

Full Length Research Paper

Knowledge positioning and innovation in strategic alignment for SESCO and Saudi Arabia's economy based on its 2030 vision

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The transition of economies to become more knowledge-based has compelled companies to adapt to a greatly changing environment through an emphasis on knowledge sharing and positioning, and alignment with innovation, and its products/services and the market. For Saudi Arabia to achieve its 2030 Vision, this focus on developing knowledge-intensive capabilities, collaboration with other organisations, human capital, R and D, innovative thinking, and so on, has become critical. Interviews with three strategic managers at SESCO during the last quarter of 2020 were conducted to ascertain the positional relationship and alignment between knowledge, innovation, and product/service/market. The findings confirmed it is an example of a successful case of readiness for the Saudi 2030 Vision. In contrast with a decade ago, SESCO now has a greater focus on strategic knowledge positioning and sustained innovation, which are also strategically aligned with the third. The same was also explored for Saudi companies in general. The study did not only establish the importance of positioning of all three components, but also their mutual integration and alignment.

Key words: Innovation, strategy, knowledge-management.

INTRODUCTION

The environment plays an important role in strategic management. This includes the capabilities, resources and corporate culture of the internal environment within organisations, and the wider environment of the industry, national economy, as well as that of the rest of the region and globally. Strategic planning is therefore not only tied with an organisation's own long-term plans, but it takes into account opportunities and threats in the external environment, and is also linked with public policies and national ambitions. The extent to which it can cope with the challenges depends on its strengths and weaknesses,

but strategy formulation is necessarily directed at dealing with those challenges as effectively as possible to enhance entrepreneurship and competitiveness, and to satisfy all other stakeholders with vested interests. Alignment of the organisation's strategic inputs of vision, mission, objectives, strategies and policies with each other and according to the environment is therefore a critical consideration for success.

A major transformation in the economic environment usually necessitates a completely changed approach in organisational management for continued survival even

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more so than when doing strategic planning under normal circumstances. The transition to a knowledge-based economy of many economies around the world is a current and ongoing trend that has created the same situation where there is a need to adapt to a greatly changing environment. It has also highlighted the growing and critical importance of knowledge and knowledge positioning in strategic planning. The importance of knowledge is apparent from knowing that what an organisation knows determines how successfully it can devise and execute strategies. The approach may involve implementing creative ideas and technologies, and mapping the competitive environment to identify how best to align with the envisioned knowledge landscape for gaining competitive or strategic advantage. It is a necessary reinvention and realignment of the organisation to make it compatible in advance by innovative measures and knowledge positioning.

Innovation is an important means of gaining this advantage and achieving the realignment and reinvention. It can improve the competitive position of an organisation (Dobni, 2010), and it provides a way for it to realign itself with the changing environment. The concept of innovation here is not restricted to describing the making of new products or offering new services, which are tangible and visible things. It also encompasses underlying things, such as the use of advanced technologies, dealing with challenges, such as improving performance in unique ways, implementing creative solutions, exploiting strategic insights, etc. Innovation can involve either radical changes or incremental refinements. Irrespective of the form it may take, innovation provides a way for an organisation to realign itself with the changing environment or knowledge landscape for strategic advantage, and to reinvent itself. Besides innovation, knowledge and the product or market are other key components of making the reorientation strategy successful.

However, there is lack of awareness of innovation generally, and a need for more research on incorporating innovation and knowledge in strategic planning for enhancing entrepreneurship. This applies to the context of the Kingdom of Saudi Arabia transitioning to an innovation-led knowledge-based economy with which this study is concerned. Facilitating this kind of transformation would require understanding and promoting entrepreneurship, improving the quality of education and skills, and promoting widespread innovative thinking. There is urgent need for such innovation in Saudi Arabia to help achieve its 2030 Vision to transform the kingdom economically. This transition involves moving away from over-relying on oil revenues towards the creation of a knowledge-driven economy. Its success depends on such factors as strong collaboration between the government, industry and academia, and the promotion of innovative thinking.

