

University of Wales Trinity Saint David

Knowledge and Information Management Skills For The Workplace (BMSW5106)

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Executive Summary

This executive summary provides an overview of Amazon's current knowledge management (KM) system and explores potential sustainability measures while preempting future business challenges. The report acknowledges Amazon's effective KM approaches and their impact on operational efficiency and profitability. It highlights both internal and external knowledge analyzes to assess the system's effectiveness. It emphasizes the significance of profits, knowledge, and skills within the company. The recommendations aim to help Amazon grow and succeed even more.

Models or theories will be used for Amazon's knowledge management sustainability and expected outcomes are to be discussed in depth as well. While competitive advantage is a key factor in their business, retention of this advantage in the long term is crucial and this report aims to explore that possibility.

Overall, this report aims to help Amazon enhance its operations significantly, leveraging existing literature and insights for a deeper understanding of KM's role in driving success within the organization.

Contents

Executive Summary

List of Figures

Introduction

Section 1

Knowledge Management

Importance of Knowledge Management for an Organization

Amazon's Knowledge Management

Customer Success and Knowledge Management

Section 2

Dynamics of Tacit Knowledge in Product and Service

Share and Exchange of Knowledge throughout the Organization

Amazon's Knowledge Management Model

Section 3

Growing Significance of Knowledge in Amazon's Standard Operating Procedures (SOP)

Outcome of Standard Operating Procedures

Areas of Improvement

Conclusion and Recommendation

References

References of List of Figures:

List of Figures

Figure 1

Figure 2

Figure 3

Figure 4

Introduction

This Knowledge Management report aims to undertake a thorough analysis of Amazon's current knowledge management techniques in order to assess their efficacy and find out opportunities for improvement and sustainability. The report seeks to delve into Amazon's intricate knowledge management practices, including the capture, storage, sharing, and application of knowledge across the organization (IBM, no date). By examining these strategies, the report aims to gain insights into how Amazon has harnessed its knowledge resources to achieve sustainability and address the challenges posed by rapid business growth. With a focus on sustainability and scalability, the report will also propose practical recommendations for Amazon to adapt and enhance its knowledge management strategies, ensuring continued success amidst future business expansions and technological advancements.

Amazon is an expansive online business that offers a wide range of products like books, music, movies, electronics, toys, and more. It serves as a platform for both direct sales and connecting customers with other retailers. Additionally, Amazon's Web services provide cloud computing and data storage solutions over the Internet. It has become a pioneer in the e-commerce business, evolving with technology and advancement as the company grows while investing heavily in Artificial Intelligence as well (Hall, 2023).

For this report on Amazon's Knowledge Management and its sustainability, utilizing Nonaka and Takeuchi's SECI Model would be appropriate with a few touches on the other existing models that will be discussed.

Nonaka and Takeuchi's SECI Model: This model emphasizes the conversion of knowledge between explicit and tacit forms through Socialization, Externalization, Combination, and Internalization. Analyzing how Amazon facilitates these knowledge conversion processes can provide insights into their effective knowledge-sharing practices (Hoe, 2006).

In addition to this, Wiig Model, developed by Karl Wiig, is a widely recognized Knowledge Management (KM) framework that focuses on the creation, storage, pool, and application of knowledge within organizations (Essekia, 2018). It portrays completeness, connectedness, congruence and purpose and perspective (Tallinn University, no date). Lastly, Bukowitz and Williams Model, and Zack Model will also be discussed to illustrate the points.

The outcome will necessitate concrete recommendations for sustainable knowledge management, emphasizing the leveraging of tacit knowledge, promoting a culture of sharing, optimizing data utilization, and fostering communities of practice. This will demonstrate how these strategies align with Amazon's growth plans, ensuring effective handling of future challenges.

Section 1



Figure 1

Knowledge Management

Knowledge management is the process of leveraging an organization's knowledge to gain a competitive advantage and improve performance. It involves capturing, organizing, and sharing both explicit and tacit knowledge among employees and stakeholders (Nonaka, 1998).

By promoting knowledge sharing among employees and stakeholders, businesses can foster innovation, improve decision-making processes, and cultivate a culture of continuous learning. Through effective knowledge management, companies can capitalize on their collective expertise, adapt swiftly to changing environments, and ultimately thrive in today's dynamic and knowledge-driven business landscape.

