# Strategic Study and Analysis of Knowledge Based Network Economy in Governmental Organizations

Case study: Shahrvand Services Company of Tehran municipality

Seyed Ali Hossien pour Ph.D scholar Department of Urban Planning University of ferdowsi Young Researchers Club, Iran

# Mohamad Hadi Javid

Ph.D scholar Department of Urban Planning University of ferdowsi, Iran

# Hamidreza Mahmeli Abyaneh

Department of Urban Managment University of Allameh Tabatabai, Iran

# Fahimeh Yari

Department of Architecture University of Tarbiat modares Tehran, Iran

# Abstract

Strategic view isn't a choice but it's a necessity in management. Knowledge, deep thinking, all-out view, realistic idea and mature management all are necessary for management. In recent years, popularity of computer and computer networks raised a new phenomena named Ebusiness and had been revolutionized most of concepts, basics and economical theories, as word of Webonomic had substituted the traditional word or Economics. Future belongs to organizations that coordinate themselves with new reality and its necessities. It is impossible to predict future certainly, but it can be said daringly that "Virtual Organizations" will be the dominant organizational forms in twenty first century. As Charles Hendi said: "If we have offices in the future, it will looks like a club. A place for appointment, eating and welcoming. It is a necessary need in response to complicate and dynamic conditions which are dominant on today organizations. Most of organizations are moving from stable and simple environment toward complicate and dynamic one. In such a condition not only growth but also survival of companies will be in danger. Therefore, nowadays most of organizations need to revolutionize business models and make some new paradigms in order to maintain their growth and survival. The main goal of this research is recognizing facts which are effective on network economy with making stable economy and globalization in Tehran municipality's Shahrvand services company. Theoretically and methodologically, this research had made made based on structuralism and historical-formative analysis and in strategic and macro levels. This research had been done in documental-library method and qualitative analysis in several lines and with the goal of reaching to methodology of financial optimum in Shahrvand organization.

According to findings of this research, as this is a services organization, it seems that organizational structures are farther than hierarchy structures. Also, internal culture of organization could play an important role in making goals of organizational stable economy and reinforce results of organization.

Key words: organization, entrepreneurship, strategic approach, Shahrvand company, network econom

# 1-Introduction and raising issue

At beginning of 20th century, marketing made so many extensive changes in organizational texture such as changing relation with customers. In 20<sup>th</sup> century hierarchy organizations, in a dynamic and knowledge based environment, hadn't tend to use various kinds of networks such as internal, vertical, and market networks.

Making extensive changes is the role of knowledge based economy in each network. Knowledge based development is increasingly responsible for create and manage knowledge, education, in time marketing data systems, integrate company, remove differences, technology foresight, risk and capital analysis, transfer price of evident and in evident wealth, arrange network economy with social activities. Knowledge based reasoning had many pioneering in different dimensions and make markets by presenting new technologies and Ebussiness, organize consumer societies and gathering data about consumer societies and its demands in comparison with saleable business wealth. In a relatively short half century, marketing changed extensively and from company product seller, it had changed its role to main actor in forming products, technologies, marketing policies and company's strategic guidelines. Network economy and role of marketing in next century, content, points of emphasis and boundaries of marketing have had so many changes. Peter Drucker defines economy as network society in future. All of business networks are not new, but their number and complication are increased very fast. Benefits of marketing mostly achieve by compete between networks of companies instead of compete between companies. Companies which are integrated in strategic networks will be benefited important advantages of market in future. In this paper, we will find that how marketing will organize and use different kinds of network structures in international new economy.

Up to now, famous companies such as Ford, Practor & Gamble and General Electric were organized as classic organizations. They had strong control center and same goal and different levels of management. AT&T had 16 levels of management between senior managers and low level employees. These companies searched to decrease dependency to suppliers and controlled their sources by considering importance of course of car seats) and glass made factory. When these companies supply their raw materials from external sources, avoid long time undertakes and prefer to face with various producers who compete with each other to supply those companies' raw materials. Marketing operations had integrated to these companies. Consider role of marketing in Shahrvand Company that programming to participate in organization of market demand society. At first, marketers should have a comprehensive knowledge from complete range of their products and services that society need. Secondly, Marketers should learn new ways for interact with product suppliers and subsidiary services. Also, marketers should learn how to exploit technology so that immediately after gathering information, deal with final trade. This research had been done to answer this fundamental question that; **Do knowledge based network economy introduced as guideline to supply stable financial sources in Shahrvand organization?** 

#### 2- Method of Research

Theoretically and methodologically, this research based on **structuralism and historical-genital analysis.** Structure consists of set of related elements. In social science, structure is available stable mechanisms beyond appearance of phenomenon. According this, structuralism can be defined as investigate to detect available structural mechanisms and compounds beyond all phenomenon. There is a permanent, legal, coherence and coordinated relation between elements of structure. Permanent structure doesn't mean non dynamic and movement, but it means that while movement and dynamic, structures change and transform.