The present study investigates knowledge positioning

and innovation in a selected Saudi company to explore its strategic alignment and see how prepared it is for the Saudi 2030 Vision. The potential value to the kingdom of doing this is highlighted next. A review of the literature is then conducted prior to detailing the present study and presenting its findings. The review covers knowledge-based strategies, the role of knowledge and innovation, the connection between knowledge and innovation, and strategic alignment based on previous studies.

Potential value to the kingdom

Under the Saudi kingdom's 2030 Vision, the plan is to transform the economy to make it a more balanced investment model away from over-reliance on oil revenues (Patalong, 2016). According to a report by Aranca (2014), there is already an innovation-led strategic transformation underway in Saudi Arabia that is set to become a foundation for socio-economic progress and a knowledge-driven economy. It identifies the key drivers of this innovation trend as a strong infrastructure supported by collaboration between the government, industry and academia; improvements in the business environment and the quality of human capital; greater access to technologies locally and globally, and also to funding. Among other things, facilitating this transformation still requires promoting entrepreneurship further, improving the quality of educational and technical skills, and developing innovative thinking. However, knowledge and awareness of innovation is generally lacking among Saudi companies, and there is also a lack of skills necessary for managing innovation strategically, as found in a study on the Saudi manufacturing sector (Alotaibi, 2016).

Higher educational institutions are also playing a key role in helping to fulfil Saudi Arabia's national vision through their R and D centres, support for science parks, and other collaboration with industry and the government. Besides R and D, the launch of the NSTP (National Science and Technology Plan) programme in 2009 was another key initiative for promoting innovation. This programme involves creating a chain of technology innovation centres for further supporting cooperation between universities, and both local and global industries. Although the NSTP is also involved in knowledge production and encouraging joint ventures, the focus is on product development to meet industrial needs (Al-Sultan and Alzaharnah, 2012).

LITERATURE REVIEW

For incorporating innovation into strategy, it is necessary to define how an organisation creates value and delivers it through its entrepreneurial model. Innovation is usually evident by the adoption and use of creative ideas and

new technologies. It is then exhibited by strategies developed in response to challenges faced by the organisation, and by noticeable changes in the organisational environment (O'Sullivan and Dooley, 2008). There may be signs of learning, new investments, diversification, and in the case of product innovation, gaining in economies of scale (Salavou et al., 2004).

A knowledge-based strategy

A knowledge-based strategy incorporating innovation allows for mapping an organisation's strategic position and the competitive environment. Especially when this environment is complex, competitive and turbulent, knowledge becomes the most important resource for organisations, as well as for countries as a whole (Huang et al., 2018). It is then knowledge that can prove useful for gaining a competitive position. Competing here should be understood as not only being based on what is made by an organisation, or the services provided, but also on the knowledge it possesses and its innovation practices. Recommendations are therefore made to improve the situation as necessary for promoting creativity and innovation in entrepreneurship in line with expectations for a modern knowledge-based economy. Moreover, the findings of this study could enable organisations to cope more effectively with the kingdom's own new positioning, promote innovative thinking, prepare knowledge managers to cope with the changing competitive environment, and to help shape collaboration between government, industry and academia in improving the quality of human capital.

At the heart of this endeavour is effective knowledge management, which may be defined as the creation, deployment and storage of knowledge (Grant, 1996). Importantly, it facilitates the development of capabilities (Teece, 2014), which may then be directed at enhancing strategic planning capability and innovation. Through knowledge management, strategic planning capabilities can be strengthened. As strategic planning is itself a knowledge-intensive capability being derived from extensive information distribution and organisational memory (Hughes and Hodgkinson, 2019), and knowledge determines planning decision quality, this makes knowledge management an important component of strategic planning (Atuahene-Gima and Li, 2004).

In a knowledge-based economy, knowledge is treated as having value, and is therefore a valuable resource that can be managed strategically. After all, the set of strategies an organisation can implement is itself dependent on the knowledge it has (McDonough et al., 2008), awareness of what it can or cannot do, and what it needs to know and do. A knowledgeable organisation has no knowledge gap, which would be created if there was lacking in this awareness. However, it can be eliminated by changing the strategic position.

