Chapter VIII
Can Knowledge Management Assist Firms to Move from Traditional to E-Commerce: The Case of Greek Firms

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ABSTRACT

This chapter is to define the firm’s innovative core and create frameworks to integrate innovation throughout the management of knowledge by generating implementing ideas, strategies and plans applied that cultivate a thinking organization aims to associate innovation with business targets. It argues that companies which manage and transform the knowledge effectively reap the rewards of scientific and technological achievement in order to adopt innovation concept in their operation. Furthermore, the author hopes that firms understanding the information received from the current global business world and transmit it to reap the rewards of scientific achievement will increase their competitiveness competition not only for sales, but also for technical know – how and skills. At the company level depends on the speed with which new products can be brought to the market place and on the importance of achieving new cost – saving improvements.

INTRODUCTION

The first question arisen is what the cause of emphasis in knowledge management is. The most important reason leading to the need of focusing on business knowledge is the successive changes in the business context. Today firms are exposed to a constantly changing environment and are frequently affected by technological and scientific changes. Markets keep changing and the inter-
national competition is increasing. Customers are becoming more demanding as far as quality, flexibility and speed are concerned. Competitive threats are a daily phenomenon while recognition and utilization of business opportunities remain a crucial factor of success. The firm requirement of the 21st century is more demanding. It should, first of all, adapt the inside environment of the company in order to confront such rising conditions and also to reform new relationships based on mutual trust along with the employees, the customers partners and the suppliers as well. The future and success of the business are now defined by the ability of the company to be able to take advantage of the most valuable resource: knowledge management. In addition the employees should be more activated in the creation of innovative ideas. A second question is how the knowledge management (KM) is defined. KM includes abilities and skills of its members, the prospectives of innovation and creativity, as well as the best business practices and patterns. KM exists not only in the abilities of its members but also in the procedures and systems within the company and the relationships between the firms and the stakeholders. Summarizing the challenge for the company is not only to broaden the knowledge of its employees but also to secure the procedures of mechanisms that will turn the individual into a more corporate knowledge asset. Recently knowledge universities and European Consortium gave the following definition for KM: “KM is a new sector of management science concerning the systematic and corporate creation, diffusion and use of knowledge with the purpose the radical improvement of efficient organizing and business competition as well as the development of innovation. The vital factors of success for KM can be included in the following: support from the leadership, development of business strategy and definition of organizing roles, business culture and system of estimating efficiency and the use of appropriate technology. The present research is to examine the strategies applied by firms to associate innovation with business targets moving to e-world of business. Specifically, the study investigates the leadership skills of 99 Greek firms that guide knowledge management concepts and applies and spread it into the firm’s internal environment in order to reap the benefits of new economy.

IS KNOWLEDGE MANAGEMENT NEW?

KM considers that sharing knowledge in power. Technology offers the ability of access to any distant knowledge sharing. Knowledge however on order to encourage or promote new ideas is not something new. The basic principles of KM have to do with the culture of people and technology. Most specialist believe that 80% of KM contains cultural elements and only 20% concern the technology of KM. Peoples’ ideas and culture are deeply rooted on organizational behavior. Technology is founded on technical intellectuality, knowledge engineering and information systems. What make KM rather difficult in the change from an individual competitive behavior called “knowledge is power” into a corporate behavior called “sharing knowledge is power”.

The dissemination and use of knowledge throughout the organization, in order to create innovation and sustain competitive advantage, is indisputably a core process that needs to be cared for. Hence, companies are seeking to implement special knowledge management projects, which aim to install a working environment administrative to more efficient knowledge production, conveyance, and use. Therefore organizations should attempt to improve the knowledge management process focus on KM projects trying to build up to date and cultural acceptance to knowledge and create motives to alter the traditional behavior relating to knowledge to a new one in order to reap the benefits of new e-ra.