

# Chapter 6: IT Strategy for Knowledge Management

Roshan Chitrakar, MBA  
Associate Professor,  
Nepal College of Information Technology

# Knowledge Management (KM) : Introduction

- Knowledge is the force which decides direction of overall knowledge and business strategies. Managing this force, directing it, using it optimally etc. are some of the functions of Knowledge management.
- KM is often confused with Information Management and Data Management.
- Knowledge within an organization may be:- tacit, explicit or semi-tacit.
- Knowledge has a time axis – yesterday's knowledge may be today's information.
- Making knowledge available at the right time to the right person is the key aspect of Knowledge Management.
- Knowledge workers in an organization hold most of the tacit knowledge, which may be lost in cases of attrition and inter-departmental transfers.

# KM and IT Strategies

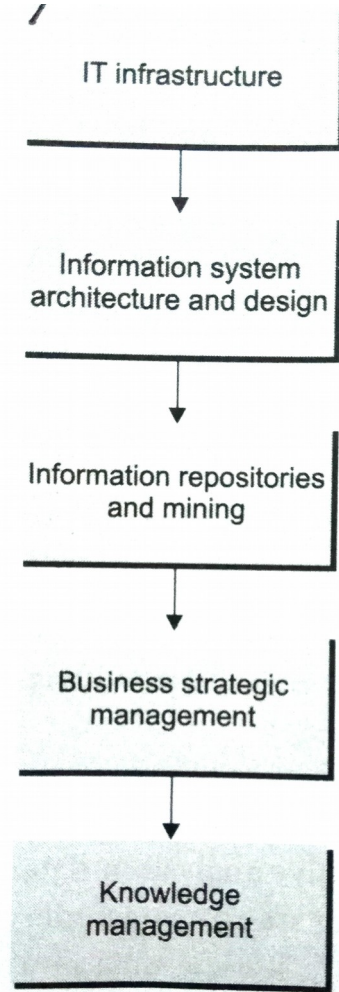
- One important aspect of KM is to build and use knowledge within and outside the organization optimally, whereas IT enables knowledge codification, knowledge storage, and knowledge reuse.
- IT makes it possible to represent, map and position knowledge within and across an organization.
- IT strategy for KM is not about developing new IT applications but about strategic visioning in IT that can build a strong KM strategy.
- KM consists of facets like: - technology, culture, management, knowledge workers, prioritization, auditing, and measurement.
- Information system architecture is one of the most important edifices of KM. IT strategies enable KM strategies and vice-versa.

# Components of KM Platform

- Document management
- Various automation processes
- Intelligent business flow
- Work flow
- Decision Support System
- Data warehouses
- Intranet
- Communication platforms
- Knowledge and process building tools and packages
- Data capturing and pattern analysis tools
- Collaboration tools

