

“KNOWLEDGE MANAGEMENT”

THE ROAD AHEAD FOR SUCCESS



By Hemamalini Suresh

TABLE OF CONTENTS

1. KNOWLEDGE MANAGEMENT: AN EYE OPENER.....	3
2. WHAT IS KNOWLEDGE MANAGEMENT ?.....	3
3. HOW TO LAY THE KNOWLEDGE FOUNDATION	4
4. HOW TO EMBRACE AND EMBED KNOWLEDGE MANAGEMENT ?	5
4. EVOLUTION CYCLE FOR KNOWLEDGE MANAGEMENT	7
5 HOW TO GET THE KNOWLEDGE ADVANTAGE ?.....	8
6 TECHNOLOGIES TO SUPPORT KNOWLEDGE MANAGEMENT.....	10
8. CONCLUSION	11
9. REFERENCES.....	12

1. *Knowledge Management: An Eye Opener*

The new millennium is in the midst of explosive change witnessing intense competition amongst the domestic as well as the international players. Little wonder then, *knowledge management* is fast emerging as a core strategy, that organizations worldwide are adopting to manage and leverage organizational knowledge, for sustainable business advantage. In this world of rapid change, we have to create new knowledge and ideas constantly. We get that by looking at what we know, and applying it to what we do not yet know.

The changes taking place in the world economy have made *knowledge management* a business necessity, at least for large multinationals that operate on a global scale, or hope to. Managing your company's knowledge more effectively and exploiting it in the marketplace is the latest pursuit of those seeking competitive advantage.

The organizations that are driven by knowledge are the ones that will succeed. The combination of global reach and speed compels organizations to ask themselves, "What do we know, who knows it, what do we not know that we should know?"

This paper describes in a nutshell, that the organizations can attain maturity in KM only through healthy coexistence of technology, processes and people.

2. What is *Knowledge Management* ?

Knowledge management (KM) is a process that helps organizations find, select, organize, disseminate, and transfer important information and expertise necessary for activities such as problem solving, dynamic learning, strategic planning and decision making.

***"If money is your hope for independence, you will never have it. The only real security a man will have in this world is a reserve of knowledge, experience and ability"-
Henry Ford***

To define "knowledge management" we have to pull apart the two parts of that term.

Knowledge

Knowledge is part of the hierarchy made up of data, information, knowledge and wisdom. Data are raw facts. Information is facts with context and perspective. Knowledge is information with guidance for action. Wisdom is understanding which knowledge to use for what purpose.

Management

Management is part of another hierarchy that includes supervision, management and leadership. Supervision is dealing with individual tasks and people and works at the operational level of an organization or sub-unit. Management is dealing with groups and priorities at the tactical level. Leadership is dealing with purpose and change at the strategic level.

Hence Knowledge management is concerned with the exploitation and development of the knowledge assets of an organization with a view to furthering the organization's objectives.

"No amount of sophistication is going to allay the fact that all your knowledge is about the past and all your decisions are about the future." -- Ian E. Wilson

3. How to Lay the Knowledge Foundation

Most organizations already have a vast reservoir of knowledge in a wide variety of organizational processes, best-practices, know-how, customer trust, MIS, culture and norms. However, this knowledge is diffused, and mostly unrecognized. Hence the need for knowledge management, or what can be called a knowledge foundation. There are four key features to this foundation:

(1) A knowledge-based strategy

To push ahead into new products, markets, and ways of doing business requires information and knowledge.

(2) A knowledge-sharing culture

To maximize the impact of information collected and knowledge acquired, knowledge workers are being encouraged to share their best practices, new techniques and lessons learned with their colleagues, wherever they are in the organization or around the world.

(3) A technical support infrastructure

Huge investments are being made in hardware and software to ensure that the information and knowledge available within an organization is available to the people who need it and in a form that they can use. Given the costs involved, it is essential that these changes be well managed.

(4) Business research and analysis

There is increasing concern that despite the flood of information available, it is often in a form that is not useful or even useable. Increasingly, organizations are turning to experts who can interpret the information and make it valuable.