Coming to the knowledge management life cycle, there are three steps for the cycle.

The initial step is knowledge acquisition. It refers to the systematic process of gathering, assimilating, and integrating new information and expertise to enhance the organization's capabilities. It involves conducting research, training employees, collaborating with industry experts, and staying updated on the latest industry trends and best practices. Effective knowledge acquisition empowers the company to make informed decisions, innovate, and adapt to changes swiftly (Patel, 2021).

Second step is knowledge retention. This involves the acquisition, capture, and preservation of information and knowledge within an organization, enabling its use and transfer among members over time. The goal is to ensure that valuable knowledge is safeguarded and accessible for future use, facilitating seamless knowledge sharing and continuity within the organization (Gleason, 2019).

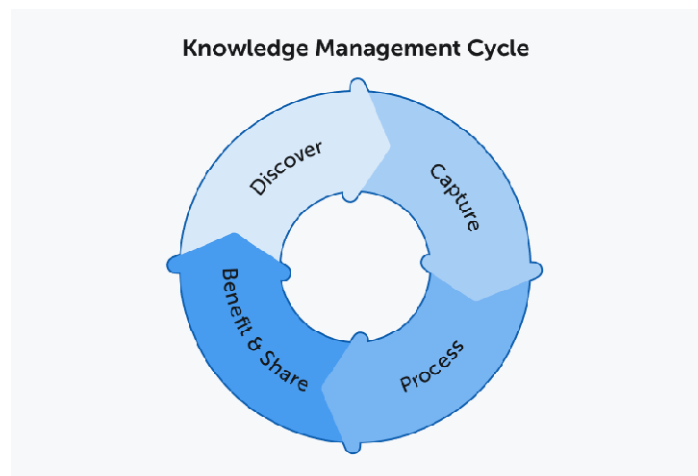


Figure 2

The last step involves knowledge transfer. Knowledge transfer refers to how one unit, whether it's a department, group, team, or division, is influenced by the experiences of another, resulting in changes in the knowledge or performance of the receiving units. These changes can be observed and measured through improvements in performance or outcomes (Argote and Ingram, 2000).

In regards to Amazon, the key stakeholders involved in the knowledge management system are as follows:

1. Employees
2. Customers
3. Management and Leadership
4. IT and Technology Teams
5. Suppliers and Partners
6. Researchers and Innovators

7. Shareholders and Investors
8. Regulators and Compliance Authorities
9. Legal and Intellectual Property Teams

In terms of Knowledge Management Models, there are a few models which are effective for an organization. For instance, Wiig Model, Nonaka and Takeuchi Model, and ZACK Model etc.

Importance of Knowledge Management for an Organization

Knowledge Management is an essential part of the strategy for any company. How the company strategies and integrates knowledge management in their systems can affect the outcomes of the company objectives. It helps in efficient decision making as the employees are up-to-date with the information and can provide better outcomes using that information. Additionally, by capturing and sharing knowledge, organizations can avoid duplicating efforts and wasted resources, as employees can build upon existing knowledge and avoid reinventing the wheel. Moreover, it provides opportunities for employees to enhance their skills and expertise through knowledge sharing, training, and learning from others, which boosts motivation and job satisfaction. In terms of a company's biggest revenue generators, i.e, its customers or clients, better knowledge sharing enables customers with accurate and timely information, leading to improved customer service and satisfaction which is directly related to the company's competitive advantage over its rivals (Andreev, 2022).

As Knowledge Management is crucial for any company, Amazon is no different. In fact, their emphasis on KM has helped them achieve their target of maximizing customer satisfaction, which automatically enabled them to gain a competitive advantage.

Knowledge management (KM) aligns seamlessly with Amazon's use of Artificial Intelligence (AI) and advanced technology, as it complements and enhances these technological initiatives in several ways:

- Data-driven decision-making: AI and advanced technology generate vast amounts of data. KM plays a crucial role in organizing and analyzing this data, turning it into actionable insights. By capturing and storing knowledge from AI-driven processes, Amazon can make more informed decisions and continuously improve its algorithms and systems (Harrigan, 2022).