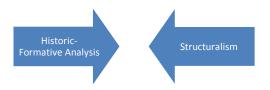


Fig 1-2; Research Methodology (Source: writers)

Structural analysis deal with investigation and explanation of compound and relation of elements of s system and legitimacy that rule it. Historic- formative analysis end to general known and/ or detecting cause relations and time and place clarification of processing (stages) of structural and functional transformation of political, social, economical, natural and spatial dimensions of phenomenon.

Accordingly, what looks more important about making network economy in organizations in order to make more stable economy, is that regarding Iran's fundamental, socio cultural, economical and geographical necessities and fields, Tehran and international dominant processes can't deal with this subject in an abstract approach by goal of only economical development and move at the same line with international necessities and processes in one passive position.

In present research, emphasis on being strategic both in topic and process of research fulfillment. Strategic view has main differences with general traditional approach in programming, it include emphasis on recognizing and analyzing main issues and operation matter.

# 3- Dimensions and backgrounds of process of entrepreneurship programming with focus on network economy

# 3-1 Dimensions and backgrounds of strategy making pattern

Strategic policy making- or in wider meaning, strategy making- result from interaction of four factors: Environmental studies, organizing, system designing and operational programming. These four factors have bilateral relations with each other and their whole relationship is connected by strategy. For clearance, some important characteristics of these four factors are mentioned:



# Fig 3-1; Characteristics of Strategic factors (Source: writers)

**1-Foresight:** Environmental studies or recognizing present and future position and distinguish strong points, internal weakness and opportunities and external threats SWOT, strategy according to smart awareness of identifying decisive factors and main variables, all have been form in foresight.

**2- Programming:** Strategic programming method had done in two levels:

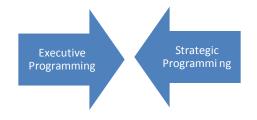


Fig 3-2; Levels of Programming (Source: Writers)

**A-Macro strategic programming**: Environmental decisive factors and macro variables have been distinguished based on environmental studies that include review strong points and internal weaknesses and opportunities and external threats. Also, macro programming makes a basis for operational or administrative programming.

**B- Administrative programming:** Administrative programming process receive necessary information and policies from foresight processes (environmental studies) and organizing and system designing (systematizing) and is controlled by management system.

**3- Organizing:** Organizing make main core of management and include classifying activities and organizing processes which form a general structure of organizing and designing units of organization and compiling commissions and duties and relations available between units and jobs.



Fig 3-3; Organizing in Strategic Programming (Source: Writers)

**4- System Designing:** Designing process include administrate and maintain systems which form set of activities and system cycle. (Urban management, Saeednia, 1382: 10-12).

### ✓ Strategic Programming

Olsen Vadie defines strategic programming as a regular and organized attempt to make decisions and committing fundamental actions by which it will determine that what is an organization, what does it do and why it is done some affairs. From the first of 1980s till now, concept of strategy had been improved and developed in "**management and programming**" such as concept of "**quality and process**" in reengineering. Today, strategy is a skill that lay in center of management, programming, foresight and systematizing and caused the organization to be successes. By the way, strategic approach has paradoxical characteristic.

In form of this paradox could think to complication and confusion of today's cities and be active. It needs to be able to do a strategic choice and even change management system and structure and organization. Decision making known as central concept of strategic choice and power of action. In fact decision making theory consists of set of analytical information and skills and devices which were used in decision making. This theory based on concept of "**usefulness**" in programming and management, therefore the options will be selected which are most useful.

Nowadays programmers don't believe in longtime systematic programs and predictions.

In contrast, short time local programs are more validated, in a way that even in field of strategic programming sometimes tactics move higher than strategies. The main difference of strategic designs is their abundant administrative ability, that's the reason why strategic designs which were mentioned widely by private investment companies during 1970s, had entered field of general management during 1980s.

After 1980s, some of programming thinkers- especially "Brison et.al"- successed to accompany and adapt strategic programming with governmental and public programs and declare it free from accusations such as unchangeable, conservatism and take political sides and administrative weakness of designs.

Strategic choices had done based on analyzing facilities and internal and external limitlessness, it means analyze strong points and internal weakness and threats and external opportunities.

Programming with "strategic choice" approach consider decision making and programming and policy making activities all together.

#### 1-Range of choice 2- Complication 3- Incompatibility 4- Lack of Confident 5- Development

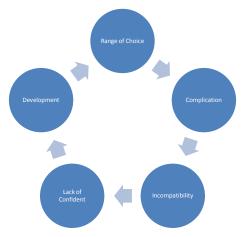


Fig 3-4; Factors of Strategic choice (Source: Writers)

#### ✓ Strong points, weakness points, opportunities and threats (SWOT)

SWOT method is the direct result of Harvard business school model. On the other word, this method is the best strategy for organization. SWOT method include following points about spatial programming.