***Knowledge is power and enthusiasm pulls the switch.
- Steve Droke***



4. How to Embrace and Embed knowledge management ?

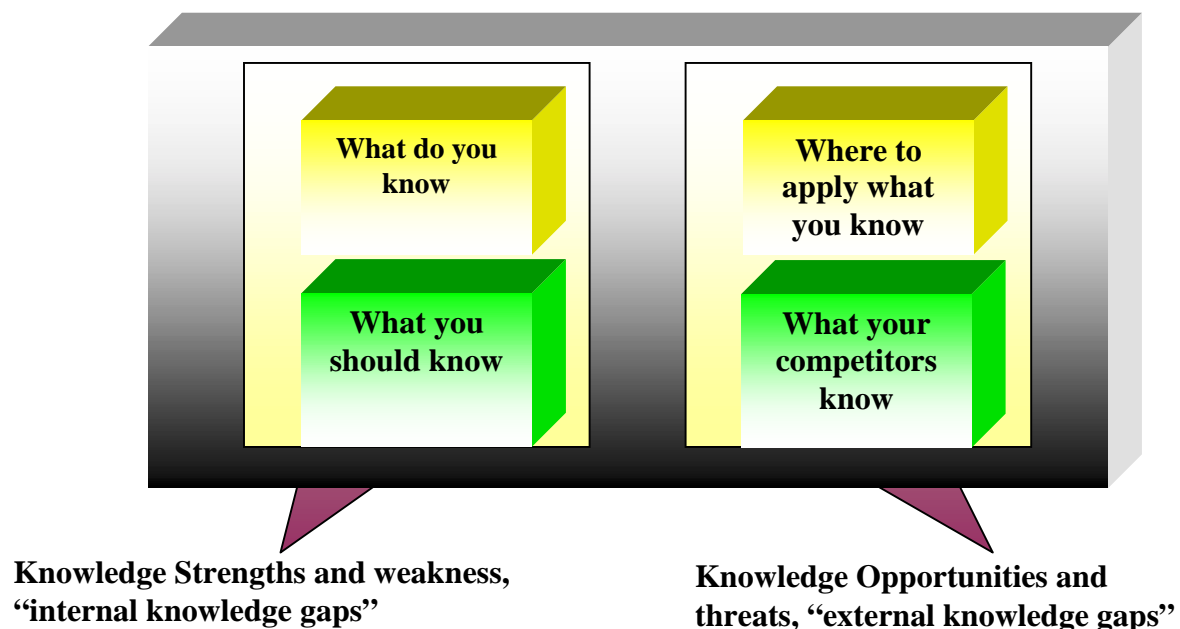
Simple, if you want to *survive* you must improve. The full implementation of knowledge management has significant consequences for the structure and culture of the organization, and the roles of managers and workers. There are a number of questions that senior managers should seek to answer before moving to a full implementation of knowledge management:

- (1) What is the central objective of knowledge management within an organization? Is the interest, for example, in leveraging implicit knowledge, retaining knowledge of employees as they exit the organization, or in more efficient access to knowledge repositories?
- (2) What are the levels at which knowledge management must be considered, and how can it be executed at the different levels? Can knowledge management be utilized for specific projects or work groups, without impacting upon the entire organization?
- (3) What is the scope of knowledge management in relation to the types of knowledge that it should embrace? The main divide is between implicit and explicit knowledge, but there may also be different types of focus. For example, the emphasis may be on competitor profiles, or on technical know-how.

(4) What are the technologies and techniques to be employed in knowledge management? Is the priority document creation and management technology or on group working technologies, such as Lotus Notes?