- Training AI models: AI systems often rely on large datasets to learn and improve their performance. KM can assist in sorting and maintenance of these datasets, assuring their accuracy and usefulness. (Harrigan, 2022).
- Innovation and R&D: KM can support research and development efforts by providing a repository of research findings, experiment results, and insights from various projects, allowing teams to build upon existing knowledge and avoid redundancy (Harrigan, 2022).
- Enhanced Search and Recommendation Systems: KM can improve search and recommendation algorithms by providing structured and relevant knowledge. This enables Amazon to deliver more accurate and personalized recommendations to customers, leading to increased customer satisfaction and sales (Harrigan, 2022).

Knowledge Management ensures that the immense potential of these technologies is harnessed effectively, contributing to the company's success, growth, and ability to deliver innovative solutions and exceptional customer experiences.

Amazon's Knowledge Management

Amazon is a customer centric company and to keep it steady in that approach, the management of the company has to put the strategies in place for seamless functioning and further growth (Maital and Seshadri, 2012). Amazon's ability to provide information to its customers effortlessly is noteworthy. The company's intranet structure allows it to continuously provide information to the customers consistently (Rosenberg, 2014).

A few notable processes that make Amazon's KM strategy effective are as follows:

- All purchases and transactions we make with Amazon are conducted through a single online platform.
- It presents product details, including specifications and reviews, in a consistent manner and sequence across all items.



Figure 3

- It suggests items that may interest the customers, and provide them with relevant information.
- Amazon is excellent at getting customers to provide insightful feedback. (Rosenberg, 2014).

Amazon implemented Nonaka and Takeuchi's SECI Model for knowledge management throughout the company, as seen by their customer service strategy(Mathew and Varia, 2014).

Customer Success and Knowledge Management

Knowledge management is important in assisting Amazon in satisfying consumers and gaining a competitive advantage in numerous ways:

Personalization and Customer Insights: Amazon may use KM to collect and analyze massive volumes of consumer data, such as purchase history, preferences, and browsing activity. Amazon may give tailored product suggestions and focused marketing by knowing individual consumer demands, resulting in improved customer happiness and more sales(Harrigan, 2022).

Customer Support: Customer support employees have access to accurate and current information because to Amazon's enormous knowledge base. As a result, they are more equipped to offer timely help that solves problems quickly and improves the entire client experience (Joel, 2022).

Innovative Solutions: This encourages an innovative culture, allowing the organization to create one-of-a-kind and ground-breaking solutions that set them apart from rivals and attract more clients (Joel, 2022).

Optimized Supply Chain: By utilizing data and insights on inventory management, logistics, and demand forecasting, knowledge management (KM) aids Amazon in streamlining its supply chain operations. This guarantees prompt product delivery and shortens shipping times, improving the customer experience (Amazon, 2022).

Agile Decision-making: KM gives Amazon's decision-makers the information they need to make swift, educated decisions. This agility enables Amazon to adapt quickly to market developments and consumer requests, allowing it to maintain a competitive edge in a continually changing business(Harrigan, 2022).

Brand Reputation and Trust: Customers always have access to accurate and trustworthy information because to Amazon's dedication to knowledge management. This increases brand loyalty because buyers know they can trust Amazon to deliver high-quality goods and services (Rosenberg, 2014).

To summarize, knowledge management is a critical component of Amazon's customer-centric strategy and capacity to sustain a competitive advantage in the worldwide market. Amazon consistently improves consumer pleasure, develops new solutions, and remains at the forefront of the e-commerce business by efficiently leveraging knowledge.

Section 2

Dynamics of Tacit Knowledge in Product and Service

Amazon had a significant boost in sales during the pandemic, as more people turned to online purchasing. The corporation recorded an astounding \$108.5 billion in sales in the first quarter of the year, a 44 percent rise over the previous year. Furthermore, its earnings climbed to \$8.1 billion, indicating an astounding 220 percent increase over the same time last year. (Weise, 2021).

During this time, Amazon's retail industry, particularly its most profitable components, saw unprecedented development. Revenue from merchants who listed their products on the Amazon website and utilized its warehousing services surged by an impressive 64 percent, reaching a total of \$23.7 billion (Weise, 2021).

