The Role Of Knowledge Management In Anticipating The Future For Businesses

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I. INTRODUCTION

It has been extensively identified that knowledge is an important aspect for an economy to develop. We are seeing a lot of transformation rapidly happening in our society. Every day we are seeing that we are becoming more and more dependent on knowledge. If this is the case with our societies, the scenario is not much different for organizations. Nowadays, if top management is asked to underline a single resource which is most critical for their organization to achieve and sustain competitive advantage, most of them will be selecting - "Knowledge". With such an importance to knowledge, managing it has become a serious concern for organizations. An organization which can built excellent process to manage knowledge, certainly will have a competitive edge over its competitors.

Agreeing on the existing concentration by organizations and the character of extreme competition, a critical activity taken up by them is knowledge management.

Knowledge management (KM) cannot be achieved with a single definite activity. It involves an assortment of activities. These are usually referred to be knowledge activities. The utilization of the knowledge activities at the resources connected to knowledge which is limited and assisted through an extensive choice of aspects will result in KM.

Research studies do indicate a number of knowledge activities which are important. Some of them are as below:

- Knowledge Acquisition
- Knowledge Utilization
- Knowledge Selection
- Knowledge Transfer
- Knowledge Creation
- Knowledge Internalization

Research studies indicate that knowledge transfer deserves the most careful attention among these activities so that the organizations can manage knowledge successfully.

1) What is Knowledge Management ?

Knowledge management is the systematic capture of insights and experiences to enable an organization to identify, create, represent, and distribute knowledge. The insights and the experiences of individuals in the organization comprise the knowledge that is created in the organization and is embedded in the form of practices and processes.

Knowledge Management is an organizational function that concerns itself with the capture, storage, and dissemination of the knowledge that is inherent in the organization by using software or a Processual tool to capture, store, and disseminate knowledge. The objective of knowledge management is to enhance organizational competitiveness, improve performance, the sharing of lessons learnt, and the continuous improvement of the organizational processes. Typically, organizations have well-established tools and software to capture, store, and disseminate the learning's that accrue because of the organizational processes.

2) The Practice of Knowledge Management

Companies like 3M, Pfizer, and Infosys are thought to the world leaders in KM. This is because they have a clear set of guidelines for capturing knowledge after every project or product that they rolled out. For instance, these companies have guidelines for project managers to publish the learning's that have accrued after a project and upload them into the KM system. Further, the bottom line imperative for a successful KM system is that employees should have a sharing mindset instead of an exclusivity mindset. What this means is that the employees must be willing to share their insight and knowledge with the other employees.

Apart from this, to actualize a successful KM system, hierarchy and barriers to sharing of knowledge must be eliminated. What this means is that a culture of openness must pervade the organization with no impediments to the flow of knowledge through the organizational arteries.

3) Strategies for Knowledge Management

As discussed above, many organizations consider KM integral to their core processes. Indeed, KM has become so widely

prevalent in organizational discourse that it is rare to find a large organization without a KM system in place. Further, the existence of a KM system has become necessary for organizations to achieve the SEI-CMM certification. Moreover, there is recognition that a KM system is necessary in order not to "reinvent the wheel". What this means is that learning's can be used to avoid duplication of work, and eliminate redundancies in the organizational processes. Apart from this, a KM system improves organizational communication and loosens up the rigid walls between different functions in the organization. Finally, a KM system is needed to ensure that past mistakes form the stepping-stones for future success.

4) Anticipating the Future

Why does the future take most of us by surprise most of the time? Why do businesses that are at the top of the pecking order in terms of sales and market share find themselves relegated to the bottom a few years down the line? Why do some reputed business leaders fail to anticipate the upcoming trends whereas others have the knack of spotting trends before they transform into full-scale business opportunities? For instance, the legendary Bill Gates of Microsoft was supposed to have missed the bus on the internet bandwagon as well as the mobile revolution and this resulted in Microsoft being unable to cash in on both the trends. On the other hand, the late Steve Jobs had a knack of anticipating the future better than most other business leaders. One can go on with other examples. However, the point here is that more often than not, having the data and knowledge required to make informed decisions is what distinguishes the winners from the losers in terms of anticipating the future. As an example, if a particular business can extrapolate the past trends and events and discern the future, this is a case of having the right knowledge and data to make the decisions.

