STRATEGIC COMMUNITY: FOUNDATION OF KNOWLEDGE CREATION

A model of Japanese-style management for the 21st century leverages the power of strategic partnerships to create knowledge-building communities within large companies.

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OVERVIEW: *Strategic business communities played an important role in the efforts of NTT DoCoMo, Inc. and J-Phone Co., Ltd. to expand the market for mobile telecommunications in Japan. They are the foundation of a new management perspective that is proactive about harnessing the creative strategies produced by heterogeneous groups and integrating them into traditional management organizations with their greater efficiencies and expertise gained from experience. While top management continues to play its traditional leading role, it must be prepared to recruit and grant powerful authority and resources to community leaders who possess the vision and drive to build creative new businesses through the sharing of core knowledge within and outside the company.*

KEY CONCEPTS: *knowledge management, strategic business communities, leadership.*

Corporate reorganization in large companies trying to find the right mix for their business to stay lean, mean and innovative can be an agonizing process (*1*); the process itself generally involves two choices: form a new division within but separate from the corporate organization, or establish an entirely separate subsidiary for the same purpose. While either approach is effective for strategic innovation, each has always raised a critical issue in large Japanese corporations about how the

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cultures of old and new can be joined and how such separate organizational structures can hope to achieve long-term harmony.

The harmonious "marriage" of old and new cultures may seem inconsequential to many Western business leaders, but it has stood out like a sore thumb for the past decade, especially among large Japanese corporations with long histories of harmony, consensus building, and company traditions that must be addressed in any reorganization effort to make a company more innovative. Overcoming these problems requires vigorous leadership from top management and a revolution in corporate culture.

For large Japanese companies, the issue is not only whether to organize management in a division or a subsidiary but to first identify the elements of organizational management essential for the firm to support strategic innovation characterized by speed and excellence on the one hand, and some venue for harmonious fusion between the cultures of old and new on the other. This article describes how the management at NTT DoCoMo, Inc. (hereafter, DoCoMo) and J-Phone Co., Ltd. (hereafter, J-Phone) approached this problem, launched their successful businesses and integrated old and new in their corporate culture through a management style I call "strategic community management."

Strategic community is based on the concept of *ba* as a shared space for emerging relationships that serves as a foundation for knowledge creation (*2*). Participating in a *ba* means transcending one's own limited perspective or boundary and contributing to a dynamic process of knowledge creation. In a strategic community, members—including customers who possess different values and knowledge—consciously and strategically create a *ba* in a shared context that is always changing. They continually create new knowledge as a new *ba* by merging and integrating a single *ba* or multiple numbers of *ba*.

Strategic community is defined here as both emergent and strategic. It is a collaborative, inter-organizational

relationship that is negotiated and associated with creative yet strategic thinking and action in an ongoing communicative and collaborative process, in the case of several arrangements (e.g., strategic alliances, joint ventures, consortia, associations, and roundtables). It depends on neither market nor hierarchical mechanisms of control (3,4).

Strategic community is applied, for instance, in cases where enterprises are in a management environment beset by numerous uncertainties, where predictions are difficult and management is searching for valid strategies. The task of a strategic community is to form and implement concrete business concepts and ideas. Trial and error is necessary, however, and a strategic community expects that a strategy will emerge from among the collaborative actions.

For the most part, middle management is at the center of the strategic community. They form informal and virtual teams both inside and outside the company, including customers, and actively generate entrepreneurial strategies and create new knowledge (5). They then stimulate new demand that did not exist before, which in turn results in the emergence of a new market.

The challenge facing Japanese companies in the 21st century is how to create strategic communities to promote long-term innovation, revitalize the organization to keep it focused, and create new business opportunities. Generally, Japanese managers are adept at working in traditional, "real time" environments with their co-workers but are "managerially-challenged," so to speak, to form strategic communities with those outside the traditional workplace or to use information and knowledge garnered from resources whose origins are not "in-house." Nevertheless, in DoCoMo and J-Phone we have examples of large, traditional Japanese corporations that have not only successfully implemented strategic community management, but can serve as a model for many other large Japanese corporations struggling to find a management strategy to help them innovate in the 21st century without negating the importance of traditional management methods.

Japanese business leaders who are actively involved in managing the many diverse, strategic communities within and outside the corporation and who have close contact with their customers are well positioned to discover new information, knowledge and expertise and to act quickly to disseminate this information within the strategic community, thereby raising overall knowledge for the corporation and for the strategic community as a whole. These efforts can generate a cyclical, on-going process of revitalizing the corporate organization and expanding and developing new and old businesses alike.

Research Methodology and Data Collection

Due to the exploratory nature of this research and our interest in identifying the main people, events, activities,

> # Community leaders must search out key business people in other industries and work with them to develop new markets.

and influences that affect the progress of innovation, we adopted a qualitative, in-depth case study approach. Case studies make it possible to explain the relevance and cause-and-effect relationships of a variety of observations through deep and detailed insights, with consideration given to qualitative information and subjectivity resulting from the peculiarities of the cases and the difficulties of general analyses (6–8). Case studies not only compensate for the weaknesses of generalities but are also indispensable in new, creative theorization.

