



Strategic Knowledge Through Innovation

Read through the case study of Torotrak. This is an example of a firm which is trying to obtain strategic advantage by specialist design knowledge in the highly-competitive motor vehicle industry. If it succeeds it is likely to achieve spectacular growth, but the downside risks are equally large. Using the framework below try and list five key questions which the managers of Torotrak should be asking themselves in order to help minimize the risk. If you were invited to help them as a consultant, what advice might you give them to help build and sustain a knowledge-based business

Question	Underlying reasons for asking it
For example: How are you going to ensure that no-one else comes in and copies your innovation, getting the benefits without having to have gone through all the hared work which you have?	Getting competitive advantage through knowledge-based activity requires paying attention to protecting the knowledge and making sure you – and not others – can appropriate the benefits of research.