

**Assessment of the PhD thesis (“disertacni prace”):
Information Premises of Successful Investment Strategies**

submitted by Mgr. Jakub Lesikar

to the Faculty of Philosophy, Charles University in Prague,
Ustav informacnich studii a knihovnictvi,
Studijni obor a program Informacni veda.

Preamble:

I am fully aware of the diversity in academic traditions and thus in criteria for evaluating PhD candidates' work that different academic institutions apply. In this case I interpret the main criterion in evaluating the work submitted (in the spirit of the Bologna convention) as primarily “evidence of probity as academic researcher” and to lesser extent as “an original contribution to the discipline”.

Summary evaluation:

My overall judgment is that the work submitted satisfies the common criteria of academic research work for PhD thesis.

Assessment of the work as submitted in November 2008:

The topic chosen by the candidate for his work: “Information Premises of Successful Investment Strategies” is broad and of interest in several different disciplines that range from finance, management and economics to information sciences. The candidate approaches the topic from the perspective of information sciences. His work and approach is certainly unorthodox in terms of disciplinary approach and methodology. He draws on concepts and research in various other disciplines than information sciences in particular those from economics, finance and management. Given the topic chosen it is natural that the main thrust of the work appears to be conceptual development rather than theory testing and that it draws on several disciplines.

The scope of the work is, broadly speaking, the information aspects of investment activity in business context. Three broad hypotheses that orient the entire work are presented in the introductory part of the work (p. 9): The first is that investor's success is related to her information strategy. The second, that information strategy of business firms can be managed for increased effectiveness in attracting investors. Finally, that “information conduct” of the firm is one of the main factors in financial investment decisions. The aim of the author is not simply to test the hypotheses; rather these are used as a springboard to explore the nature of investment decision making process, the role of the knowledge base in formation of business strategy and in the broadest sense the role and value of information in decision making processes in business.

Discussion of the three themes is developed in chapters 4, 5 and 6 respectively. In chapter 4 a broad angle view of an investor's information strategy is taken. The argument developed here is that the essence of the situation an investor is facing is ambiguity and therefore the assessment of risk becomes the central issue in the information processing of the investor. In contrasted with the common view of the efficient

market in economics Lesikar argues that the core issue from the perspective of an investor is the assessment of the development potential of the business object of investment and that such an assessment in order to be effective requires cognitive framing consistent with each business' context specificity in time and space. The information consequences are important: assessment of growth and value strategies of a business will always be judged on data that regard not only the features of the firm but also provide clues about the external interdependences of the business model adopted. An interesting discussion here is the consequences of the efficient market assumption. The argument is that acknowledging the efficient market assumption does not result in the claim that it makes market dynamics predictable but the contrary (p.27).

The part of the work devoted to the discussion of the information strategy of firms (chapter 5) starts with a brief discussion of the role of the information infrastructure of the firm in its strategy development. The position taken here is that the management's awareness of the information value for strategy formation is often limited because the role and the scope of the information is seldom made explicit. It is a base for the following discussion of the how management can use and exploit the information. The conception of information managers as architects of information flows rather than custodians of information is advocated (p.44) and requirements of an effective business information system are discussed. While information availability is not sufficient to guarantee development of effective business development strategies it can play an important role. The condition is sensitivity of the information managers to assume the role of contributor to management and to develop the task orientation in this sense. Information management can then become an asset of the firm and thus affect the overall value of the firm.

The third main part of the work (chapter 6) deals with the broad (and thorny) issue of the information value. The issue is approached under the heading investor's valuation of information assets. The first question for discussion is the role of information in the development of distinct business plan / model. The argument here is related to the contemporary discussion of coping with ambiguity in academic research on practice of management. Lesikar takes side with the stream of research advocating the empirical scepticism as an appropriate approach and discusses consequences of adopting such a perspective on the information evaluation. The starting point in this part is the acknowledgment of the future orientation of any business development plan and at the same time of the unknowable character of the context. Thereof the double role of the information: on the one hand in the formation of frames and schemata to guide behaviours (learning) and on the other of the data that permits quantitative assessment of the expected economic outcomes of intended behaviours.

Main propositions: The candidate advances the conclusion that applying the information perspective on management is fruitful and shows that much of the business development as well as the investment activity are related to information processing issues. That is so much more valid in the light of the current academic debate that relates the formation of value by business to the knowledge as emphasized in the knowledge-based conception of the firm. At the same time, however, the information problem in relationships to business and investment activity, rather than being a problem of information quantity appears to be the one of information quality. The latter, is argued to be related to the role that information has in limiting the risk (or ambiguity) inherent in any business activity. This theme is common to both the investment activity and role of the investor and to that of the strategic information management and deployment.

The propositions are broad but the arguments to support these are spelled out and developed with care. They are extracted from different disciplinary background and some, selectively chosen empirical observations. The various ingredients are connected to a consistent whole.

Methodology: the approach followed is unorthodox. Use is made of a blend of academic research findings, private accounts and opinions and some ad hoc empirical evidence. The use of the various ingredients is opportunistic (as might be expected given the purpose and scope of the work). Formalization and modelling of the arguments is only limited.

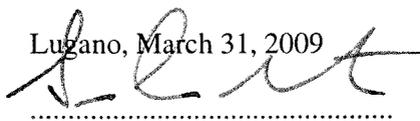
Writing style is precise even if several styles are mixed. While on one hand the candidate reports formal models and theory fragments (e.g. efficient market hypothesis in chapter 5) it is blended with more normative accounts of the management literature (e.g. the discussion of the business plan format pp. 70-83), popular management literature (e.g. pp. 14-17) and empirical “case material” collected by the author himself (e.g. 25-26; 46-51). That makes the distinction between the empirical data and the conceptual framework at spots fuzzy although it is always used to sustain the propositions formulated. Handling of the empirical data is opportunistic but again in line with the main thrust of the work – conceptual development.

Final considerations: Bringing together concepts and propositions from several disciplines, as well as from practice, makes the work a demanding reading, not always easy to follow. Bringing together concepts belonging to different disciplines may cause some difficulty in relating the work to one specific platform of the on-going academic debate, even though the author keeps reminding that the core of his interest and the chosen academic forum, is information sciences. The route followed by the candidate can generate contrasting reactions, especially for those who are less familiar with the various streams of research the author draws on. That is probably an inevitable consequence of taking as proper the position of Vickery (1992) on information transfer as phenomenon that is social context dependent (p.5).

Fresh perspectives offered and connections to contemporary debate, in at least the management literature outweigh possible shortcomings in the way the candidate approaches and handles the conceptual development (referencing) and the use he makes of the empirical accounts (episodically). I appreciate in particular the ontological position the candidate takes and that comes through in particular in section 6.2.2 (pp. 98-106).

There are several issues touched upon in the work that could constitute a valid base for a further research within the broad field of information in formation of business value. A sample, albeit not systematic, of such possibly more focused research avenues is hinted in chapter 7. Two themes in particular appear promising to me: research into the features of the context that impact on levels of risk and into the role of socio-cognitive factors in formation of markets and business enterprise.

Lugano, March 31, 2009



.....
Ivan Snehota, PhD

Professor of Marketing
Director of the Institute of Marketing and Communication Management
University of Lugano