- Foreign threats that determine main threats and opportunities represented from outside environment.
- Local threats that is in fact auditing from sources and/ or preparing list of strong and weakness points related to each one of strategic subjects. Above scale is very important, because of local and foreign variables which are affect on the ability of a city or area to fulfill the strategic goals.

Because of interacting relation between local and foreign factors on strategic programming, it mustn't waste long time for distinguishing between their boundaries, but it must search for ideal conditions in and out that affect on fulfilling a goal.

In matrix of strategic choice, two internal and external (or environmental) variables play a key role. If internal powers and external opportunities exist, the best condition will be made for achieve to goals, whereas in spite of external threats and internal weaknesses very unfavorable condition will be appeared.

In strategic choice the main thought is maximizing strong points and prevailing internal weaknesses. The base of these strong points and weaknesses lay in organizing ad urban management and systematically.

#### 3-2- Dimensions and Backgrounds of knowledge based network economy

#### 3-2-1-Entrepreneurship based on knowledge

Entrepreneurship based on knowledge based on three kinds: entrepreneurship for production, distribution and dissemination and also in order to exploit knowledge. Entrepreneurship for knowledge production lead to make knowledge agency and developing research activities. Entrepreneurship to distribute and disseminating knowledge also make appearing knowledge agencies and developing educational activities in different levels. Each one of these entrepreneurships have bilateral effect on each other and lead to economical development by mutual act.

The most important branch of knowledge based entrepreneurship is product; for example establish a research institute consider as entrepreneurship for knowledge production. Entrepreneurship in order to disseminating data and knowledge include establish a publication institute, putting a website into operation or designing a portal. Entrepreneurship in order to distribute knowledge includes preparing a school or compiling and putting entrepreneurship education into operation in governmental or nongovernmental schools or educational institutes. Many studies and documents show that branch of entrepreneurship for exploiting knowledge could be considered equal with knowledge based entrepreneurship. In a long time view and perspective, entrepreneurship to knowledge production is superior to other kinds. This subject declare that at first, knowledge must be produced or something had invented **then exploit level have fulfilled and trading aspects being discussed.** 

# In other word, in this view entrepreneurship had formed to making new economical institutes of knowledge or knowledge agencies.

Each one of entrepreneurships may have done in academic system or out of it. This paper concentrated on entrepreneurship which happens in organization. In public concept, entrepreneurship is not a new phenomenon. Such a phenomenon had been occurred in medical science in Germany during seventeenth century or another example had been occurred in begging economical activity of Justice Leybec chemical fertilizer company during nineteenth century. Nevertheless, these companies and other agencies which derived from university didn't successes to act in place of academic researches' in this country and make university of entrepreneurship.

In nineteenth century, active scientists established industrial consulting agencies and scientific device making agencies in MAT and Harvard University, they are known as historical examples of knowledge based entrepreneurship in United States of America. Ben David as a sociologist done a research about evolutions of universities in United States of America, that shows specialized education in these universities started from first of twentieth century and their function oriented toward educating how to do research and use its results with high standards. Therefore, they slowly organized and standardized researches, and these researches became manners in universities of this country and directly lead to increase scientists and entrepreneurship offices. United States of America had directed specialized researches in large scales by help of university students of higher education.

Also, AtezKevitz mentioned that in late of nineteenth century, knowledge based entrepreneurship have been formed in universities of United States of America and one hundred years history of these universities retell the increasing growth of universities in this country. According to his studies, knowledge based entrepreneurship, at first appeared in American universities, then this pattern moved to other universities especially Stanford university.

Therefore, there were possibilities to commercializing results of researches and move knowledge to industrial uses for long times and it was familiar somehow. However, till first of 1990s, a little number of scientists detected and valued advantages of this method. But from first years of past decade most and increasing number of scientists and researchers believed in some or all steps and necessary stages of entrepreneurship process such as writing a plan, rent or buy a place, employ clerk and so on, in order to start new agencies, giving license, selling right and ..., in different fields especially in three fundamental courses Biotechnology, IT and Nanotechnology. It should be mentioned that entrepreneurship activity based on science doesn't limit to new invented technologies and researching universities, this kind of entrepreneurship develop in all scientific and industrial fields.