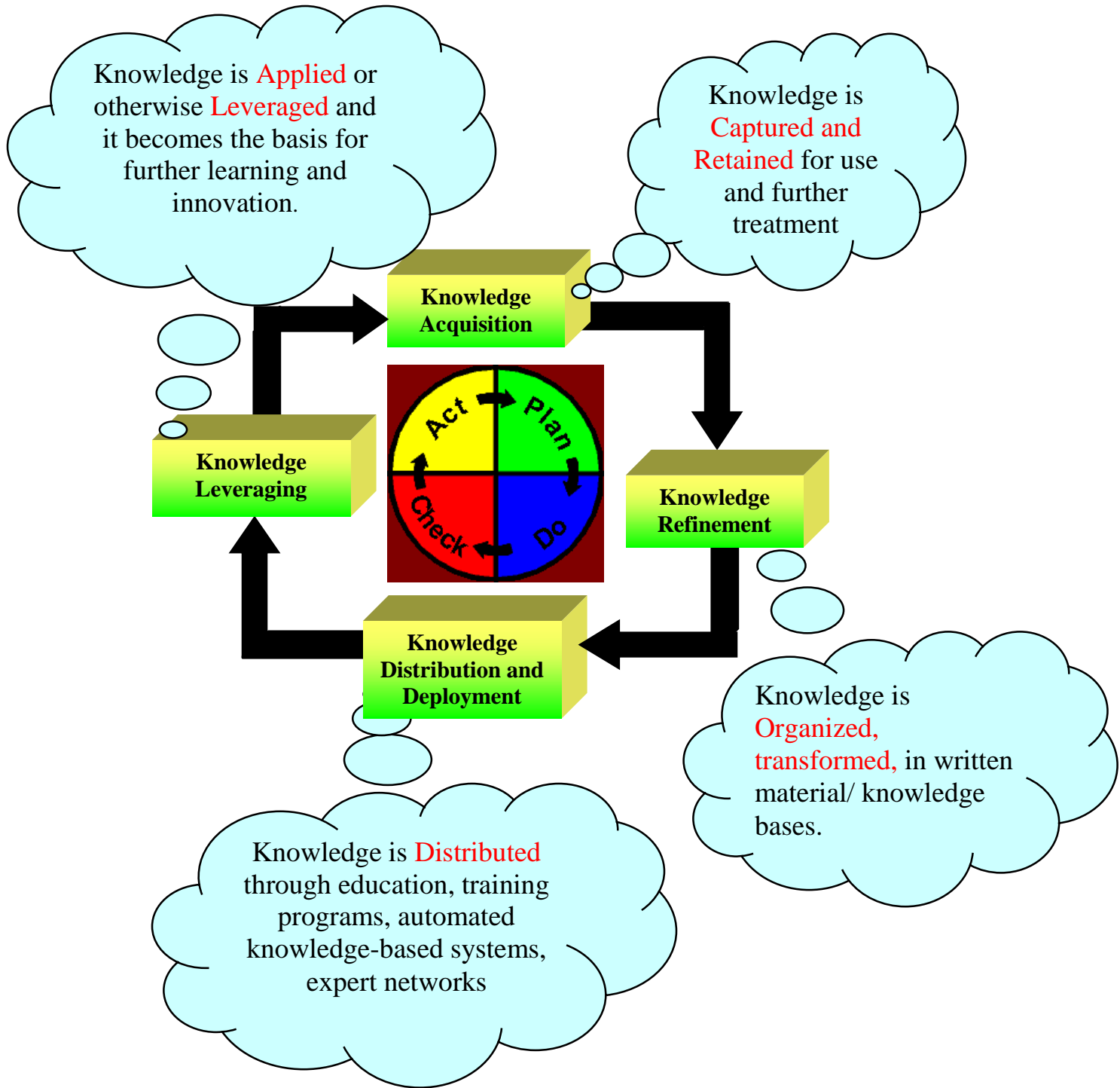
(5) What organizational roles are needed to support knowledge management, and what are the associated competencies that both individuals and organization need to acquire? Organizations have recognized that successful knowledge management initiatives depend on the commitment of top management, and the contribution of senior consultants or experts.

There will be no simple answers to these questions because in a diverse and changing business environment, the nature of knowledge management is likely to be ever changing. Indeed knowledge management in different organizations may serve different organizational purposes. There is no doubt, however, those organizations need to develop the capacity to be able to survive in a knowledge-based, global marketplace. An understanding of the potential offered by knowledge management and the way in which knowledge management can be used effectively within their business will become increasingly crucial for businesses and other organizations.



