An interview with Thomas H. Davenport

Interview by Alistair Craven

Thomas H. Davenport holds the President’s Chair in Information Technology and Management at Babson College in Wellesley, Massachusetts. Babson is recognized internationally for its entrepreneurial leadership in a changing global environment.

Babson Executive Education has been ranked among the top executive education schools worldwide by both the Financial Times and Business Week.

Tom Davenport has directed research centres at Ernst & Young, McKinsey & Company, and CSC Index, and most recently, what used to be called the Accenture Institute of Strategic Change. He has written, co-authored or edited ten books, including the first books on business process reengineering, knowledge management, and the business use of enterprise systems.

First of all, a very warm welcome to you. Can you tell us about your current work at Babson?

Tom Davenport:

My primary role at Babson is to develop a programme of sponsored research. We now have programmes in knowledge management, process management, and innovation and corporate entrepreneurship. I do research in all these areas myself, but we also have a lot of other faculty and researchers from within and outside Babson. And I teach in MBA and executive education programmes.

Babson is always highly ranked in entrepreneurship, so I am trying to learn something about it by being there. I have always worked with big companies in the past.

You have directed research centres at Ernst & Young, McKinsey & Company and, most recently, the Accenture Institute of Strategic Change. What have been some of your biggest achievements in these roles?

Tom Davenport:

I actually started my consulting research career at CSC Index, where Mike Hammer and I started a very successful sponsored programme in IT management. McKinsey was doing fine without me, and wasn’t really interested in the kind of sponsored research I do – so I didn’t stay there long. But at E&Y and Accenture I would like to think that I helped to put those firms on the thought leadership map.

At E&Y we did early and interesting work in business process reengineering and knowledge management, and at Accenture we had research and books in areas such as enterprise systems, attention management, generational differences in leadership, online auctions, and marketing to the "mass affluent."

You have been involved in some of the first books written on business process reengineering and knowledge management. How would you assess the overall standing of these two business disciplines at the present time?

Tom Davenport:

Reengineering isn’t around much anymore, although many of its ideas live on in the world of process management. Unfortunately it became a code word for headcount reduction, even though I didn’t have that in mind at all. Knowledge management, however, is doing amazingly well for an idea that’s more than a decade old. It has a chance, I think, of becoming a permanent aspect of the business landscape. Bibliometric research suggests that unlike many faddish management ideas, knowledge management is still being written about at a good pace.

According to European knowledge management guru Karl-Erik Sveiby, one of the biggest problems with KM is that it the very term suggests that knowledge is an object that can be "managed", which is fundamentally wrong and has led companies to "sink billions of dollars into more or less useless IT systems." What are your opinions on this?
Tom Davenport:

I like Karl and his work on measurement, but I think that comment is a bit extreme. Knowledge isn’t only an object—it requires humans to create and apply it—but we’ve been objectifying knowledge for as long as there was writing. This interview is a knowledge object. If knowledge is available on a portal or over the Internet, that just gives people broader access to it.

No doubt there have been organizations that have relied too heavily on IT as the answer to knowledge management, but neither Karl nor I would be making as good a living from knowledge management if the technology weren’t available.

You have stated that you believe new business and management ideas are “vitaly important” to businesses everywhere. However, in his interview with Management First, renowned management expert Gary Hamel highlighted the fact that almost every CEO and every annual report says something about how important innovation is, but in reality there is a “huge rhetoric-reality gap.” Do you agree with his statement? If so, what can be done to help instil a disciplined approach to making innovation a capability?

Tom Davenport:

Yes, I think that managerial innovation—along with the other types of innovation, like product or process—is both necessary and not done enough.

Where managerial innovation is concerned, you have extremes—some firms embrace every idea that comes along, but they can’t really fully implement them. Others don’t consider enough ideas. The key is to always be working on a few good business innovations that fit the business, and to give them the effort and resources they need to thrive.

One of your speaking subjects is “the value of enterprise systems.” Can you provide us with your definition of this term and the importance of enterprise systems for business?

Tom Davenport:

These are often called ERP (enterprise resource planning) systems—the big, all-encompassing application packages from firms like SAP and Oracle. I have always found these fascinating because they aren’t just IT applications, but should also involve change in processes, organization structures, strategies, and behaviours.

When done well they can be absolutely transforming for businesses. Of course they are not often done well—many firms just put in the systems and don’t really get any value. I wrote about this in 2000 in a book called Mission Critical.

Your new book What’s the Big Idea? describes how organizations modify and implement new management ideas to improve their performance. What have been some of the most interesting findings from your research?

Tom Davenport:

We looked at the whole process of managerial innovation, from the gurus (whom we ranked in the first fully objective and quantitative ranking system), to the distribution channels, to how companies implement the ideas.

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I think the most useful aspect of the book is that we identified and interviewed the people within companies who are most responsible for managerial innovation. We called them “idea practitioners”—they are people who make it their business, whether formally or informally, to identify new ideas and bring them into their organizations. This is an unsung role that we found was absolutely critical to managerial innovation. Gurus get all the visibility, but they are just good packagers of innovative approaches that are developed within companies.

One of the dilemmas highlighted in your forthcoming book Thinking for a Living: How to Get Better Performances and Results from Knowledge Workers is that knowledge workers...
create the innovations and strategies that keep their firms competitive, yet companies continue to manage this new breed of employee with "techniques designed for the Industrial Age." What can be done to combat this problem?

Tom Davenport:

Well, that’s really what the whole book is about, but I will mention a couple of things.

One is just to intervene in making knowledge work better. Our typical approach is to “hire smart people and leave them alone.” I argue that knowledge work is so important that we can’t afford to rely only on good recruiting processes. Another very key factor is segmenting your knowledge workers – not treating them all alike. In the book I describe a variety of ways to segment them, but I am particularly fond of a scheme based on their level of expertise and collaboration. Then the different segments identified should be treated differently in terms of the IT used to support knowledge workers, the knowledge workspaces for them, the management styles used with them, and so on.

One of the “hot topics” in knowledge management reflected in a recent issue of Emerald’s Journal of Knowledge Management is the so-called “knowledge city.” What are your general observations on the concept of knowledge cities?

Tom Davenport:

I don’t know much about it, but I do believe that if we’re going to be successful in managing knowledge we have to address the issue from a variety of levels, and cities are one of them. You can certainly build some effective IT infrastructures for sharing knowledge at the city level. I have thought more about the role of knowledge at the country level, i.e., what is a country doing to ensure that its citizens have the knowledge and skills they need to succeed in a knowledge-based economy. Some countries, like Singapore, Ireland, New Zealand, and Thailand, are very focused on this topic and have made substantial progress. Unfortunately I am not very happy with how the US is addressing this issue; we are largely ignoring it and will eventually suffer the consequences.

Finally, whether wittingly or not, we are undoubtedly participating in an information age. On a personal level, how do you manage your own knowledge? When face-to-face communication is not possible, do you prefer the telephone, instant messaging, or email? What are the reasons behind your choice?

Tom Davenport:

I am a bit of a hypocrite in this regard, because I talk and write about managing one’s personal and information environment, but I am only adequate at it rather than great. Mostly I think it’s a matter of taking the time to set up structures and processes for personal information, and I don’t find that very interesting. I would much rather create new knowledge than organize old knowledge.

In terms of communications approaches, I like email and like talking on the telephone, though it’s sometimes not very efficient. I don’t like voice mail, at least listening to it. It seems very slow. I don’t like instant messaging much either, because I don’t like to have my attention held hostage. I think that sometimes it’s very important to get away from all these media and devices and just think. That’s getting harder and harder to do these days.