

# Knowledge management strategy of gs ltd report examples

[Business](#), [Company](#)



## **Organization Background**

Today knowledge management is very important for organizations to survive in a dynamic business environment. Knowledge management is considered as one of the important functions which needs plan, organize the activities and motivate and control the human resources to improve the overall productivity of the organization.

GS (Global Software) Ltd. is a New York based software development and consultancy company which provides software solutions to banking and insurance companies all over the United States. It is having one thousand employees working in 12 offices in 4 major cities New Jersey, Washington, Chicago and head office in New York. GS Ltd. started its business in the year 2012 with the objective to become a specialist of providing consultancy in banking and insurance database management software solutions. Purpose of GS Ltd. was to provide quality software and support service solution at competitive price. Being a software company; it's having open culture and transparent in its working at all the levels. Business strategy of the company is to tap local and regional banks of America which are unable to purchase high end technology and software solutions. As banking and insurance industry is very dynamic, the data intensive needed proper management of knowledge along with a concrete knowledge management strategy to sustain a position in the business. It is one of the leading companies where every fresher dreamt to work because of learning environment and opportunity to grow with the growth of company.

“ Knowledge has become a key economic resource and the dominant-and perhaps even the only-source of competitive advantage.” Peter Drucker

Knowledge management plays a very important role in managing the present knowledge and passing this knowledge to the next line leadership across the organization. Knowledge management strategy is a blueprint of an institution or company which generally helps to decide the various ways to utilize the available knowledge to get the maximum gain in the business. Many companies are now using knowledge management as their business strategy. In today’s competitive and dynamic environment it is very necessary to get updated about the market situation, competitors position and customer needs, wants and expectations to not only to survive in the market but also to gain a competitive position in the market. Knowledge management strategy must be simple, efficient and helps to improve the standard with the help of reuse of knowledge.

Any organization needed a good knowledge management strategy to gain or re-gain its competitive advantage in the industry. It further explained three knowledge management strategy categories. First one is core knowledge that needed to run a company at basic level with no competitive advantage. Second is advanced knowledge that helps a company to gain competitive position in the industry. It helps an organization to differentiate from other players in the industry with the help of advanced knowledge level tactics. Third is innovation knowledge that helps an organization to become a market leader of the industry. Innovation knowledge supports an organization to utilize its available resources and stretch to the maximum level to gain the top position in the industry which no other organization is enjoying. In these

three ways, every organization decides their knowledge management strategy to run their business using any level of knowledge. (Haggie and Kingston, 2002)

Before going to prepare the strategy GS started a knowledge audit to know about lacunas and problems of the company related with knowledge gap.

Need for knowledge audit suggested by Wiig in the year 1993 were in case of an organization find lack of resources, absence of management information system, confused about the present and future steps for the organization and how to use relevant information presently available.

Company did its knowledge audit and found that it lacks in information relevant to take quick decision and absence of data bank of projects already done previously.

Global software ltd. needed a concrete knowledge management strategy to compete in a highly competitive market being a new entrant in the industry. Company's knowledge management strategy must support its competitive strategy to differentiate it from its competitors to gain the customers. Each and every step in providing consultancy and software development services must deliver the expected customer value to not only satisfy the customers, but also gain customer delight. The very first challenge in front of company is to source the customers in the competitive and knowledge intensive market.

Knowledge management strategy of Global software includes both codification and personalization to gain a competitive advantage in the industry. Codification approach in knowledge management strategy refers to the people to document a method which includes the reuse of the all the

documents which have been developed by another person by eliminating the original company or client information. Under this strategy, a data stored on the basis of a code in the centralized info bank or data bank and any of the employees can access it anytime. Under personalization method of knowledge management strategy, the person to person contact is used to get the knowledge. In this electronic instrument is used to transfer the knowledge on the basis of a person to person contact. Basically, the knowledge management strategy helps to understand which knowledge helps company to achieve its objective and goals. As a start-up company, a combination of codification and personalization teamed with knowledge management strategies would help to achieve the objective.

## **Knowledge Management System Implementation**

There are various success factors responsible for planning and execution of knowledge management system in the organization. Use of various tools and tactics to disseminate the required knowledge and skills among the employees comes under the knowledge management system. Knowledge management system ensures the flow of right knowledge from the authentic source to the person who requires it at the right time. Management of knowledge and its dissemination to the right person is one of the most crucial tasks of knowledge management system.

