The replacement of obsolete industries, practices and processes with viable alternatives
- A need to attract investment in knowledge-based and creative industries
- The drive to increase investment in R&D, productivity and innovation
- The need to attract highly-skilled, creative talent to the community
- A requirement to ensure the creation of employment
- Assuring the KIZ competitiveness is strong when ranked against similar KIZ
- Creation of a healthy, safe, secure and environmentally friendly community
- The need to provide a livable community environment, with access to affordable services and an amenity-rich quality of life
- Access to an affordable, communications infrastructure
- A positive social and business climate of confidence, optimism, trust, leadership and governance
- A plan and action to avoid or mitigate various risks
- The creation of a preferred tourism and investment destination
- Educational opportunities for lifelong learning and high

The educational implications of the sample listing above are obvious.

An educational curriculum – both classroom and virtual – has been developed using a strategic KIZ architecture. Twelve modules address the indices defined in the Triple Knowledge Lens: Wealth in Human Capital; Knowledge-based Economy Strength; Knowledge Markets Maturity; Knowledge-based Innovations; Wealth in Relational Capital; Population Knowledge Motivation; Creative Affinity; Knowledge Stakeholder Interactions; Wealth in Structural Capital; Knowledge-enabling Technology; Knowledge Ecologies; and Principles, Practices, Processes, Policies and Innovation. (Please refer to page 28)

With a blended instructional approach, KIZ students are grounded with specific innovation projects, while learning, testing and applying the knowledge concepts real-time.

Knowledge is valuable; knowledge operationalized is invaluable. Knowledge is put into action through these innovation programs.

There are critical elements in a strategy of building a KIZ – whether these are geographic, industrial or societal initiatives. The 7P Blueprint places high performance as a central activity in the design, development and deployment of innovation knowledge. Emphasis is on knowledge flow. (Fig.: 08)



7P Blueprint for Effective KIZs

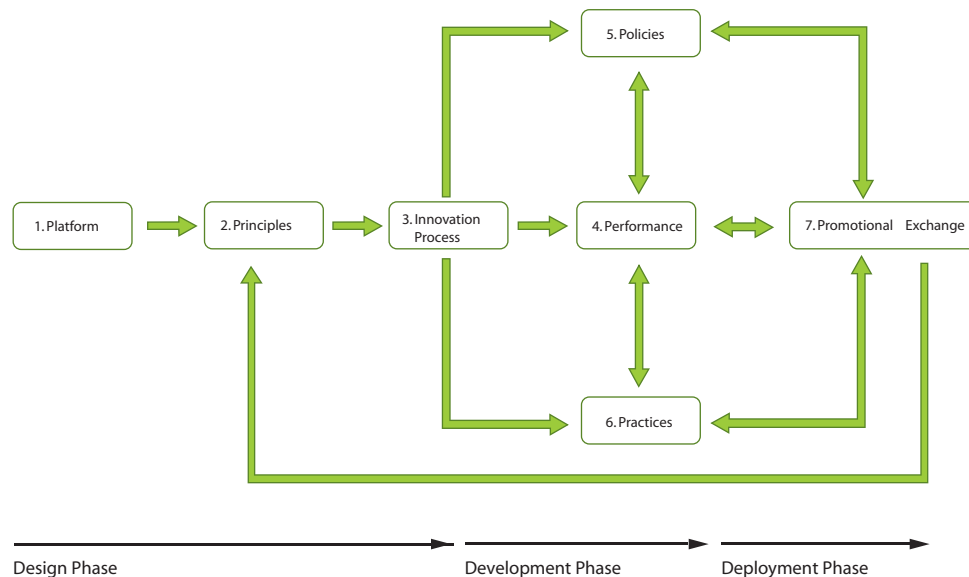


Fig. 08

In the Design Phase, a foundation is provided for successive investment. Performance metrics are put in place - not only the traditional measures, but also measures of intangible or intellectual performance (i.e. as defined in the Triple Knowledge Lens).

In the Development Phase, governing policies are determined and appropriate managerial practices set in motion.

Ultimately, all results feed into a Deployment Phase. This isn't a value chain. It is an integral part of the knowledge innovation value system. Feedback is an instrument in calibrating impact and a tool to adjust new performance metrics.

We are evolving a specialized KIZ Intellectual Capital Toolkit including innovations, models, frameworks, and metrics (indicators) most of which are outlined or referenced in the report.

07 KIZ Recipe/Tool Kit

The toolkit currently includes such items as:

KIZ Toolkit:

- Dedicated Web Site at <http://www.inthekzone.com>
- KIZ Declaration (a manifesto to be embraced by KIZ pioneers)
- Set of KIZ fundamental Principles
- KIZ Policy Innovation Assessment/Auditing Matrix
- Intelligence Scan covering KIZ specific emerging trends
- Unique KIZ Classification and Taxonomy schema
- KIZ specific Expertise Directory
- KIZ Resource Directory and Index to KIZ projects world-wide
- KIZ Innovations Knowledge Base/Catalog
- Intellectual Capital & Intangibles Assessment/Auditing Framework
- KIZ - Leadership Roles - Mentoring Framework
- KIZ advanced Leadership Development Educational Curriculum
- Strategic Choice Board to help strategists to think about new KIZ business models, development patterns and options
- Set of KIZ specific Key Performance Indicators/Indices
- Outline of requisite Implementation Guidelines

We now seek interested partners and sponsors who have made or will be making substantial investments in Knowledge Innovation Zones. Together we will apply our research and analysis to create sustainable profitable KIZ. Prospective investors include:

governments, economic development enterprises, companies creating infrastructure, existing KIZ enterprises and those interested in using the KIZ concept and practice as a platform for progress.

