

---

# Knowledge Management case study

Walmart



## Project team –

Nikunj Goyal: PES1201700020

Ritwik Sinha: PES1201700085

Priyanshu Gupta: PES1201700110

Anand Singhania : PES1201700130

Jasraj Anand: PES1201700171

Keshav Agarwal: PES120700289



# Table of Contents:

Introduction.....	1
Knowledge management system in Walmart .....	2
Knowledge management framework and its significance in Walmart stores .....	3
Issues relating to knowledge management system .....	4
Recommendations on improvement in knowledge management system in Walmart .....	5
Conclusion .....	6

---



# Introduction

The objective of this report is to analyze the current knowledge management system (KMS) in Walmart.

Walmart is a multinational corporation in US that runs a chain of huge departmental stores as well as warehouse in various nations. It is one of the world's biggest organizations in terms of revenue. It is also one of the biggest private employers in globe with around 2.3 million total staffs.

At present, the company has numerous joint ventures in various nations and huge number of subsidiaries. Although it operates under various banners in the international stores, all of them

---

---

work towards one common goal that is enabling their consumers to save the cash for living in the better way.

Knowledge management system refers to the method for improving the performance in business process (Becerra-Fernandez and Sabherwal 2014). It is generally used in business organizations in some applications that include information systems, public policy and general management are few to be named. Successful business organizations commit huge investments towards developing knowledge management system (KMS) within the organizations.

The implementation of KMS helps them in emerging as one of the largest corporations in the world.

---

---

# Knowledge management system in Walmart



Knowledge management system in Walmart indicates that the practices as well as strategies that are used by the company are to create and enable implementation of particular experiences. Knowledge must be organized within the organization in such a way that it becomes valuable and useful for expansion of business (Geisler and Wickramasinghe 2015). It identified four different dimensions of the KMS. These dimensions include connectedness, perspective, congruency and completeness.

The giant chain store has an overwhelmingly effective knowledge management program that has enabled it to retain its competitive advantage

---

---

even at times of turbulent economic situations. The corporation's goals are being achieved simultaneously by strictly adhering to business aims and balancing operations with the economic growth.

Accordingly, economic gain as a result of positive knowledge management strategies is achieved throughout. The corporations' knowledge management strategies have enabled it to focus its strategic business operations into cutting operational costs and building up a value for its shareholders.

The innovation of knowledge is usually brought about via recognition of the existing gaps in the company's knowledge management practices. It is identified that the gaps that occur within knowledge management might hinder in developing new goods and can create difficulty in making decision and solving any problem within the organization.

---

---

Hislop (2013) opines that KMS plays a vital role in the business organization as it helps them in gaining competitive advantages causing sustainability in competitive business environment. In addition, there are few models for decision making that facilitate in the knowledge management.

This framework generally involves assessment and identification of alternatives by processing data as well as knowledge that is gathered until date.

With the efforts of nurturing the perceptive skills of knowledge management, Walmart mainly focuses on the corporation's objectives that particularly include enhanced performance of business, innovation, continuous enhancement

---

---

of operations, competitive advantage and business processes (Grimshaw et al. 2012).

The organizations knowledge management integrates some vital issues that include formal apprenticeship, corporate libraries, professional training, discussion forums and mentoring programs. Walmart also employs particular adaptations of specific technologies such as knowledge bases, support systems for group decision, cooperative work that is supported by computer and intra-nets knowledge repositories.

---



---

# Knowledge management framework and its significance in Walmart stores

KMS has huge significance in Walmart stores around the globe. Walmart's effective program on knowledge management has enabled them to retain their competitive advantage mostly at times of bad economic conditions. It also facilitated the corporation in achieving goals by adhering to target as well as operations along with economic growth.

However, economic gain owing to positive KM strategies has been achieved throughout. These KM strategies also enabled the corporation in focusing on their strategic operations of business for reducing operational cost and building

---

---

shareholders value. Moreover, through differentiation, this organization has achieved success in attaining huge productivity. Nevertheless, this corporation stores have also combated several challenges for introducing numerous KM strategies. In addition, effective KM at the organizational stores hugely contributed to their financial gains on production. Due to this, Wal-Mart is now ideal for doing business as KMS improved their business operation. One of the strategies of improving KM by Wal-Mart that is improvement in employees' skills helped them in encountering different challenges during bad economic condition. However, effective KM skills adopted by its stores also increased efficiency in customer care and service delivery. Proper KM in the organization had also enabled their management in solving the issues regarding the operational practices as well as making any business decision.

---

---

One of the main driving forces behind the success of Wal-Mart is its sound KMS. This organization maintains awareness in changing scope as well as directions of several investment projects, which have been the vital factors to determine the best strategy that they need to adopt.