This research is based on field work undertaken by the author between December 2000 and March 2003 at DoCoMo, where he served as project leader for a video business planning and development project utilizing third-generation mobile telephone technology. Relationships with the strategic partners of each firm were analyzed from within the organization of partners and DoCoMo, and chronological data collected for knowledge created through the formation of strategic communities. For the research on J-Phone, our primary contacts during the data collection process were the managers and staffs of J-Phone and the strategic partner, Sharp Corp. These firms played important roles in forming the strategic community, enabling access to 12 senior managers, associate managers, development and sales staffs for interviews lasting one to two hours, as well as to materials from both inside and outside the companies.

DoCoMo: Formation of a New Organization

Ever since DoCoMo was spun off from NTT as an independent mobile communications entity in 1992, its mission has been to open the Japanese mobile phone market. It took the company just eight years to rank as one of the fastest growing businesses to emerge in the last decade of the 20th century. The strategy that emerged to

create these successes began in 1997 when DoCoMo's then president and current chairman Koji Oboshi predicted that the market for voice communication over mobile phones would soon be saturated and that this would seriously cut into the company's returns and growth. The solution, Oboshi argued, was to focus on digital communication services, essentially creating a new market to eventually overtake voice communications.
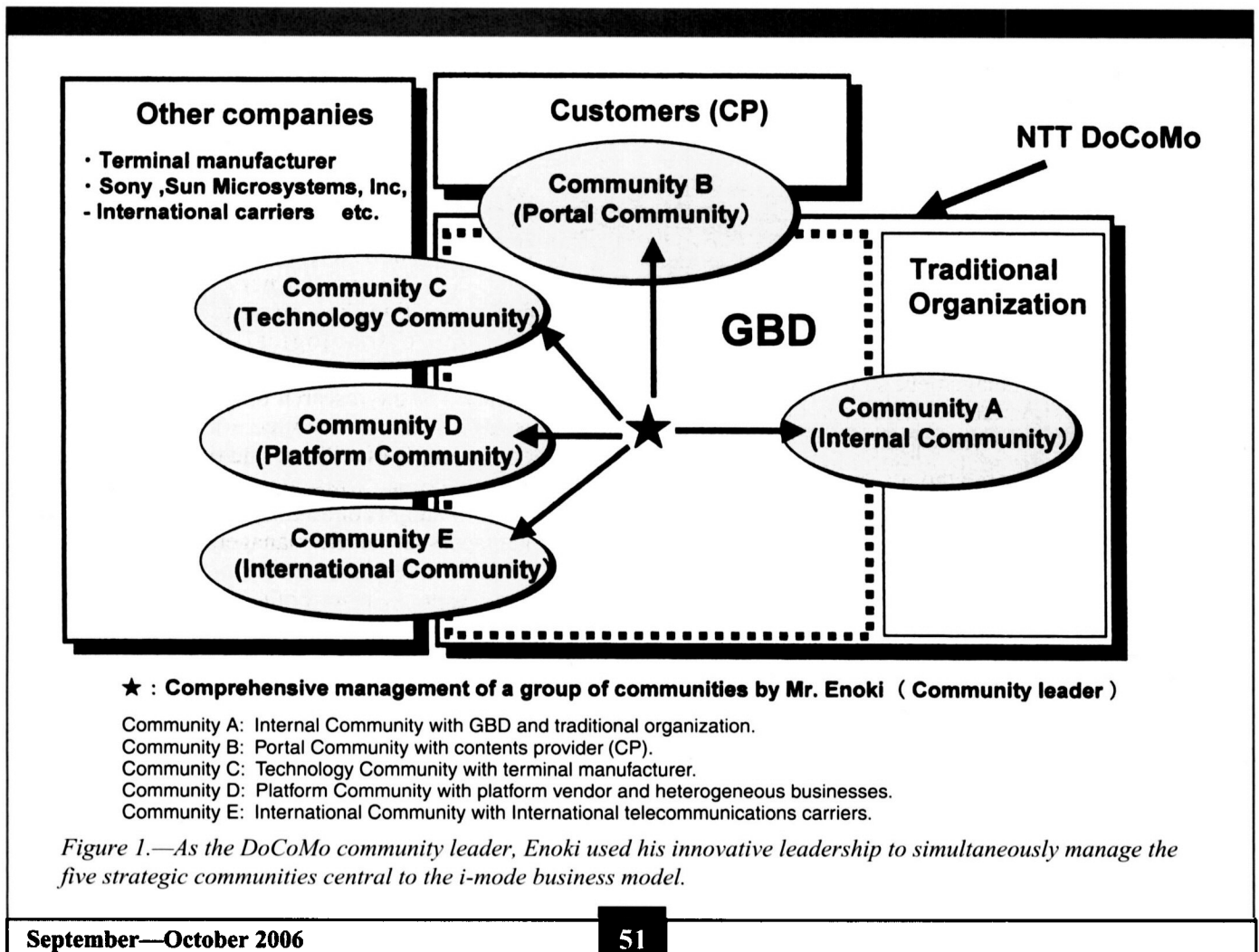
In January 1997, Oboshi selected Keiichi Enoki to lead DoCoMo's Gateway Business. Oboshi gave him the task of building a new organization at DoCoMo to plan and design a series of entirely new "digital" services for delivery over mobile phones to the Japanese consumer market. Oboshi also gave Enoki authority to recruit from outside the company and to completely manage personnel and financial activities for the new service. He headhunted Mari Matsunaga, a magazine editor with Recruit Co., Ltd., as the leader of a team assigned the task of building i-mode's service content, and Takeshi Natsuno, who quickly distinguished himself with his ability to close deals with content providers and obtain a large number of services needed to make the i-mode service attractive. By August 1997 the project had become the Gateway Business Department (GBD)

with a staff of 70; its new digital service was dubbed "i-mode."

