6 Benchmarking Survey Results

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Knowledge management is an emerging field for research and business. Therefore we decided to base our research on a comprehensive survey of the German TOP 1000 and European TOP 200 companies, because large companies could usually afford the investments and effort required to develop and introduce new management methods.

The survey questions were organized in three sections: general understanding and status of knowledge management activities in the whole company; status of knowledge management activities in the business process the company considers as their best practice; and demographic data about the company.

We have structured the survey results according to the business processes (chapter 6.1), the design fields for knowledge management (chapter 6.2) and the specific operational methods which are used by the companies to carry out knowledge management (chapter 6.3). After a brief description of the survey sample (chapter 6.4), the chapter concludes with the description of the selection process of the best practice companies (chapter 6.5).

6.1 Knowledge management and business processes

6.1.1 Understanding of knowledge management: people and processes

Nowadays, the use of the term “knowledge management” is increasing. However, the understanding of the term varies greatly. Our analysis of publications prior to May 1998 revealed that technological conceptions of knowledge management were then predominant. But even these early reports emphasized the importance of human factors in the successful application of knowledge management. It was therefore one of our most important goals to ascertain what the decision-makers in industrial and service companies understood knowledge management to be.

The results of our study show that knowledge management is understood neither as a technological term nor as an intangible asset. It is understood as a part of corporate culture and as a corporate approach. It is the sum of the procedures that determine the generation, storage, distribution, and application of knowledge to achieve organizational goals (Fig. 6.1).

Again, a clear difference was apparent in the responses of service and industrial firms. In the service companies, knowledge management was understood...
primarily (65%) as corporate culture. On the other hand, the majority of the industrial firms we interviewed (50%) considered it to be a corporate approach.

<table>
<thead>
<tr>
<th>Understanding of Knowledge Management</th>
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<tr>
<td>Knowledge management is:</td>
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<tr>
<td>Part of corporate culture</td>
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<tr>
<td>A company-related approach</td>
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<tr>
<td>A technological term</td>
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<tr>
<td>Alternative understanding</td>
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<td>Some kind of immaterial asset</td>
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Fig. 6.1: Understanding of Knowledge Management

Many companies also stressed the process orientation and methodology of knowledge management in their conception:

- Knowledge management is “a generic term for all activities that are carried out to optimize the creation, utilization, distribution, and storage of knowledge” (consulting company).

- “For us, knowledge management is a collection of techniques to obtain an in-depth, dynamic perception of our business and its boundary conditions. Perception / knowledge / sensibility about our business is obtained not only by means of formal collection” (engineering company).

- “Controlling these four dimensions: Content: Which knowledge is relevant for whom? Culture: How can one promote the exchange of knowledge? Process: With which processes can one manage knowledge? Infrastructure: Which medium of communication is suitable?” (consulting company).

- “A set of procedures, corporate rules and a cultural framework, a mindset about human resources, attitudes and aptitudes, and IT resources that let all of us share knowledge in order to improve each core capability to better serve our customers and our competitive capabilities” (EDP company).

- “The sum of procedures that serves to create, evaluate, distribute, and apply knowledge in order to attain predefined goals” (metal processing company).

- “All corporate measures that help to convert individual information and knowledge into universal know-how, and are thus made available for the success of the company” (consulting company).