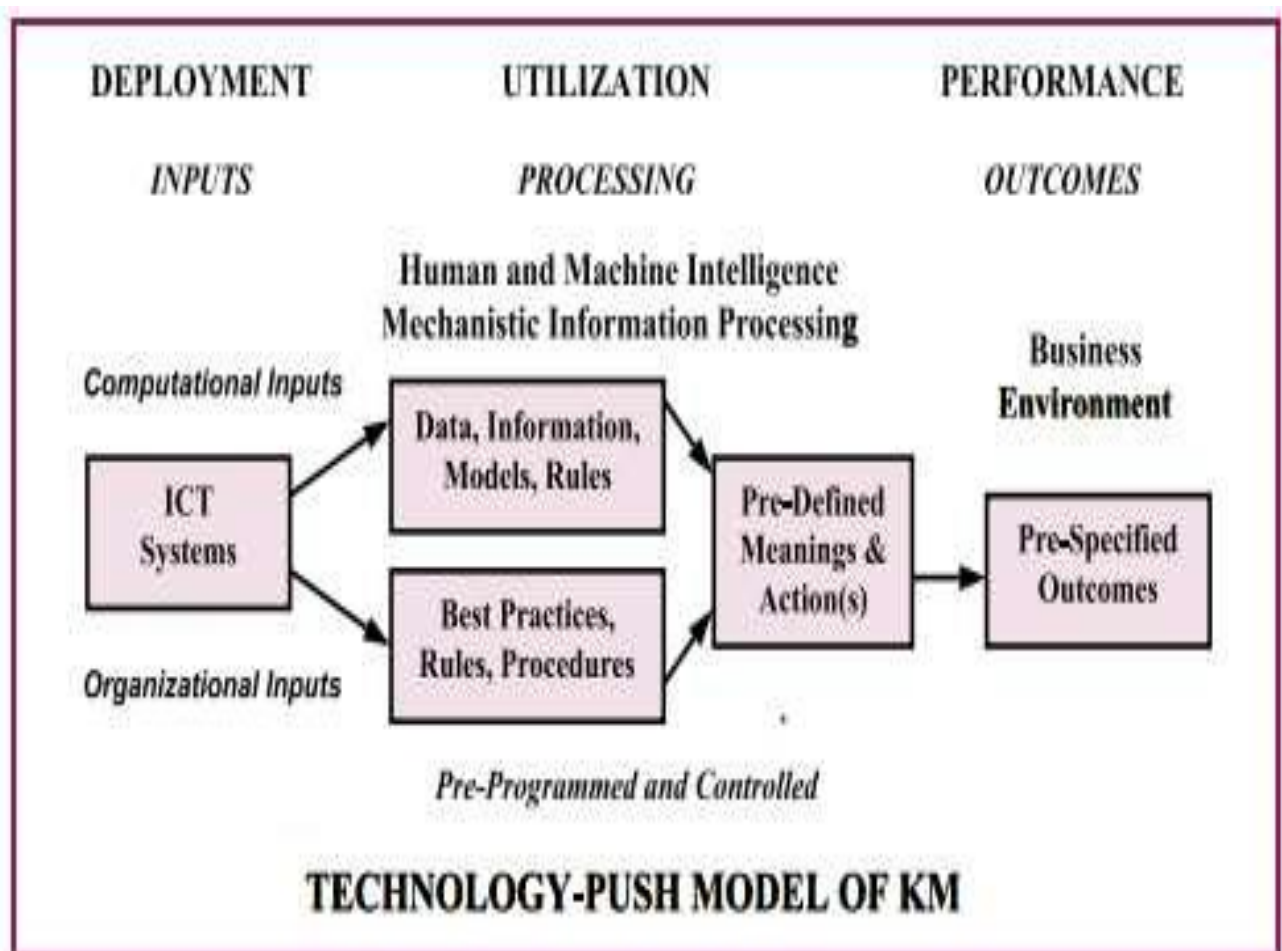
Historical data reflects that failure in keeping track of the changes in KM led the company to adverse elicitation effort. Actual knowledge elicitation of Wal-Mart takes various forms, which can be classified mainly into two types such as direct method and indirect method.

Direct eliciting knowledge methods occurs in collaboration with good programs that have efficiency in KM.

On the other hand, indirect methods are usually improved through study or relevant information

---

sources. However, the KM process generally leads to innovation of maps, which are given in the organization's knowledge management models. The diagram below illustrates the KM model that Walmart uses in eliciting knowledge within the organization –



---

The above diagram reflects that KM is mainly driven by various technological systems, which are not in alignment with execution and hence is featured as technology push-model.