The business model formulated by Enoki's GBD team was designed to expand the number of i-mode subscribers and to enhance the content from the Japanese content providers (CPs). Its success was predicated on the idea that the content provided by the CPs to i-mode subscribers had to meet three criteria: high quality, interactive functionality, and constantly updated content.

The task of implementing this business model required a hardware and software solution. Easy-to-use i-mode-compliant mobile phones had to be developed for subscribers as well as a network system of i-mode servers and other hardware to deliver digital content. On the software side, Enoki understood that he had to get the CPs to provide content that met the right criteria and attracted new subscribers.

It was essential for Enoki to integrate the talent and expertise available from within the GBD and other DoCoMo organizations as well as talent available only from outside DoCoMo, i.e., from the CPs who were DoCoMo customers and from DoCoMo partners such as the terminal manufacturers and platform vendors.

★ : Comprehensive management of a group of communities by Mr. Enoki (Community leader)

Community A: Internal Community with GBD and traditional organization.
Community B: Portal Community with contents provider (CP).
Community C: Technology Community with terminal manufacturer.
Community D: Platform Community with platform vendor and heterogeneous businesses.
Community E: International Community with International telecommunications carriers.

Figure 1.—As the DoCoMo community leader, Enoki used his innovative leadership to simultaneously manage the five strategic communities central to the i-mode business model.

The five strategic communities that Enoki brought together as centerpieces to the i-mode business plan are listed in Figure 1. The knowledge acquired from the interaction of these strategic communities made it possible for the GBD to overcome severe hardware and software problems and led to the creation of a business model for i-mode service.

As a community leader, Enoki had to use his innovative leadership to simultaneously manage the five strategic communities in a comprehensive manner. He had to facilitate the continuous sharing and creation of core community knowledge within each of these business communities.

New Internal Communities

It was essential for the traditional organizations and the development and engineering departments to work together to develop i-mode-compliant mobile phones and network systems. From the outset, however, there were differences of opinion over the i-mode concept between the GBD and other departments in DoCoMo and objections within DoCoMo about the kind of services i-mode should offer. Enoki understood that differences between the GBD and the traditional DoCoMo organization could be bridged by strong leadership, coordination, and consensus-building within the departments (9). He successfully leveraged arguments and disagreements, and used them as catalysts for furthering constructive, productive dialogue and discussion (10). The traditional DoCoMo organization was especially influenced by the passion of the professionals assembled at the GBD who staked their pride on the success of the i-mode service and Enoki's leadership.

Enoki's strong leadership promoting the i-mode service also helped him to secure the understanding and agreement of the top leaders of the traditional organizations. Once he was confident of their support, he invited them and DoCoMo's president to join the Mobile Gateway Service Promotion Committee within DoCoMo. The committee contributed enormously to the launch of the i-mode service by serving as a forum for open dialogue and decision-making, and as a venue for sharing information and knowledge at the highest levels of management, which did not go unnoticed by mid-managers.

Enoki and Natsuno believed that to attract large numbers of subscribers and trigger explosive growth of the i-mode service, they would need to get all the players of the strategic community to work together. They identified five community strategies to make this work. Each of the three strategic communities (Portal Community, Technology Community and Platform Community) evangelized their own business strategies and these three business strategies interacted with each other and created synergies for the other communities. These activities made it possible for DoCoMo to acquire 38 million sub-

scribers by March 2003, just three years after the launch of the service.

In addition to the domestic sales of i-mode, GBD promoted the business overseas through an international Carriers Community. This strategy aimed to stimulate new communications demand by expanding global roaming and the licensing business developed from DoCoMo's service know-how into overseas markets. A series of alliances were established with the goal of forming strategic communities with overseas carriers and conducting technical studies of various customization schemes aimed at the overseas introduction of mobile handsets and i-mode service.

J-Phone: Building a Mobile Community

J-Phone (now Vodafone K.K.) is a leading mobile operator in Japan and a member of the Vodafone Group, the world's largest mobile community. It offers sophisticated mobile services including high-quality voice telephony, "Sha-mail" picture and video messaging, and "J-Sky" mobile Internet and e-mail access. Sha-mail, which allows people to take pictures with a camera-equipped mobile phone and send them as e-mail attachments, gained 10 million users in approximately 30 months after its November 2000 introduction.

Around 1999–2000, however, J-Phone faced formidable competition from DoCoMo as well as KDDI because of its overwhelming disadvantage in data transmission speed. Deciding to build on J-Phone's strength in e-mail-related services, three employees, including a project leader (Mr. Takao), set to work drafting a development plan for establishing a market for e-mail-based image communication. They faced innumerable technical and business problems. But the motive force behind Sha-mail turned out to be community thinking and action based on the creation of strategic communities within and outside the company, including communities formed with J-Phone's customers.