Due to innovation in educational and research methods, entrepreneurship in fields of knowledge production (research) and knowledge distribution (higher education) are the most important fields of scientific and university entrepreneurship. Of course, developing market based entrepreneurship activities doesn't mean to weakening traditional roles of universities. There is relation between new and traditional roles of universities and both of them have long historical roots. What happened is that they move to more balance and similarity, and it had been showed that there aren't any differences between university values and increasing entrepreneurship activities . In a way that, they can exist at the same time and in one university besides each other. In order to establish Entrepreneurship University, Klark mentioned that on one hand universities and departments must incompatible themselves with external changes and do some in demand activities and on the other hand, maintain position of basic researches, values and manners related to this central duty of university.

Etez Kovitz mentioned that the university that daily analyze and scrutinize results of researches in order to commercialization and develop scientific capacity and develop inner capacities to change results of researches to intellectual wealth and economical activity, such a university will change to a dynamic and qualitative scientific institute in other fields.

In recent period that called knowledge period, universities are suitable places for innovation and knowledge based entrepreneurship because of some basic characteristics such as produce and distributes new knowledge, human capital circumstance in form of university students and members of scientific group who are virtual sources of creators for innovation and knowledge based entrepreneurship. Universities as the most important references for produce and distribute new knowledge can educate entrepreneur and regarding technologies had developed by universities, they can establish new companies. Therefore, universities potentially are a natural incubator and mother of knowledge and knowledge based agencies, in other word, as an organization, university could be a knowledge based entrepreneurship for members of scientific group and employees individually or in group. Entrepreneurship University has ability to make strategic central way in both formulating university goals and change new knowledge to economical value and social favorability.

This situation continued until second university revolution. After second revolution at end of twentieth century, university combined teaching and research commissions with third commission meaning entrepreneurship and technology transfer and change to a scientific- economical institute and to serve economical development. By the way, university organization change from individual to group work and in this way experience bilateral evolution in doing its duties. When, university ascendingly provides bases of economical development by making intellectual, social and human capitals, it had changed to a central institute in society.

It should be mentioned that the history of organizational development of university is adjoining and a new duty comes from correct attempt in doing old goals. Therefore, even when universities have new goals and commissions, they still save traditional goals and do it in best way. At first, researches make for more favorable and effective education, also entrepreneurship make for favorable doing of researches and more effectiveness, so it can be said that even before the time when university wanted to establish any agency, some research groups had changed to semi agencies. Science based entrepreneurship, is an evolutionary and nonlinear learning process which is made from different levels. Doing each level of science based entrepreneurship needs long time. Research is the first stage of entrepreneurship. Especially, in knowledge based entrepreneurship, research and its results due to invention or lead to develop the idea, that have intellectual owning. In fact, after idea developing stage, the idea have been analyzed and then if it is possible to do it- considering future predictions- the best ideas will be selected and at least entrepreneurship project will be designed based on it and the agency resulted from that idea will be made.

If this process has been formed in university, derived agency will be named the agency derived from university. However, end of this entrepreneurship stage is achieving to stable economical output. Many of entrepreneurship papers don't mention this level of knowledge based entrepreneurship process. The most important fact that is dominating here is the fact that made agency must be maintained until time of achieving to stable economical output. Formation and processes of knowledge based entrepreneurship, need suitable field and bed. Therefore, on one hand intellectual ownership system, knowledge production based entrepreneurship, reaching to riskable capital and on the other hand proper substructure, make knowledge based entrepreneurship. Knowledge based entrepreneurship include ground substructures of growth centers, parks of science and technology, wisdom substructures and substructures of recording innovations and inventions.

Moreover these grounding factors, there are some other characterizing and knowing factors which lead to consistency of entrepreneurship. About these characterized and knowing factors Groups of authority owners believe that entrepreneurship isn't acquired but it's intrinsic.

#### 3-2-2- Structural dimensions of knowledge based entrepreneurship

In this part, we intend to deal with structural dimensions of organizational entrepreneurship and general structures and necessary conditions for development, so that make it effective in stable economy.

#### > Complication

If organization enjoy complication in horizontal level (number of jobs and duties) and/ or in vertical level (multiplicity of management posts), and its organizational relations be more lawful and formal, the possibility of group interaction decreased severely in organization and it make organization away from entrepreneurship goals. Related accomplished researches also confirm negative relation between complicated structure and organizational entrepreneurship.

#### > Formality

In such a condition that organization has high formality; people don't feel free to work. Workers don't enjoy acceptable and endurable flexibility and doing different behaviors divest from employees.

In such a condition, employees will lose their tendency to learn more because learning won't have any role in progress programs and promoting functions. However, learning, flexibility and accept risks toward organization consider as main basics in an entrepreneurship organization.

In other words, organization could be entrepreneurship in condition that organization hand over decision making and correct justification to its members and let them to use their individual creativity meanwhile accept risks.

Such an affair will be possible when number of instructions, circulars and operational standards had been reduced as much possible and employees have opportunity to show their abilities. By such a description, organizational entrepreneurship and formality have a reversed relation.

