

# Profitable Knowledge Management: Assessment, Competitiveness and Cost. \*

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## Abstract

In the nowadays business environment, intensive in Knowledge production and use, its management has become a key question for every industry. It is proposed a research on the indicators, metrics and values that best define and keep track of the initiatives of Knowledge Management in organizations.

All men by nature desire knowledge.  
- Aristotle

## 1 Problem - Hypothesis

KM in organizations is at present a hot issue filling a lot of pages in management journals and a huge effort and investment is oriented to establish policies and techniques. Notwithstanding, it is hard to find metrics to assess the present state of an organization, find the best way to be in competitive advantage and evaluate the cost of a KM program.

It is hypothesized that some indicators can describe metrically the performance of knowledge management activities and give the possibility to check against other strategies the suitability of a KM program.

Additionally, these key indicators may help to keep track of these activities and design the best way to improve the knowledge assets of an organization.

Finally, the way KM programs metrics are related to profitability performance of organisations is going to be another hypothesis to be challenged.

## 2 Importance of Research

One of the hardest problems to overcome in the starting KM programs is the absence of hooks to evaluate it and provide profit based reasons to invest. Some variables and ways to measure them would provide decision makers with a powerful tool.

As practioners have a lack of tools to evaluate the KM activities, profuse academic research has been done on knowledge nature and ways to transform and communicate it, but there is a wide area of formal research on the economic link between KM success and profitability performance.

## 3 Theory base for Research

The basis of KM models will be applied along with some economic and econometric techniques. Probably some concepts and techniques of non hierarchical networks theory will also be used.

Theories on the assessment of the intellectual

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capital of organisations and strategic key performance indicators (KPI) will also be used.

#### 4 Significant Prior Research

Significant prior research has not been found, although some paths have been started in the recent years. Some Practitioners has established concepts and frameworks of KM evaluation through managerial techniques like the Balance Score Card methodology.

#### 5 Possible Research Approach or Methodology

Three are the main methodologies that can be applied, all of them seem feasible and the most suitable may come in the refining of the research topic.

1. Methodological
2. Theoretical
3. Qualitative

Theoretical approach seems to be beyond the reach of a first approach like the research work proposed, although the work done in definition and concept clarifying may help in further research work in this way. Presumably Methodological and Qualitative research, that may be complemented with an additional Case Study methodology to be applied beyond this work, is considered the best approach to the problem.

#### 6 Potential Outcomes of Research

Mainly, the establishing of a framework where to measure the several dimensions of a KM program. Although the establishing of a theory seems over the purpose of the work, identifying some of the possible hooks for assessment would be an acceptable outcome. Formal and academic work in this area may conduct to significant knowledge contribution to the discipline and is seen as a potential area for further research as the subject has not been studied as deeply as it might be. Additionally it can open the door to empiric works on the basis of this to try to check its conclusions.

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