Moreover, a knowledge-based strategy that incorporates innovation allows for mapping the competitive environment and the organisation's strategic position within it in a radically different way compared to traditional methods based on market and products/ services. An organisation's potential success thus depends not only on market/product positioning, but also on knowledge positioning. Furthermore, in a dynamic environment, and especially at a time when the Saudi economy is itself undergoing a radical transformation, the role of knowledge and innovation is becoming increasingly important in strategic management. This makes it imperative to equally consider knowledge positioning during strategic planning along with market and product/service positioning (McDonough et al., 2008). Without valuing and managing knowledge strategically and innovating, it can be argued that many organisations will be unable to cope effectively with the kingdom's own new positioning.

Role of knowledge

Like innovation, and unlike the positioning of a product or service, knowledge is a valuable intangible resource. It makes managing knowledge necessary for strategic positioning and advantages. It can potentially lead to gaining deeper understanding of markets and customers. However, knowledge is not viewed in many organisations as a strategic issue, but only as an operational one instead, and the relationship between knowledge and strategy is not widely recognised (McDonough et al., 2008).

Importantly, the extent to which an organisation can devise and execute an effective strategy depends on the knowledge it possesses to guide the shaping of the strategy. In other words, its success depends on what it knows, and the strategy determines what the organisation needs to know. If there is a gap between what is known and what needs to be known to make a strategy successful, then this would need to be eliminated. This may be achieved either through gaining more knowledge to better support the position aimed for, or by adapting the organisation's product or market position so that it is made more in line with what is currently known and manageable. Whichever approach is taken, one or the other would be necessary for the strategy to be successful, as opposed to ignoring the knowledge gap.

Thinking about strategic planning this way in terms of knowledge is to map the position of knowledge. It is analogous to positioning a product for a target market. However, knowledge can be more important, as some cases in the past show. For example, Polaroid became bankrupt in 2001 due to inadequate knowledge of digital imaging, and the sudden emergence of new competing companies (Rayna and Striukova, 2009). Therefore,

knowledge positioning should also be strengthened in strategic planning besides product positioning. Both should be treated as essential parts of the same one strategy, and complemented by another essential part – innovation.

Role of innovation

Innovation may take place in the form of development of a new product, improved services, use of more advanced technologies, or that which leads to enhanced processes, procedures or operations, and reduced prices, etc. In Saudi Arabia, innovative water and land saving technologies, for example, are being applied in the agricultural sector to boost production in the same crop lands being cultivated, and to thereby ensure food security (Fiaz et al., 2018). Innovation positionality is the attention given by an organisation to itself to bring about the aforementioned improvements, which would be internal innovations, or in ways that are noticed by customers through improvements to products and services or otherwise, which would be external innovations.

Whether the innovation is internal or externally perceptible, it is also necessary for an organisation that its position with respect to innovation is aligned with its positions with respect to knowledge and products, or marketing position for the latter. The organisation's capability to innovate determines what kind of innovations it can, make and how well it can innovate. In the example of Polaroid, the company failed because it stuck with trying to innovate in terms of chemistry, and it did not see the need to make a more radical innovation by transitioning to digital imaging. Studies on innovation mostly focus on innovation as a process rather than innovation positioning and alignment with product positioning.

Connection between knowledge and innovation

The connection between knowledge and innovation is important when devising a strategy. In particular, strategic planners should recognise the limitations of its knowledge, and consider what the organisation needs to know to support the envisioned innovation, and market or product position. The organisation then has a choice of whether to obtain more knowledge first, or utilise existing knowledge to innovate. Theoretically, this shows that knowledge can guide innovative activities and also be influenced by them. The critical thing however, is to have knowledge, innovation, as well as the product, service or market positions aligned so that their positions mutually reinforce each other.

