On the Integration of Knowledge Management, Cloud Computing and LOHAS Economy as a Corporate Strategy

HUA-LIN TSAI[1], CHERNG-HORNG LAN[2], YU-HSIN CHANG[3], CHEN-RU CHEN[4]
[1]Department of Information Management
[4]Department of Tourism Management
[1]Southern Taiwan University of Technology
[2,3]Cheer & Share International Ltd
[4]Taiwan Shoufu University
[1]Southern Taiwan University of Technology
[1]No. 1, Nan-Tai Street, Yongkang Dist., Tainan City 710
TAIWAN
[1]kittyhl@gmail.com
[2]cherng.horng@gmail.com
[3]yuhsin81@gmail.com
[4]ruru@mail.tsu.edu.tw

Abstract: - In this report we discuss the triangular strategy of integrating knowledge management, cloud computing and lifestyle of health and sustainability (LOHAS) as a corporate strategy. The core of this strategy is that consumer behavior is the consequence of culture influence. In order to increase the impact of Cheer & Share International Ltd as a member of culture creative in the form of a group, we plan to put the LOHAS culture on the cloud. Through effective knowledge management in the society about LOHAS, we develop applications based on cloud computing so as to increase the scale of influence and therefore establish the reputation of the corporate as a provider of health, beauty, wealth and sustainability.

Key-Words: - Knowledge Management, Cloud Computing, LOHAS, Sustainability, Green Business

1 Introduction

The core competence of creating a new culture includes two abilities: (1) creation of knowledge and (2) dissemination of knowledge. In terms of business, creating a new culture is equivalent to shaping consumers' behavior. In our view, as members of a founding group of a new enterprise (Cheer & Share International Ltd.), equipping ourselves with the strong ability to create a new culture will invent a new market, which will in turns bring prosperity to the company and the society.

In order to attain this goal, we create a corporate strategy, which integrates knowledge management, cloud computing and the current trend of LOHAS (lifestyle of health and sustainability). Through this triangular strategy, we plan to create a LOHAS culture in the Cheer-&-Share style, which will bring health, beauty, wealth and sustainability to our customers.

1.1 Background

There are three important advances, in our opinion, will largely shape the way of living in 21st century: (1) knowledge-based economy; (2) cloud-computing economy and (3) LOHAS economy.

Knowledge-based economy was defined clearly in the report issued by Organisation for Economic Co-operation and Development (OECD) in 1996 as "economies which are directly based on the production, distribution and use of knowledge and information". This trend shift economic entities' attention from tangible assets (e.g., properties) to intangible assets (e.g., knowledge of know-how).

The emergence of cloud-computing has been viewed as the future trend that governments and industries should take into account for their strategic planning [2]. Due to the huge computational power, the pay-as-you-go feature and the technical specialty for building the infrastructure of cloud-computing service, we defined cloud-computing economy as a type of public-utility service with a variety of digital content. In particular, this digital content is clearly knowledge-based.

In the context of knowledge-based economy and cloud-computing economy, what an enterprise can do for the success and prosperity. As mentioned before, it is the vision of Cheer & Share International Ltd, that, we can create a new culture through a scheme of knowledge management and disseminate the know culture massively through the application of cloud-computing service.

What the content of the flows is about? Echoing the growing trend of demanding green environments and personal health and development [3], we decided to enlarge this trend by building a knowledge network for LOHAS. Our corporate strategy can be summarized as follows: *knowledge management of LOHAS on the cloud*.

1.2 The Purpose of the Report

In this report, we are going to establish the foundations of our triangular strategy for Cheer & Share International Ltd. Based on the discussion above, we are going to answer a very question: *How should we integrate the three building blocks (knowledge management, cloud computing and LOHAS) into a coherent strategy*?

2 The Building Blocks of the Strategy

The mission of Cheer & Share International Ltd. is to bring health, beauty and sustainability to the society, therefore creating happiness for the planet. To achieve this goal, we have to change people's behavior through the cultural influence.

People have to live in a society, in which they exchange information and form their own knowledge in order to have a higher quality of life. By creating a group, especially a large group, a culture creator can build up an implicit power of influence to guide the direction of the crowd.

From the viewpoint of an enterprise, culture creation is equivalent to business creation. Consumers' behavior reflects their values and beliefs, which are the guiding principles of their own behavior. Culture creation in its essence is to provide a new set of values and beliefs. Once people accept this new set of values and beliefs, it can be expected that they will change their behavior accordingly. In sum, creating a new culture in a society can change consumers' behavior in it.

To play the role as a culture creator, the enterprise should have the ability of (1) *knowledge creation* and (2) *cultural influence*. The following section will introduce the building blocks of Cheer & Share's strategy: (1) knowledge management, (2) cloud-computing and (3) LOHAS.