Takao was a community leader in J-Phone headquarters' Mobile Terminal Development Department (MTD), a new organization that was supported and empowered by the company's top management. He demonstrated innovative leadership in utilizing the empathy and resonance he had built with other leaders (including customers), both within and outside the company, to create various business communities.

The four strategic communities that Takao and his collaborating community leaders in J-Phone brought together as centerpieces of the new mobile handset and Sha-mail business plan are shown in Figure 2. The knowledge acquired from the interaction of these strategic communities made it possible for the MTD to overcome severe product development problems and led to the promotion of a business model for Sha-mail

service. Takao managed these business community groups simultaneously, and worked to promote Sha-mail through the creation of new businesses.

In November 2000, a new mobile phone with a digital camera developed jointly with Sharp was released. To expand strategic partnerships with mobile phone suppliers, J-Phone has collaborated with several strong partners such as Nokia, NEC, Mitsubishi, Toshiba, and Sanyo. Today, MTD has the industry's largest lineup of camera mobile phones, and customers can choose among a wide variety of handsets and features.

Creating Strategic Communities

The task confronting Takao of MTD, which at that time had no sales function, was creating a business community to sell new mobile phones and Sha-mail. It was necessary to foster a deep understanding of and feelings of empathy toward new mobile phones and Sha-mail among the many J-Phone employees who had never before handled such mobile handsets and service.

A group of community members, mostly made up of community leaders, used product and service explana-tion meetings, training meetings, and other educational activities during the months leading up to release to bring about a revolution of employee consciousness as it related to popularizing new mobile phones and Sha-mail.

A community leader must search out key people in businesses in other industries, and work with them to cultivate and expand new markets. This is also essen-tial for increasing the quality of the products and services generated in the process of strategic business creation, so as to create new value for customers (11). By making customers important strategic partners, and working with them to improve the quality of products and services, it becomes possible to create new businesses and expand markets. For this reason, J-Phone has moved forward with a business strategy of introducing Sha-mail into medical institutions throughout Japan. It also collabo-rated with a TV broadcasting company to enable Sha-mail users to interactively participate in live TV by sending the user's image, pictures and text information via Sha-mail. In addition to the strong entertainment value of the trial service, broadcasters could obtain ba-sic demographic information about their interactive

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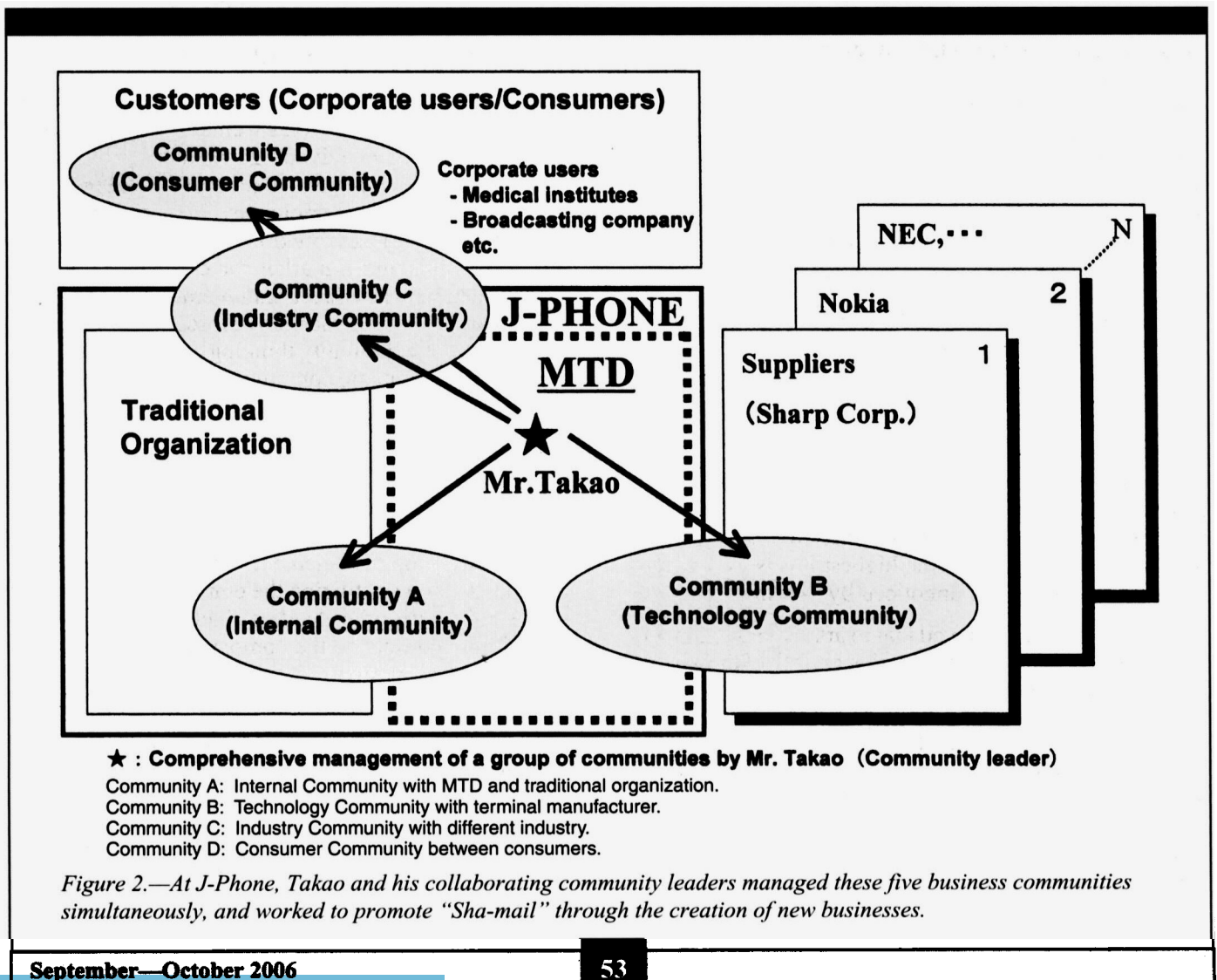Community D: Consumer Community between consumers.

