

A knowledge management super-strategy fueled by big data

Embracing competitive analytics in top management teams to generate intellectual capital

Peter Drucker, the renowned author and management consultant, commented that “knowledge has become the key economic resource and the dominant – and perhaps even the only – source of competitive advantage.” A conceptual paper by [Harlow \(2018\)](#) explores a proposed model that supports the creation of business value through integrating big data, knowledge management practices and analytics with a company’s overall strategy. Almost three-quarters of companies are thought to have not yet pinned down a Big Data strategy – something which executed well can maintain competitive advantage by acquainting companies with their customers in minute detail.

Getting comfortable with a hyper-analytical landscape

One of the core issues in the landscape of company data is that senior management may leave it to IT professionals to take the lead on the kinds of data the company values, scrutinizes and gathers. If this is the case, then no clear strategy is being advanced to adapt the company to the level set by the most advanced competitors who’re using data to intelligently grow their businesses. The absence of a deliberate strategy makes it likely that data analytic activity will fail to produce the potential it has to instill new business value.

Big Data refers to data that are difficult to make sense of quickly but that grow constantly across a number of sources. It is characterized by its widely varying nature, speed, depth, and lack of intrinsic structure. Harnessing Big Data involves using complex information, for example, video footage of customers, data scraped from social media accounts, or data detailing what an individual has downloaded and viewed online. A healthcare company mentioned in the study is even preparing a background Big Data strategy for when new regulation permits them to collate and commercially use the genetic data of members of the public. To make some sense of this liquid information, Big Data Analytics (BDA) seeks to extract useful insights from Big Data. Indeed, data analytics (DA) have already been used effectively to filter social media data to seek out target customers for a product or service, and have been deployed in sport to evaluate the contribution of an individual player. This can be achieved using Big Data software such as Hadoop and NoSQL.

Strategic importance of converting and structuring knowledge

The trajectory for success rests in strategically integrating Big Data, intellectual capital (IC), and artificial intelligence (AI) with a knowledge management strategy (KMS). This Big Data value chain processes data then uses information to generate IC, with AI working over the top to curate an intelligently compounding loop. An effective KMS involves realizing the

insights that are already held within a company and deploying them to advance the company in a repeatable way. Tacit knowledge has a greater strategic value to a company since it is not easy to disseminate quickly. Analytics that aid advancement therefore work toward codifying tacit knowledge. Yet implementing a KMS without total clarity may not create value or increase efficiency or competitiveness.

A combined KMS strategy also needs flexibility built in as IC is changing quickly, with more of it coming from BDS and AI channels that pump out analyzed IC. IC refers to knowledge capable of producing competitive advantage. AI is divided into weak AI and strong AI, and currently involves computers perceiving the environment, understanding, and learning to perform actions based on the experience of past decisions. Owing to the proliferation of Big Data value creation, policies are needed for top managers to retain a strategic hold over this landscape. