

## The Business Case for Knowledge Services

A Question & Answer Discussion with Rashid Bilimoria  
CEO and Co-Founder, Boston Analytics

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*Rashid Bilimoria is chief executive officer of Boston Analytics, a customized knowledge services company specializing in business research and analytics for corporations, consulting companies, and financial services firms. Rashid has more than 14 years of global experience in business consulting and entrepreneurship. In his role as a strategy consultant, he has helped leading companies develop, define, and execute their business strategies. Prior to co-founding Boston Analytics, Rashid worked at Charles River Associates (CRA), where he managed projects for various Fortune 500 companies both in the United States and abroad. Previously, Rashid co-founded Mumbai-based Bilimoria Foods and Beverages, which spawned nationally recognized retail brands such as Smokin' Joe's. He has also worked in the financial sector for a top-tier chartered accounting firm in London. Rashid received his BA from Grinnell College and his MBA from Case Western Reserve University.*

**Question:** *Businesses of all sizes have always relied upon knowledge. What's so different about the role knowledge plays in business today?*

**Rashid Bilimoria:** There are a number of changes that characterize the new business environment: rapid technology innovations, shrinking business model life cycles, globalization of customer and manufacturing bases and talent pools, changing regulatory and compliance structures, just to name a few. In all of these shifts, knowledge plays a critical role. In this knowledge-intensive business environment, the companies that survive and thrive are those that leverage knowledge to drive enterprise-wide innovation, fact-based business decisions and consequently profitable growth and competitive advantage.

**Q:** *How does knowledge help companies achieve these business goals? What characteristics make knowledge useful? How does knowledge translate into business value?*

**RB:** Let's take the case of innovation – we all accept that innovation is a critical factor to ongoing business success. Companies are quickly realizing that traditional metrics of measuring innovation – such as the ratio of R&D to sales – are too internally focused and are, at best, only weakly correlated to value creation. In order to innovate successfully, companies need to be aware of and alive to the globally networked business environment and quickly identify and leverage innovation opportunities wherever they might exist. Successful innovators have access to knowledge that is fresh, insightful, customized, and rapidly available.

**Q:** *How do companies today ensure their access to the knowledge they need? What's required to sustain innovation?*

**RB:** The innovation function within a company should be focused not on knowledge creation, but on deriving innovation opportunities from knowledge – then quickly commercializing these opportunities so as to maximize economic returns. Developing, managing, and processing knowledge should be left in the hands of firms that specialize in and excel at providing knowledge services. In today's knowledge-intensive business environment, knowledge processing has become a distinctive science.

**Q:** *What is knowledge processing? What factors are driving the growth of the knowledge processing?*

**RB:** As is well known, there is an industry that is evolving in India called the KPO or Knowledge Process Outsourcing industry. The premise of KPO is that global companies can outsource higher value knowledge-related processes to India. Key drivers of rapid growth of KPO in India are the shortage of skilled knowledge professionals in the West and also the cost arbitrage opportunity when working with India's large and growing pool of knowledge professionals. Going forward, I believe cost will play a diminishing role – in my view, knowledge services are clearly a value play versus a cost play to the end user.

**Q:** *What types of knowledge processes can companies effectively outsource to third-party service providers?*

**RB:** These knowledge processes typically include:

- Financial analytics support for investment banks including M&A support, equity/debt reporting and modeling support, sector and company specific reporting and the like, and
- Business intelligence support for corporations including industry structure reports, competitive evaluations, technology assessments, market opportunity assessments and the like.

**Q:** *Are there many companies that offer knowledge services? How do they differ?*

**RB:** There are currently quite a few firms that are designated as KPO players. However, there are not too many firms that provide integrated knowledge services – in other words, they serve as one-stop-shops for all of the ongoing knowledge needs of a client company.

**Q:** *What makes integrated knowledge services so valuable to clients?*

An integrated knowledge services provider, in my opinion, is uniquely positioned to be a strategic partner to its clients, one that can help trigger meaningful growth for its client partners by helping with uncovering opportunities, technologies, weak business signals that are likely to quickly amplify to impact proportions, customer-driven insights, and the

like. For example, a recent survey showed that only 25% of business leaders believed that they truly understood their customers. Wouldn't it be advantageous, if you were a business leader, to partner with a firm that could continuously develop, monitor and analyze customer data and help you understand your customers' needs – what they want and what they are willing to pay for? Or help you uncover high-value customer segments that can be quickly served with a non-capital intensive adjustment to existing products or services or segments that are currently underserved? What if all of this insight, and more, could be provided to you with a continuously updated multidimensional knowledge repository – with an interface that would allow you to strategically and rapidly respond to opportunity as it emerges?

**Q:** *What examples would you offer of the impact this sort of knowledge has on competitive success?*

**RB:** In my view, business history is replete with examples of companies that made the right knowledge-based bets that placed them in competitively envious positions. Let's take the example of IBM: IBM shifted its business model to become services oriented; today its Global Services Group accounts for two-thirds of the company's market value. A few years ago, IBM was known for computers, servers, and provision of network support. So why did IBM make this calculated shift in focus and consequently leave its rivals like Dell behind? Because they saw the writing on the wall – they realized that their old model was burdened by its inherent structure and cost. My opinion is that IBM tracked (and continues to track) its business environment consistently and conscientiously and benefited from leveraging knowledge.

**Q:** *How does the example of IBM apply to other companies?*

**RB:** Many companies can leverage the best talent out there – i.e. their own internal talent pool – to evaluate opportunities and generate ideas (either incremental or sea change or something in between) and this process would be greatly enhanced by partnering with a world-class knowledge services provider.

**Q:** *Isn't this similar to the value proposition traditionally offered by consulting firms?*

**RB:** In today's rapidly changing business environment, many companies don't have the luxury of hiring the likes of a McKinsey & Company to come into their business and conduct long and costly strategic evaluations. They are much better served by leveraging their considerable internal talent – as long as they have fingertip access to the latest and most insightful knowledge. This means knowledge that is processed, analyzed, structured, and presented to drive maximum impact.

### **About Boston Analytics**

Boston Analytics provides its corporate, consulting and financial clients the most current, accurate, and actionable research and analytics – so they can be first to uncover and exploit opportunities. The firm’s work powers knowledge processes and enables effective decisions at all levels of our clients’ businesses. Boston Analytics brings together leading analytical minds worldwide, delivers a robust offering of knowledge services, and works as genuine partners.

Boston Analytics delivers enterprise-wide knowledge advantage by providing fully customized knowledge services as well as flexible, preconfigured knowledge products and repositories. All knowledge services and products are tailored to meet the specific needs of corporations, consulting companies, and financial services firms.

Boston Analytics is headquartered in Boston with offices in New York, London, and Mumbai. More information can be found at [www.bostonanalytics.com](http://www.bostonanalytics.com).