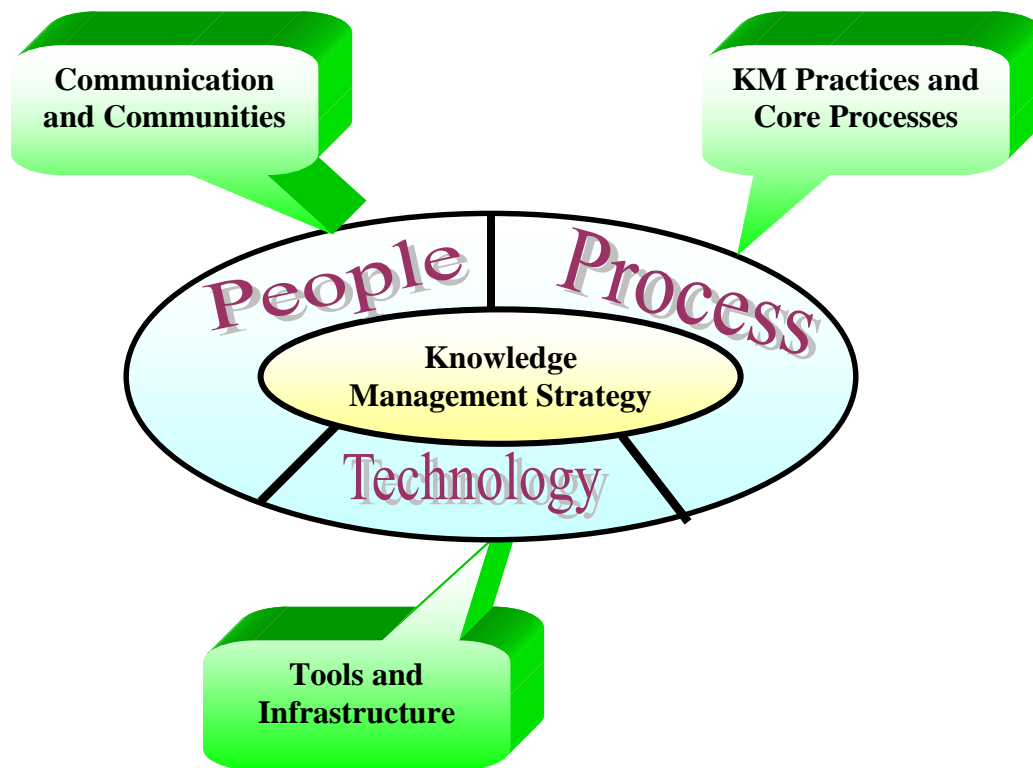
4. Evolution cycle for Knowledge Management

The Institutional Knowledge Evolution Cycle considers four stages in the pathway:



5 How to get the Knowledge Advantage ?

How can companies use knowledge to secure a strategic advantage? In a nutshell, it's about generating greater value through the knowledge in products, people, and processes:



- **Knowledge in Products:** 'Intelligent' or 'smart' products can command premium prices and be more beneficial to users. One example is the 'intelligent' oil drill that bends and weaves its way to extract more oil than ever from the pockets of oil in underground formations.
- **Knowledge in People:** "Our most valuable asset", according to many company reports, although the actual way they are treated and managed often belies this. 'Learning Organization' programmes, is one way of nurturing and applying underutilized talent.



* **Knowledge in Processes:** In many companies there are often differences in performance levels among different groups performing the same process. Closing such a gap saved Texas Instruments the cost of one new semiconductor fabrication plant (a \$1billion investment).

These are not the only ways that companies are creating strategic advantage through knowledge but give a flavour of what is possible. Others include active management of your intellectual property portfolio of patents and licenses, and creating new businesses that exploit your internally generated information and knowledge.

