

# Knowledge Angels: How Creative People Foster Innovation in KIBS

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## Observations from Germany, France and China

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# Introduction

- Starting point : innovation in KIBS
- If knowledge is the core asset for KIBS' activities, their competitive position on the markets and the base for their development, how does this core asset emerge and how is it being generated? More precisely: what is exactly “happening” within KIBS?
- We will argue that there are specific persons within KIBS who assume a significant role in innovation-related issues.

# Introduction

- **Basic assumption:** the fundamental factor leading to competitive advantage in (higher) services is creativity: new ideas support innovation implementation through various networking/interfaces actions.
- The paper focuses on **creative individuals** in KIBS, i.e. those persons suspected of playing a pertinent role with respect to the innovativeness of their company.
- We call these specific actors ***knowledge angels*** by analogy with business angels. In the same way that business angels can play a decisive role in the development of innovative firms through financial support, we assume here that specifically gifted persons can be the knowledge “catalysts” within KIBS.

# Introduction

- According to our assumptions, knowledge angels are (or may be) specific individuals, who:
  - typically act as consultants (but not necessarily exclusively);
  - may have the talent to “sense” things before they happen, or make them “happen” (from the subjective point of view of an external observer);
  - make a difference in the way knowledge is created, organized and flowing within the firm and between the firm and its partners.

# Research Design

- Until now, studies in this field analyzed the characteristics of innovating KIBS and the consequences of these innovations, but so far only superficial knowledge was gained about what is really happening *within* KIBS.
- Unit of analysis: single individuals who might reveal themselves as knowledge-angels in their entrepreneurial environment (KIBS).
- (New) **explorative** qualitative research design.
- 30 personal in-depth interviews between October 2008 and May 2009, 10 in each country (Germany, France, China).
- Interview guideline covering five key dimensions.

Dimension of the interviews	Main aspects
<p><i>Alpha</i></p> <p><b>Professional and personal background</b></p>	<p>Individual professional development</p> <p>Experiences from other sectors or fields of activities</p> <p>Experiences in the creation of a company</p>
<p><i>Beta</i></p> <p><b>Business location and environment</b></p>	<p>Relation between location and professional success</p> <p>Selection of current location: strategic or at random</p> <p>Relation of current location and creativity</p>
<p><i>Gamma</i></p> <p><b>Knowledge access and interaction</b></p>	<p>Internal and external sources for solutions</p> <p>Attractiveness for “brilliant” co-workers</p> <p>Relations with academic world</p>
<p><i>Delta</i></p> <p><b>Problem-solving and visions</b></p>	<p>Engineer vs. constructor/draftsman</p> <p>Anticipation and vision</p> <p>Personal factors in risk taking and problem-solving</p>
<p><i>Epsilon</i></p> <p><b>Corporate frame, enterprise culture</b></p>	<p>Specific culture and atmosphere</p> <p>Incentive and reward system</p> <p>Visions on future development of the company</p>

# Empirical Results: Alpha

## Professional and personal background

- Degrees in higher education
  - Solid working experience in their own company or in other companies
    - professional trajectories as an accumulation of knowledge and contacts provided by previous experiences
  - Often (but not always) experience in founding their own businesses
  - Current position in their company:
    - management positions (China)
    - also engaged in project-level, besides their management tasks (France and Germany)
- = > They often describe themselves as knowledge brokers (Germany), idea givers (France) or solution providers (China).**

# Empirical Results: Beta

## Business location and environment

- Most interviewees are pleased about their location.
- According to interviewees in France and Germany their (individual) success and creativity could have been generated also elsewhere.
- Current location of the company often results from the educational and personal trajectories of the founders.
- Contrasting results in China : Most interviewees believe, that they are successful because they are located in the capital region of Beijing.
- Beijing provides more opportunities for personal and organisational development as well as a pool of talents. Change of location is often not desirable because of *Guanxi*.

# Empirical Results: Gamma

## Knowledge access and interaction

- In all observed cases the knowledge base is enhanced via internal and external sources: employment of (PhD) students, staff qualification measures, formalised/unformalised brainstorming sessions, exchange of experiences.
- Different patterns appear in France/Germany and China.
- France and Germany:
  - Knowledge generation from external partners very important with strong differences in the “strengths” of these relations
  - Learning on a horizontal level is important
- China:
  - Knowledge access mainly from internal resources
  - Willingness to internalise external knowledge
  - Learning from higher hierarchical levels is important

# Empirical Results: Delta Problem-solving and visions

- Problem solving
    - France and Germany: joint discussions (participative approach), *bricoleur* approach (in the meaning of C. Levy-Strauss).
    - China: initiated by top manager (top-down process), based on intuition and accumulated experience rather than theory lead, lead by customer needs (provision of useful solutions to the clients)
  - Vision:
    - Most interviewees characterise themselves as being able to « see » or « feel » things before they happen and to have the ability to « bring the right people together ».
- = > **Key characteristics of our interviewees: self-motivation, autodidactic learning abilities, ambition, flexibility and communication skills**

# Empirical Results: Epsilon

## Corporate frame and enterprise culture

- Companies are active in market niches, offering highly specialized services.
- Active in creative environments, like to handle challenging projects and develop a common corporate frame.
- Future plans: moderate and stable growth of their company in France and Germany whereas in China mostly a dramatic growth is expected.
- Maintain and enlarge their market position and avoid excessive risks.
- Key advantage: capability to react to new and changing market conditions with new innovative services.

# Results at a glance

## Is there an angel?

- Based on 30 individual profiles of the interviewees on 5 dimensions identification of 13 people, which qualify most probably as knowledge angels.
- Knowledge angels are found in each of the three countries (characteristics seem to depend on the cultural context).
- Knowledge angels act as internal and external knowledge intermediaries.
- Knowledge angels seem to benefit from their capabilities mixed with personality traits that allow them to develop visions.
- Knowledge angels work in positions that allow them to implement their visions.

# Core characteristics of business angels and knowledge angels

Type of angel	Business angels	Knowledge angels
<b>Characteristics</b>		
<b>Core resources</b>	Money and business experience (and to a lesser extent ideas)	Ideas and visions (and to a lesser extent business experience)
<b>Strongest motivation for action</b>	“Fun factor” and financial interest (and a willingness to support younger entrepreneurs)	Quest for freedom and self-realization (and a willingness to support co-workers)
<b>Main forms of knowledge support</b>	Supporting already existing knowledge creation processes and situations	Initiating new knowledge creation processes and situations

# Knowledge Angels: A useful Concept for exploring Innovation in KIBS?

- Knowledge angels draw a large part of their creativity from participating in knowledge communities within and across the firms' boundaries. In particular, their insistence on “keeping contact with operational tasks” points to the existence of “communities of practice”.
- The territorial dimension we confirmed through the enquiry shows how relevant knowledge communities are and it is possible that local culture and amenities play a significant role, and therefore “place does matter”.
- The next question to address in future research is the translation of such analytical conclusions into policy recommendations for regional policy-makers and relate them to questions of management and industrial structure.

# Contact

Thanks for your attention.

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