# IT Strategy and KM Road-map

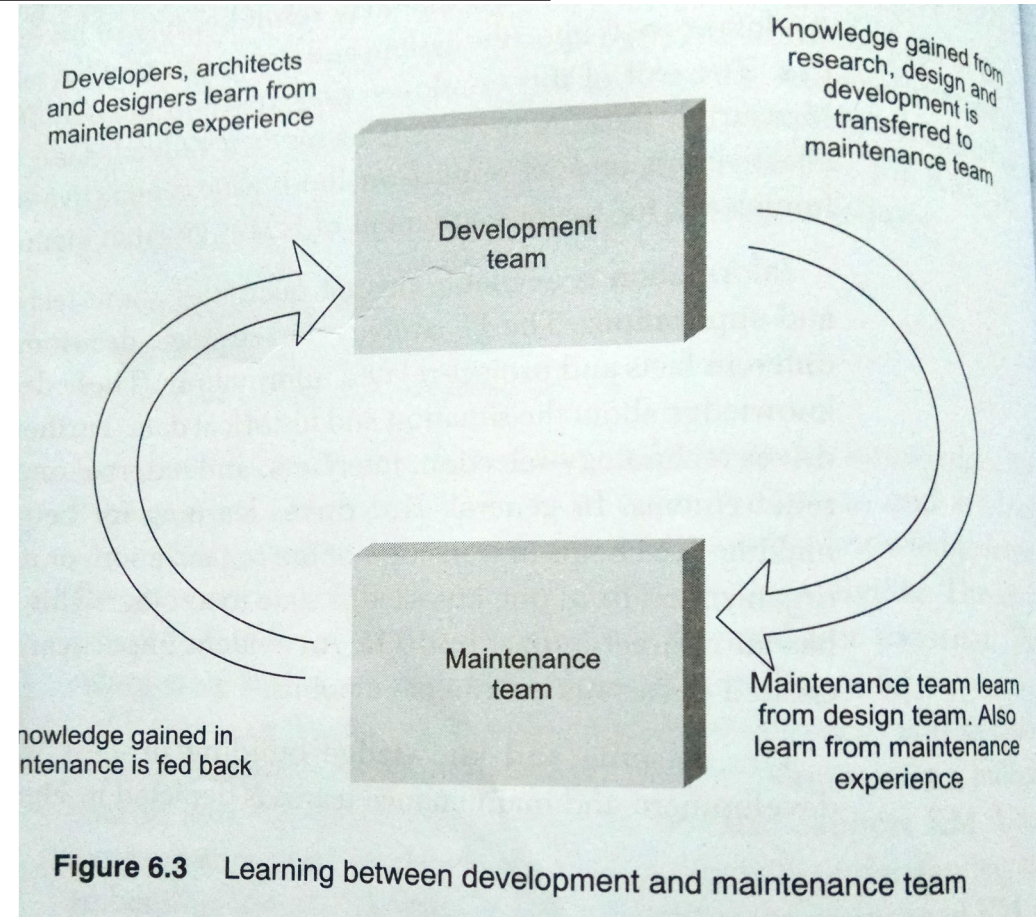
- The knowledge forces in the organization are divided into
  - Internal knowledge forces
  - External knowledge forces
  - Internal – External knowledge forces
- IT resources (e.g. Internet, AI, DSS, Intranet, Email, Communication systems, BBS, BI systems etc.) support KM. Using these resources and systems strategically along with embedding the in IT strategy is necessary in KM.



**Figure 6.1**  
The relationship  
between KM and IT

# Role of KM in IT Strategy

- KM enables effective strategy design and implementation which can help an organization succeed.
- IT strategies for KM are driven by requirements of knowledge flow and minimizing the knowledge loss.
- Knowledge loss can be evident or non-evident. Evident loss is seen directly and has direct impact on business, whereas measuring a non-evident loss is difficult.
- IT strategy and strategic decisions are driven by knowledge about the situation and historical data. Moreover, KM drives learning for better strategic decision-making.
- KM helps in transition of an organization from one knowledge state to another.





# Knowledge Industry and Knowledge Strategy

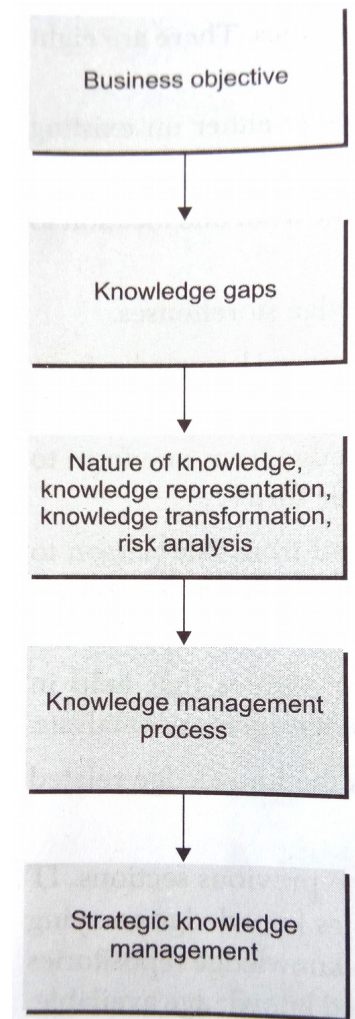
- In a knowledge industry, knowledge strategy is built around knowledge workers.
- Tacit, implicit and explicit knowledge need to be transformed, built and stored.
- IT enables all knowledge transactions and KM activities.
- Knowledge economy is based on knowledge advantage that is on what you know (not what you make).
  - The more exclusive and extensive the knowledge, the greater is the price they command.
  - The more knowledge the work is, the greater is the value of the knowledge.
- A company must exercise knowledge building exercises for the following decisions:-
  - (1) Startup product;
  - (2) Continuing service or product;
  - (3) Complementing existing products;
  - (4) Different services for product.

