

# Creating Value by Managing Knowledge Assets: The Knowledge Asset Value Spiral

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Seminar's abstract

In today's economy, more and more organisations are realising that they must explicitly manage their knowledge resources to acquire and maintain their competitive advantage. For this reason, managers need to better understand how they can identify and evaluate existing knowledge resources within an organisation and how to manage them in order to achieve competitive advantage.

Many organisations frequently embark on Knowledge Management (KM) initiatives without a clear idea of what business benefits they could expect. This is mainly due to lack of understanding of the links between KM and company's business performance. Understanding these links supports the validation of KM investment and can help explain what knowledge should be managed within an organisation to achieve performance improvement. It appears from literature analysis, that there is not straightforward link between KM and company's performance but rather a complex relationship. In such a prospect, the main research question that has inspired this study is: 'How can an organisation plan and evaluate a KM initiative designed to improve company's performances?' On the base of this question, this paper provides a framework—the Knowledge Assets Value Spiral (KAVS)—which focuses on how to apply KM initiatives in a step by step process to achieve company's performance improvements.

The framework provides guidelines to plan, implement and evaluate KM initiatives that are linked to performance objectives. It is illustrated how organisations can identify their key knowledge assets as well as their interdependencies and better understand their role in causal dynamics in company's value delivering. The application of the Analytic Hierarchy Process (AHP) method is proposed and a case example describing the application of the framework is illustrated.

## **Professor Giovanni Schiuma BEng Meng PhD**

Professor **Giovanni Schiuma** is Scientific Director of the Centre for Value Management at the Università della Basilicata in Italy, and Visiting Research Fellow at the Centre for Business Performance, Cranfield School of Management. He is also Research Director of the Institute of Knowledge Asset Management (IKAM) in Italy. Giovanni's research, teaching, and consulting focus on linking knowledge assets and organization behavior to performance management and organization value creation. His primary research interests focus around the following areas: knowledge asset & intellectual capital management, performance management systems, innovation and change management, organizational behavior, organizational learning, industrial district and local development.

Giovanni is recognized as a passionate and influential thinker on knowledge assets and intellectual capital management, and he is committed to develop theoretical and practical frameworks, approaches and tools to drive both public and private organizations towards the improvement of their value creation dynamics by understanding, exploiting, measuring and managing knowledge and intangible assets. He works with local Italian Governments on the assessment of intellectual capital dimensions underpinning local development as well as he is actively engaged in applied research and has worked in research projects involving national and international organizations, such as Natuzzi, Ducati, Soges Group, Arts&Business, Accenture, Shell, Lloyds TSB, McDonald's, and among others.

He is a regular speaker at conferences and has teaching and consultancy experience across Europe on Knowledge and Innovation Management as well as on Performance Measurement and Management. He is specialized particularly in the design, implementation and review of knowledge asset management initiatives and performance measurement systems designed to drive innovative change and learning dynamics in organizations and to support company's performance improvement and value creation.

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