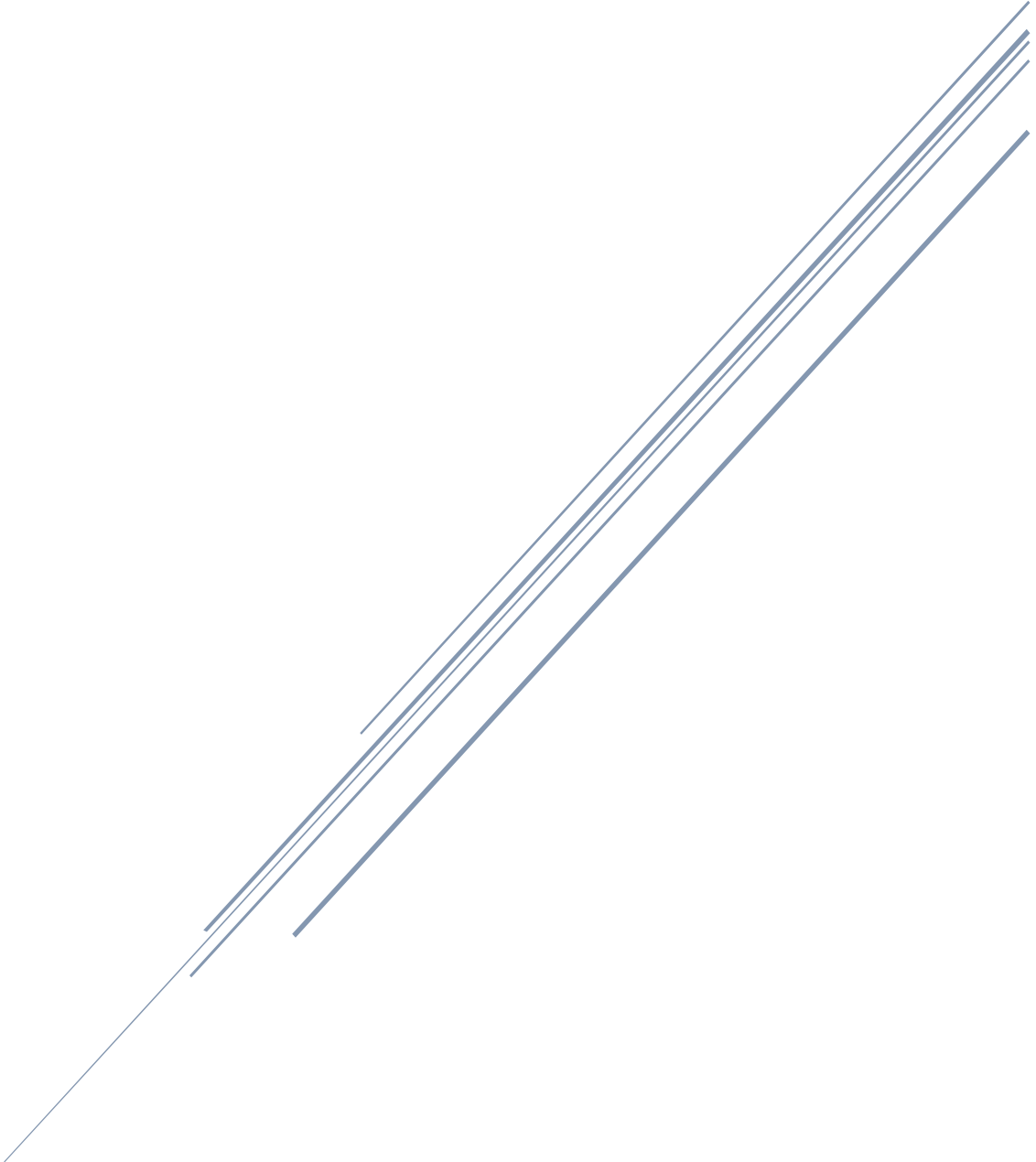


KNOWLEDGE AND INFORMATION MANAGEMENT OF AMAZON.COM



KNOWLEDGE AND INFORMATION MANAGEMENT SKILLS FOT
THE WORKPLACE

EXECUTIVE SUMMARY

The aim of this report is to investigate how Amazon's approaches to knowledge management and gives offers to recommendations that can help to strengthen their knowledge management practices. Knowledge management is a major area within the field used by the company that impacts its operations. For example, understanding the link between profitability in a company and how it is impacted by knowledge management and how KM will help effectively boosts employee satisfaction and output because when the employees can find what they need they do not have to interrupt colleagues to receive information's. The most important of knowledge management processes is to collect the correct data otherwise the decisions made based on such knowledge could be inaccurate.

