Preface

Advances in Information Technologies have transformed the way organisations interact with each other, and with their customers. Customers and organisations have become more demanding, desiring customised products and services in-reaction to a constantly changing business environment wherein revolutionary technologies are resulting in creation of innovative products with shorter product life cycles, whilst being constant pressure to reduce lead times.

Organisations have recognised that they cannot compete alone. Today supply chains compete. Furthermore, the exploitation of knowledge across the supply chain is fundamental to business optimization. Organisations have accepted and recognised that in the dynamic modern day business environment, knowledge is the prime resource for providing an organisation with a sustainable competitive advantage.

In this text, we seek to explore the role of Knowledge Management and Information Technology in creating innovative solutions for implementing global best practices in supply chain management in emerging markets. We explore the current trends in Supply Chain Management, the efficacy of current Knowledge creation/acquisition, and transfer mechanisms among Supply Chain Partners, and also focus on new approaches and skills are for solutions for implementing global best practices in supply chain management in emerging markets.

The purpose of this book to: (a) contribute to building bridges between Supply Chain Management and Knowledge Management paradigms and (b) to facilitate critical thinking in Supply Chain Management and Knowledge Management paradigms in emerging markets.

Prof. Anthony Giddens in his definition of Globalisation says that “Globalisation link distant localities in such a way that local happenings are shaped by distant events” (Giddens, 1990) and vice versa. He goes on to state that advances in information and communication technologies are the main force behind globalisation. This according to him is because it allows information to flow more effectively, which in turn helps in building of a global perspective. Prof. Giddens goes on to state that we would have to create new institutions or modify the existing ones for the new global age. The parallel existence and mutual interaction of ‘Information and Communication Technologies’ (ICTs) and ‘Industry’ in the 20th century has resulted in the creation of the ‘knowledge economy’.

In the recent years, the impact of these ‘knowledge based organisational entities’ has become a global phenomena. These ‘knowledge based organisational entities’ such as “Microsoft, Oracle” have fundamentally altered the way we transform data into information. The use of generic software applications, such as spreadsheets or databases have affected each and every corporation in the world, irrespective of its country of origin. The question I would like to raise is “Are institutions such as Microsoft or Oracle examples of model institution’s that shall define our new global age?”
Neef (1999) contends that knowledge management cannot be seen or defined in terms of precise advantages that would accrue to a corporation that adopts it (Neef, 1999). At best, knowledge management can be understood and valued optimally, if seen in context of the dramatic changes occurring in the global economy.

Today everyone speaks about how the ICT revolution is affecting us all. World-wide ICT stocks are fund managers favorites and must buy items on their lists. Today every analyst while recommending companies for investment, looks at how a company is looking at the Information Technology (IT) revolution and its strategy to take advantage of the same (e.g. Data Analytics). A couple of decades ago, this was not happening. The Arbitrage Pricing Theory (APT) was and continues to be the base to all models to measure risk and returns.

In the week (commencing 21/04/2000) NASDAQ tumbled 160 points mainly due to rumours that Microsoft might be split up into three entities. This just shows how the influence of an IT corporation, which epitomises the knowledge management revolution can affect financial markets world-wide.

Malhotra states that ongoing synthesis of knowledge management and E-business would continue to transform organisations, its work practices in the “digital economy” (Malhotra, 2015). The statement by him “Everything is up for grabs including all tried and tested thumb rules, best practices and business models！” reflects how deeply this management trend has affected all those connected with organisational strategy and decision making.

According to Drucker (1999), the most significant contribution of management in the 20th century was “to increase manual worker productivity fifty-fold”. He goes on to state that “the most important contribution of management in the 21st century will be to increase knowledge worker productivity - hopefully by the same percentage” (Drucker, 1999). Drucker further states that till date, this issue has not been addressed. He adds that it is also known that to increase knowledge worker productivity to desired levels “the methods, however, are totally different from those that increased the productivity of manual workers” (Drucker, 1999).

Information technology has evolved from a mere method to achieve functional leverage to a critical component in a firm corporate strategy, which is essential for its survival. About six to seven years ago, opening / hosting a website was a luxury. This has drastically changed today it is an essentiality for survival. All the major high street retailers whether it be TESCO or even the conservative M & S have started to sell products via their website and this is expected to grow exponentially.