#### Concentration

In entrepreneurship organizations which decision makings should be hand over to units and people so that in proper time they can do correct move, in such an organization concept of concentration will be lose, and regarding creativity, talent and intellectual and operational power of specialists and experts of these organizations, lack of concentration will have more clear appearance. However, other conceptual dimensions of organization especially measurement and technology have great effect on level of concentration.

In a way that, how organization be smaller and/ or organization use more skillful experts and network of relations updated according to modern technology, the matter of concentration and hand over authority will be more meaningful. If employees are more skillful, the threats of hand over authority will be reduced and provide more opportunity for concentration. (Smad Aghayee, 1378)

#### Organizational Culture

Culture of organization indicate set of values, beliefs and norms that organization have common points with its employees, having entrepreneurship or flexibility culture is as characteristics of entrepreneurship organizations (meaning) external environment have been mentioned by flexibility canal and strategically and attempt to supply customers' needs.

In this culture, norms and beliefs will be confirmed by which available signs of environment could be identified and interpreted and accordingly it shows proper reaction or chooses suitable behavior. Such an organization should show reaction in new designs and have the ability for reconstruction and choose new set of behaviors in order to do new work». (Daft, 1380)

«Organizations that have inflexible culture and structure, will face confusion for making cooperation and unity in critical periods while organizations which predict possibilities for making informal and flexible relations in their structure, make positive and effective factors in order to encourage and grow innovation and invention in organization. (Moshabaki and TeymoorNejad, 1378)

We identified several characteristics for knowledge based business. These options provided to show how an old business change to knowledge based business. It is possible by make products proficient in a form that efficient use of information has been possible.

- Whatever knowledge based products use more, they become smarter.
- Whatever, you use knowledge based products more, you will become smarter.
- Knowledge based products and services conform themselves with environmental changes.
- Knowledge based businesses can make their products orderly.
- Knowledge based products and services have relatively short cycle of use.
- Knowledge based business make possibility for its customers to act immediately.
- Available chains of value divided into diverse works and each one of these businesses will have their especial sources for competitive advantageous.
- Power of bargaining will revolutionized in result of deep decrease of monopoly ability.
- Market governors will sacrifice by especial psychology and obsolete physical substructures.
- New balance in supply and demand.
- Combining customs needs with simple and technical solutions.

# 4- Analyze findings and strategic necessities of network based economy

# 4-1- Strategic district and macro strategies

According to presented reports, foregoing challenges of Shahrvand organization will be analyzed in knowledge district. Divisions of mentioned field results from analyzing different dimensions of Shahrvand organization and in last section challenges of Shahrvand had been analyzed completely in field of IT (Information Technology) with regard to knowledge based approach. As a result, this division makes the basis for compiling and supplying macro strategies of organization in dimensions of knowledge based business and encourage us to present macro strategies.

| District            | Macro Strategies              | Strategies                          |
|---------------------|-------------------------------|-------------------------------------|
|                     | A-Organizing and              | 1-Develop relation and              |
|                     | <b>Developing Information</b> | informational substructures in      |
| Entrepreneurship of | Technology and                | order to facilitate commercial and  |
| knowledge based     | communications in             | economical affairs                  |
| network economy     | Shahrvand organization        | 2- Expediting informational and     |
|                     |                               | relations substructures in order to |
|                     |                               | service to citizens                 |
|                     |                               | 3- Customer based in Information    |
|                     |                               | and communication technology        |
|                     | B- Institutionalize           | 4- Try to make and support          |
|                     | Science and Technology        | knowledge based centers             |
|                     | policy in Shahrvand           | 5- Take action in the direction of  |
|                     | organization                  | revolutionized education and        |
|                     |                               | science publicity at level of       |
|                     |                               | organization                        |

#### Table4-1- Strategies of knowledge based economy in Shahrvand company (Source: Writers)

#### 4-2- Describe of selected strategies according to analytical districts

Council's selected strategies in knowledge based discussions had presented in this section in form of table. The goals which are related to each strategy have been presented in this table, by goals it means the goals by doing it the strategy will be verified completely or partly, and macro strategy which is related to selected strategies had laid in lines number one to three in table according to their numbers.