2.1 Knowledge Management

In a nutshell, knowledge management can be represented in the following equation:

Knowledge management = transforming knowledge into information + transforming knowledge into valuables.

From the viewpoint of business and service dominant logic in service science [4], transforming knowledge into information means that *make knowledge distributable through information technology*. On the other hand, transforming knowledge into valuables means that *make knowledge itself a form of service*.

In line with this framework, we can apply the three basic strategies of knowledge management shown in Table 1:

Table 1. Strategies, purposes and tools of knowledge management

Strategies	Purposes	Tools
Market Strategy	Search and Organization of Knowledge	Knowledge Map
System Strategy	Storage and Distribution of Knowledge	Knowledge Base
Social Strategy	Creation and Utilization of knowledge	Knowledge Community

The idea of knowledge map is close to the catalogue of goods for purchasing. The knowledge base can be seen as a department store of knowledge. The knowledge community is the place in which a new culture to be created. These three strategies of knowledge management are complementary in nature. It is worth noting that these three tools not only can be applied in a company, but also can be applied in the society.

In the past decade, knowledge management has been popularized among enterprise through the advance of information technology. It has been a tool for creating a corporate culture [1]. What we would like to achieve is to create a new commercial culture in the society through the systematical application of three strategies of knowledge management. To increase the scale of the culture influence, it is important to exploit the trend of cloud computing, which is introduced in the following section.

2.2 Cloud Computing

In terms of service, we can define cloud computing in a sentence: *it is a way of providing service*

through the computing capacity of the infrastructure of the Internet itself. The advantages of cloud-computing are as follows [2]:

(1) It lowers the cost for smaller firms which intend to apply the compute-intensive techniques;
(2) It makes easier for enterprises to scale their service according to the demand of clients;
(3) It makes possible new classes of applications and deliveries of new services that are interactive in nature.

Combining the above advantages of cloud computing with the three strategies of knowledge management, we can foresee that the scalability of the impact of culture creation based on knowledge management can be hugely enlarged by cloud computing. As mentioned in Section 1.1, the cloud-computing economy can be treated as a form of public utility service. By creating a reservoir of interactive knowledge and distributing knowledge through the pipelines of the Internet, cloud computing acts just like a super pumper which distributes the knowledge to the members of the society, thereby a new culture formed.

Equipped with the tools of knowledge management and cloud computing, now we have to decide what culture we should provide to the society. In the following section, the elements of LOHAS will be introduced.

2.3 Lifestyle of Health and Sustainability (LOHAS)

Lifestyle of health and sustainability represents an emerging culture in which the advocates live in a way of taking care of personal health and development and of the sustainability of ecology. A survey has shown three types of value systems in the US: (1) *traditional*, (2) *modernist* and (3) *cultural creative* [3]. The traditionalist embraces the value system of the Bible, emphasizing the value of the traditional roles of family and church. The modernist embraces the value of modern technology, profits and the success in career. The culture creative values the spirit of cooperation, the social responsibility and ecological sustainability highly.

The emergence of culture creative inspires the birth of LOHAS economy. There are 6 types of markets worth attention: (1) personal health, (2) natural lifestyle, (3) green building, (4) alternative transportation, (5) eco-tourism and (6) alternative energy. According to the report by Natural Marketing Institute in 2008, the consumers' spending in the LOHAS markets reached 290 billion US dollars in the US. The trend of LOHAS not only appears in the US, it also becomes increasing popular in the Asia-Pacific.

Since our mission as an enterprise is in line with LOHAS, how can we enter the LOHAS market in Cheer & Share's way? We first laydown the principles of running a LOHAS company and then describe our positions in the LOHAS market.

2.3.1 Philosophy of a LOHAS Entrepreneur
There are five basic principles that a LOHAS oriented entrepreneur has to follow:

(1) A LOHAS entrepreneur has to be the one who is living in the LOHAS way.
(2) A LOHAS entrepreneur should know the connection between his or her own enterprise and LOHAS.
(3) A LOHAS entrepreneur should evaluate the growth in terms of values created, not profits only.
(4) A LOHAS entrepreneur should correctly understand the meaning of "sustainability".
(5) A LOHAS entrepreneur should know where the enterprise is now and where it has to go by taking into account corporate social responsibility.

2.3.2 Basic Strategies of LOHAS Business
According to the basic features of LOHAS markets, we lay down some basic strategic principles as follows:

(1) Never use the low cost strategy; ensure the price reflects the value of service.
(2) The service should express the core values of LOHAS, such as human rights, peace, arts, ecology, etc.
(3) Use websites, exhibitions and education programs as the basis for promotion.
(4) Create memberships for the service so as to create a community.
(5) Create and maintain good connections with local communities, non-profit organizations and world-wide organizations.