5) Difference between Data and Information and the role of the KM System

Of course, data by itself is meaningless if it cannot be transformed into information. The difference between data and knowledge is that the former is the raw material and the latter is the finished product. As with many things in life, raw materials need to be transformed into finished products if they are to be used. Similarly, businesses need to not only collect data but also transform it into usable and meaningful information if they are to detect patterns and hidden connections that would enable them to make informed decisions about the future. This is where the role of an efficient and efficacious knowledge management system enters the scene. By investing in a knowledge management system that can provide the top management with inputs and extrapolate the trends of the past to reveal the patterns of the future, the knowledge management system can make the difference between success and failure for businesses. Apart from this, a comprehensive knowledge management system would also be able to collate and coordinate data across the organization and provide the decision makers with enough information to be able to predict the future.

6) Some Emerging Tools and Techniques

Having said that, it must be remembered that gut feelings and intuition play an important role in making decisions about the future. Of course, these skills and traits are developed over a period and are usually the product of experience and past effort. In other words, by observing the past and learning from it, one can develop a "Sixth Sense" into sensing the future. If this sounds as astrology for you, the possibility that the Big Data revolution is unleashing more or less similar aspects of predicting the future should appeal to you. Further, the emerging science of predictive analytics gives one a tool to distinguish between the signal and the noise. The implication here is that data and information alone might not be enough and that one must need that "Extra X Factor" to be able to predict the future and profit from it. This article has surveyed the emerging fields in this topic briefly and each of these elements would be discussed in detail subsequently. It would suffice to state here that businesses must seriously consider investing in a top grade knowledge management system that would give them with the power of being able to look into the future standing on the shoulders of the giants who strode the past.

7) Advantages of a Knowledge Management (KM) System

Many advantages accrue to organizations that have efficient knowledge management systems. These include reducing the iterations in subsequent projects, leveraging existing knowledge to improve on the processes, achieving synergies between processes and functions, and generally improving productivity because of the convergence of all these aspects. The key aspect about having an efficient knowledge management system is that one need not reinvent the wheel. In other words, organizations can derive benefits from the knowledge that is present in the system and hence, reduce the work needed to do the same or similar tasks again. For instance, if a particular organization has stored knowledge about previous projects in the KM system, then subsequent projects having the same or similar kind of tasks or deliverables can benefit from the existing knowledge by reusing the artifacts, documents, and knowledge units that are there in the KM system. This reduces iterations for projects as the similar deliverables can be submitted without having to redo the same thing repeatedly. This is one of the most important reasons why corporates go in for KM systems as having an efficient KM system results in quantum jumps in productivity.

8) KM Systems reduce Rework and Result in Synergies

The next aspect is to do with achieving synergies between the processes and functions. For instance, if a particular project needs inter-function execution, the KM system can be mined for knowledge about previous projects that have artifacts related to processes that are inter-disciplinary. In other words, managers can simply take the knowledge units from the existing data store and reuse them. When other functions are involved in the project, an integrated KM system that has details of cross-functional expertise can come in handy. This means that functional and Processual knowledge can be combined leading to synergies between them. Many organizations also store knowledge related to optimizing the existing processes and improving the existing processes. These are requirements under the capability maturity models like SEI-CMM where the certification depends on how well the organizations engage and indulge in continuous improvement. This is the reason why many organizations in their quest to be certified under the capability maturity models often have put in place KM systems that are comprehensive and integrated.

9) Productivity Leaps because of KM Systems

The third aspect about having a KM system is that the reduction in the number of iterations, the optimization of existing processes, reuse of artifacts, and cross functional expertise available for the other projects all result in productivity leaps. Productivity is the ratio of the time taken to do a particular task to the magnitude and scope of the task. Therefore, when the first iteration happens, one is doing the task for the first time and hence, one would take more time. However, when the task is repeated, one has gained expertise in performing the task, and hence, one takes lesser time to do it the second time or the subsequent times. This is the productivity improvement that happens with expertise and knowledge.

II. CONCLUSION

The ability to define, implement and manage future business opportunities depends largely on the availability and quality of information. Knowledge Management is a process that extends beyond the flow of traditional business process. It focuses on the dissemination of information, engagement of key resources, and ultimately the adoption rate of best practices across the entire value chain. With business sustainability increasing the need for active information, our sustainability consulting explores new knowledge management framework.

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