Another important aspect of knowledge management is the sharing of knowledge within an organisation (Bhardwaj, 2019). This may be through an intelligence

generation and dissemination process arranged to facilitate information or knowledge sharing, both among departments and with customers. This kind of responsiveness is necessary to support innovation and the development of new products or services. The aforementioned study based on data from 319 auto companies led to emphasising the critical value of sharing knowledge and intelligence for bringing about innovation. The positive impact of knowledge management on innovation was also established in a study in Pakistan on corporate sustainable development activities in manufacturing and services firms (Abbas and Sagsan, 2019). Knowledge management processes involve creating, acquiring, sharing and applying knowledge, which are shown to have a significant impact on activities and green innovation. Furthermore, the impact is evident irrespective of company size and the two types of firms investigated.

In the case of public sector organisations, the impact of knowledge management is still positive on innovation, as well as on operational performance and quality, but this is variable in terms of strength of impact (Balasubramanian et al., 2019). This study shows the importance of devising appropriate public policies, strategies and other supportive mechanisms to encourage knowledge management and innovation. In service organisations, innovation is supported by a number of management practices of which involving and empowering employees, analysis, information, training and customer focus are crucial (Golmohammadi et al., 2014).

Strategic alignment

Although ensuring the three positions of knowledge, innovation and product are aligned challenge, maintaining their alignment and integration is also challenging when the need arises to adjust to a changing competitive environment.

Figure 1 illustrates the relationship between these three positions and lists what the relationship between each pair entails. There are two important considerations for each of the three pairs of relationships.

The second illustration in Figure 2 highlights the critical need to reposition in a time of a major change. The initial position for each knowledge, product and innovation may need to undergo a transition to a new one that is more suitable for the anticipated changed environment.

METHODOLOGY

Data collection

Not many studies have been conducted previously on the potential of incorporating or integrating innovation into strategic planning with the aim to enhance the effectiveness of entrepreneurship in line with the kingdom's goal of transforming to a broader investment-driven and knowledge-based economy. To explore the phenomenon

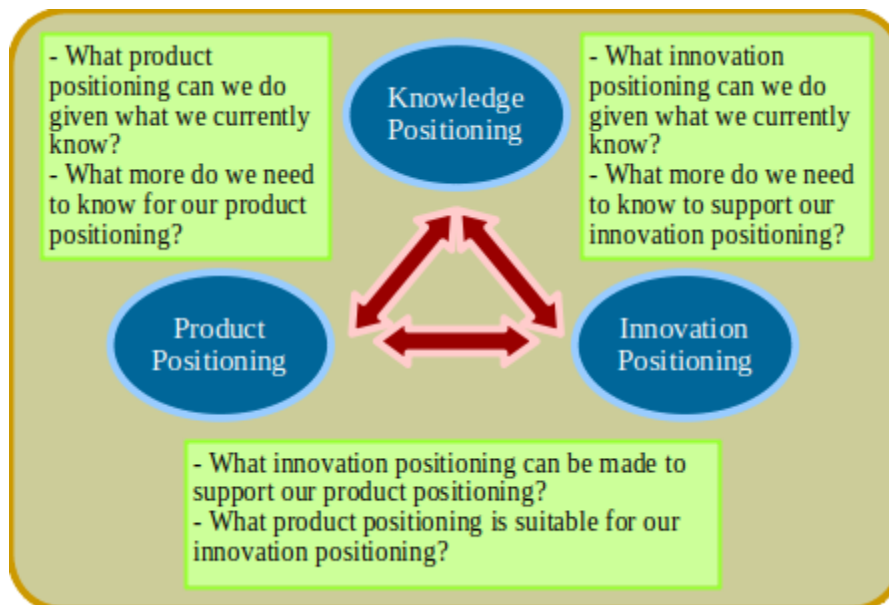


Figure 1. Knowledge, innovation and product positioning.