This report will also discuss why is knowledge management important and how it helps impact positively in the organisations. Moreover, how knowledge and information management theories help the organisation satisfy their customers and achieve competitive advantages. Then evaluate management theories and models used by Amazon.com. with the brief introduction of multinational tech company founded by Jeff Bezos that is specializing in cloud computing, artificial intelligence and e-commerce. Equally this report will explore the necessary recommendations that will help Amazon to improve its operations. Moreover, to show an understanding of the key knowledge management processes required for organisational development, also develop a framework for establishing a knowledge management culture.

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INTRODUCTION

Recent trends in knowledge management in terms of knowledge assets and importance in their management refers to an organisation's resources such as information, ideas, insight, technical skills and capabilities. Knowledge is an intangible asset that requires organisational resources.

Amazon in terms of revenue is the biggest internet-based company in the world. When it started selling books online in 1994, Jeff Bezos had the idea that the best way to succeed online was to grow big and fast. Today, the company sells everything from books to foodstuffs and is the largest tech company in the world. In 1998 the company expanded into selling computer games and music and expanded its services internationally by purchasing other online bookstores in Germany. By the mid-2000s Amazon had launched its Amazon Web Services (AWS) and this fitted well with Bezos' initial ambition to make Amazon a tech company. Since then, Amazon has continued to expand into many services and gained popularity in the last few years. According to statistics, from Statista.com is estimated that Amazon generated during the second quarter of 2022 total current revenue 485.90 billion. Amazon determined from the beginning that the customer experience was the key to success. In other words, the ability of their customers to find what they want quickly and easily therefore to add more significant value to the customer experience the company wanted to help its customers to accomplish their goals in a personalised way, for example, the way: One Portal, One Interface- which means that everything people buy from Amazon is through the same portal whether it is food, clothing, electronics or books. The company focus more on its customers than competitors, so as the aim of the company is to become the most customer-centric company.

The term "knowledge management" first appeared in the 1990s, when academics Nonaka, Takeuchi, and Davenport developed a knowledge management model that can be used in the knowledge approach to managing knowledge from people and processes of an organisation.

The SECI model can be applied to explain approaches that the company uses in the market and the benefits of this model approach constitutes four common processes that organisations use to manage their knowledge. The first step in SECI model is socialization which involves sharing tacit knowledge through practice and observation. The second aspect is externalization which involves transforming tacit knowledge into explicit concepts. The third step is integrating information into the knowledge system and lastly the model is effective in helping Amazon gather the right information and manage its knowledge.

In the field of knowledge management, the SECI model is well-known as the most appropriate and comprehensive theoretical proposal. However, there are certain drawbacks associated with the use of this model mainly because it is used in theory which heavily rely on tacit knowledge, but few studies have verified the SECI by testing its effectiveness and the model has been linked to organisational culture. A major advantage of this model is that it formalizes a theory of knowledge creation based on the epistemological distinction between tacit and explicit knowledge moreover it offers practical tool for assessing knowledge creation in organisational context. *Kusonaki et al. (1998)* investigated the presence of SECI-type systems in organisation as a predictor of successful innovation.

The main expectations of this report is to investigate how to create a knowledge sharing culture because establishing a culture of knowledge sharing in an organisation and the importance of knowledge management and how it helps people to overcome barriers that exist in the organisation and the importance to ensures that valuable knowledge is shared across the company so the employees from different departments get the opportunity to learns from each other which is very important as it as well benefit encourage innovation and creativity when employees have the access to the right information at the right time.

SECTION 1: KNOWLEDGE AND INFORMATION MANAGEMENT

The first section of this report will examine the strategy behind Amazon's success and their commitment to the customer experience. The giant tech company's focuses also on inventing new products and in simplifying its services for people. Everything that Amazon does is guided by its goal to be the most customer-centric company in the world so every strategic move along the way is designed to serve customers as best as possible. Amazon has a logistic system that is excellent from distribution to an advanced robotics system. For an e-commerce business, the customers are viewed as the starting point of the customer-oriented value chain (*Greenstein & Feiman, 2000, p14*).

Knowledge management is the process by which an organisation gathers, organises, shares and analyses the company's knowledge in a way that is easily accessible to employees. There are four components of knowledge management, and they are people, process, technology and strategy. Knowledge management also includes three types of knowledge: tacit, implicit and explicit. KM is a strategic plan that helps organisations manage data and knowledge for the benefit of the organisation and stakeholders and any tools used to gather and distribute company's knowledge are included as features in KM software. Without understanding the differences in various types of knowledge it is hard to identify knowledge gaps that exist in the organisation.

