Strategic Resource, IT Governance and Knowledge Management

Jason C. H. Chen, Ph.D.
Professor of MIS
School of Business Administration
Gonzaga University
Spokane, WA 99258
chen@gonzaga.edu

Strategic Resources Model

Decision rights

Knowledge Management  →  IT Governance  →  Strategic Resources

- Capability
- Effectiveness
- Efficiency
- Availability

IT governance can be defined as “specifying the decision rights and accountability framework to encourage desirable behavior in using IT and IT resources.”

The Resource-Based View

- The Resource-Based View (RBV) looks at gaining competitive advantage through the use of information resources.
- Determining whether a firm’s strategy has created value.
- A firm must continually enhance its resources and capabilities to take advantage of changing conditions.
- A firm would be expected to develop new resources after its existing resource base has been fully utilized.
- Two subsets of information resources have been identified:
  - Those that enable firms to attain competitive advantage (rare and valuable resources that are not common place).
  - Those that enable firms to sustain competitive advantage over the long-term (resources must be difficult to transfer or relatively immobile).

Characteristics of Strategic Resource

- Seven (7) Characteristics of strategic resources are:
  - valuable,
  - rare,
  - non-imitable,
  - non-transferable,
  - non-substitutable,
  - combinable, and
  - exploitable

Which four are the minimal requirements to generate a sustained competitive advantage?

How can Strategic IT Resource sustain Competitive Advantage?

- valuable, rare, non-imitable, exploitable
- non-transferable
- non-substitutable
- combinable

Which four are the minimal requirements to generate a sustained competitive advantage?