2.3.3 LOHAS in Cheer & Share International Ltd.
As we mentioned in the introduction, the mission of Cheer & Share International Ltd. is to bring health, beauty, wealth and sustainability to customers. In our view, all these items should be broadly defined

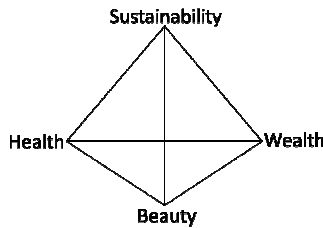in terms of a dynamic tetrahedron, called the tetrahedron of happiness (Fig 1.):

Fig 1. Tetrahedron of happiness

The idea behind the tetrahedron of happiness is that all these elements are indispensable and they are in a state of dynamic equilibrium. We define health in terms of body, mind and spirit and therefore value any methods of personal health and development. The essence of beauty is artistic expression. In our corporate, this includes corporate and personal presence. We value ethical and aesthetical presence highly and incorporate ethical principles and aesthetics in our training programs and the design and execution of operations.

What we mean by wealth is that our staff and customers have the knowledge and skills to live in abundance. "Abundance" in our view is not only about the amount of money in their bank account, it is about the richness in the sense of living in the way of full enjoyment in terms of personal values and integrity.

Sustainability in its essence is about leaving the best world for our next generation by any means. Hence, ecology is only the part of sustainability. As a member of culture creative, we emphasize the progress of the science of decision making, the science of service and the science of ethics. In our view, these three disciplines represent designing the future, creating experiences for now and learning the wisdom from the past.

In sum, we can describe Cheer & Share International Ltd. as a corporate who creates the lifestyle of the tetrahedron of happiness.

3 Knowledge Management of LOHAS on the Cloud

Our corporate strategy can be represented by a KCT triangle (knowledge management, cloud computing and the tetrahedron of happiness) in Fig 2.
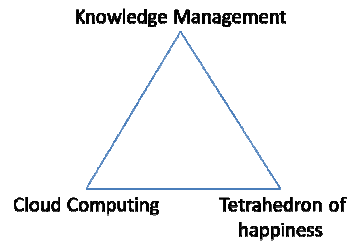

Fig 2. KCT triangle

The key idea of our strategy is to build a knowledge management system which can be applied both in the corporate an in the market. Through the computing power, flexibility and the scalability of cloud computing, we can enlarge the cultural influence by connecting the interaction with customers with the interaction with academics, industries and governments.

3.1 Internal Knowledge Management
The design of the internal knowledge management system is the integration of three strategies introduced before: (1) social strategy, (2) system strategy and (3) market strategy. The structure of the system is shown in Fig 3.
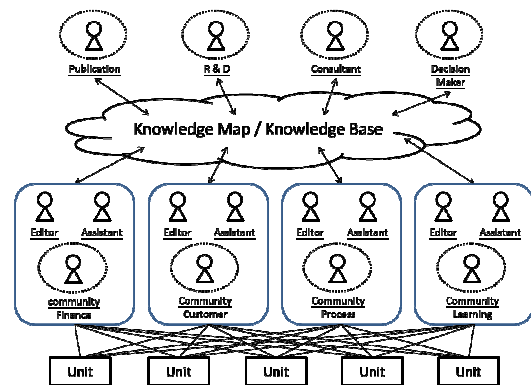

Fig 3. The structure of internal KM

3.1.1 Social Strategy
The core of the social strategy is to create knowledge communities according to the knowledge strategies of a corporate. In general, there are four perspectives on the strategic planning of a corporate: (1) finance, (2) customer, (3) internal business process and (4) learning and growth.

We create four types of knowledge communities according to these four categories and provide necessary resources for them: (1) editors: for organizing the knowledge of communities and publishing their contributions; (2) assistants: for assisting them to organize activities including administration and fund raising; (3) funding: for

supporting internal forums, attending conferences and other activities; (4) awards: for encouraging initiatives for the corporate and the cooperation between communities.

3.1.2 System Strategy

The core of system strategy is to store and distribute knowledge according to levels of operation: (1) strategic level, (2) process level and (3) technical level. The strategic level includes the analyses of industries, governmental policies and the trends of research. The process level includes the knowledge regarding the management of human resources, logistics, cash flows, production and service. The technical level includes the knowledge employees should be equipped with in order have better performance on their jobs.

According to Fig 3, there are two sources of knowledge: (1) knowledge communities and (2) decision units. The function of research unit and consulting unit is to transfer the knowledge from these two sources into useful paradigms which will be applied in the future.

3.1.3 Market Strategy

The core of market strategy is to create a knowledge map according to the market values of knowledge. The purpose of creating a knowledge map is to help knowledge users to find the sources of knowledge which are suited to their needs. The sources of knowledge include the knowledge stored in the knowledge base and the yellow page of experts. A good index system is the key for the knowledge map which is designed based on the types of knowledge which is meaningful to the staff members (the users of knowledge in the company).