Sharing data or information becomes a top priority, enabling innovation or changing the corporate culture when necessary. Innovation is promoted because information and knowledge are actively exchanged through knowledge management systems. Knowledge sharing allows employees to deliver better results and enables customers to use organisations' products or services better. Explicit knowledge can be documented and easy to share and understood therefore it is the most important part of knowledge management. When it is communicated effectively, business operations can run faster as the knowledge is accessible to the whole organisation and employees are informed about what is happening in their organisation. Tacit skills are a person's ideas, and experiences they possess and often are not aware of the knowledge they possess.

The benefits of KM are faster onboarding or spending less time on repetitive tasks because of access to expert knowledge therefore employees benefit from it as they can do their job effectively and efficiently because it allows them to learn from other's mistakes and not repeat them.

The organisation considers their customers as the most important assets (*Croteau and Li, 2003*), therefore becoming customer centric. Companies should prioritize customer satisfaction as it is the customers who drive any business. The knowledge management system helps employees and teams to collaborate and communicate that is also helping in developing mutual trust between employees. Knowledge management helps in improving customer experiences and satisfaction which leads to competitive advantages as well as increased profitability. Knowledge management gathers important information for better management results and makes information accessible both internally and externally. An organisation's capability to use knowledge management and ongoing learning from the external environment is a key factor in creating a sustained competitive advantage (*Wadde/ and Steward, 2008, Werr et al., 2009; Zack et al., 2009*). Technological innovation was a major part of Amazon's growth as their business strategy consist of focusing on investing in technologies, improving its web services and experimenting with Fintech.

Amazon employs use an innovative strategy that has enabled it to improve its operations in numerous markets around the world. The innovative strategy that it employs in handling knowledge has resulted in other developments that have enhanced the online shopping experience. The introduction of free and fast delivery on prime has increased the company's market popularity. Amazon is a company that uses a strategic approach to innovation to advance its market operations (*Peprah, et al., 2021*). Because of increased use of technology, online shopping has increased as well. The company took a strategic approach to conduct business online and reducing the cost associated with running many physical stores. Amazon use of digital technology to promote business is another strategy.

SECTION 2: EVALUATION OF KNOWLEDGE AND INFORMATION MANAGEMENT MODELS/THEORIES

In today's organisations, global competition and technological advancement in the business environment has emerged a new product or service development as one of the most important functions in organisations. For instance, new product or service is viewed as a process of knowledge creation of competitive advantage that stems from being the first to the market. Embedded knowledge must be assessed through oral and written evidence, and this includes detailed procedures, and the knowledge refers to the process of integrating knowledge that makes the product or service unique from other products or services. Managing embedded knowledge involves wide variety of differentiating challenges.

Tacit knowledge is knowledge embedded through experience, so the knowledge people hold is the information that is difficult to express or deliver in a tangible format and is based upon observations, emotions, and intuition that is acquired through relationships with other people, so it requires shared activities and communication whole explicit knowledge facilitate action. It is the knowledge tat can be easily shared. The Nonaka and Takeuchi model is one of the knowledge managements models that can be used in the knowledge creation and conversion. For example, the application of explicit knowledge is transferable from one job to another. An example of tacit knowledge is to know which words to use to attract an audience.

Systematic approach of knowledge sharing, and exchanging is important in the workplace because in enhances the ability of workforce to understand customer situations and expectations. It ensures that knowledge is available to employees whenever they need it, and the benefits include sharing of ideas, collaboration and access to the latest information therefore improving productivity in the organisation. The systematic approach also helps to collect raw data and ensure appropriate conversion into structured information and the process is to focus on collaboration between the knowledge management team and business leaders. The systematic approach is often used at projects in the workplace as the goal is to provide employees with the knowledge in order to achieve the company's goal.

SECTION 3: INVESTIGATING OF KM TECHNIQUES USED BY AMAZON.COM

In business organisation knowledge has become crucial as they provide appropriate scope for undertaking future business development. With the help of knowledge Amazon is able effectively undertake business actions. The operating structure of Amazon is identified for its innovation and creativity. Through the effective utilization of knowledge management techniques, the company has achieved competitive position withing global market. For example, Amazon increased its sales revenue and profitability or “Just Walk out” technology – first cashier-less grocery store. Technological innovation, marketing strategy and its business model is what makes Amazon the most innovative company. The business strategies that Amazon used over the years and benefited from are responsible for the growth of Amazon company. Amazon uses KM principles for their customers and employees in many ways. For example, a single portal and interface provides the employees with a familiar workplace knowledge such e-learning or website and videos that all shows up in one place.

