

Matsushita electric company

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



The Matsushita Electric Company probably offers the most successful model of the process of conversion of knowledge, the SECI model. This highly acclaimed knowledge creation model and was proposed by Nonaka and Takeuchi in 1995. “ The SECI model proposes that knowledge is created through a spiral conversion process between explicit and tacit knowledge. ” (Floyd, 1999) The combination of these two types of knowledge yields four conversion patterns, viz. , Socialization, Externalization, Combination and Internalization. (Floyd, 1999) The SECI Model: Four Conversion Patterns

Socialization

Socialization is the conversion of tacit knowledge into newer version, where experiences and mental models are shared. Tacit knowledge can be acquired directly from others without the use of language. For example, when apprentices learn a craft by observation, imitation and practice while directly working with their masters and not through instruction. The same principle is used in the process of mentoring in the business setup. The Matsushita Electric Company was trying to create and manufacture home bread-making machine. However, they were facing trouble in getting the machine to knead dough properly.

Despite all their efforts, the crust of the bread was being overcooked while the inside was hardly done at all. Finally, software developer Ikuko Tanaka proposed a creative solution. The Osaka International Hotel was reputation for making the best bread in Osaka. Tanaka decided to use the bread making process of this hotel as a model. She trained with the hotel’s head baker to study his kneading technique. After a year of trial and error, Tanaka, with the

help of the project engineers, came up with the perfect design and the machine was a runaway hit.

Tanaka utilized the process of socialization as a process of acquiring the knowledge, where the acquired tacit knowledge took on a new version outside the bakery. Externalization Externalization is the process by which tacit knowledge is transformed into explicit knowledge. It typically involves the use of metaphors, analogies, concepts, hypotheses or models. Examples of externalization include the writing of a business plan or developing a manual for new staff. The “ tacit knowledge” is that knowledge which is intuitive, contextual, linked to experience and past memories and is usually difficult to codify, document or communicate.

On the other hand, “ explicit knowledge” is codified and documented knowledge like patents, databases, manuals, white papers etc. Referring back to the Matsushita Electric Company, we see that the tacit knowledge that Tanaka acquired as an apprentice of the head of the bakery in The Osaka International Hotel was transformed into explicit knowledge when she, along with the project engineer, created the design of the bread-making machine, thereby codifying the tacit information.