		Knowledge		
		Tacit	Explicit	Implicit
Purpose	Build/create	Research, innovation, brainstorming	Business intelligence	Modelling tools
	Store	Handover assessment	Databases	Process map
	Share	Mentoring, coaching, working together	CD-ROMs, internet publications	Evaluation

**Figure 6.4** Knowledge, purpose, and actions

# Strategic Knowledge Management

- KM strategies, though based on the same guidelines, differ from one knowledge industry to another.
- Aspects (components) of Knowledge space: -
  - Knowledge creators
  - Knowledge carriers
  - Knowledge repositories
  - Knowledge mining
  - Knowledge transformers
  - Knowledge loss
  - Knowledge agents / catalysts
  - Knowledge driver
- Objectives of KM Strategy: -
  - Positioning knowledge strategically
  - Using knowledge optimally
  - Transforming knowledge with minimum loss
  - Motivating knowledge workers
  - Tapping knowledge across organization
  - Aligning knowledge force with business objectives
  - Allowing organization to use knowledge as a strategic tool



**Figure 6.5**  
Strategic knowledge management

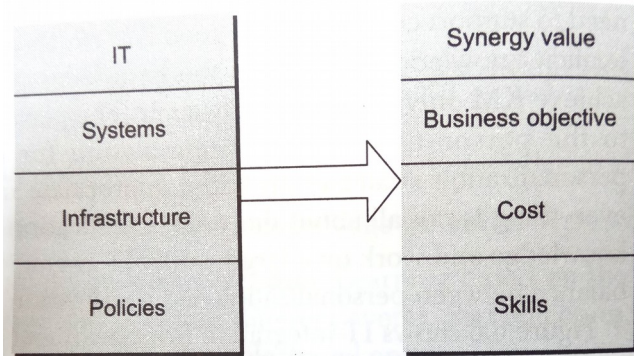


# Knowledge Transformation

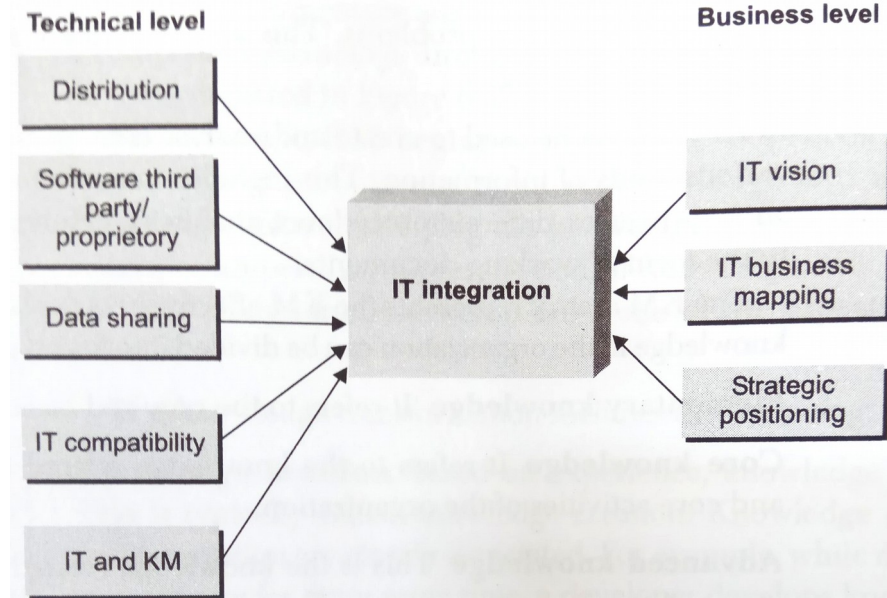
- Includes: -
  - Knowledge creation
  - Knowledge acquisition
  - Raising awareness
  - Knowledge transformation
  - Knowledge mapping
  - Knowledge application
  - Problem solving
  - Learning and knowledge creation
- Knowledge in an organization can be divided into four types, based on levels.
  - Elementary knowledge
  - Core knowledge
  - Advanced knowledge
  - Innovative knowledge
- Based on application, knowledge may be divided into: -
  - Administrative knowledge
  - Declarative knowledge
  - Procedural knowledge
  - Analytical knowledge
  - Transaction knowledge
  - Derived knowledge

# KM and IT for Integration

- KM and IT have major roles in making the integration happen
- Managing technical and business knowledge and integrating them to achieve business objectives is possible through effective KM.
- Data sharing, IT business mapping, IT compatibility, and distribution are enabled with IT strategies for KM.



**Figure 6.7** Framework details for integration capability



**Figure 6.6** Mapping between technical and business levels

# Compiled from

- Parag Kulkarni & Pradip K Chande, IT Strategy for Business