3.2 External Knowledge Management

We apply the structure of the internal knowledge management system to the external one (Fig 4.). The main difference between the internal and external knowledge management can be summarize as follows:

(1) The external communities are designed in terms of the core values of the corporate mission: (1) health, (2) beauty; (3) wealth and (4) sustainability.
(2) The members of the top hierarchy of the system are replaced by the corporate, academics, industries and governments.

(3) The sources of knowledge come from the knowledge communities in the market and the related organizations.
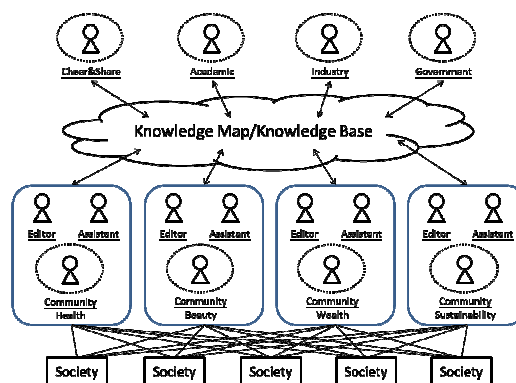

Fig 4. The structure of external KM

As shown by Fig 4, there is no fundamental difference in the structure of both knowledge management systems. In the external system, the role of Cheer & Share International Ltd is an integrator of the knowledge and the facilitator of the interaction in the knowledge network.

In terms of the three strategies of knowledge management, what we want to achieve is as follows:

(1) Social strategy: we plan to create knowledge communities in the society according to our corporate values and provide all necessary support to them in order to create the needs in the market in line with our service. At the same time, the members of these communities will be the pools of our future human resources or our external think tank.
(2) System strategy: through this external knowledge network, we will build the largest knowledge base of LOHAS. Especially, we should apply the techniques of digital archives to create dynamic interaction between the system and the users.
(3) Market strategy: Based on our digital archives of LOHAS culture, we create a knowledge map in which people can find resources they need to improve their lives in any respect. The price can be determined according the value of knowledge to the market.

Through this external knowledge management, we would like to achieve the following goals: (1) make Cheer & Share equivalent to the symbol of culture creative; (2) make Cheer & Share the motor driving the advance of LOHAS in academics, industries and governments. It is our vision that all these achievement can only be attained by skillful knowledge management in a broader scale.

3.3 LOHAS on the Cloud

Applying knowledge management to promote LOHAS business has to rely on information technology. As discussed before, the advance of cloud computing lends a great flexibility and scalability to the enterprise to increase the influence it wishes to have the command of.

Under the framework of knowledge management, we lay down the tasks we have to complete in order to put LOHAS on the Cloud and create an interactive environment world-wide. We first introduce the applications on the cloud and the activities we should create in communities.

3.3.1 Applications on the Cloud

As shown in Fig 3 and Fig 4, the cloud is the core for building the entire system. The key ideas is to build a platform in which the users can not only access the knowledge base, but also interact with a variety of applications on the platform. In our plan, we are going to build a system on the cloud that can execute the following functions:

(1) Managing internal and external knowledge management systems;
(2) Providing knowledge by building digital archives;
(3) Providing expert resources world-wide through the yellow page system;
(4) Integrating the databases of academics, industries and governments, particularly, in relation to LOHAS.

3.3.2 Enrichment of LOHAS Culture in the Corporate

Since the mission of Cheer and Share International Ltd is to advance people's life in terms of health, beauty, wealth and sustainability, we should enrich the content of LOHAS in our digital archives by doing the following:

(1) Collecting the public opinions and knowledge regarding LOHAS through on-line forum ad communities on the cloud;
(2) Integrating the information about activities of academics, industries and governments;
(3) Creating on-line conferences and forums which are parallel with conferences and exhibitions of LOHAS world-wide;

(4) Organizing information into a knowledge base and provide knowledge-based service to academics, industries and governments;
(5) Utilizing our knowledge base for research and development of Cheer and Share's service.

3.4 The Impacts of the KCT Triangle on Cultural Influence

Knowledge management has been used as a tool to create corporate cultures in enterprises. We expand this management tool to the culture creation in the society. By integrating knowledge management and cloud computing together to create, store and distribute LOHAS knowledge, we envision that our mission will permeate in market segments.

4 Conclusion

The philosophy of Cheer & Share International Ltd is to be a member of culture creative in the form of a corporate. In our view, it is more effective to create a cultural influence by expanding the scope of knowledge management from a corporate to the whole society. The advance of cloud computing allows us to expand the functions of digital archives (e.g., interactive e-learning system, global management system, etc.).

Based on these, we create the KCT triangular strategies (knowledge management, cloud computing and the tetrahedron of happiness) to penetrate the core values of Cheer & Share into the world. We envision a new LOHAS society through our endeavor as a corporate.

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