| Table 4-2- First Strategy | (Source: | writers) |
|---------------------------|----------|----------|
|---------------------------|----------|----------|

| Macro Strategy<br>(A)      | Organizing and developing Information and communication technology in<br>Shahrvand organization   |
|----------------------------|---|
| Strategy 1                 | Developing informational and communicational substructures in order to facilitate commercial and economical affairs of organization   |
| Goal                       | <ul> <li>-Appropriate interaction with managers and administrators of other companies and organizations to achieve a smart organization.</li> <li>- Simplifying the process of receiving services and service facilities by all customers and citizens.</li> </ul>  |
| Description of<br>Strategy | Moreover realizing electronic city, one of requisites for fulfill the smart organization is fulfilling electronic trade. This kind of trade lead to thrift in time and is a supplement for official services presented to citizens by decrease costs, decrease traffic in city and high speed, precision and quality of services for citizens.  |
| Operational<br>Programs    | <ul> <li>1-Promoting security for electronic trades by correct use of laws and rules in district of electronic crimes and supervise on virtual fulfilling of them.</li> <li>2- Establish and reinforce relation with science and technology park and other institutes and necessary substructures. (Techno markets are places of trading technologies that on one hand universities, research centers and all technology producers present their products there and on the other hand all actual persons and body corporate of technology declare their demand to inform producers.)</li> <li>3- Facilitating buy and sale and electronic trade by providing mechanisms which are necessary such as making giant agencies that are present goods and services by internet, equalizing pay way, predict necessary plans in order to transfer goods and services to customers and applicants and</li> <li>4- Use opportunities to develop informational and communicating substructures to reinforce entrepreneurship and businesses based on it for young people.</li> <li>5- Attract privet sector participation and developing communicating substructures of organization.</li> </ul> |

| Macro Strategies     | Organizing and developing Informational and communicating technologies in Shahrvand                       |
|----------------------|---|
| (A)                  | organization  |
|                      | Expediting to develop informational and communicational technologies in order to present                  |
| Strategy 2           | services to citizens  |
|                      | -Appropriate interaction with managers and administrators of other companies and                          |
| Goal                 | developed organizations to achieve smart organization.  |
|                      | -Simplify to receive services and facilities for all customers and citizens.                              |
|                      | Information technology use change to a necessity in modern world. Shahrvand                               |
| Strategy             | organization should facilitate to reach all its customers and applicants to technology and                |
| Explanation          | take serious steps to reinforce its substructures, so that present better and more favorable              |
|                      | services to citizens.   |
|                      | It is necessary that management of Shahrvand organization to make an effort to develop                    |
|                      | technology in order to improve services, decrease costs, decrease traffic and increase                    |
|                      | speed, precise and quality of giving services directly to customers.                                      |
| Operational Programs | 1-Compiling general plan of informational and communication technology for Shahrvand service organization |
| operational Programs | 2- Integrating electronic substructures of organization and avoid parallel working and                    |
|                      | chose processed approach instead of partly view in presenting electronic services to                      |
|                      | citizens and customers.   |
|                      | 3- Providing hardware and software facilities and possibilities in order to develop                       |
|                      | informational and communication substructures in related organizations.                                   |
|                      | 5- Concentrate electronic services to citizens needs.   |
|                      | 6- Use experiences and facilities of private sector in order to fulfil mentioned matter and in            |
|                      | its all processes of doing.   |
|                      | 7- Predict organizational and personnel results of fulfilling electronic organization and take            |
|                      | necessary plans to minimize negative results such as unemployment of parts of                             |
|                      | personnel's.  |

| Table 4-3- Second Strategy | (Source: W | riters) |
|----------------------------|------------|---------|
|----------------------------|------------|---------|

| Table 4-4- Third Strategy | (Source: writers) |
|---------------------------|-------------------|
|---------------------------|-------------------|

| Macro Strategies            | Organizing and developing Informational and communicational technologies in               |  |  |
|-----------------------------|---|--|--|
| (A)                         | Shahrvand organization  |  |  |
| Strategy 3                  | Custom base on developing Informational and Communication Technology                      |  |  |
|                             | -Appropriate interaction with managers and administrators of other companies and          |  |  |
| Goal                        | developed organizations to achieve smart organization.                                    |  |  |
|                             | -Simplify to receive services and facilities for all customers and citizens.              |  |  |
|                             | Regarding the fact that the goal of information and communication technology is           |  |  |
|                             | serving citizens in both public and private districts take notice to citizens' needs and  |  |  |
| Strategy explaining         | necessities of their life, will help to successful fulfilling of mentioned goal. The      |  |  |
|                             | important fact of this section include using and operating the way that citizens reach to |  |  |
|                             | mentioned technology and achieve kinds of necessary related services.                     |  |  |
|                             | 1-Develop computers equipped with internet in branches of Shahrvand                       |  |  |
| <b>Operational Programs</b> | 2- Concentrate electronic services on citizens needs                                      |  |  |
|                             | 3- Create data banks that citizens need after polling them.                               |  |  |
|                             | 4- Help to decrease costs of information and communication technology                     |  |  |
|                             | 5- Reinforce and encourage voluntary institutes such ad NGO's and private sector in       |  |  |
|                             | order to participate in education affairs and present internet services to customers.     |  |  |