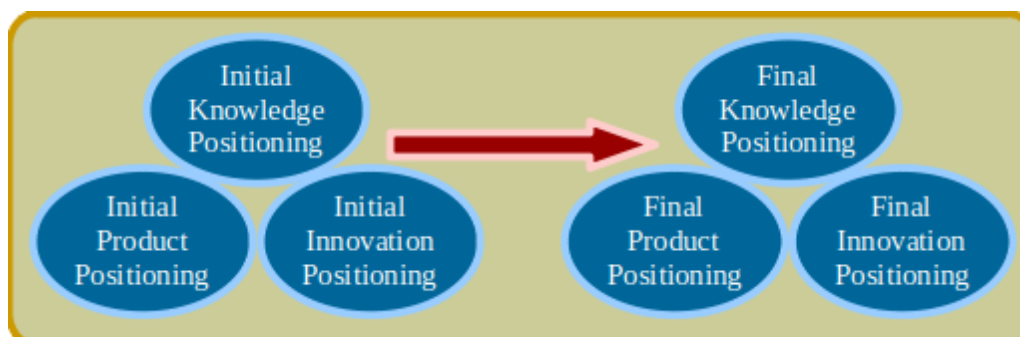


Figure 2. Repositioning in a time of change.

of strategic alignment in readiness for the Saudi 2030 Vision, and the role of knowledge and innovation, data were collected from a selected, major and leading innovative company, namely the Saudi Electric Supply Company (SESCO). Three interviews were conducted with three different strategic managers during the last quarter of 2020.

The content of these interviews were analysed to identify themes, and to validate the two research frameworks: (1) the knowledge position-product and market position relationship (McDonough et al., 2008), and (2) the innovation and knowledge positional relationships with product and market positions (McDonough et al., 2008). The frameworks were then tested using previously-conducted case studies. The study contributes to the field by showing how innovation and knowledge positioning can be used to realign an organisation, and establishing the significance of this in strategic planning.

Using a case study methodology, the data were gathered on the nature and extent of knowledge positioning and innovation in the strategic planning of Saudi firms. This enabled to identify the key drivers of innovation in Saudi organisations, and to gain an indication of the extent of present innovation in readiness for the

2030 Vision. They were ascertained by comparing the relative strategic positions of market/product, knowledge focus, and extent of innovation. Additionally, information was also gathered from secondary sources on knowledge management and innovation in the strategic planning of organisations in the Kingdom of Saudi Arabia. This review sought to ascertain the overall strategic alignment to get an indication of the extent of innovation among Saudi companies in general, in readiness for the 2030 Vision. Table 1 summarises the two data sources, what data were gathered from each, the indications obtained, and how this was achieved.

Data analysis

An indication of the overall strategic alignment was made by comparing the relative strategic positions of market/product, knowledge focus, and extent of innovation. A lack of focus on specific market segments and internally driven innovation for instance, may indicate an overall focus on market/product, and the development of a specific body of knowledge and innovative communication, and knowledge-sharing processes. Notably, a

Table 1. Summary of data collection and indications gained.

Source of data	Data gathered	Indication	Method
Interviews at a selected company	0	0	Comparison of relative strategic positions of market, product, focus on knowledge, and innovation
Secondary sources	Knowledge management and innovation in strategic planning	Overall strategic alignment; extent of innovation in readiness for the 2030Vision	Review of the literature comprising previous studies in the field

Table 2. Summary of key findings.

Period	Knowledge positioning	Focus	Innovation
1976-2000	Acquiring what was necessary to establish the company	On market and service positioning	Internally driven
2000-2014	More responsible orientation; preserving knowledge; still not aligned well with market and services	Customer satisfaction; value-added services; more customer driven	More innovative practices; technological advancements in line with developments in computer and internet
2014-present	Well-positioned; evidence of alignment with market, product/service positioning; more knowledge sharing	More strategic orientation; efficiency improvements	Greater and sustained attention to innovation; innovation more directed at customers, employees and economy

shift from selling products alone to selling value-added services may indicate a focus on knowledge (McDonough et al., 2008). A focus on innovation would be indicated if knowledge is used to compete in application services, including communication skills and customer relations with the ability to learn. Innovation is also evident in the organisation's structure and processes, and if the company is able to adapt to variations in customer relationships to improve their performance outcomes. Cross-functional teams are often formed to gather information, improve communication, obtain customer feedback, build trust, and enhance information exchange.