This portrays how Amazon has successfully leveraged the power of tacit knowledge to enhance its effectiveness, with valuable contributions from both customers and employees. To ensure smooth management of their online business, Amazon recognizes the importance of equipping their employees with the necessary skills and knowledge. As such, the company provides comprehensive training to all its staff, enabling them to adeptly handle product stock and deliver orders effectively to customers (Vibhor et al., 2019).

Coming to the post pandemic situation where people are free to go out and buy things rather than going online, Amazon used a tech focused strategy to introduce around 15 of its "Just Walk Out"

cashier-less grocery stores in the UK (Butler, 2022). The development and implementation of this technology required the tacit expertise of Amazon's employees and the insights gathered from customer experiences. By leveraging tacit knowledge, Amazon has been able to create a seamless and efficient shopping environment, revolutionizing the grocery retail industry.

Share and Exchange of Knowledge throughout the Organization

Both traditional and digital communication methods have proven to be highly beneficial for promoting business operations at Amazon. The proliferation of smartphones enabled convenient access to product information for users. Additionally, improved internet accessibility from remote locations has revolutionized communication with customers, making interactions with the platform seamless and effortless (Maital and Seshadri, 2012). In terms of key decision-making information, the accounting department provides Amazon executives with insights into the company's financial state, facilitating collaboration among employees, identifying issues, and promoting effective decision-making using the company's management information system (MIS) (Vibhor et al., 2019). MIS also provides a centralized platform where all relevant data and information are collected, organized, and stored. This centralized repository enables employees from different departments and locations to access the same knowledge base, fostering collaboration and ensuring everyone has access to accurate and up-to-date information (Nstec, no date). Additionally, MIS tools enable advanced data analytics and reporting capabilities. Amazon can use these features to analyze vast amounts of data, identify patterns, and derive actionable insights. These insights can be shared across departments, promoting cross-functional collaboration and knowledge exchange (Nstec, no date).

Amazon's Knowledge Management Model

Nonaka and Takeuchi's SECI model is a useful tool for understanding how Amazon manages knowledge in the market. This model consists of four processes that organizations use to handle knowledge effectively (Mathew and Varia, 2014). The first step is socialization, where employees share their tacit knowledge through informal and formal interactions, like observing, imitating, and participating in various activities within the company. The second aspect is externalization, where tacit knowledge is transformed into explicit concepts. Amazon needs to devise smart approaches to articulate this knowledge for better management. The third step is

combination, which involves integrating information into the overall knowledge system. Lastly, the model captures internalization, where explicit knowledge becomes embedded as tacit knowledge within employees. Amazon has successfully applied the SECI model in the past, which has helped the company gather the right information and manage its knowledge effectively. By understanding and implementing these four processes, Amazon continues to excel in knowledge management and stays ahead in the market (Adesina and Ocholla, 2019).

Section 3

Growing Significance of Knowledge in Amazon's Standard Operating Procedures (SOP)

A standard operating procedure (SOP) is a set of written guidelines or instructions that outline the steps for performing a routine task. Its purpose is to enhance performance, increase efficiency, and uphold quality standards (Nolen, 2023).

Standard procedures encompass all daily activities within Amazon, defining roles, responsibilities, and expected outcomes. Comprehensive knowledge of these procedures is vital for employees to understand their roles and fulfill their responsibilities effectively. Clear communication and understanding of expectations enable workers to be more productive and perform at their best within the company (Nolen, 2023).

From the seller's perspective in Amazon, Standard Operating Procedure (SOP) of Amazon is a valuable set of guidelines that sellers can use to streamline various complex processes. These SOPs bring numerous benefits for sellers on the platform. For instance, an SOP for inventory management ensures a consistent approach to address stranded inventory in fulfillment centers. Documenting customer service processes in an SOP helps establish efficient systems and provides valuable customer data. For creating Fulfilled by Amazon (FBA) shipments, an SOP ensures consistent and comprehensive inventory and shipping management. Sellers fulfilling orders themselves (Merchant Fulfilled Network or MFN) can use an SOP to prevent shipping errors, product loss, or damaged goods, enhancing credibility and productivity. Additionally, an SOP for Amazon FBA reimbursements saves time and helps sellers maximize refunds for lost or damaged goods. Lastly, an SOP guides sellers in investigating and appealing suspended ASINs,

