Competitive Uses of Information and Knowledge Management Tools: Case Study of Supplier-Side Management

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ABSTRACT

This paper examined and defined knowledge management and outline how large privately held supermarket chain has used this strategy in the current global recession to achieve a sustainable competitive advantage through effective use of its supply chain dynamics. Examples of IT tools and practices on managing the knowledge worker, applying technological tools to assist with supply chain management (SCM) strategy will be discussed. Some of the current applications include: KnowAsis™, SoftGrocer™, Global Command and Control Center (GC3), and RFID technologies. It was found that via proper management of KM-based initiatives and associated SCM and IT applications, the company has been able to increase its operational effectiveness and operate in more a lean manner, resulting in increased productivity and improved quality. The strategic leveraging of knowledge-based systems provides an appropriate comparison and benchmark on the richness of sharing knowledge within a high-volume, low-profit margin retail environment.

Keywords: Case Study, Customer Behavior, Customer Relationship Management, Information Technology, Knowledge Management, Radio-Frequency Identification (RFID), Resource-Based View (RBV), Service Marketing, Strategy

USING TECHNOLOGY TO DEVELOP INTELLECTUAL ASSETS

Strategies for Supply Chain Management (SCM)

Implementing the use of computer databases to store knowledge provides time efficiency and operational effectiveness (Chen, Peng, & Wang, 2009; Greiner & Flaschel, 2009; Heijdra & Romp, 2009; Marren (2003). SCM is an integral part of a company’s overall plan to help achieve an edge over competition. Companies use tools such as SCM, IT, and total quality management (TQM) as utensils for sustaining, achieving, and maintaining a competitive advantage. Products that can be produced without flaw, that exceed customer expectations, and operations that run with top-quality, will in-turn reduce costs and allow companies to proactively meet consumer demands. Keeping a consumer-based vision while serving as a supplier will permit companies to run effectively.

DOI: 10.4018/ijkbo.2013010105
Quality is the key component and many end-product producers are realizing the benefits of partnering with suppliers that employ quality into their supply chains. SCM’s primary focus should be on the consumer, and their needs, and should be looked at as a network of organizations that are involved, through upstream and downstream linkages, in the different processes and activities that produce value in the form of products and services in the hands of the ultimate consumer, via customer relationship management (CRM). Conversely, the best business practices in SCM have consistent traits that set them apart (Browning & Heath, 2009; Chan & Kumar, 2009; Heijdra & Romp, 2009; Ho & Wong, 2009; Jain, Benyoucef, & Deshmukh, 2008; Liang, 2003; Smith & Offodile, 2007, 2008). The following discussion generalizes many different areas, strategies, and company implications for SCM policy and procedures.

Every company and organization must thoroughly think through an optimal strategy; firms with effective supply chains often have valid corporate strategies that the supply chain organization builds upon. A SCM strategy helps drives the many planning, tactical design, milestones, and other steps in strategy development and implementation to remain competitive when dealing in the global business environment. “The best companies have a supply chain management strategy that enables them to plan the tactical operations and to prioritize suppliers, customers and products. Strategy sets the platform for supply chain execution (“Traits of supply chain excellence …” 2009, p. 1).

Supply chains do not only affect the company who implements them, but also those around them (Smith, 2007; Smith & Offodile, 2007, 2008). Management strategically leverages their SCM activities to focus on how the flow of products and information effects the end-consumer directly, as a properly executes SCM strategy reflects their competitive position in the marketplace. Global competition is not just between companies, but with their supply chains as well, management must align such activities with the company’s strategy. A supply chain must change with significant shifts and trends in the marketplace. There is no such thing as “one supply chain management approach and one-size supply chain does not fit all” (“Traits of supply chain excellence …” 2009, p. 1). Any corporate strategy that is focused on the long-term should recognize globalization and demonstrate how it will grow the organization in the future. Further, firms should understand how dynamic their strategy must be, even when management recognizes the propensity for the stakeholders to resist change. Hence, SCM strategy must be a facilitator of change, agile, and able to recognize, incorporate, and adapt to drive toward the changes required.

Financial results are always critical in the business world. However, the correct measures matter just as much. Management needs to be constantly aware of how well their supply chains are or are not performing because they have key performance indicators; unfortunately many financial measures and ratios are often poor ways to evaluate, direct, and manage supply chains. Although global outsourcing opportunities have created opportunities for lower-cost and relatively high quality products, such a strategy is not sustainable; as such opportunities have challenges as to lead-times, reliability concerns, changing inventory levels, safety stock issues, shipping costs, and other operational effectiveness issues. Hence, lean SCM is more than warehouses and transport topics, it must include the total supply chain, both domestically and globally (Jain, Benyoucef, & Deshmukh, 2008; Scherrer-Rathje, Boyle, & Deflorin, 2009; Shah, Chandrasekaran, & Linderman, 2008). Companies need to stay focused on adding value as defined by the customer, using the pull which complements SCM, keeping a customer focus, and removing the waste of inventory and time via technological improvements.

**Purpose of the Present Study**

The main goal of this paper is to inspect a large privately owned company dealing with operational effectiveness concerns of channeling massive interoffice and inter-store communications in such a manner as to minimize communication delays and misinterpretation utilizing a primarily codification process of knowledge.
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