RESULTS AND DISCUSSION

This study presents the findings of the research for which the methodology was described above.

The key findings are summarised in Table 2.

Saudi electric supply company

The Saudi Electric Supply Company (SESCO), established on 1st January in 1976, is a premier wholesale distributor for electrical supplies in Saudi Arabia. Its operations are widespread throughout the Kingdom, and being a large company in an important energy sector, it has a key role to play in the changing economy, hence the reason why it was selected in this study. Preliminary research on its background using publicly available sources, including its website, suggested it is a prime example of a company

which has achieved knowledge repositioning and alignment effectively, and in alignment with innovation. This was confirmed in the subsequent investigation using interviews.

Insight from the interviews

Knowledge management for a company with widely dispersed operations is understandably more challenging compared to more localised organisations. Sidawi (2012) uncovered systematic project management problems a decade ago that were having a profound negative impact on the process and performance of remote projects. These problems compounded by the remoteness

of certain ongoing projects at the time were especially due to loss of control over communication and management, and lack of management skills, human resources and infrastructure. The researchers suggested utilising a computer-based management system, but the presence of organisational barriers hindered this possibility.

1976-2000 – Focus on market and service positioning

This initial period spans from the founding of the company in 1976 to its merger with other regional supply companies. It was strongly characterised by its focus on the market and the services it offered, which were and still are to provide electricity supply connections. Due to lack of competition, there was little or no focus on competitiveness, efficiency, strategic planning, strategic knowledge and innovation.

Knowledge was positioned on simply acquiring what was necessary to establish the company, expand its reach, and to deliver its services. It was focused on principles of electrical engineering and simple business practices. Technical knowledge was obtained by hiring people qualified for all the required functions, including for customer support, sales and information and communication systems. There was no external stimulus to bring about any significant advancements or innovation. New services were entirely driven by existing knowledge, and any innovation was also internally driven. However, relationships with some research universities were forged in this phase. In short, there was little need for expanding the scope and depth of its knowledge-base, or to engage in more innovative and strategic practices.

2000-2014 – Beginnings of a focus on knowledge and innovation

An interim period spans from the company's monopolisation in 2000 to its major restructuring in 2014. This period is characterised by a more responsible orientation given the dwindling margins and reduced prices. It was no longer sustainable to maintain the old status quo, so the restructuring was inevitable. The orientation was still not strategic, but there was a noticeable shift away from being service-oriented toward some semblance of a knowledge-orientation and the beginning of more innovative practices. This was evident from greater attention given to maintaining and preserving knowledge, improvements in information and communication channels, adoption of new technologies, greater concern for customer satisfaction, and providing more value-added services. It made the company more customer-driven, thus leading it to be stimulated for innovation externally instead of internally, as was the case

in the previous phase. The technological advancements were in line with developments in computer and internet technologies. They explain the rapid improvements in information and communication systems, which were considered revolutionary at the time.

Although the company had not progressed as far as strategically aligning knowledge and innovation with its market and services, as in the present phase, there was overall a clear transition to being more focused on knowledge and innovation compared with the initial phase. However, misalignment and weak strategic-orientation clearly distinguish this phase from the next. Widespread knowledge-sharing was thus not present, nor was the impulse to heavily innovate and thereby contribute to fostering a research and knowledge-based economy.

2014 to present – Greater focus on strategic knowledge and innovation

This latter period spans from the major restructuring in 2014 to the present. This period is characterised by a more proactive stance, a more strategic orientation, greater positioning of knowledge, much greater and sustained attention to innovation, and an attempt to align these with its market, product and service positioning. It is also marked by the development of leading-edge products related to its existing electricity supply services, which has expanded its scope of products and services. For example, it has expanded to also become a wholesale distributor of electrical apparatus and equipment wiring supplies, which shows prudent application of its accumulated expertise in the industry.

