

# IT1102 Knowledge Management

## UNIT-IV

### UNIT 4 KNOWLEDGEMANAGEMENT-APPLICATION

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*Components of a Knowledge Strategy - Case Studies (From Library to Knowledge Center, Knowledge Management in the Health Sciences, Knowledge Management in Developing Countries).*

#### KNOWLEDGE STRATEGY

**Components of a Knowledge Strategy:  
Keys to Successful Knowledge Management**

## Knowledge Management - Definition

Set of Practices, Tools, Interventions, and Infrastructure aimed at improving a firm's ability to leverage its Knowledge resources to achieve Business Objectives.

# KM TOOLS

## *Tools, practices , and Infrastructure based approaches*

1. **Best Practices, Bench Marking**
2. **Learning Organization**
3. **Business Intelligence**
4. **Competitive Intelligence**
5. **Data Mining, Work Flow**
6. **Communities of Practice**
7. **Collaborative Filtering**
8. **Document Management**

**The firm has to embrace the above to better leverage Knowledge and Information.**

## Need for KM Strategy

### Issues Firms seek to Address using KM Approaches

- » **Larger firms - Dispersed & Complex**
- » **Need to compete with other firms**
- » **Information Overload**
- » **Collaboration Issues**
- » **Performance Variance**
- » **Innovation Needs**
- » **Which approach is best?**
- » **How to prioritize Alternatives?**
- » ***Solution is a well crafted Knowledge Strategy***

# *What is Knowledge Strategy?*

Knowledge Strategy identifies the Knowledge Resources that should be leveraged against Knowledge based Business Issues that arise from a firm's overall Business Strategy.

# Importance of KM

Knowledge management is a hot topic in business. Intranets, global connectivity, distributed expertise, and rapid change in products and processes are all driving companies to search for ways of working smarter. In his book, *Post-Capitalist Society*, management guru Peter Drucker stated that knowledge would become the only source of sustainable competitive advantage as we move into the next century. How do the principles of knowledge management relate to the firm's business objectives? Which business issues present the richest opportunities for leverage?

# KM Definition

**Knowledge management** may be defined as the set of practices, tools, interventions, and infrastructure, aimed at improving a firm's ability to leverage its **knowledge** resources to achieve business objectives. Using this definition, a broad spectrum of **information-** and behavior-based approaches is subsumed under the **knowledge management** rubric. Culture change, best practices, benchmarking, learning organization, business intelligence, competitive intelligence, data mining, workflow, communities of practice, collaborative filtering, and document **management** are only a

# KM Problems

Each of these approaches (and many others not listed above) may well have efficacy in many of today's larger firms at a given time. In addition to the vast troves of data and **information** now accessed, collected, and stored on a firm's networked computer system, larger firms also tend to be more dispersed and complex than smaller firms, and they tend to compete against competitors of various sizes and locales. The resulting **information** overload, collaboration issues, performance variance and innovation needs are some of the issues firms seek to address using **knowledge management** approaches. But which approach, or set of approaches, will bring the most value to the firm? How is a firm to prioritize alternatives when any one or several of the alternatives are appealing and resources are limited?

# KM Strategy

This is one issue a well-crafted **knowledge strategy** addresses. Simply put, a **knowledge strategy** identifies the **knowledge** resources that should be leveraged against **knowledge**-based business issues that arise from the firm's overall business **strategy**. Once the **knowledge strategy** is defined, the firm has a map that can be used to identify and prioritize **knowledge management** tools and approaches in a way that supports achievement of long-term strategic business objectives.

# Component of Knowledge Strategy

ness **strategy**. Once the **knowledge strategy** is defined, the firm has a map that can be used to identify and prioritize **knowledge management** tools and approaches in a way that supports achievement of long-term strategic business objectives.

Given the above definition of a **knowledge strategy**, it becomes clear that a **knowledge strategy** comprises several discrete components:

- An articulated business **strategy** and objectives
- A description of **knowledge**-based business issues
- An inventory of available **knowledge** resources
- An analysis of recommended **knowledge** levers

How is a **knowledge strategy** created? How can each of the components be described? The remainder of this chapter describes each of these components in more detail, and discusses how each of these may be created.

# Articulated Business strategy

## **ARTICULATED BUSINESS STRATEGY AND OBJECTIVES**

The way firms develop and use business strategies and objectives are as varied as the firms themselves. Strategic planning as a formal staff function has waxed and waned in popularity over the years, as **management** writers continue to refine and revise their view of the role of this rather lofty-sounding pursuit. Regardless of how a firm's **strategy** is developed and later used, one could conclude that much of the value in creating a **strategy** and supporting business objectives is gained from the creation

# Framing the Knowledge Strategy

Framing a knowledge strategy generally begins with gaining an understanding of the firm's business strategy and strategic objectives, regardless of the degree to which these concepts have been formalized. To the extent they have been codified, they can generally be taken as given. However, if they have not been formally defined, then it may be worthwhile to create them as a precursory exercise to defining the knowledge strategy. Based on our client experience, the non-existence of a current strategy is more frequent than one might imagine.

