

Management Practices and Tools for Enhancing Organizational Learning Capability **4**

Much has been written about the need to build learning organizations that are flexible and competitive in today's fast-changing business environment. Managers need practical suggestions, in addition to theory, as they seek to enhance their organization's learning capabilities. Combining theory and practice, an organizational learning model that includes nine learning sub-systems is proposed, along with suggestions for implementation. Thirty-five management practices and tools are discussed that can help managers achieve the nine learning sub-systems. This is further refined by pointing out which tools are most relevant to which type or level of learning.

Guoquan Chen

Technological Innovation Through Networked Strategic Communities: A Case Study on a High-Tech Company in Japan **22**

In the fast-moving world of high technology, where markets must be created, traditional business structures are unlikely to generate the innovations and rapid marketing efforts needed to succeed. Rather, companies need to tap the knowledge and energies of relevant strategic communities (SCs) that are internal and external, including potential customers. The synergies arising from networking these communities provide the best chance for success. This process is illustrated by the SCs created by NTT DoCoMo to develop and market video business planning using third-generation mobile telephone technology.

Mitsuru Kodama

Toxic Convertibles: Catalysts of Doom or Financing of Last Resort **36**

Popular as financing vehicles for many now-defunct dot-coms in the 1990s, toxic or "death spiral" convertible securities differ from traditional convertibles in not having a conversion price set-in-stone in advance. Rather, the price can be reset lower if the company's stock price falls below the convert price set at the time of issuance. Thus, the company must issue more shares when its stock is already weak, diluting its value to existing owners even further. Investors in these convertibles are often short sellers and hedge funds, who typically dump the shares they acquire through conversion, leading to the stock's "death spiral" behavior. So why issue them? This may be the only financing avenue open to a struggling firm. But with some changes in contract design and increased oversight by the SEC, toxic converts may become less toxic — may even become almost respectable as a form of financing.

Sudhir Singh

The Impact of Firm and Industry Characteristics on Technology Licensing **42**

Why do some firms license out their technology while others do not? What are the incentives, pro and con? Is the firm's size or industry a factor? These are just some of the questions addressed in a study of U.S. firms from 1994 to 1999 in three industries: information and communication technology, biotechnology, and advanced materials. Employing a random-effects probit model to estimate the probability that a firm will license its technology, the study confirmed some predictions but not others. For example, small firms were expected to license more technology than larger firms, but this was not true except for biotech companies. Another surprise was that a firm's supply of patents did not mean it was more apt to license out. And only in biotech did the strength of intellectual property rights protection relate positively to licensing.

YoungJun Kim

Is eBay for Everyone? 50

An Assessment of Consumer Demographics

Despite explosive growth in the past 10 years, Internet commerce is still considered to be in its infancy. Of all the on-line commercial endeavors, few can match eBay's amazing success. To supplement the relatively few studies on the behavior of eBay buyers and sellers, data from two current eBay sellers were analyzed to detect patterns based on regional differences, urban/rural residency, and gender. Some hypotheses were supported by the data, but not all. Among the study's findings was that people from New England, the Mid-Atlantic, and the West are less likely to buy on eBay than those from other regions, and females are more likely to do so than males.

Gregory S. Black