SOPs help e-commerce business to grow and improves customer satisfaction in online store which leads long lasting relationships with customers. Standard operating procedures are used for everything, especially simplifying communications, customer relations, logistics and billing system. Well designed SOPs specify how operations should be performed. SOPs are not just instructions that guide employees but in fact they are crucial strategic documents that play a significant role in the success of any business. SOPs are best for fixing stranded inventory as it includes guidelines required by Amazon to resolve such an issue. Further customer service messages that any team member can read and understand customer expectations or issues moreover the employees will find out the necessary tools to satisfy customer demands. The Amazon app has functionalities that allow users to shop, listen to music and watch movies. According to comScore report, the Amazon app is the most preferred by millennials.

One of the current expansion strategy plans of Amazon company is to add more languages and currencies to their company feature so the Amazon customers from everywhere in the world will be able to get products selling on Amazon and despatched to customers households directly from the USA. Therefore, customers are encouraged to purchase products from different countries. Besides, different shipping cost and delivery speed are available to choose from. However, Amazon specific concern is that they might face struggles in attracting a certain consumers segment as many Mexican individuals for instance do not have a credit or debit card.

CONCLUSIONS AND RECOMMENDATIONS

The result of this investigation shows that knowledge management is crucial because it promotes learning and allows ongoing data sharing among all users within a company or organisation additionally, the aim was also to examine how sharing data or information becomes a top priority because it is enabling innovation and changes the corporate culture when necessary. Innovation is promoted mainly because information and knowledge are actively exchanged through knowledge management systems.

Undoubtedly, greater efforts are needed to ensure proper approaches to knowledge management as it aid in the development of skills and methods of increasing profitability. Evidently, there are number of changes which needs to be made for business organisations. Thus, it is important to effectively associate appropriate knowledge and information with the products and services to make them unique. The first suggestion for the company is to focus in organising workplace leadership training programmes for all employees and managers as it boosts employee engagement which lead to higher levels of customer loyalty, improved organisational culture which motivates the company making profitable business decisions. The bottom-up approach assists in gathering useful information about future decision making. This approach lessens the risk of any unexpected processes and gives all employees can give their opinions in these types of decisions. The second suggestion for the company is to improve its people management approaches in order to have a better impact on information flow as poor leadership style has been criticized.

Because of increased use of technology and online shopping the best knowledge management framework that can Amazon use is the in the future is Artificial Intelligence (AI)-knowledge management software. Since knowledge management allows innovation to grow within organisation and the globalisation brought many modern trends clearly companies had to adapt as they are exposed to the challenges by uncertain competitive environment. Companies' knowledge generates value only if it is available in a real time to users.

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APPENDICES

AMAZON.COM-THE MAP CUSTOMER VALUE

CURRENT KM FRAMEWORK USED BY AMAZON.COM

INTRODUCTION

AMAZON.COM ONLINE RETAILER AND WEB SERVICES PROVIDER. THE EVERYTHING STORE THAT FOCUS ON SELECTION, PRICE AND CONVENIENCE. VISION: "TO BE EARTH'S MOST CUSTOMER-CENTRIC COMPANY" IN THE WORLD.

PURPOSE OF THE POSTER

PROPER APPROACHES TO KNOWLEDGE MANAGEMENT HELPS DEVELOP SKILLS AND METHODS THAT INCREASE PROFITABILITY. AMAZON EMPLOY DIGITAL APPROACHES TO HANDL BUSINESS.

SECI MODEL FROM NONAKA AND TAKEUCHI IS BASED ON POLANYI'S DISTINCTION BETWEEN TACIT AND EXPLICIT KNOWLEDGE (1983) AND PROVIDES AN UNDERSTANDING OF KNOWLEDGE CREATION AND

LIMITATIONS OF THE CURRENT FRAMEWORK

- LACK OF CULTURAL ISSUES
- BASED ON JAPANESE BUSINESS ORGANISATIONS
- HEAVILY RELY ON

CONCLUSIONS

KNOWLEDGE MANAGEMENT IS CRUCIAL AS IT PROMOTES LEARNING AND SHARING WITHIN WHOLE ORGANISATION. INFORMATION IS A TOP PRIORITY THAT

DECISION MAKING AND PROCESS IMPLEMENTATION BEGINS FROM LOWER LEVELS AND PROCEED UPWARDS.

HOW PROPOSED FRAMEWORK CAN BE IMPLEMENTED

EMPLOYEES ARE INFLUENCING THE DECISIONS OF THE COMPANY, SELF SERVICE MODEL THAT NEEDS A STRATEGY THAT ALIGNS CUSTOMER VALUE WITH

PROPOSED KM FRAMEWORK

THE BOTTOM UP APPROACH IS USEFUL IN GATHERING INFORMATION

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BENEFITS OF PROPOSED FRAMEWORK

- INCREASED COLLABORATION
- IMPROVED EMPLOYEE MOTIVATION
- BETTER ALIGNMENT
- FASTER