Figure 2.—At J-Phone, Takao and his collaborating community leaders managed these five business communities simultaneously, and worked to promote "Sha-mail" through the creation of new businesses.

viewers, such as age, gender and general location, for marketing purposes.

J-Phone further enhanced Sha-mail communication possibilities by introducing "Sha-mail album," a service that allows users to save and upload photos to create and display original photo albums online. This service was intended to promote and enhance the communities among many consumers, and to contribute to further growth of Sha-mail.

Creating Community Knowledge

The establishment of various strategic communities capable of generating business innovation was a key factor in DoCoMo's creation of a mobile Internet through the i-mode service, and in J-Phone's creation of Sha-mail. The key to making these strategic communities a success was encouraging Japanese business values such as empathy and harmony among the community leaders that form the core of the strategic partnership-based community.

Community leaders create strategic communities by leveraging their leadership and energy. For example, the leaders of DoCoMo, whose real-world business experience was based on a conventional Japanese organizational culture, contrasted sharply with the CP leaders whose corporate organizations were more diversified. Nevertheless, they worked side by side to make decisions that shared a common vision to "provide consumers with an opportunity to experience a mobile Internet environment." The added value that resonated among these leaders made it possible for them to continuously provide attractive and refreshing content, which added value for i-mode subscribers.

A corporation's most important source of advantage is arguably the knowledge possessed by its employees and the knowledge built into its structures and systems. Knowledge creation is based on individuals performing activities in which their existing tacit and explicit knowledge is combined in order to refine current activities and explore new possibilities (12,13). The knowledge creation process thus requires active interaction among employees, teams, business units, and strategic communities through organizational learning process (14–16).

Our past empirical research regarding the knowledge creation process in product and service development in various strategic communities (17,18) has shown that one of the basic requirements for continued knowledge development is community knowledge innovation in terms of information, skills, know-how, experience, etc. This requires sharing, inspiration through mutual influence, and the ongoing creation and accumulation of community knowledge within the strategic community. Lowendahl *et al* also pointed out that inspiration or

> ## Japanese business values such as empathy and harmony form the core of the strategic partnership-based community.

creative "kicks" for knowledge creation was extremely important (19).

Community knowledge innovation refers to the "sharing-to-inspiration-to-creation-to-accumulation" process that spirals up as a result of the engagement of community members in dialogue and collaboration concerning tacit and explicit knowledge within the strategic community (see Figure 3). At each step of sharing, inspiring, creating, and accumulating community knowledge, organizational learning occurs at the intersection of tacit and explicit knowledge through interactions among community members.

Community Knowledge in DoCoMo and J-Phone

In the language of ordinary corporate activities, this spiraling process corresponds to developing and selling products and services that customers need and repeatedly improving the quality of those products and services, which in turn enhances the quality of the community knowledge and promotes innovation. Community knowledge innovation within DoCoMo and J-Phone is described below.

The issue that the DoCoMo Internal Community in Figure 1 faced in launching i-mode was to promote the potential mobile Internet market. Consequently, it was important for front-line employees to acquire know-how and skills regarding i-mode and to actively propose i-mode services to customers (Figure 4). Thus, tacit and explicit knowledge was shared in the Internal Community and exchanged between GBD and the traditional organization via nationwide conferences and the like. Which terminals, applications and contents to provide to customers via i-mode were considered, and new content, service plans, nationwide promotion plans, training programs and sales and facility plans were

studied. Community knowledge such as know-how regarding i-mode services and skill of front-line employees was thereby created and accumulated inside the Internal Community.

The issue for the J-Phone Technology Community (Figure 5) at the time of launching the new mobile phone development was the conception and design of the new phone with a digital camera. The various tacit and explicit knowledge possessed by community members was shared and constructive dialogue among the many community members about the design of the ideal mobile phone/camera stimulated mutual tacit and explicit knowledge within the Technology Community. What bonded each community member was their common vision and conception of "innovation in the field of a new mobile communication culture." Over the approximately one year it took to develop the new phone through a process of trial and error, community knowledge, including a variety of know-how and skills, was created, accumulated and built up within the Technology Community.