This framework generally serves the requirements of organizational performance given proper information and lesser types of systems within particular business environment.

Therefore, with unprecedented increase in information, huge variety of new technologies and rapidly changing business environment, this particular framework has outlived utility. This framework is especially attributable for inputs as well as processing drives the adoption of KM with greater emphasis on the information and business decisions (Wang and Wang 2012). It mainly relies upon only one loop automated, automatic and pre-program response for receiving stimulus.

---

---

Walmart applies this model for enhancing the processes of creating knowledge, transfer, retrieval and application. The integration of this type of technology facilitates them in communicating with their customer and employee.

Moreover, it also enhances the efficiency of the employees, which in increases overall productivity. It has been seen from the recent study that deployment of RFID (Radio frequency identification) in Walmart led to lower processing cost of shipment and the lead times that resulted to safety stocks and less cycle inventory

---

---

# Issues relating to knowledge management system



There are certain issues that knowledge currently captured in Walmart are –

Balancing data overload and useful content – This is vital issue that occurs in Walmart as the increase in both size and diversity involves implicit trade-off between present content and vital information (Holtshouse 2013). Now, if utilization of system is limited to small group, then the employees might lose important input, which can be used for motivating wider participation. In addition, if the system is wider, then the risk of overloading of unrelated information may take place.

Improper flow of knowledge – In the KMS, improper flow of knowledge is another vital

---

---

issue that can occur within this organization. When the content of knowledge is highly framed, proper effort is needed for ensuring appropriate structuring (Mehrabani and Shajari 2012).

The workers are also needed to append proper keywords and data on their documents for filling out questionnaires and extensive skills. In addition, motivation is another issue as extra time and effort is required for framing contributions that is required to be allocated to job task.

Long term impact of KMS – Exploitation as well as exploration – Another issue that has been raised in the long-term effect of utilization of KMS on innovation and learning. The existing solutions bias the workers in adopting it rather than developing new solutions that might be effective (Holsapple 2013).

However, reliance on the present solution might result in ability traps that restrain this company's

---



---

innovation. Furthermore, KMS predisposes the employers of Walmart to the use of information that is easily available rather than implicit knowledge that might be highly intensive in accessing account of that knowledge.

Additionally, implementation of new technology in Wal-Mart generates new kind of problems and challenges. Some of the employees in this organization face difficulties in adopting with this technology and this adversely affects the organizational performance. However, some knowledge is also lost due to employee's defection (Liebowitz and Frank 2016).


Furthermore, improper budgeting in adopting KMS led to excessive costs of this corporation.

Apart from this, the uniqueness that this corporation adopts in context of KM also creates difficulty for the traditional systems that is to be applied. However, the nature of adjustment needed to traditional deployment methods in this context of KM has been the vital problem that occurred within the corporation.

---

---

# Recommendations on improvement in knowledge management system in Walmart



- Although Walmart has met its target and balance operations with the growth of the economy owing to these KM strategies, there are few recommendations on improvement in KMS that Wal-Mart must follow to achieve economic gain. These recommendations are given below:
  - Walmart invests huge money in adopting new technology for dealing with huge sales and track total production (Wu 2012). Therefore, it is suggested that the company must order their suppliers to provide them microchips for RFID
-

---

in order to improve the system that is created by bar codes.

- It is suggested that Walmart must adopt DSS (decision support system resources) in order to improve the productivity of individual employees. As it is a web based knowledge repository, it will help this corporation in improving decision quality and solve the problem in less time. It will also facilitate Wal-Mart in increasing control within the organization (Grimshaw et al. 2012).
  - Wal-Mart should recruit skilled workers so that they have the ability in adopting with the new technology and increase their efficiency.
  - It is recommended that the Wal- Mart should provide incentives or bonus to the employees for knowledge sharing in order to make KMS successful within the organization.
-

---

# Conclusion



- From the above discussion, it can be concluded that knowledge management system improves the performance of the organization. It also improves team effectiveness as well as delivery of outcomes.
  - At Walmart stores, KMS is used for solving the conflicts within the organization. Moreover, integration of KMS helps them in enhancing communication within the company.
  - As a part of KM, HRM (human resource management) strategies in Walmart are also used for managing their business activities through employee's coordination.
  - KMS has also helped with improved decision-making processes in Walmart.
-

- 
- KMS is one of the main reasons for increased customer satisfaction in Walmart stores across the globe
  - Thus, effective KM also guides the employees in acknowledging their significance within the organization. Overall, it helps this corporation in gaining competitive advantage against the competitors.
-