These initiatives are generally directed at bringing about various improvements in quality and output. Hence, the company's strategic goals focus (Figure 3) on being smart, efficient, productive, and customer-centric. This does not mean an abandonment of its previous market and service orientations, which were prioritised throughout its previous existence, but rather, a drastic change of priorities under a more expansive and strategic outlook. There is greater focus and priority now on knowledge, innovation and strategy. Importantly, the knowledge and innovation positions are not only geared to supporting the company's market, product and service positions, but they are also more aligned with each other strategically. Research and development, and innovative thinking, are also stronger. It was innovative in ways before, but the innovation now is more considerable, and directed at customers, employees, and indeed the economy as well.

The key enablers of the company's innovations are digital transformation, restructuring of the energy sector, talent development, cost optimisation for financial sustainability, activation of research and development programmes, and prioritising safety, security and the environment. This shows it has a strong strategy which

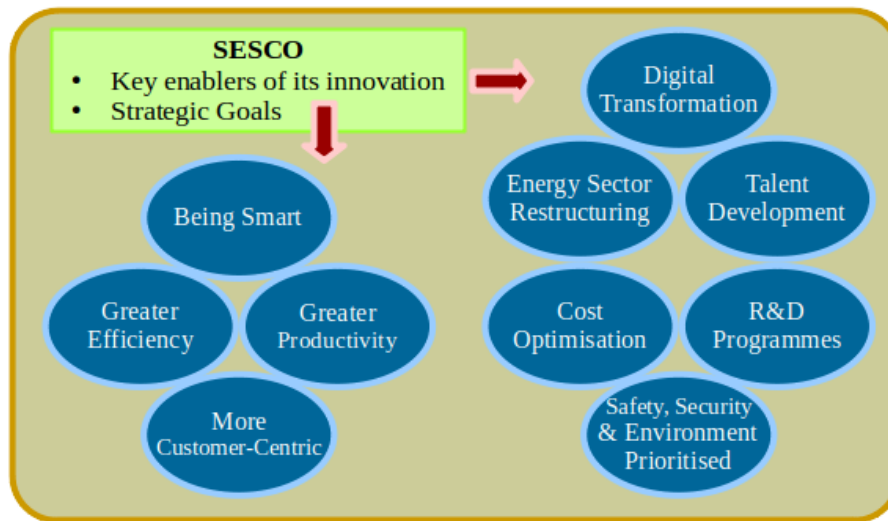


Figure 3. SESCO's strategic goals and key innovation enablers.

incorporates corporate social responsibility. In particular, it is evident from the data that the company is striving to operate more efficiently to reduce costs and supply electricity more efficiently. The company is also seeking more opportunities for mergers and acquisitions, including partnerships with government agencies and charities. Importantly, the company is at the forefront of creating the right conditions for achieving the Kingdom's Vision 2030 through its contributions to making the environment more stimulating and attractive for investment, and to the Kingdom's overall economic development.

In 2018, SESCO launched a major strategic transformation programme, which it named 'Itqan'. The programme actually consists of several projects that include investment, digital transformation, improved grid governance, improved asset management, expansion of applications, and monitoring of industry changes and challenges being faced during the Kingdom's transition. It has also compelled the company to undergo restructuring of its activities, and to strengthen coordination with its stakeholders.

The aforementioned are underpinned by knowledge, but a direct engagement with increasing knowledge is in the form of greater knowledge-sharing, and supporting the specialised development of its workforce to cope creatively with and lead the company's anticipated future needs and projects. This includes competing for projects in international markets. The company's innovation efforts are mostly directed at its efficiency drive, knowledge sharing, improving productivity, energy storage solutions, tapping into renewable energy sources, talent management practices focused on its employees, and developing innovative products.

With respect to strategic alignment, the knowledge and innovation positions of SESCO are more tightly aligned

than ever before with its market and service positions. This facilitates communication, and information and knowledge sharing, and is reflected in its internal structure and organisational processes. It is evident from the improved performance outcomes, receptiveness to feedback, improved customer relationships, and refined processes.

