# Additional case studies

**Reflection-in-Practice:  A knowledge management strategy case study**

**Relevant to: Chapter 4 (What is Knowledge Management)**

The paper by Greiner, M. E., et al. (2008) studies the relationship between business strategy and knowledge management strategy, and the potential impact on knowledge management strategy on competitive advantage. This study uses a case study research approach that involves German and Swiss non-consultant companies to explore the relationships between business strategy and knowledge management. To achieve this aim, the study was conducted in cooperation with a leading German utility company which faced strong competition following the deregulation of the German utility market.  In particular, the company wanted to know how it could use knowledge management to increase its competitive advantage. So, one of the key questions was: 'what knowledge management strategy would best fit the company's business strategy and would be most successful?' The goal was to analyse and compare other firms' differences and similarities regarding KM activities.

The choice for selecting case study sites were similarities in size, knowledge intensity of the industry, and heterogeneity of business areas. One or two people in each organization were interviewed for about 1.5 to 3 hours focusing on knowledge management initiatives in the organizations.

The data analysis comprised the evaluation and categorization of the data using six criteria: knowledge management objectives, processes, problems, content, strategy and type of knowledge. Taken into account were also the industry size, industry type, background information on the company, national or international, knowledge intensity of the industry, products, business processes, importance of innovation and the main audience of knowledge management initiatives in the organization (the business unit or the whole organization).  Two specific criteria were used to assess the success of KM initiatives: i) whether the KM initiatives revolved the identified problems, and ii) the company's report on monetary or non-monetary success stories. The first aspect relates to the usefulness of the KM initiative and the second to the business performance. An additional criterion was used to identify the potential sustainability of the organizational impact, i.e the KM systems used and whether it could survive without strong top management support.

Findings indicate that KM initiatives do not necessarily apply to the whole organization as almost half of the cases supported business units /departments within an organization. So, in instances where the KM initiatives applied to the whole company, the business strategy of the company was considered. In cases where the KM initiative applied to a business unit, the business strategy of the unit was considered. Findings identified four categories of business strategy and KM strategy combinations: i) codification and efficiency, ii) efficiency and personalization, iii) innovation and codification, and iv) innovation and personalization. Codification comprises the collection, storage, and dissemination of explicit knowledge, while personalization refers to the fostering of networking and dialogue. Innovation focuses on

creativity and knowledge creation with a focus on people, while efficiency focuses on externalization and re-use of knowledge with a focus on processes.

The study's findings indicate that firms that wish to use KM as a basis for innovation encourage knowledge creation and exchange through person-to-person communication and collaboration. This approach was useful for unstructured, unique complex processes and helped to solve new problems, create solutions for customers and develop product innovation. Tacit knowledge is central to this approach.  On the other hand, firms that concentrate on the efficiency of their operational processes, use information systems and databases to disseminate 'best practices' independently from the 'human carrier'. Findings suggest a strong link between KM strategy and business strategy. In addition, findings therefore suggest that firms with a business strategy focused on efficiency of processes should rely on a codification strategy, while firms with business strategies that require product or process innovation should rely on a personalization strategy.

Questions
1) Firm types that fell in the innovation / personalization business and knowledge management categories were from the following organizations: computer hardware and software services*, life sciences and insurance.
Can you identify any other types of firms that would call in this category combination?
2) Firm types that fell in the efficiency / codification business and knowledge management categories were from the following organizations:  computer hardware and software services*, transportation and networking technology providers. Can you identify any other types of firms that would call in this category combination?
3) Note that computer hardware and software services* fell in both categories of combination. Can you explain this?

Source: Greiner, M. E., Böhmann, T., & Krcmar, H. (2007). A strategy for knowledge management. *Journal of Knowledge Management*, *11*(6): 3-15.