Before managing the knowledge in the organization through the knowledge management system, it is required to adopt a knowledge management model. On the basis of this knowledge management model, an organization can create a knowledge management system. In the case of Global software,

it is suggested a very simple knowledge management model to use and implement knowledge into action in the organization to achieve the set objectives.

### **Source: Demerest's Knowledge Management Model (Demerest, 1997)**

This simple model of knowledge management is a solution to the knowledge requirement of the company. It starts with creation and development of the knowledge into practise. Dissemination of knowledge through IT infrastructure is one of the commonly used platforms. Employees use the existing knowledge to solve the complex problems of the business. Then under knowledge embodiment; personification of the knowledge get completed.

As we know learning is a continuous process and at Global software it is not that easy to manage the databank for the company. A centralized knowledge management system has introduced to disseminate the information and knowledge among the employees. Employees can access any relevant information, case studies or documents related with their project anytime without any dependency on another employee. It not only save time but also create a sense of responsibility of employees to work independently.

The future lies with those organizations that are giving due importance to knowledge management practices. Knowledge management system is one the approach that helps all the employees of the company to update their knowledge and work according to the requirement of the project. As banking and insurance industry is very data extensive and dynamic so employees of Global software needs to update their knowledge. The challenge in front of

Global software is to prepare a customer relationship management (CRM) software for the clients that need extensive data preparation and requires codification according to customer needs.

Knowledge management system for Global software requires improving the performance with available knowledge bank with proper IT infrastructure support, creating a competitive edge with unique solutions providing to the banking and insurance industry. Finally, get over the competition with innovative processes to reduce the cost and improve the performance of the software and by providing quick customer services. It is possible with the support of knowledge management system by recruiting the right mix of both experienced as well as fresh talents; emphasis given on the training of employees, budget allocation on innovation and improving performance of the current processes or by innovating the whole new processes. A proper implementation of knowledge management system would help GS ltd to grow faster in the industry by creating a unique space. Database management system and document management system would help Global software to improve the performance along with managing the knowledge within the company to provide extended support to its employees.

## **Knowledge Management Support System in GS**

Knowledge management life cycle would help to understand how k knowledge can be utilized in any organization as GS software which start from the knowledge generation as per the requirement of the projects undertaken by the organization, the knowledge codification to simplify for the use of employees of the organization and knowledge transfer in the form

of sharing it with all the employees through creating a centralized data bank. As knowledge management is well-defined by Karl Sveiby “ The art of creating value from an organisation’s intangible assets.” shows the importance of knowledge management for an organization as an intangible asset creating impact on the results tangibly. Another definition suggested by Prusak is “ KM is concerned with the exploitation and development of the knowledge assets of an organisation with a view to furthering the knowledge objectives”; it shows the importance of preparing a proper knowledge management system in the organization.

There are varieties of KM tools that help in gathering knowledge, codify them, store at a central storage system for other usage within the group or organization, to collect the required information about the clients through surveys, use of internet to collect the required information, use of email in sharing the knowledge person to person, use of available resources online, articles, books and database related with the previous discussion on the similar problems, case studies and also the simulations plays important role in managing the working of proper knowledge management system; that ultimately contributes to the knowledge management process.

Productivity is the outcome of any knowledge management system which helps Global software to manage its business in a sustainable way.

Knowledge management process help in defining the do’s and don’ts in the organization while performing assignments. It helps in aligning all the resources of the organization to get the maximum output with the help of use of knowledge management tools.



## **Aligning KM Strategy with Business Strategy**

Knowledge management tools are very important in assessing the knowledge management system in place to support the knowledge management processes. Knowledge is limited to the individual who owns it but in the organization information system helps in various ways to disseminate it within the group or among all the employees is the management of knowledge through system commonly known as knowledge management system. Knowledge management tools help in gathering, coding, unifying and distributing knowledge in the form of knowledge transfer with the help of different mediums. At present, the information technology tool plays a very important role in managing the knowledge and sometimes it is synonymous with the knowledge management tools as well. Knowledge management strategy works for Global software to gather available knowledge among the employees through centralized database management system known as codification approach of KM strategy. Through email, each and every employee of the organization is connected to share the available information each and every employee working within different groups can communicate well about their problems and come up with the great practical solutions. This is the personalization approach of the knowledge management strategy. GS used both the approaches to simplify and to customize its strategy in recruiting its human resources by acquiring 25% of experienced human resources to form a strong Knowledge management system and knowledge management processes and rest fresh graduates to work on the defined KM processes. It helps an organization to cut the costs and utilize the fullest potential of the available resources. Use

of information technology infrastructure also helps Global software to improve the efficiency of the human resources and deliver the value for money to its clients.