This observation is also supported by Botten and McManus (1998) who state “The advancement of communications and computing technologies has increased the stature of IT from an operational resource unrelated to strategic goals, to a component in strategy formulation and implementation leading to competitive advantage. The need to integrate technology into the strategic plans of a firm is widely recognised as vital to the health and longevity of the company.”

With regard to the IT strategy in the U.K. and E.U., Botten and McManus (1998) have mentioned an Information technology strategy is one “in whom lies the greatest wealth creating potential across the European Union.” Neef (1999) asserts that “there is a broad “knowledge-based revolution” taking place and it comes in a matching set: the knowledge-based economy for nations, and knowledge management for organizations themselves”. This statement is interesting if we look how the third world countries, particularly the East Asian bloc have dramatically increased their share in world trade.

What would happen in the next years for them would be a focal theme of the research? The west, particularly the U.S. has made the shift into the knowledge economy, wherein it has a huge leap in comparison to Japan. What would happen in the next few years, with regard to the U.S. - Japan trade
scenario? The research from here would focus on whether would Japan would catch up with the U.S.? Or would the U.S. have continued exponential growth in applications of information and communication technologies, so as to make it the driver of the Knowledge economy of the world, thereby maintaining its current position in the world economy.

Powell (2000) states that “One of the most important challenges in effectively applying competitive intelligence, as with other kinds of corporate data, is that of knowledge management - how to extract business value from the information”. As a corporation adopts information and communication technologies, its success would be determined in the way the management views it and react by altering its management structure. Hansen, Nohria, and Tierney (1999) has looked effect of linkages in the form, the type of associations between business units and performance. He contends that knowledge can be either explicit or tacit & it is only tacit knowledge requires interpretation, which therefore calls for higher associations to ensure its success. Hansen states that “A company’s knowledge management strategy should reflect its competitive strategy”. With reference to a strategy for knowledge management Hansen further says that a corporate will adopt either Codification (Everything is in form of Relational databases) or the Personalisation strategy (All knowledge is closely linked with the developers and is best disseminated on one to one basis). He gives the example of McKinsey (Personalisation strategy) whose daily charges in 1997 were about $2,000 charges in comparison to Andersen Consulting (Codification Strategy) at $600 daily.

Neef (1999) comments that “In this new world, entire industries may spring up, thrive and be eliminated in a decade, as knowledge-based growth continues to shorten product life cycles, compress development times, drive new product prices downward, and increase the competition for better technical standards”. He gives the case of the computing industry where about 70 per cent of revenue is earned from products which were created within two years. Neef (1999) implies that that this has happened due to the revolution in the global telecommunications infrastructure.

An interesting perspective on the above issue would be to look at the evolution of the finance function in the management structure of an organisation from the early 1900s, mid 1950s and now in 2000. Earlier, Finance function was represented at a generic level as Accounts, Marketing as Sales, Operations and Logistics as Production and well Personnel was the promoters individual managerial philosophy. There has been only one addition i.e. Information Systems / Computing or by whatever epithet, we choose to call it. It is interesting, when we look in hindsight, we see that the 20th century witnessed two of the most horrific wars in the history of mankind. Simultaneously, for the first time, in the history of civilisation, freedom in its fullest scope was experienced by a majority of the world. The 20th century also saw attainment of extra ordinary standards of living for the world as a whole. What this implies is that despite all the technological breakthroughs, there has been only one function that has added value over an extended period of time. When we talk of Information Systems/ Computing and attempts to relate it to one individual, one name comes to mind – Bill Gates. Well, it is because, for the first time in the history of mankind, we see that the richest person (Bill Gates) in the world is a knowledge worker.

The rise of the new knowledge based society is very interesting, in the sense that we are forced to ponder on the implications of the same on our future. Traditionally, researchers, often look for new linkages in the existing body of knowledge. In a way, we look at past research done in a particular field of knowledge and try to build it up further. The French saying, “He who looks deepest into the past, looks farthest into the future”, sums up on one of the perspectives towards research. It tells us how crucial it is to learn from the past, so as to alter future. The early 20th century saw the advent of management philosophies, as a prime source of bringing out productivity in the work place. This process of shifting
towards a ‘knowledge economy’ which is global in its existence will, challenge every industrialist, manager and worker to be efficient and competitive on an international - not necessary level playing field.

I have managed to solicit chapters, which discusses how organisations can create innovative solutions for implementing global best practices in supply chain management in emerging markets.

Ashish N. Dwivedi
University of Hull Business School, UK
30 May 2015

REFERENCES


