

What are the Benefits of Knowledge Management?

595 Administrator Fri, Jul 23, 2010 [Knowledge Management](#) 0 8597

First of all we say, imagine knowledge as a fuel and energy source for your business. Imagine the use of Knowledge, Intellectual Capital, and Intangible Assets. They can be used productively and profitably by your business in many ways. What are the uses? What are the potential benefits? The list of possible benefits is endless. We have barely begun to scratch the surface of possible ways to harness the power of knowledge management. The attractive incentive to the intelligent business person is that those who can figure out to leverage this asset (knowledge) in new and creative ways, can gain a serious sustainable competitive edge in the market-place.

Why Knowledge Management?

In a knowledge driven era of highly specialized experts, businesses that can share and multiply that expertise the fastest will win the race. As the world becomes ever more complex, more and more of what we do is knowledge work, the application of highly specialized knowledge and expertise. An organization's competitive advantage revolves around its most advanced talent - those leading edge knowledge workers who solve challenging problems, develop new products and take the business in novel directions. Naturally, competitive businesses want to protect this asset. They can patent inventions and trademark brands but they can't so easily nail down the expertise that mobile employees carry around in their heads. This is the fundamental driver behind the development of knowledge management systems – ways of capturing, storing and sharing expertise across an organization.

Knowledge Management Benefits



Experts get better at what they do by learning more. Some people can only learn by trying to do things themselves, but most people learn a lot from each other. When people share expertise fully and openly, the sum is greater than the parts. Quantum leaps in knowledge can be generated when experts collaborate. Then there

is simple efficiency. Time and other resources are wasted every time employees have to learn something through trial and error, working in isolation. The pace of change and innovation is so great that one person cannot do it all. When experts collaborate, progress can be made much faster than any one employee working alone. Speed is the essence today, speed of execution as well as that of innovation.

Many Possible Benefits of Knowledge Management

1. Produce and conserve New Value - such as Intellectual Property Assets
2. Generate new Wealth and increasing returns
3. Increase Revenue
4. Open New Markets
5. Enable Sustainable, Organic Growth
6. Improve Decision-Making
7. Mitigate Risk
8. Develop and implement New Business Models
9. Build More Profound relationships and ongoing Mind-Share with Customers - penetrate the mind of the customer
10. Lift Productivity and Efficiency
11. Speed Innovation
12. Unleash new Ideas and Creativity
13. Help create a more Adaptive, responsive, dynamic, flexible, organization
14. Facilitate the evolution of a more Intelligent Enterprise and produce smart engaging products
15. Use knowledge To Build Virtual Networked Businesses
16. Better prepare for and anticipate The Future
17. Improve and accelerate Learning
18. Gather superior Business and Competitive Intelligence
19. Enhance Team Collaboration & Coordination
20. Maximize the organization's use of available collective wisdom, experience, and the Brain-Power of human capital assets
21. Improve the Flow of knowledge
22. Improve the Service and Support of Customers
23. Shift employees from balance-sheet expense items to Knowledge Investors in the enterprise
24. Improve the ability of the organization to Manage Change
25. Attract, and retain motivated, loyal, and committed Talent
26. Introduce a more relevant measurement "Dashboard" and instrument panel, with knowledge-based metrics versus mere industrial age measures

27. Be better positioned for Knowledge Workers to cope with increasing Infoglut and Information-Overload
28. Turn Process Know-How into a valuable Corporate asset - Knowledge Conversion
29. Help the enterprise to grow more Network Connections, more knowledge nodes (the value of a network is related to the extent of the nodes in it)
30. Lower Operating Costs by substituting information and knowledge stores for inventory
31. Avoid Waste and Duplication by encouraging Knowledge Reuse
32. Create a more knowledge aware, knowledge friendly culture, and Community of Practice(s) better suited to the emerging knowledge-based economy context
33. Allow more leveraging of knowledge assets through Knowledge Arbitrage strategies
34. Have better Knowledge Transfer occur in the execution of projects
35. Extend the global Reach, Richness, and Scope of the enterprise
36. It can be a tremendous Enabler allowing the organization and knowledge workers to share ideas and collaborate in ways that would not have been possible previously
37. Bring a new level of sophistication to managing the brand, reputation, and Intangibles that customers value
38. In general, be better able to Create, Capture, Share, Protect, Disseminate, Package and Exploit knowledge, intellectual capital, and intangibles

Problems with Knowledge Management

Some experts are not that great at collaboration. They like to figure things out for themselves and can't be bothered with passing on their knowledge to others. Many such talented people also hate the bureaucracy associated with having to document everything they do. Then there is the old saying "knowledge is power." Just as knowledge gives organizations a competitive advantage, individual knowledge workers also know that the uniqueness of their expertise enhances their marketability.

There is also the fact that pooled knowledge may be better for efficient execution than for innovation. For example, if you want to know how to make a sale to a client in a foreign country, it is wise to find out what your colleagues did that worked for them. But innovation often occurs through live collaboration rather than the accessing of stored knowledge. Brainstorming does not necessarily tap into existing knowledge. Rather, it creates new insights out of nowhere. Similarly, many of the greatest discoveries in science and technology happened virtually by accident. Someone experiments by trying out solutions on a trial and error basis to see what emerges. Often, the unexpected results are

the more interesting ones. Knowledge management has a mechanistic ring to it that could stifle the entrepreneurial spirit of employees who work best in a very experimental way.

How to Manage Knowledge

Several knowledge management initiatives have failed for a number of reasons, one of which is that they are too centrally driven. They are less interesting to potential users if they feel no ownership for them. Communities of practice are one way around this problem. Rather than centralize all knowledge, specific user groups or types of experts are formed into specialized networks. After effectively localizing the management of knowledge, the next step is to involve the users in designing a knowledge sharing process that they can sign up to and will use. This raises the question of the fundamental purpose of knowledge management. Is it to store knowledge for all employees to access or is it more about sharing and collaborating in real time?

Our educational system stuffs knowledge into the heads of students that it thinks will be useful to them several years later. Often, most of this knowledge is lost because students don't feel a need for it at the time. It has no application in the here and now for them. A knowledge management system based on this philosophy is bound to fail. Organizations that foster live collaboration during an actual project are more likely to succeed. On the downside, the relevant expertise may not be captured for later use, but the organization achieves its most important objective – to exponentially transform the expertise of multiple experts into tangible competitive advantage.

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