



Cycle Time

Not what you know, but what we know

Michael Moon

Journal of Digital Asset Management (2007) 3, 3–4. doi:10.1057/palgrave.dam.3650063

DAM moved into the era of Web 2.0. What does that mean?

As the person who first coined the term, Tim O'Reilly of O'Reilly Media suggested that the phrase Web 2.0 refers to a second generation of internet-based services, emphasizing online collaboration and sharing among users. Often-cited examples of Web 2.0 include Digg, Linked In, Open BC, Wikipedia and YouTube.

According to the Wikipedia, "In the opening talk of the first Web 2.0 conference", Tim O'Reilly and John Battelle summarized key principles they believed characterized Web 2.0 applications:

- the web as a platform;
- data as the driving force;
- network effects created by an architecture of participation;
- innovation in assembly of systems and sites composed by pulling together features from distributed, independent developers (a kind of "open source" development);
- lightweight business models enabled by content and service syndication;
- the end of the software adoption cycle ("the perpetual beta");
- software above the level of a single device, leveraging the power of The Long Tail.

For most of us, DAM comes nowhere close to these aspects; rather, for most firms, DAM remains rooted and fixed in many pre-web 1.0 ideas of enterprise software and walled gardens of data.

However, let's dig a bit deeper into the social aspect of Web 2.0, examining what these rather dry and distant principles (stated above) mean

and how we might apply them to the management of digital assets.

In an enlightening interview of Eric Schmidt of Google on the Charlie Rose Show in May 2006, the interviewer, Charlie Rose asks, "What's the next big thing? What's next, beyond Google?"

Mr. Schmidt stated that to understand what will come next, you have to understand what came before and provides the foundation for what's next. He then summarized the last 25 years:

Technologically, the 1980s were all about hardware: CPUs, hard disks, personal computers, servers, etc. By the time we exited the 1980s, hardware companies made the great bulk of new wealth: Compaq, Dell, HP, EMC, Sun, etc.

The 1990s were all about software: operating systems, databases, ERP and CRM. Again, by the time we left the 1990s, software companies had made the great bulk of new wealth: Oracle, SAP, Peoplesoft, Computer Associates, Siebel, etc.

The first half of the 2000s emphasized the web and internet Protocol (IP) technologies, driving new wealth creation by Google, eBay, Yahoo and, even, Apple.

Mr. Schmidt then went on to say that while one cannot see the future with same clarity as one can see the past, a few things struck him as pretty sure things.

The next wave of wealth creation will emerge around a distinctly social phenomenon — which fills out and complete the definition of Web 2.0.

The next wave entails a small, dedicated group of self-directed individuals that produce and consume hundreds and thousands of small pieces of information and media. In each successive round of "pro-sumption," they vet,

Michael Moon
GISTICS Inc,
4171 Piedmont Avenue
#210,
Oakland, CA 94611, USA
Tel: +1 510 450 9999
E-mail: moon@gistics.com

refine and socialize the small pieces of information and media. In turn, this creates a community of shared practices and new knowledge. Mr. Schmidt then adds that at some pivotal moment, this community attains a critical mass and a breakthrough, at which time it spreads like wildfire in a parched Southern California desert. Whoosh! Out of seemingly nowhere, we see YouTube, MySpace, Skype, Wikipedia, etc. — stunning new wealth creation.

What is the principle that underlies the technologies of Web 2.0 and how can we harness that principle in DAM?

INFORMATION-KNOWLEDGE TURNS

In the distribution industries, the number of times per year that a firm can sell and replenish its inventory — what many call inventory turns — play a significant role in overall profitability.

The greater number of inventory turns not only increases the utilization of fixed assets and human resources, faster inventory turns minimize costs of capital (less borrowings) and the risk of holding obsolete goods that eventually one must sell off at discount or write off entirely.

The emergence of social networking websites (MySpace, YouTube, Classmates, Skype) demonstrate a principle that parallels the productivity and profitability of inventory turns from distribution industries. Namely, the Networked Economy heaps handsome rewards on firms that can master and speed what I call *information-knowledge turns* — the practical application of new information to the refinement of a governing principle or best practice.

In turn, faster information-knowledge turns speed the emergence of knowledge maturity — in professional circles, what I call communities of best practices and open-source insights.

The figure below depicts a learning model borrowed by cognitive science, emphasizing how

human beings learn and, by inference, how open-source insights and best practice sharing will drive the emergence for DAM 2.0.

The first learning loop entails basic *trial and error*. Whether an infant learning to walk or an IT manager trouble-shooting an unfamiliar and undocumented system, most people experience this basic action–result learning loop as frustrating and not very productive.

The second learning loop emphasizes the summarization and generalization of many action–result learning loops: emergence of a governing principle and the essential learning skill: *learning how to learn*. Classic education, professional development and “how to” book mix first-hand experience with abstracted principles; completion of exercises or workbooks begins to anchor or “operationalize” a governing principle.

Common models and the insight sharing among peer practitioners speeds the refinement of a governing principle, driving a third learning-loop, *knowledge maturity* and the deeper understanding of how others learn as well as how we learn from others. Knowledge maturity results from a socialization process, emphasizing a core tenet of self-learning and Web 2.0: Knowledge does not constitute a thing or object, nor does any one person possess or own a piece of knowledge; rather, knowledge lives and evolves as a nonlinear set of interactions, conversations and shared activities.

DAM 2.0 constitutes the continuing work of a community of innovators and peer practitioners, achieving progressively higher levels of refinement, knowledge or critical mass. DAM 2.0 represents the emergence of new discipline for the planning, creation, ingest, management, distribution and consumption of digital assets — community of open-source insights and best practice sharing.

DAM 2.0 will emerge from open-source insights best practice sharing among peer practitioners of digital asset management.