# Business Strategy

At a minimum, the business strategy should set out the following:

- The product or service
- The target customers
- The preferred distribution or delivery channel
- The chief competitors, including other firms and products
- The positioning of the firm's product or service in the market (e.g., the lowest priced alternative)
- The forecasted trajectory of the above

# Business Issues

## **BUSINESS ISSUES**

Once the firm's business strategy is defined and understood, it is then possible to inductively identify the business issues with which the firm is faced. Based on a sampling of issues that clients raise as they inquire about knowledge management, we have identified four basic business issues that may be thought of as knowledge-based business issues or needs:

- Need for collaboration
- Need to level performance variance
- Need for innovation
- Need to address information overload

# Knowledge Resources

- 1. Knowledge Capital**
- 2. Social Capital**
- 3. Infrastructure Capital**

# Knowledge Capital

- » Knowledge Capital includes all the firms Tacit and Explicit Knowledge
- » It is the 'Content' of the Firm
- » It is manifested in the following forms
  - A. Embodied
  - B. Embedded
  - C. Represented

## ***Knowledge Capital***

***Knowledge is embodied in the minds of the knowers. It is called Know-how.***

***Know-how is based on collective experience, insights, and context of individual or group knowers***

***Knowledge capital is embedded in Work Routines, Processes, and Procedures, Job Roles, Responsibilities, and Organizational Structures***

***Knowledge is represented in Artifacts such as Telephones, Paper Clips, Blogs, Research Reports***

# Social Capital

## **Social Capital**

In their latest article on social capital, Nahapiet and Ghoshal (1998) provide an excellent overview of the topic as it relates to knowledge management:

Social capital is defined as the sum of the actual and potential resources embedded within, available through, and derived from the network of relationships possessed by an individual or social unit....The central proposition of social capital theory is that networks of relationships constitute a valuable resource for the conduct of social affairs, providing their members with the collectively-owned capital, a credential which entitles them to credit, in the various senses of the word.

Social capital is multidimensional and includes some familiar attributes such as culture, trust, anticipated reciprocity, context, and informal networks. As a construct,

# Infrastructural Capital

- » Firm's Physical Knowledge Resources-
- » [ Lan/Wan Networks, File Servers, Notes Networks, Intranets, PCs and Applications]
- » Entire IT infrastructure - Part of Firm's Infrastructural Capital
- » It includes - Organizational Structure, Roles & Responsibilities, Geographical Office Locations - showing physical presence in various markets
- » These resources are routinely leveraged by the firm to perform daily tasks [Administrative & Operational]

# What a firm comprises of ?

- » Taken together, the three knowledge resource types
- » **Knowledge Capital, Social Capital & Infrastructural capital** comprise the entirety of what constitutes the Firm
- » Accounts receivables, Owner's Equity & Brand Capital are examples of other resources of the firm.
- » **BRAND CAPITAL** - considered as a knowledge resources

# Knowledge Levers

- » Knowledge Levers describe the ways in which the firms can leverage its knowledge resources
- » It consists of an action mode and intent.

C o l l e c t	Harvest	Hunt
C o n n e c t	Harness	Hypothesize

Figure 21.1 Knowledge Levers

# Harvesting

- » Harvesting is an approach many firms take as a first step KM Path
- » Data bases on - “Best Practices”, “Lessons Learned”, and “Expertise” which is codifiable.
- » Online articles collection
- » Can be codified and organized so that it can be easily located and retrieved by the end user.

# Hunting

- » Discovery of meaningful trends in a large data set
- » Harvesting & Hunting rely on collecting data, information, and knowledge artifacts and storing for later retrieval that will yield future business value.

# Harnessing

- » Connecting knowers to each other to a problem with an aim to exploit what the knowers know.
- » If HP knew what HP knows - it results in four times profitable.
- » Significant knowledge & expertise exists among employees [Mostly Tacit]
- » There exists a means of mapping 'Who knows what' and this helps end users to harness the knowledge available with others

# Hypothesizing

- » As Business accelerates and the complexity of decision making increases - firms develop approaches to manage uncertainty.
- » A deliberate approach to manage uncertainty is called 'Scenario planning' - It aims to develop alternate scenarios of the future.
- » By asking a series of 'What-if' questions, a course of action will be formulated which is highly probable and valuable.
- » A Key aspect of scenario planning is that it relies on connecting knowers with an intent to explore alternative futures.
- » The term 'Hypothesizing' is used to describe connecting-to-explore approaches to Knowledge Management