| Macro Strategy<br>(B) | Institutionalize policy of science and technology in Shahrvand organization  |
|-----------------------|--|
| Strategy 4            | Attempt to make and support knowledge based centers  |
| Carl                  | -Appropriate interaction with managers and administrators of other companies and developed organizations to achieve smart organization.  |
| Goal                  | <ul> <li>-Simplify to receive services and facilities for all customers and citizens.</li> <li>- Deep understanding of citizens needs and fairly distribution of urban opportunities and facilities between customers</li> </ul>   |
| Strategy Explanation  | According to UNESCO definition, policy of science and technology include all<br>operational and legal standards to increase, organize and use technological and scientific<br>national potential in order to achieve public development in country and increase its<br>position in the world. In forth season of first part of forth developing program and also<br>in twenty years point of view document, this matter had been paid attention to under the<br>name of scholar based development. One of the necessities to fulfill mentioned issue is<br>the availability of organizations or institutions which deal with research specifically,<br>lead institutes and research centers, give data banks to specialists and establish the<br>bridge between university and industry. |
| Operational Programs  | Try to make techno markets or technology exchange:<br>Techno market is a place for trade technology that in one hand universities and local and<br>foreign research centers which are technology producers and supply their products in<br>this place and on the other hand reality persons and body corporate who are applicant<br>for technology, declare their demand to researchers.   |

# Table 4-5- Forth Strategy (Source: writers)

# Table 4-6- Fifth Strategy (Source: writers)

| Macro Strategy<br>(B)   | Institutionalize policy of science and technology in Shahrvand organization   |
|-------------------------|---|
| Strategy 5              | Act in the direction of revolutionize education system and make science public in organization.   |
| Goal                    | <ul> <li>-Appropriate interaction with managers and administrators of other companies and developed organizations to achieve smart organization.</li> <li>-Simplify to receive services and facilities for all customers and citizens.</li> <li>- Deep understanding of citizens needs and fairly distribution of urban opportunities and facilities between customers</li> </ul>   |
| Strategy<br>Explanation | Present higher education system emphasize on knowledge acquisition and job seeking<br>instead of knowledge creating and entrepreneurship. While twenty years point of view<br>imagine Iran country in horizon of 1404 knowledge based society that its live depend on<br>product science and technology and create innovation. In such a society, citizens should be<br>able to create knowledge and use it. Also, science should be change to a public issue in<br>society so that use social support, neither that only exclude to a limited number of<br>members of society such as university people.   |
| Operational Programs    | <ul> <li>1-Try to change university courses or change the way of presenting courses:</li> <li>Our university students must have following characters after being educated: Commission tending, it means that each person know what commission or possibility he/she was educated for. Pragmatism, it means that each person be able to make a bridge between knowledge and action and not only be a learner but also do things that was learn.</li> <li>Citizenship morale and responsibility meaning to feel responsibility about their society. Knowledge tending, it means that be able to create and use knowledge in order to innovate.</li> <li>2- Act in the direction to develop scientific journalism in society: One of goals of scientific journalism is making public scientific atmosphere which at least encourage people to do research and scientific activities. Lack of scientific journalism is one of the reasons for non-encourage of young people.</li> <li>3- Programming in order to knowledge localization: in our country, there aren't spaces for supplementary research in order to attract and localizing imported technologies. That's the reason why we don't feel related it. We must make imported technical and scientific</li> </ul> |
|                         | knowledge in the same direction with needs and values of society so that people will have more tendency to it.  |

- Variety of decision making

administrators in urban local

management

#### 4-3- Description of selected strategies according to analytical districts

Combined strategies include those groups of strategies that had been performed in combined or collated form and/ or making several decisions together with each other. As stated, suggested strategies in present research had been presented according to **SWOT** analysis method. This method is a useful and brief model that recognize each one of strong points, weaknesses and opportunities and threats in a systematic form and reflect strategies which are suitable for current situation of the occupation.