> The process of sharing-to-inspiration-to-creation-to-accumulation spirals up as a result of dialogue and collaboration.
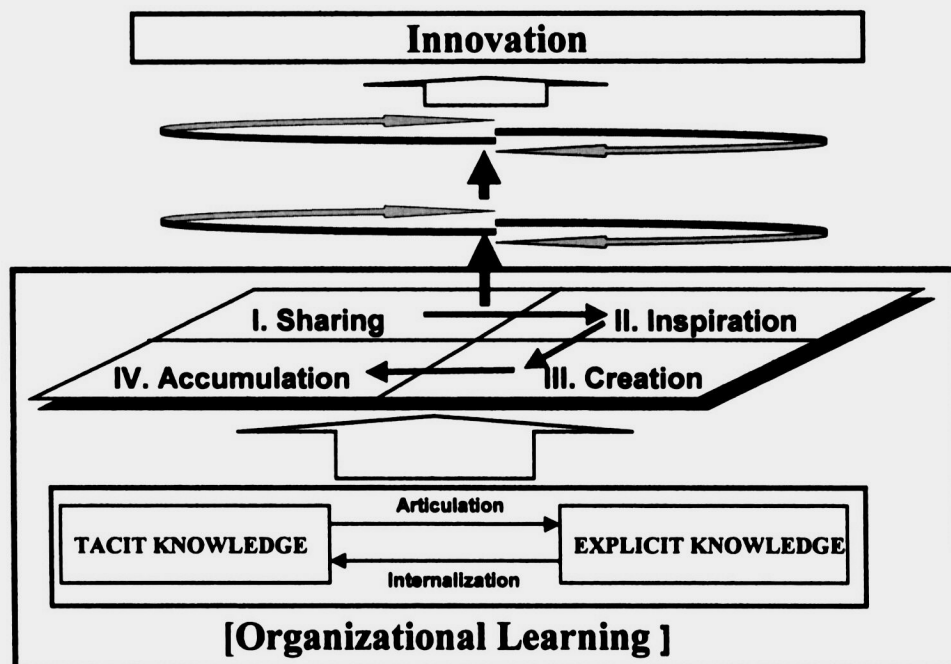
I.	Sharing	-Understanding and sharing existing knowledge held in the community.
II.	Inspiration	-Propagating knowledge through inspiration related to existing knowledge.
III.	Creation	-Creating new knowledge.
IV.	Accumulation	-Storing diverse new knowledge through the practical application of inspiration, propagation, and creation, including know-how accumulated through the practical application of community knowledge in the market.

Figure 3.—Community knowledge innovation occurs through a process of "sharing-to-inspiration-to-creation-to-accumulation" that spirals up as a result of the engagement of community members in dialogue and collaboration concerning various tacit and explicit knowledge within the strategic community.

- **Change in consciousness from a mobile telephone business to a mobile internet business**
- **Understand current situation and issues on i-mode**
- **Understand issues on education of front-line employees**

- **Study with view toward startup of i-mode market**
- **Study sales system and facilities situation**
- **Study structure of service front system**

I. Sharing → II. Inspiration

IV. Accumulation ← III. Creation

- **Accumulate sales, technology know-how, and employee skills**
- **Accumulate various customer needs and information on problems through the provision of services**

- **Plan/Develop new products, content, and services; introduce them to the market**
- **Introduce new customer information system and review plans for facilities**
- **Enhance and expand service front end**
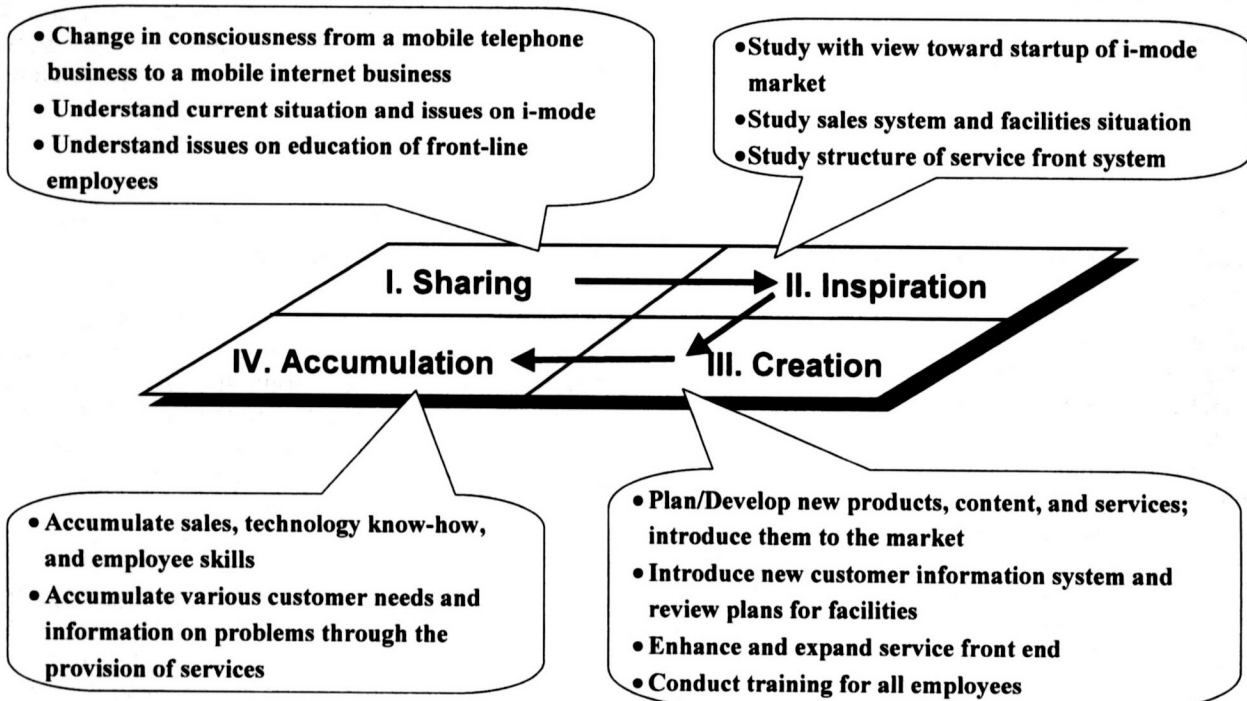- **Conduct training for all employees**