Global software invested sufficiently on IT infrastructure by implementing database management system which helps in gathering the information by any of the employees at any point of time. People to document and people to people network both helps an organization like Global software to utilize its knowledge base efficiently and effectively. As business strategy of the Global software is to work on the niche services by providing database management and CRM software to regional banking institutions and insurance companies of United States. The primary objective or purpose of existence of Global software is to produce value for money software for low budget banking and insurance institutions to manage their day to day business activities. This requires constant communication with different departments of client organizations (Banking and Insurance companies) where chances of repetitive problems would be there. This problem can be addressed through implementing the people to document an approach of the knowledge management strategy which helps in implementing the overall business strategy in a smooth way without any pitfalls. This helps in creating competitive advantage by solving the clients problem in a less time generally requires to solve the problem. Managing the qualified human resources is also required to get the maximum output which plays an important role in the knowledge management strategy where the Global software is strong. Global software maintains the balance by recruiting fresh software graduates mostly who works under the experienced technocrats

and on the pre-defined knowledge management processes; which nullify the repetition of mistakes. The overall knowledge management strategy aligned with the business strategy to achieve the pre-defined objective to become a specialist player in providing value based consultancy and software solutions to the regional banking and insurance companies within the United States. Global software is using the people to document an approach of knowledge management strategy used which helped it to reduce the time and cost due to re-use of the knowledge. This is one of the reasons, behind the reducing costs that in turn it increases the profit margin by using existing knowledge without acquiring new knowledge that requires investment.

## **Recommendation on Emerging Trends of Knowledge Management**

Knowledge management helps any organization to improve its productivity. Knowledge management uses various tactics and approaches to overcome from the problem and sustain the business in longer terms aligning with overall business strategy. Knowledge management starts with knowledge management process of creating knowledge base by gathering information from various sources, storing the knowledge with the help of IT platform, sharing it within the organization to use and re-use of it to solve the business problems. Suggested seven major trends in knowledge management adopted by organizations worldwide are innovative usage of information, use of electronic data storage to create intellectual capital, from knowledge creation to knowledge sharing, emphasize on creating social networking to encourage communication within organization to share knowledge, creating learning culture in organization, encouraging open source knowledge than

copy righted knowledge and focus on the objectives first.

By encouraging adoption of emerging trends in knowledge management helps Global software to achieve competitive advantage by achieving strategic position in the industry. Motivating employees for individual contribution to the knowledge management system which helps in improving the KM processes within the organization. Find the right ways to gather the available knowledge within the organization. Evaluate the outcome on the basis of a cost-benefit analysis for contribution of knowledge helps to understand the importance of knowledge management system for the organization. Whether knowledge management system works for an organization or not, it helps in designing the right knowledge management strategy that supports the overall business strategy of the entire organization. A major challenge for the organization with the emerging trends in knowledge management is the security of knowledge. The sustainability of the knowledge management system would be another issue with the emerging trends of knowledge management which decides the future of it.

The Global software requires working on the utilization of all the available resources to gather the right knowledge, and storing it in the centralized info-bank of the organization. The biggest challenge in front of all the organizations is to work on the level and security of the knowledge by ensuring the proper use of knowledge within the organizational environment by the employees to solve the organizational business problems. No outsider can hack the security system of the GS or any employee cannot transfer the knowledge outside the organization. To protect the existing knowledge is

even more challenging than creating new knowledge in today's emerging knowledge management trends. By conducting knowledge management audit also helps Global software to improve its present situation by identifying gaps, needs and optimum utilization of the resources available to the organization. Knowledge management audit, is an emerging trend which helps an organization to work upon the loop holes and by improving it.

## **Bibliography**

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