Our aim is to produce and apply the disciplined insight, foresight, depth of practical understanding, practices, tools and knowledge mastery that will contribute to optimizing ROI in its broadest sense.



The desired outcome is summarized as follows.

KIZ Characteristics:

1. Optimize the flow of Intellectual Capital – encompassing human capital, relationship capital, and organizational and infrastructural capital.
2. Create maximum value from leveraging Intangible Assets – using new economic capital drivers for reputation, brand, diversity, leadership, networking, innovativeness, strategic thinking and intelligence, unique culture, new modes of collaborative organization and IT proficiency.
3. Maintain a commitment to the Triple Knowledge Line (TKL) – operating as a human ecosystem harmonizing a tri-balance dedication to (a) sustainable growth and development of the knowledge economy and business; (b) people and culture in the knowledge society; and (c) the knowledge environment and infrastructure.
4. Incubate a vibrant, creative Knowledge-based Innovation Strategy - creating value and abundant wealth by fostering business and social entrepreneurship, in which talent, tolerance and technology are utilized to ensure superior growth and socially responsible and sustainable development.

5. Govern with a coherent and transparent set of modern Knowledge Principles – embracing innovative forms of knowledge commerce, knowledge as the new growth medium, an economy of abundance as opposed to scarcity, cross-boundary interaction, social and technical network symmetry and knowledge leadership.

There is a leadership race to find the best ways to concentrate and fuse talent, technology and techniques in vital and thriving urban and rural locations. We anticipate massive worldwide investments in KIZ-related initiatives over the next decade. Bringing a disciplined and systemic approach to the mastery of knowledge innovation zone high performance will ensure the aspirations of an abundant, prosperous and smarter knowledge society are realized.

We have more to gain by building upon the strengths of one another and by collaborating rather than making the same expensive mistakes in isolation. Further, in dialogue, we learn we have more similarities than differences. The knowledge economy affords us an unprecedented common language and shared vision.

The dialogue has been launched. Our challenge is to create collaborative advantage on a worldwide scale – nothing less.

08 KIZ Declaration

"Imagine the greatest possible beauty and harmony in the world - the most beautiful place you have ever seen or dreamt of. You have the power to create it, at this moment, just as you are."

- Christopher Alexander, The Timeless Way of Building

We are at a historical choice point – a defining moment - in determining the kind of world our children's children will inherit. If we make choices based on the models of our industrial-age past, we miss the true opportunities before us. Ours is a future to innovate what is economically equitable, socially responsible and environmentally sustainable. In a knowledge economy, human development depends not on 'having' more but by 'being' more.

This document is a statement of our collective intent to innovate our future... together.

08 KIZ Declaration

Our Preamble:

- A global knowledge commonwealth is replacing the world of nations. We are comprised of parts and at the same time are a part of others.
- We are dependent upon the knowledge and success of others across organizational and cultural boundaries.
- Knowledge is valuable and imagination is the fundamental platform for progress.
- Knowledge creates an economy based upon abundance not material scarcity. Intangible knowledge assets are more valuable than tangible assets and require new indicators of performance.
- To thrive amidst a chaotic, complex and unpredictable knowledge economy, people need to be inspired to action.

There is a natural coalescing of resources – human, financial and technological – for mutual benefit. These factors are becoming increasingly knowledge-driven. They provide a foundation for unprecedented global innovation in what are characterized as zones of activity.

A Knowledge Innovation Zone (KIZ) is a geographic region, product/service/industry segment or community of practice (e.g.

with topical areas of interest) where knowledge flows from the point of origin to the point of need or opportunity.

These zones are emerging in the quest for sustainable growth and economic development for cities, regions, countries, enterprises and global virtual communities.

Three Laws of Knowledge Dynamics have emerged for managing intangible and intellectual value within a KIZ:

- Knowledge multiplies when shared.
- Innovation value is created when knowledge moves from origin to highest need.
- Collaboration for mutual leverage provides optimal utilization of tangible and intangible resources.

While not always explicitly recognized, these Laws drive and govern the processes to achieve stakeholder sustainability and prosperity.

Leadership executives create KIZ to increase their innovative capabilities for the benefit of their constituency. They learn from each other about policies and practices that stimulate dynamic and

cocreative communities. These Zones -now crossing geographic and enterprise boundaries -are becoming linked communities of innovation practice. In the process, new dimensions of collaborative citizenship are emerging based upon openness, transparency and accountability.