Figure 4.—Community knowledge such as know-how regarding i-mode services and the skills of front-line employees was shared, inspired, created, and accumulated inside the DoCoMo Internal Community through provision of i-mode to customers based on various plans.

- **Sharing the 'Innovation in the area of mobile communication culture' vision**
- **Sharing technology and business model possessed byindividual community members in their specialized fields**

- **What is the optimum mobile phone with camera for customers –ability for easy operation by any people?**
- **How to develop high quality, low cost new mobile phone?**

I. Sharing → II. Inspiration

IV. Accumulation ← III. Creation

- **Accumulate sales, technology know-how, and employee skills**
- **Accumulate various customer needs and information on problems through the provision of services**

- **Conceptualizing, developing a new mobile phone with a digital camera**
- **Designing, integrating, and trial prototype system**
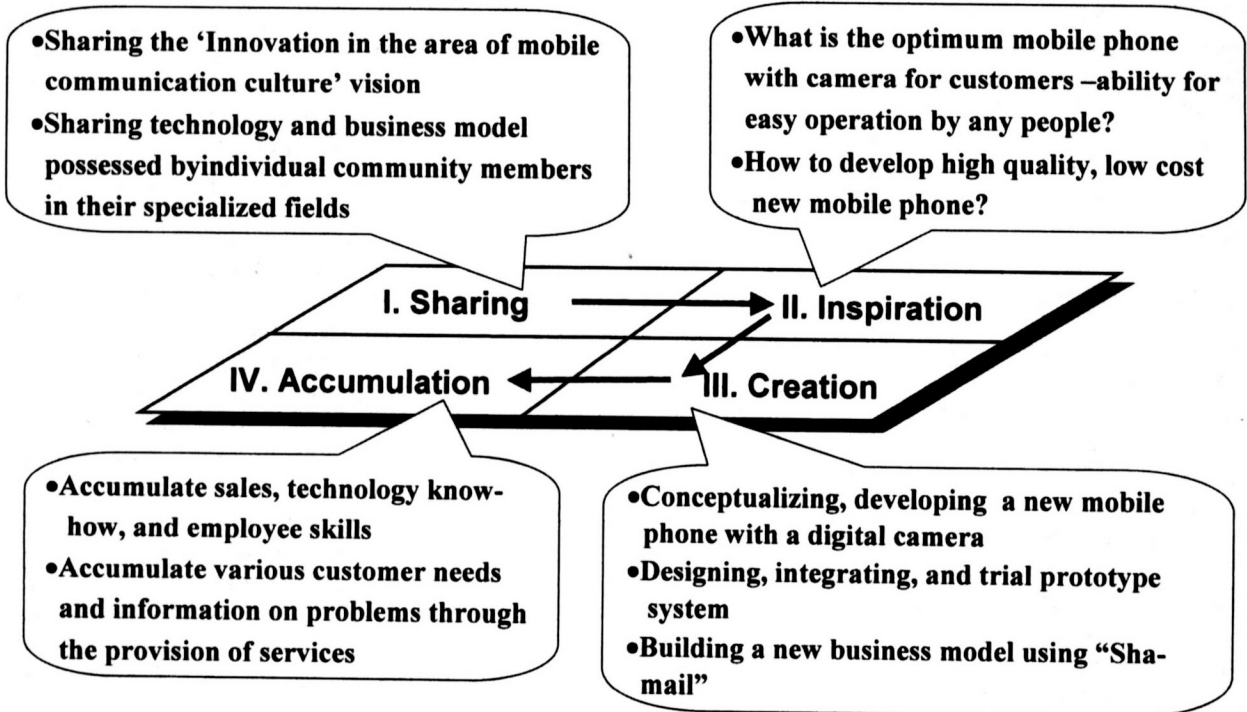- **Building a new business model using "Sha-mail"**

Figure 5.—Community knowledge, including technical know-how, skills, etc., was created, accumulated and built up within the J-Phone Technology Community.

Strategic Community Leadership

The Strategic Community Leadership (SCL) described now is rooted in four tenets that advance the shared goals of the community members:

- Clear, well-articulated vision.

- Interpersonal knowledge such as skills and know-how.

- Excellence in creativity and productivity.

- Sensitivity to corporate politics in the strategic community.

As evident in the two case studies, one of the strengths of a community leader in a new, entrepreneurial organization (GBD in DoCoMo, MTD in J-Phone) is the ability to anticipate future challenges to the company and to offer a fresh perspective unhampered by conventional preconceptions or behavior to meet these challenges. Leaders not only bring a mastery of what they understand of the enterprise and their core knowledge gained from outside the company and from their customers, but they also have the ability to share, inspire, create, and accumulate community knowledge in the enterprise—knowledge that serves as the basis for new business models, and an infrastructure aimed at promoting innovation.

