

There are two ways to create blue oceans:

- One is to launch completely new industries, as eBay did with online auctions
- It is more common for a blue ocean to be created from within a red ocean when a company expands the boundaries of an existing industry.

To break the value/cost trade-off and craft a new value curve, there are four key questions to challenge an industry's strategic logic and business model:

- Which of the factors that the industry takes for granted should be eliminated?
- Which factors should be reduced well below the industry's standard?
- Which factors should be raised well above the industry's standard?
- Which factors should be created that the industry never offered?

However, sooner than expected, classical business position, where one's strategy is based on an established market share and a consequent stable generation of funds will be the exception rather than the rule. Rather, the issue will be on finding new opportunities and expanding them ultra-fast, so as to enjoy a typically short period when one is the sole supplier of a product or service on a worldwide basis. When competition comes in, it is time to move on to newer pioneering projects.

More often, it will be a liability to get bogged down with mature businesses and fight it out for a rapidly dwindling market share. Key resources would therefore be better deployed on new, pioneering, innovative business activities to ensure that executives learn. This is where the role of knowledge management comes in.

Importance of Knowledge Management and Learning Organizations:

Learning Organizations are organizations where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are matured, where collective aspirations set free, and where people are continually learning how to learn together¹. It is no longer sufficient to have one person learning for the organization, a Ford or a Sloan or a Tata or a Kirloskar. It is not possible for the top person to know everything and be a "grand strategist", all others following. The organizations of the future will truly excel in the future by discovering how to tap people's commitment and capacity to learn at all levels in an organization. In their quest towards this, most organizations have a specialized department called "Learning and Development". More often than not, many of the heads of this Learning and Development function have senior level business experience.

Competencies required in Managers for getting future-ready:

Stage I: Industry Foresight and Intellectual Leadership:

Industry foresight is gained by probing deeply into industry drivers. It answers three critical questions:

- What new types of customer benefit should we seek to provide in five, ten or fifteen years
- What new competencies we need to build or acquire to offer these benefits to customers
- How will we need to reconfigure the way we deal with customers in the next several years