| Qualitative Goals   | Oportunities O   | Threats T  |
|---|--|--|
| Combined Strategies of SWOT -Using modern and effectives ways for informing and advertisementOrganizing and developing Information Technology in order to do citizens commercial-service affairs Noticing to citizen base in developing Information Technology and Communication and science policy making and  | -Make it possible to develop<br>district of duties and authorities<br>- Urban local management by<br>creating integrated urban<br>management<br>- All-out notice to science and<br>technology development during<br>forth development program.<br>-All-out notice to knowledge based<br>development during point of view<br>document | -Weakness of information<br>exchange between organizations<br>and other urban management<br>organs that finally lead to general<br>weak performance of the<br>organization.<br>Low culture of information<br>searching in Iran and little<br>tendency of young people to<br>scientific research works.<br>-Low speed of internet networks<br>and knowledge of using computers<br>between citizens. |
| Strong Points S   | S-O Strategies   | S-T Strategies   |
| <ul> <li>Distribute branches over geographical areas of Tehran city</li> <li>Having young and relatively educated manpower</li> <li>Good experience in techno successes</li> <li>The opportunity of making relatively good communication and techno pre beds</li> </ul>   | Citizen base in technology and<br>communication developing and<br>organizing over city   | Take precise and scientific plans<br>and procedures in order to<br>reinforce organization in<br>knowledge based technology and<br>informing to people and<br>administrators  |
| Weaknesses W  | O-W Strategies   | T-W Strategies   |
| <ul> <li>-Weakness of organization in informing<br/>about its good performance to people<br/>and other urban management organs.</li> <li>-Weakness and passive of organization<br/>in using media in order to informing<br/>people.</li> <li>-Not recognizing someone to responsible<br/>for organizing IT over city.</li> <li>-Weak researches and not noticing to<br/>research and investigation</li> <li>- Not having high technologies and not<br/>be able to use them correctly</li> <li>-Not having enough Information<br/>Technology specialists between<br/>authorities who make economical very<br/>important decisions</li> <li>-Lack of internet reaching and limited<br/>number of computers in comparison to<br/>world medium</li> </ul> | Try to make and support<br>organizations and centers which<br>are leader technology and science<br>development in city   | -Develop information and<br>communication substructures of<br>organization in order to do<br>economical and commercial affair<br>- Facilitate developing informatior   |

#### Table 47- SWOT in knowledge based economy of Shahrvand company (Source: writers)

and communication substructures

in order to present services to

citizens

#### 4-3- Selecting indexes for studying and evaluating performance of Shahrvand organization

Realizing strategies is dependent on some necessities that must be made and reinforced. Introduction and vital condition for making strategies are necessary elements. Strategies can't be done in vacuum, but preambles and fields must be provided for them. It is necessary to supervise precisely process of the project after beginning and during it. It means that doing strategies need to make necessary and suitable mechanisms and related organizations and institutions. It is necessary that city council determine which organization is the direct responsible for realizing strategies. In order to do this, it is necessary that Shahrvand service organization make an **especial researching team** to control fields of strategies and supervise how to manage it. Correct performance and qualitative achievement strategies have a close relation with supervision.

Also, it is necessary to answer these questions during process of achievement strategies:

1-Does operational program include time schedule for executing strategies?

2- Have operational program for realizing strategy divided to different processes for easiness?

3- Had anyone determined to be responsible for successful operational programs?

4- Have necessary sources considered for realizing strategy? Whether operational program need extra sources? If it is such a condition, Is necessary predictions done for this subject?

5- Had operational program for realizing strategy detailed enough, so that execution of actions can be detected easily?

6- Does operational program facilitate attempts to receive considered goals?

7- Does operational program fit to goals?

These are questions that must be asked and answered during all processes of research.

And now in this part, necessities of presented strategies have discussed in fields of knowledge based network economy:

-Provide necessary software and hardware facilities and amenities in order to develop information and communication substructures in different parts of Shahrvand organization.

-Develop possibilities for citizens to reach computer and use internet services by developing public and private places in Sharvand branches in order to improve Information Technology education of staffs, citizens and customers.

- Increase speed of internet lines and decrease costs of using it.

- Identify networking effective marketing forces in Tehran.
- Identify urban problems and public policies.
- Make smart city which have data bank in urban districts that include daily data update.
- Organizing substructure utilities of technology in cities.

Make fruit and vegetable markets and daily markets which only make service by internet.

Make extended internet advertizing market in cooperation with private section.

- Common use (citizens and local management) of modern technology
- Common use of available specialist manpower (variable demand for working force)
- Hold regional and urban conferences for make citizens, customers, and staffs familiar with basis of networking economy.
- New view to knowledge based economy (general balance)
- Decrease public costs by improve management; reinforce quality of manpower and supervision.
- Decrease staff's costs by using suitable ways and present modern services.

#### 5- Conclusion

If a company tend to success and want to own main shares of market and achieve unlimited profits, it should make custom base strategy on top of its plans. In Twenty first century, a knowledge based society had developed that its fundamental economical sources aren't materials, manpower and capital but in such a society basic source of economy is knowledge (Draker, 1993). Networks are more useful in knowledge based environment and that's because of information processing ability. Nowadays, each company competes in two worlds: physical world made of sources that managers can see and touch it and virtual made up of data. Shahrvand Company must use this approach too. Available steps of value making in physical world usually should named as connected rings (to connect supply side with demand side) of a chain of values. Managers should be able to improve effectiveness and usefulness by analyzing steps of chain of value.

Also, for create values by data, Shahrvand Company should change raw data of customers and citizens to new virtual services market by using world of data. Shahrvand Company should gather customer's information by making customer's data bank so that aiming most valuable opportunities, conform supplied products and services with personal needs, improve customers satisfaction and specify created opportunities and supply products or new services.

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