ensuring a clear process to prevent and address issues effectively. By following these standardized procedures, sellers can manage their operations more effectively, reducing errors and improving their overall performance on Amazon (Hensell, 2022). Knowledge plays a vital role in Amazon's Standard Operating Procedures (SOP). As the company grows, the value of well-documented knowledge and standardized processes becomes increasingly evident. SOPs guarantee coherence, efficiency, and effective decision-making throughout Amazon's operations, contributing to the company's sustained success as the world's leading e-commerce company.

Outcome of Standard Operating Procedures

Standard Operating Procedures (SOPs) give Amazon with several benefits in a variety of areas of its business. SOPs enhance consistency and efficiency in company operations by specifying standardized processes, eliminating mistakes, and optimizing workflows. SOPs in warehouse management aid in inventory control, reducing handling mistakes and increasing overall warehouse efficiency. Well-defined SOPs for customer service enable consistent and successful interactions, resulting in increased customer satisfaction and loyalty. Furthermore, SOPs help to improve customer service by giving personnel with explicit instructions for problem solutions. These SOPs are also useful training tools for new workers, helping to reduce the learning curve and ensure a seamless onboarding process. SOPs also include quality standards and risk mitigation procedures to ensure that items satisfy Amazon's high-quality requirements while minimizing operational risks. Continuously updated SOPs foster a culture of improvement, enabling Amazon to adapt to changing market conditions and maintain its reputation as a leader in the e-commerce industry (Hellebrandt et al., 2018).

Areas of Improvement

Amazon's existing use of Nonaka and Takeuchi's SECI model focuses on knowledge creation, sharing, and internalization, which can help Amazon facilitate effective knowledge transfer and collaboration among its employees and departments.

For further improvement, Wigg Model could add more value to their process. The primary goal of the model is



Figure 4

to make the organization intelligent-acting by facilitating the creation, accumulation, deployment, and use of quality knowledge. Wiig model consists of four stages: building knowledge from internal and external sources, holding knowledge through storage and training, pooling knowledge via cross-talk between experts, and applying knowledge to improve work processes and embed new knowledge. The model's defining characteristics include completeness, connectedness, congruency, and purpose and perspective, all contributing to effective knowledge utilization and problem-solving (Essekia, 2018).

Amazon may better organize and categorize its huge information assets by applying the Wiig model alongside the existing SECI model, allowing for more efficient knowledge retrieval, use, and decision-making. The emphasis on knowledge processes in the Wiig model can complement the focus on socialization and internalization in the SECI model, resulting in a comprehensive and effective KM approach for Amazon.

Conclusion and Recommendation

Amazon should continue to focus and invest in its knowledge management procedures in order to maintain long-term sustainability and growth. Emphasizing the SECI model will improve knowledge sharing and learning throughout the organization by encouraging people to share their skills and thoughts. Amazon can continuously innovate, address difficulties, and embrace new possibilities by cultivating a culture that values knowledge.

Combining the Wiig model with the SECI model can considerably improve Amazon's long-term sustainability. The emphasis on completeness, connection, congruency, and purpose and viewpoint in the Wiig model will help Amazon better organize its huge knowledge resources, making them easily available to employees when needed. This will result in more informed decision-making, enhanced problem-solving abilities, and a greater ability to respond quickly to changing market demands (Essekia, 2018).

Furthermore, Amazon can also foster a culture of learning by encouraging staff members to take part in knowledge-sharing activities, ongoing education, and cross-functional partnerships. This will guarantee that knowledge is up to date, applicable, and consistent with the strategic objectives of the firm.

Finally, Amazon's knowledge management techniques are critical to its success as a worldwide e-commerce leader. Amazon encourages successful knowledge generation, sharing, and internalization through employing the SECI model, boosting cooperation and innovation within the organization. With the addition of the Wiig Model, these models form a solid foundation for Amazon's knowledge management, allowing the corporation to react to changing market dynamics and remain at the forefront of the industry.

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