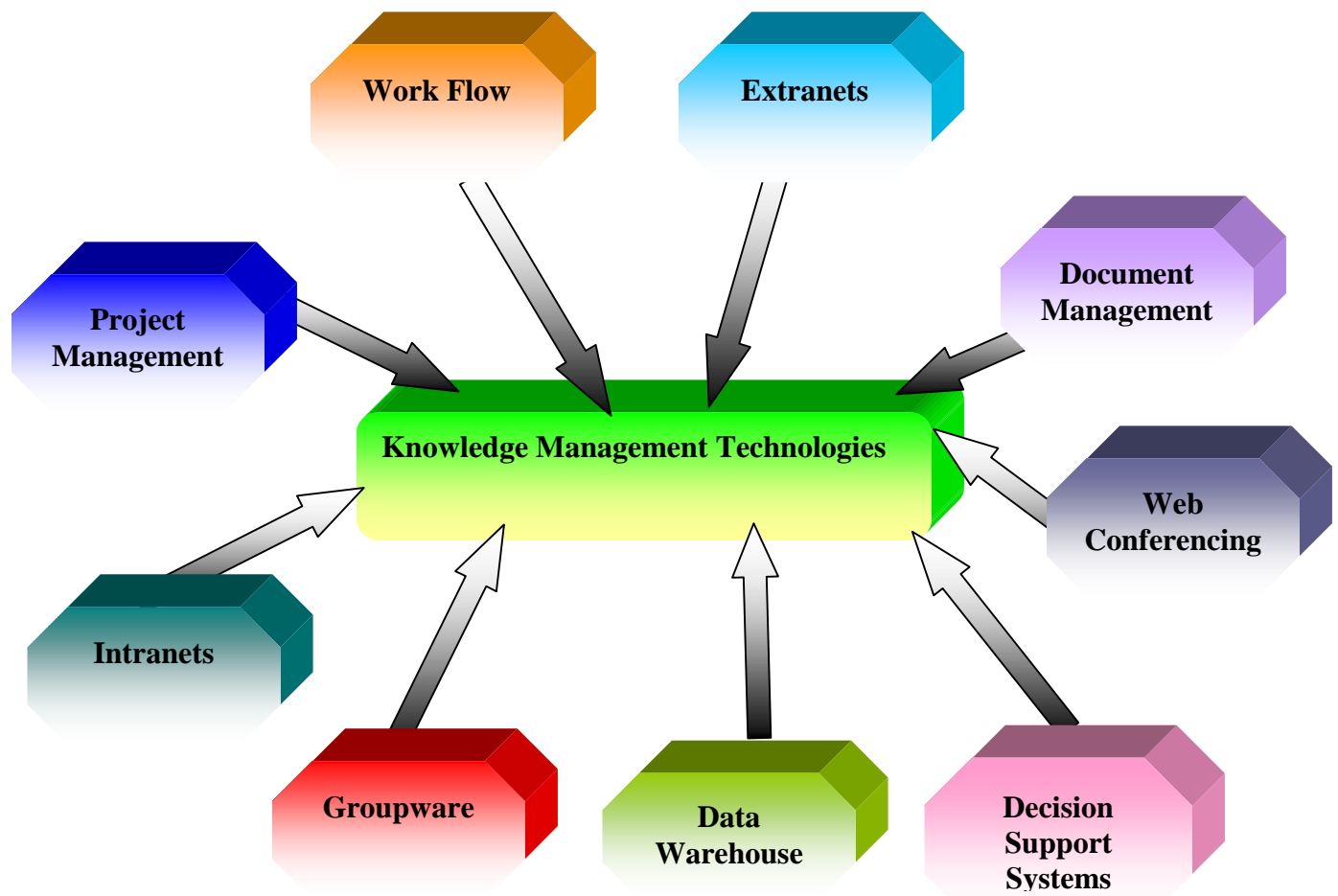
“Knowledge is an infinite series of images in the memory. Understanding, which penetrates into their significance, is the power to perceive their essence and interrelationship. ” - Kabbalah



6 Technologies to support Knowledge Management

There are a number of technologies commonly thought of when the term "knowledge management is intoned. The following diagram depicts the technologies that support knowledge management systems:

***"Imagination is more important than knowledge,
knowledge
is limited, imaginations encircles the world."
- Albert Einstein***



8. Conclusion

In summary, *Knowledge Management* involves connecting people with people, as well as people with information. Creating competitive advantage today requires developing and leveraging organizational knowledge. Leading edge firms consider their knowledge to be a strategic asset and actively and explicitly manage it as such. It is a management *philosophy*, which combines good practice in *purposeful* information management with a culture of organizational learning, in order to improve business performance. It's up to you to lead your teams to craft, communicate, and instill KM practices throughout your organization. Knowledge for its own sake does not help the organization unless it turns into action. To add value, give a competitive edge, create new opportunities and improve profit, organizations, teams and individuals have to make a real change in the way they see and do things. This means going beyond analyzing, reporting, benchmarking and sharing. They have to transform information and knowledge into action.

We conclude with a quote from
Bhagavad-Gita,

"The wise see Knowledge
And
Action as one"

9. References

1. *Amrit Tiwana, The Knowledge Management Tool kit, First Indian reprint 2000, Prentice Hall of India.*
2. *David E Smith, Knowledge, Groupware and the Internet, Reprinted 2001, British Library Cataloguing-in-Publication Data.*
3. *Drucker, P, Management Challenges for the 21st century, Harper Business, New York (1999)*