

The competitive advantages of effective knowledge management commerce essay



Today, the future and the value of a company depends on provide the new product and service quickly and timely in order to meet the needs that always change in the market. Thus, I believe that knowledge is the more importance factor than land or capitals to create a competitive advantage for enterprises. And now, this essay will discuss more about the value of managing knowledge and some competitive advantages that can be created through knowledge management in the company. Then, I would like to discuss about the In addition, this essay is also talk about the leadership and managerial skills in the organization by implementing successfully KM.

DISCUSSION ABOUT THE KNOWLEDGE MANAGEMENT:

Data, Information, Knowledge:

Nowadays, we are living in an age of information that we can find easy through television, internet, magazines etc. But not all information is reliable. Transforming information into knowledge within the organization is an advantage. However, not all managers have able to do it. Thus, the first thing I want to discuss about the difference between data, information and knowledge in order to transform raw data into meaningful information. Data is the raw material. It can be a set of discrete facts and exist in any form such as number, symbols, imaging etc. Data represents unorganized and unprocessed facts. Data is transformed into information by adding value through context, sorting, calculating, analysis and evaluation. Information can be considered as a processed data. Data and information are everywhere but knowledge is hard to get.

You need information in order to get knowledge. However, knowledge is not information. Information is only becomes knowledge when you have able to realize and understand specific purpose of it. Knowledge is usually come from learning, thinking or taking experiences in a particular area.

Knowledge has two types: Explicit knowledge and tacit knowledge. Explicit knowledge is the visible knowledge. You can find them easily through book, documents, reports, films, magazines, etc. The explicit knowledge is easily transferable. In contrast, tacit knowledge is the knowledge that put in your mind. Simply, tacit knowledge is the personal experience, skills and hard to transferable. For example: Each pastry cook can made Tiramisu cake with different flavors, although all of them use with the same Tiramisu Cake recipe. Some cake are delicious, some cake are bad. Because skilled pastry cook has not shown own experiences in recipe. May be, they can add some special ingredients to make their cakes with good flavorful. This is the tacit knowledge. They did not share their experiences as well as knowledge for everyone. I think this is the importance aspect in the organization. The managers must look for ways to employees can share tacit knowledge together in a particular sector. That's also the objective of knowledge management.

Knowledge management:

Knowledge Management (KM) can be defined as the logical process that helps people to use knowledge effectively and efficiently. " Knowledge management is the process the company uses to measure the value of the intellectual value of each employee in the company. Moreover, it is the process used to evaluate and track key metrics associated with the <https://assignbuster.com/the-competitive-advantages-of-effective-knowledge-management-commerce-essay-essay-samples-2/>

organization of intellectual property can be used to create better services, products and value to shareholders of the corporation". There are many different knowledge management life cycles. They are made by Wiig (Wiig Knowledge management cycle 1993), Zack (Zack Knowledge Management Cycle 1996), Nickols (Nickols Knowledge Management Cycle 1999), McElroy (McElroy Knowledge Management Cycle 1999), Rollet (Rollet Knowledge Management Cycle 2003), Bukowitz & Williams (B&W Knowledge management cycle 2003). Actually, they have some common steps and meaning. However, each cycle has its own characteristic. Look at the table below for comparison.

Nickols (1999)

Wigg (1993)

McElroy (1999)

Rollet (2003)

Bukowitz & Williams (2003)

Zack

(1996)

Acquisition

Creation

Individual and group learning

Planning

Get

Acquisition

Organization

Sourcing

Knowledge claim validation

Creation

Use

Refinement

Specialization

Complication

Information acquisition

Integrating

Learn

Distribution

Store/ access

Transformation

Knowledge validation

Organizing

Contribute

Presentation

Retrieve

Dissemination

Knowledge Integration

Transferring

Assess

Distribution

Application

Maintaining

Build/ sustain

Conservation

Value realization

Assessing

Divest

Source: Adapted from Kimiz Dalkir, Knowledge Management in Theory and Practice (Oxford: Elsevier Butterworth, 2005), pp. 27.

Competitive advantages:

Although there are many different perspectives on knowledge management, however the general objective of knowledge management is look for ways to employees share and learn knowledge as well as experiences together.

That's not only help employees improve the expertise knowledge, but also the knowledge management can create the competitive advantages and enhance value for enterprises.

As you know, human resource is the valuable asset in organization. If the organization can use this resource effectively, organization will become very strong. Knowledge management can give all the employees in organization many opportunities to show ideas and innovation. Therefore, organization can have more opportunities and advantages than competitors. The employees can share expertise knowledge, experiences or passion together. That's also make all of the employees in organization more closer and understand each other better

In addition, transforming from tacit knowledge into explicit knowledge is not only help improve expertise knowledge of employees, but also help the organization have enough capable of responding promptly to the change in personnel. And now, I would like to give you a reality example as well as an incident by not applying knowledge management in organization. It occurred in my family's restaurant in three years ago. When my manager intends to open a restaurant of his own, he has left the restaurant. The

important thing, he has taken away all the experience, the trade secret and a lot of good employees and the relationships. Then he became a competitor with my restaurant. During that period, my restaurant encountered a lot of trouble and business performance decreased seriously. Another example, at Tam Viet Group in 2007, a vice president has left the company and he established an own company to direct competitive with the Tam Viet. By applying knowledge management, all these knowledge such as customer relationships, unfinished projects, etc. were acquired and stored by all other employees. Therefore, Tam Vietnamese were not affected.

