Chapter 9

Knowledge of Management Tools and Systems in SMEs: Knowledge Transfer in Management

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ABSTRACT

The chapter deals with knowledge management principles and their implication to knowledge in management represented by contemporary sophisticated management tools and systems. The most important management branches and methods, tools and systems, generally considered as very helpful for professional business operating, are presented. Further research results of management tools knowledge in contemporary enterprises are presented impacting the need of education and knowledge transfer in management responsible positions. The need of management knowledge for the competitiveness of enterprises is accented. Business and competitive intelligence as media for competitiveness are introduced. In the last part of the chapter, a model of the knowledge management system applicable in SMEs is suggested. The purpose of the chapter is to make the reader familiar with some of the most important management tools, methods and systems and suggest principles for an easy and effective knowledge management system in the enterprise.

INTRODUCTION

The entire society is constantly evolving and, recently, the fact that knowledge is arriving at the forefront is typical for it. We live no longer in an industrial society, but in a post-industrial society, sometimes referred to as information society which gradually merges into a knowledge society. Every day the amount of information increases and the need for its efficient classification and management grows. Information, however, to be useful, needs to be converted. This transformed information is called knowledge. Knowledge has some important extra over information. It is contextualized and enriched by our own experience.

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The main goal of the chapter is to describe and discuss important interconnections of modern management tools with knowledge management principles and suggest a knowledge management model process applicable in SMEs. The chapter works with important terms of knowledge management. The partial goal is to summarize the most important modern tools used in different branches of management, which can be considered as a base of professional management knowledge. The second partial goal is to present a selection of IT support instruments (software) on the market applicable in SMEs. The reader will be familiar with different branches of modern management and tools used in them as well as with the sophisticated software support suitable for SMEs and the model of knowledge management. The acquired knowledge will improve the management skills of entrepreneurs and open new perspectives for competitiveness and prosperity.

The chapter is partially derived from an unpublished habilitation thesis concerning management methods, tools and system. Added value of the chapter is in focusing of readers on sophisticated management tools which certainly help to improve competitiveness and business results. The core contribution of the paper is in practical research results seen in part 3. The main contribution of the paper for readers is the increasing of awareness and orientation on what management knowledge to focus and adapt in order to improve business competitiveness. The chapter is dedicated mainly to students of management, entrepreneurs and SMEs managers.

The chapter layout (contents):

1. **Theory of Knowledge Management in Management**: Describing basic terms and ideas as data, information, explicit, implicit, tacit knowledge, knowledge management and knowledge in management.
2. **Knowledge in Management**: Management tools, methods and systems in particular segments of management – fields and areas of management methods, tools and systems – overview.
3. **Knowledge of Management Tools, Methods and Systems in SMEs**: Primary and secondary research results from worldwide data and the Czech Republic.
4. **Competitiveness, Innovation and Knowledge Management**: Innovation, intellectual capital and learning organization ideas, management tools, methods and systems and business performance.
5. **Business and Competitive Intelligence**: Systematic data collection and processing by the management information system.
6. **BI/CI Software Support**: Selected specific MIS software products.
7. **Solutions and Recommendations**: Design of knowledge management system for SMEs based on basic knowledge management and knowledge in management ideas.

**THEORY OF KNOWLEDGE MANAGEMENT IN MANAGEMENT**

As reported by Peter Ferdinand Drucker:

*The most important and truly unique asset of the management of the twentieth century was the fifty times increased productivity of manual workers (laborers) in production. The most important asset which the management of the twenty-first century should make is the increase of the productivity of knowledge work and knowledge workers. The most important asset of companies in the twentieth century was the production equipment (machines). The most important asset of institutions (whether profit or non-profit) in the twenty-first century will be knowledge workers and their productivity (Drucker, p. 79-94, 1999).*