



Gaining a competitive advantage with knowledge-based skills

The financial crisis has highlighted deficiencies in knowledge-based skills in Europe and unless they're tackled now, the region could get left behind. That was one of the key messages from an event held recently at INSEAD's Europe campus in France.

The crisis has masked these deficiencies due to the drop in demand, says Bruno Lanvin, Executive Director of INSEAD's eLab. This, however, makes the issue more urgent "because if we don't do it now in terms of the crisis, when the recovery starts, the lag of Europe may be significant."

Lanvin and his team, which includes senior research fellow Nils Fonstad, have been working on a European Commission-funded project, aimed at developing a set of guidelines for building knowledge-based skills, increasing the number of tech- and business-savvy practitioners and managers, and consequently strengthen Europe's capacity to innovate.

Their findings -- culled from surveys and interviews with over 50 chief information officers (CIOs) and 30 universities -- were presented at a two-day event held in Fontainebleau, called 'Building e-Competences to Strengthen Innovation in Europe: The Roles of Industry, Academia, and Government', which was co-hosted by INSEAD and the EC.

Jan Muehlfeit, Chairman of Microsoft Europe, who was a participant at the event, agrees that the financial crisis can be a catalyst for increased deployment of information and communications technology (ICT). "The crisis in fact will speed up

the implementation of technological projects because if you look both in terms of private and public sector ... technology can make things happen sooner." In the public sector, for example, pension, social and healthcare reforms can get passed faster."

He explains this is because technology facilitates three things: it saves money, increases productivity and fosters innovation. "We call it 'new efficiencies' and that's where we are going."

With technology on his side, Muehlfeit says the company does not intend to modify its strategy to cope with the crisis. "The economic and financial crisis is speeding up, I think, the attractiveness to use technology to save money, be innovative and more productive."

For global integrated energy company Eni, ICT has helped tremendously in supporting three of its key business pillars of exploration and production, refining and marketing, gas and power, in its worldwide operations that span 70 countries.

Eni's Executive Vice President Gianluigi Castelli, also a participant at the conference, says the company went through a "huge transformation" to deploy ICT aggressively to react to changes in the

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liberalised market, in order to compete more effectively.

“Thanks to this transformation, even in the difficult financial years of 2008, 2009, we have been able to not only deliver short-term results, but also to plan for medium- and long-term initiatives.”

“I think we’ve achieved some good results,” he adds, saying the IT engenders innovation within Eni. “We have consolidated 19 purchasing systems into one over the past two years and have consolidated 22 administrative systems into one; we have deployed a new CRM (customer relationship management) and billing system to support the gas and power division to compete in the liberalised market ... I don’t think there’s a single area of the business that has not been impacted by some of the innovation we have introduced in the past two years.”

And it seems that the ICT wave is unstoppable. Microsoft’s Muehlfeit believes that in three to five years, almost all jobs will be ICT-enabled in the sense that they will require some IT skills and competences.

“If you look at successful businesses or the public sector, you need to introduce Web 2.0; you need to integrate Facebook into your existing solutions -- that’s why all the technology will merge, so I’m very optimistic about what the magic of software in our case can do for society.”

With that, the role of the CIO will also evolve. “When I started in the industry more than 20 years ago, IT was very exotic, very special. Today, IT and ICT investment is perceived as a competitive advantage. So if you want to be successful CIO, you need to bring (with you) the e-competences, but also very good business skills and very good customer focus skills.”

The competitive model of the future, he adds, will be the ability to unlock human potential. “If you look at the new CIO for the business, you need to bring people with different skills ... Business schools need to merge the IQ -- the traditional disciplines -- and EQ -- communications skills, leadership skills, inspirational skills, motivational skills, because your ability to attract and keep talent in your organisation will make you fly or dive.”

According to Andre Richier, Principal Administrator of the EU’s Directorate-General for Enterprise and Industry, the next step is to ensure that the recommendations emerging from the project report and conference be put into action. “There must be an engine and I believe the engine cannot come purely from government -- again this is an issue of partnership -- so some of the best practices that we

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have identified, some of the key stakeholders from the ICT industries and from the ICT-using industries ... we need to ensure that these people continue to work together on how we can implement and disseminate this ... We can offer the appropriate framework conditions, funding, some policy support.”

Bruno Lanvin

To mitigate Europe’s skills shortage, Lanvin is optimistic that these new insights will enable INSEAD to add value through its curriculum, and subsequently the employability and career prospects of its graduates.

“Clearly the synergies with what the Commission is doing in so many different areas including education, innovation, etc. will be a key component. We also plan to fully leverage our own involvement in other initiatives to bring the results of this study to whoever is entitled to take action about it,” he adds.

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