It is the role of the SCL to resolve intra-department problems and conflicts. They have the unilateral authority to make contracts with customers and partners outside the *keiretsu* without going through traditional channels for approval in order to build strategic communities outside DoCoMo and J-Phone. The choices made by the SCL in this process directly impact others in the strategic community and can bolster their confidence and solidarity and advance their expertise and performance. These leaders do not only exhibit their "innovative leadership" as instructors, coaches or mentors, but also become listeners and recipients, enhancing intrinsic motivation among community members in their knowledge creation activities (*20*).

Managerial Implications

Top management needs to play a leading role in any major business hoping to achieve radical innovation. They need to create teams that value entrepreneurship and then provide these teams with the necessary authority to create future businesses. They must also be mindful, however, of how the new organization will look. Top management must therefore recruit and support community leaders from within or outside the company who have new visions, and innovative leadership capable of building new, creative business models through the sharing and integration of core knowledge within and outside the company.

Top management must be ready to give powerful authority and resources (personnel and funds) to these community leaders and provide them with support to build new organizations with emergent and radical strategies as well as new corporate cultures within a large business. Led by a team of innovative community leaders, the new organization can propose elaborate strategies and tactics for future businesses, thus spurring corporate action to implement specific plans based on these strategies.

The strategic community utilizes the best of new and traditional Japanese organizations to innovate. Tushman and O'Reilly argue that corporations with distinct physical, cultural or organizational perspectives need to form a new organization in order to develop an innovative business (*21*). They argue that there is an inherent dichotomy between large, efficient, established organizations with their historically high profitability and aversion to risk and fledgling organizations, which are entrepreneurial, require large amounts of investment capital, and are risk-seeking by nature.

The traditional organization is prone to ignore, crush or deny changes in the new organization, allowing traditional corporate values to remain unchanged. The challenge of how to encourage innovation in a large business is directly related to the challenge of how to dismantle traditional values held by the employees of the traditional organization. The key to this transition is the community leader who has the full support of top management. It is the community leader's task to facilitate an open, on-going dialogue with all employees that will serve as a mechanism to make each employee a part of the transition from traditional to new and to bring about a constructive dialogue that avoids internal squabbling and conflict. The result is the formation of a new value system for an innovative, strategic community within the corporation which can draw on the experiences of the traditional organization without being hampered by traditional values in its goal of developing new businesses.

Large corporations cannot achieve radical transformation solely through the presence of a charismatic leader or the leadership entirely dependent on top management; to be innovative, it must foster leadership at all levels of management. The community leaders who continuously hammer out future corporate strategies require the leadership abilities necessary to construct new core knowledge through the formation of strategic business communities with outside partners, including potential customers. It is urgent that the company grow many such community leaders who can then create new business in new markets and thus help maintain the company's advantageous competitive position. Tichy, *et al* call this concept a leadership engine (*22*), and explain that the mechanism of raising leaders one after another in an organization not only establishes continuous competitive advantage but is a practical element necessary for discontinuous change.

Regardless of whether the community leaders are corporate directors drawn from top management, rank-and-file middle managers or low-level staff, they must possess the qualities of innovative leadership. Whether the strategic community exhibits superior knowledge alone will not necessarily ensure the success of the business if the strategic community lacks innovative leadership. Regardless of how many exceptionally skilled employees a company has or how well these employees understand the knowledge of their strategic community, without innovative leadership by exceptional leaders there can be no hope of continuous corporate development and innovation.

The community leaders implement a top-down management style and make decisions affecting personnel, physical, financial, and information management resources. The scope of their decision-making is determined by the organization's long-term strategic direction. They rely on their subordinates to perform the actual day-to-day management of the business. However, this management style differs from the armchair management implemented by leaders who enjoy a gift for spotting trends. Community leaders must have a good grasp of the business environment, formulate business strategies based on long-term projections fraught with uncertainty, and have the ability to think and act strategically to promote fledgling businesses. They must possess innovative ideas themselves in order to implement promising business ideas.

A New Management System for Japan

In the years ahead, it will become increasingly important for Japanese corporations to aim for a new "Strategic Community-based View"—a system that does not focus on restructuring, downsizing, re-engineering or other Western models, but on forming strategic communities to stimulate innovation, resonate to the diverse value systems of individuals, groups and organizations, and find the means to bring talented, bright personnel together to work for an innovative enterprise.

In order for these endeavors to take root, Japanese corporations must continue to engage in strategic partnerships based on deep collaboration and include these practices into their corporate management, and they must also apply the concepts of strategic community management to create a diversity of new businesses.

Community leaders must work to achieve a harmony of philosophy and vision with heterogeneous organizations outside their companies. They must demonstrate the essence of strategic community management: innovative leadership, an accumulation of greater community knowledge by encouraging organizational learning within the strategic community, and sharing, inspiring, creating, and accumulating community knowledge with other community members.

Community leaders will re-define the role of leadership both inside and outside the corporate organization. Their new role will require them to shoulder the burden of business innovation in the 21st century, leverage the power of strategic partnerships to create business communities, and in the process, promote new, innovative businesses. ◉

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