

# Dynamic Capabilities



## Introduction

The primary problem in the field of [strategic management](#) is to answer the question on how firms attain and maintain the **competitive advantage**. The phenomenon of globalization has resulted in competitive battles fought on a trans-national basis especially in high-technology industries such as information systems services, and software. These globalized forms of competition have established the necessity for an elaborated concept to comprehend how competitive advantage is accomplished.

## Competitive Advantage

Multi national organizations like Microsoft, Oracle and IBM are pursuing a resource based strategy of building up useful technology assets, habitually shielded by an assertive attitude by means of intellectual property. Nevertheless, on a regular basis this strategy is not adequate to maintain an important competitive advantage. Successful firms in the global market are quite often those which can exhibit appropriate awareness and positive reaction to the changing business environment.

Fastness and adaptability in innovating products, combined with potential of the management to effectively bring together and reorganize competences both internal and external are features seen in successful firms. Therefore not to the shock of the industry it has been observed that firms which have gathered a huge bulk of priceless technology assets are still lacking the functional capabilities to exploit them.

It is possible that a firm's competitive advantage is diminished over a period of time. There can be various factors that result in such an erosion of competitive advantage. The two main causes are as below:

- Replicability which is caused by the expansion of the organization internally
- Imitatability which is caused by replication from the competitors

Here lies the significance of dynamic capabilities. **Strategists consider dynamic capabilities to be the key to competitive advantage.**

## Dynamic Capabilities

The ability to achieve new forms of competitive advantage is referred to as dynamic capabilities. The two terms dynamic and capabilities by itself require in depth understanding while studying competitive advantage.

The ability to renovate competences so as to accomplish corresponding with the transforming business environment is referred to as dynamic.

The main characteristics of being dynamic are:

- It requires definite innovation is responding to situation such as the right time to enter the market.
- The timing is vital in such a case.
- In addition when there are swift changes in the field of technology and when the character of prospective competition and market is hard to be ascertained the dynamic nature becomes vital for sustained competitive advantage.

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- important function of strategic management in fittingly modifying, incorporating and reconstituting the internal as well as the external organizational skills, resources, and functional competences to correspond with the necessity of a transforming environment relates to the term capabilities.

Thus dynamic capabilities address rapidly changing environment. They suggest an organization's capacity to accomplish new and innovative forms of competitive advantage

## **Appraisal Options for Internet2's Records**

### **Appraisal by Organizational Chart**

If we were to appraise the records of Internet2 based upon the organizational chart, we would want to focus on those divisions that are central to the history and work of Internet2. Decisions about the archival value of records would be based upon where in the hierarchy of the organization those records are created, with the belief that those at higher or more central areas will provide the best documentation of Internet2. For instance, based upon the current chart (a new one is in development) we would likely be most interested in the records of the Board of Trustees, CEO/President and the senior staff that heads each division at Internet2. Beyond the divisions of the upper level management of the organization, Internet2 is organized primarily by function.

The most obvious problem with this method is the fact that Internet2's organizational structure has changed quite significantly since it started, and it continues to change still. Currently, Internet2 is trying to emphasize flatness in their hierarchy so that staff members are able to communicate more directly with senior staff, giving the organization the ability to make decisions more quickly. As a result, many areas that were separate just a few months ago have merged with others to create new, larger divisions. Further, even where divisions have remained stable, staff members have changed departments or have been replaced, and their records have often moved with them. For this reason, the organization of divisions at Internet2 is not necessarily an indicator of where records will be found.

### **"Save Everything"**

The "save everything" method would focus less upon selection than on providing context to the materials and creating a system that would allow researchers to aggregate different forms of documentation from across the entire organization. In an environment in which the structure changes frequently and responsibility for recordkeeping is largely left up to individuals, this method is appealing because we would have a greater chance of capturing all of the important documentation of Internet2. "Saving everything" would put more information in the hands of researchers, and, if done well, could allow them to make a number of different connections amongst documentation across the organization and across time.

Internet2 is an events-driven organization, so the Meeting Maker calendar is a valuable records of the history of this organization. If researchers had access to the Meeting Maker calendar and "all" the records of I2 and had the

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ability to search across all of it relatively affectively, then we, as archivists, wouldn't need to anticipate every possible research need, we wouldn't need to weed through records that have little upfront organization, and researchers could have a much richer body of records that they could request (by the search) to suit their specific needs and questions. They could, for example, search for "video gaming" and get email discussions, the web page for the group, papers written and put in the document library, meeting minutes in which it was discussed, and the calendar that could provide information about who was meeting on this subject and where and when they met. We might also be able to allow researchers to search from the calendar for records related to a particular meeting, date, person, or initiative. Original order and the concept of record series are less pertinent to the world of electronic records, and we have a tremendous opportunity to leverage the characteristics of the electronic medium to make records more useful and accessible.

### **Appraisal by Function**

This method is based upon appraising the functions of an organization and then selecting those records that best document the selected functions. The benefit of using this approach in many instances is that it focuses on core processes, which are often seen to be relatively stable over time instead of the structure of the organization itself, which can fluctuate significantly in many organizations. I would argue, however, that Internet2's organizational structure is based largely on the functions of the organization and that the chart has changed to reflect the relative importance of functions. Internet2's primary function is leveraging the interests of the academic and research community to create and maintain a network that serves academic and research needs. All of the functions underneath support that main function. So, for example, we have

- Keeping track of university and research institutions' needs
- Providing or connecting members to network services and applications
- Providing space and support for working groups that address problems or areas of development
- Putting on events that showcase developments of Internet2 and its members (PR)

One of the main difficulties we might encounter if we used this approach is that many of Internet2's functions are not the sort of routine functions that have a clear trail of documentation. One of the hallmarks of this organization is its ability to adapt quickly to new challenges, and they do this by remaining fairly flexible in the way that they accomplish things. Functions not only change over time at Internet2, but they also vary in importance over time. While the functions I listed above have been central throughout Internet2's existence, there are other functions that were once more central than they are now. One example of a function that was very central in the early days of Internet2, but which has since become less central, is maintaining a working relationship with the government. While Internet2 still participates in government relations, they are no longer as active in trying to shape governmental policy as they were in the 1990's. This is evidenced by the fact that Interent2 no longer has a government relations division.

### **Genre-based**

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A genre-based approach is one that relies upon the structure and function of *records* to determine archival value. This approach can be useful considering the fact that form is often so tied to function. For example PowerPoint, Meeting Maker, and meeting minutes all have very definite functions based upon their genre-specific forms. We would need to decide which genre forms at Internet2 carry the most archival value. For instance, PowerPoint was cited by many staff members as the most important documentation of their work. Since it is through presentations that Internet2 interacts with the public and its community, PowerPoint is an important genre in showing the history of developments at Interenet2 and how they presented themselves within and outside of the organization. Conversely, invoices are an example of a genre at Internet2 that carries more routine information that has little archival value.

One thing that a genre-based approach to appraisal would fail to account for is the relative difference in value between the same genres in different divisions or of different functions. The meeting minutes of the office staff, for example, would probably not be of the same value as the meeting minutes of the senior staff. For this reason, the genre-base would likely have to be combined with the organizational structure or functional approach.

### Notes

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