Additionally, Knowledge management can also give to the enterprise with high adaptability in the rapidly changing marketplace. The competitors are always updates their products and services better to meet the demand of customer. Therefore, most of the successful enterprises are always catch information and transfer them rapidly. By applying the knowledge management, the enterprises can easily compete with other competitors. The organization can launch new products with the higher quality than competitors at the same cost. The employees can save time through making decision or solving the problems quickly and exactly.

KNOWLEDGE MANAGEMENT ON SUPPORTING MANAGERIAL PRACTICES:

Similar to those competitive advantages that I mentioned above, knowledge management can help manager so much in practices. Firstly, the employees have a freely environment to performance themselves. The employees can share and learn knowledge, experiences, idea together. Therefore, the manager can collect and exploits tacit knowledge or innovation in order to

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enhance competitor advantage for the organization. Additionally, KM can help manager make decision timely and exactly by capturing, analyzing and conversing of information logically.

In addition, the manager will have enough response to device with changing of the marketplace as well as the human resources.

Leadership and managerial skills:

“ A manager needs to have a good leadership to change products, systems and people efficiency. A good leader must have capacity to accelerate the process to decide a matter and to make process work effectively and quickly. It is a difficult problem.” A good manager should have more diverse skills in order to have enough capable of handling all of problems in the organization.

The first skill is the information technology (IT) skill. I think this is the key For example: in my first internship at ACB bank, I can get information of customer trading history via CIC. org. vn website. You will save more time for get information of customer. That's progress of technology. That's also the reason the manager should have a good IT skill to support the management easier and faster. In the high technology age, a good manager should know to take advantage of technology to support for the management and sharing knowledge in the organization. If so, companies will have more competitive advantages than competitors.

In addition, a manager should also build a trust and respect relationship with employees. Listening skill is also important. As a manager, you should build an open structure. I mean that you should gap of discrimination between

superiors and subordinates. The subordinate can easily meet and express
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freely their opinions to you. Listening will help you clearly understand about your staffs in order to make decisions fairer and more accurate.

Let's change the last skill that I want to discuss is the communication skill. In my opinion, communication is the most difficult and complicates skill of the manager. According to John Quincy Adams " If your actions inspire others to dream more, learn more, do more and become more, you are a leader". It's a great statement. A manager has to know create motivation for employees in order to they have enthusiasm and try their best to work. The motivation is not only based on the high salary, but also based on the workplace. A manager can adapts communities of practice (COP) program in the company. COP is considered as a group of people hold together by sharing the knowledge, experiences, ideas or something like that. COP program can provide a " place" for employees in particular areas or require employees work in team to share methods or tacit knowledge and mutual support. Thus, the employees can improve their knowledge; learn more about the experiences and more closer. Besides that, manager should also consider one of the challenges of communication, the different cultures. Especially is the multinational company. this is a new step to the understanding by employing individuals from various backgrounds, cultures and lifestyles. Perceptual, Cultural and language barriers are a challenge to be overcome when a company work in the global orientated environment. It affects team spirit, work efficiency, directly affect the business situation of the company. Moreover, it is the cause of lack of teamwork, morale low. The different culture can affect a company and its success in variety of ways.

CONCLUSION:

In conclusion, the knowledge management is a new way to develop your company in the future. From the very beginning, the essay discussed some basic concept of the knowledge management for you. As you can see the next part talked about the competitive advantages that the company can take from KM. There are so many, for example: using human resource effectively, transferring from tacit knowledge to deficit knowledge, etc. Moreover, the knowledge management will help the managers in many ways. And, of course, the managers have to learn and develop his/her skills to managing knowledge. There are some basic skills that a manager should have are listening skills, IT skills, etc. In the knowledge economy, knowledge management has more impacts on organizations. Applying knowledge management is considered as a key for success organization. The strong organization always has a good knowledge management.

Rõ ràng trong nền kinh tế tri thức hiện nay, vai trò của quản lý tri thức là vô cùng quan trọng. Nếu không ý thức được điều này mà tiếp tục cách ứng xử cũ, nguy cơ thất bại trong tri thức rất dễ xảy ra và mang lại những thiệt hại khó có thể tính toán được. Tri thức của công nhân là yếu tố sống còn cho sản xuất và tái sản xuất của các nhà máy. Tất nhiên, điều này là một khái niệm còn mới mẻ nhưng rất đáng chú ý của các nhà nghiên cứu và vận dụng sáng tạo. Quản lý tốt tri thức của các nhà sản xuất là điều cần thiết, bởi vì điều này giúp nhân viên và các nhà sản xuất cá nhân có thể đưa ra những phát kiến pháp luật thành công trong nền kinh tế tri thức.