In Bretton Woods, world leaders abandoned gold as the monetary standard to enable the “Creation of a dynamic world community in which the peoples of every nation will be able to realize their potentialities for peace.” Today, a new currency is emerging that can be seen best through a Triple Knowledge Lens: examining the dimensions of a Knowledge-Based Economy, Society and Infrastructure.

Part I: We BELIEVE...

As the knowledge-based economy expands, KIZ will become pathways to a prosperous and sustainable future. For example, Knowledge Cities, when developed intelligently and in harmony with the natural environment, will create prosperity, safety and a high quality of life for citizens.

KIZ create cross-boundary magnets of interaction that lead to a

deeper understanding of value across disciplines, technologies and nations. This global networked competence creates a greater respect for diversity of individuals, committees, institutions and cultures. Each KIZ is defined by patterns of relationships among its elements – principles, policies, practice, performance and the innovation process.

The new economy is based upon an unlimited supply of intangible value. Through networking and symbiotic partnering, we impact the wealth of successive generations. Thus, a new economic world order is emerging – one that is based increasingly on knowledge, innovation and international collaboration.

Technology has connected humans across time and space. Our new destiny is to innovate our future... together -in ways that are both human and humane.

Part II: We AGREE...

A well-structured KIZ, capable of sustained and real-time innovation, embraces standards of operational excellence. Lack of attention to the following knowledge economy principles results in suboptimization of invested resources; thoughtful adoption enables progress.

08 KIZ Declaration

- A KIZ is based on an economic model of abundance, as opposed to one of scarcity (i.e. classic material models based upon supply and demand). Wealth-creation depends upon creative ideas and infinite recipes for innovation.
- A KIZ is similar to an economic trade zone. It creates markets for intellectual capital and orchestrates the design, development and deployment of intangible assets. Working in this context facilitates the flow of robust and expanded knowledge-based commerce, trade and exchange.
- A KIZ addresses three lenses: the knowledge-based economy and business; knowledge-based society, community and culture; and the knowledge-based infrastructure, organization, technology, and environment. These arenas comprise the new global environment which nurtures livable, stimulating, creative, intelligent, inclusive, and ecologically balanced knowledge-innovating communities.
- A KIZ is designed to optimize creative talent and harness the untapped human capital of all participants and stakeholders. While respecting intellectual property rights, the zone simultaneously enables and enlarges the open source creative commons, where knowledge and ideas are pooled for mutual advantage.
- A KIZ facilitates new forms of citizenship in which openness, transparency, and accountability are encouraged. Connected leadership relies upon an aware, educated and involved citizenry. Shared values, well informed decision-making, and networks across community sectors, countries and enterprises create sustainable collaborative advantage.
- A KIZ is structured to benefit from an economy where value is assigned to the supply, ownership, and mastery of brainpower, ideas, know-how, intellectual capital, and intangible assets. In addition to traditional economic principles, monetary modes of exchange and currency are tightly linked to social and digital-oriented variables of performance.
- In a KIZ, there are consistent dynamics of interaction. They apply to network formations in any type of knowledge-based development: individual (synaptic network), an enterprise, a group of cooperating enterprises, a knowledge cluster, city or a nation.
- A KIZ operates as a holistic symbiosis of the creative arts and science in a uniquely human ecosystem supported by a smart high-technology and communications infrastructure. Concepts are put into practice with a combination of aspirations and competencies.

▪ The KIZ is comprised of organizations and underlying technology platforms which promote the meshing and social interactions of people, culture, and ideas that facilitate peer-to-peer networking and the purposeful connection of human intellect. Our goal is beyond output or outcome. We seek an impact resulting in profitable growth for the enterprise, increased vitality of national economies and the advancement of society.

Part III: We RESOLVE...

Applying the KIZ principles enables us to transcend traditional boundaries to accomplish what we and others cannot do alone. Further, we will make more effective use of knowledge innovation as a lever to generate sustainable growth and increased standard of living across our local, regional and global economies.

In the pursuit of effective KIZ, we will gain a greater understanding of the role knowledge plays in our existing and future activities. We will incorporate the concepts into our strategies and investments. We will convert perceived negative challenges presented by a networked world into opportunities.

Therefore,

1. We will celebrate, reward and provide incentives to individuals who contribute real value in our knowledge marketplace.
2. We will grow and share our collective knowledge among constituent stakeholders.
3. We will promote innovation language, culture and practice as a world-class high-performing knowledge network.
4. We will accelerate our rate of learning, building upon the experiences of others.
5. We will optimize and put our knowledge assets to work.

Our mandate involves all our stakeholders. It leads to the sustainability of our customers, enterprises and countries. Together, we will explore, design and execute for prosperity and sustainable wealth in all economies of the world.

We are entering an era unlike the previous agricultural, industrial or service economies. It is one that relies on the value of each human being and on how to leverage for the benefit of mankind. We are exploring new questions. Answers will come through a better understanding of the interdependent variables of our knowledge economy, society and infrastructure.

Our intent is to innovate a future where we all thrive.

