



TenStep Supplemental Paper

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Tacit Knowledge

Knowledge is a key asset to an organization. Some organizations have tried to excel in the market by innovating and creating great products, investing in technology, diversifying, etc. to no avail. Finally, realization has dawned that the only sustainable source is knowledge. *The Scotsman* reports that 98% of senior managers in a KPMG survey believe that Knowledge Management is more than a passing fad. It is the fifth element of business, and any organization that lacks a strategy to manage knowledge is doomed. Yet many are not sure how to develop a knowledge management system. Only 3% of the managers felt that their organizations were moderately effective at knowledge sharing. Unequivocally, they voiced their intent to make Knowledge Management their number one priority.

Knowledge and Knowledge Management are lofty concepts that most organizations wrongly decipher.

Knowledge Management is not:

- Knowledge engineering.
- A digital network; instead it's a human network.
- About building a smarter intranet.
- A one-time investment.
- A document management system.

Knowledge is a fluid mix of framed experiences, values, contextual information, expert insight and grounded intuition that provides an environment and framework for evaluating and incorporating new experiences and information. It originates and is applied in the minds of the knower. In organizations, it is embedded not only in the repositories but also in the organization routines, processes, practices and norms.

Knowledge Management is the ability to create and retain greater value from core business competencies. It helps in creating a competitive edge for the organization. It is the applicability of the explicit and tacit knowledge of the members of the organization shared amongst them to give the organization a competitive edge. It enhances the relationship of the organization with their external environment.

The capability of an organization to exploit its intangible assets is far more decisive than its ability to invest and manage physical assets.

Reason for adopting Knowledge Management

1. Companies around the world are becoming knowledge-intensive rather than capital-intensive. The only certain element today is change. Knowledge Management is the only way to foresee an opportunity, change and adapt to it accordingly. Knowledge affects every aspect of the business cycle.



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2. Unorganized markets require an organized abandonment. Today's volatile markets need you to reshape the very paradigm of the organization. Only proper Knowledge Management can help make a smooth shift.
3. Knowledge Management is the mantra to be proactive. Only proactive organizations can see the 'window of opportunity.' Being proactive is the only way one can stay ahead of competition.
4. According to Peter F. Drucker, knowledge is a productive asset. The survival of any organization depends on the knowledge base they possess to fight the business odds.
5. Complexity, uncertainty and ambiguity are the hallmarks of today's business environment. Proper management of knowledge is the only way to combat this.
6. Knowledge Management supports decision-making.
7. It requires the organization to network into knowledge sharing groups, thus creating affinity and solving one of the biggest problems an organization faces today - retention of talent.
8. Knowledge Management helps the organization save the tacit knowledge that each employee possesses.
9. It helps create a competitive intelligence that keeps track of all the competitive activities.

To survive in today's competitive environment, organizations must shift from Product-centric to Knowledge-centric formats. Organizations big and small need to adopt Knowledge Management. It is imperative for all organizations that are not operating in purely cost-driving markets.