Knowledge Management in Saudi Arabia

The findings reported in this subsection pertain to organisations in Saudi Arabia other than SESCO to gain an indication of knowledge management practices in the Kingdom based on secondary research. In studies conducted in Saudi Arabia, knowledge management or components of it have been shown to impact positively on job satisfaction (Varshney and Damanhour, 2013), and gaining competitive advantages (Abusharekh et al., 2019). Along with supply chain management practices, it has also been shown to contribute to improving organisational performance in a study on the Saudi food industry (Attia and Salama, 2018).

In Zain's implementation of knowledge management, for example, which is a mobile telecommunication company, the focus is on customer satisfaction, improved coordination and sharing knowledge for achieving high performance (Zain, 2018). Moreover, knowledge management has helped Zain to be acquainted with customer needs and market trends. Importantly, the study showed how knowledge management can influence the attitudes of people working in an organisation, and thereby impact on its performance (Alarjani, 2019).

The importance of maintaining strategic or competitive advantage at a time of major change raises the value of knowledge management. In recognition of this,

Abusharekh et al. (2019) aimed to identify the precise processes of knowledge management which lead to achieving competitive advantage through investigating the activities of employees at Al-Quds Open University. The strongest correlation was found for knowledge technology with knowledge generation, transfer, developing and storing, acquisition, and organisation following in that order. Knowledge generation or creation is encouraged at the university by offering incentives and providing an avenue for applying the creations. Knowledge generation or generating new ideas is itself innovation (Hijazi, 2005).

CONCLUSION AND IMPLICATIONS OF THE FINDINGS

Product or market position is an important part of an organisation's strategic planning, but it is not the only important one. This is especially so when there are major economic changes and transformations underway. The study establishes the importance of knowledge and innovation positions as well, specifically that all three are aligned and integrated with each other. The key considerations are: (1) Whether the three positions are aligned, integrated, and mutually reinforce each other; (2) Whether the positions are aligned with capabilities, and (3) Whether each of them is unique, or at least potentially better than those of competitors.

This kind of mapping that incorporates knowledge and innovation positioning can shape strategic planning very differently than if only considering product or market positioning. As in the example of Polaroid, the matter can be complicated further if the competitors are not correctly identified. Some companies may not appear to be competitors due to being currently positioned in a different market, but the changed environment could soon make new competitors that bring them into the same market. The key things here are the shared knowledge that must be recognised, and innovations taking place in the field, hence the importance of these knowledge and innovation components. Importantly, it shows that strategic change is not limited to product or service positioning in the market, but may also require adapting the positioning of knowledge and innovation so that the organisation can be positioned more suitably through realignment for anticipated new conditions. By only repositioning the product and ignoring the roles of knowledge and innovation, the same mistake could likely happen as in the case of Polaroid.

RECOMMENDATIONS

With the Kingdom's transition to a knowledge-based economy, knowledge and innovation have gained even more importance than in the past. For competitive advantage, it is imperative to exploit and leverage these knowledge and innovative capabilities by firstly

recognising their valuable roles in strategic planning. It is recommended that organisations develop their strategy by integrating and realigning their three knowledge, innovation and product/market positions according to what they would need to retain or to gain competitive advantage. This in turn would require careful monitoring of the changing environment, in this case the knowledge-based economy transition, and reorienting the current alignments of all three positions accordingly.

For SESCO in particular, it is evident that the company has expanded its focus and scope, without neglecting its employees and customers, to include those that could impact more positively on the economy. The greater social responsibility and other initiatives introduced since 2014, and especially since 2018, is all positive developments that are welcome for the company's contribution toward achieving Vision 2030. However, given that SESCO's operations are widely dispersed, the company would need to ensure that it can maintain effective organisational arrangements and operation of its computer-based management system, as these will be critical.

CONFLICT OF INTERESTS

The author has not declared any conflicts of interests.

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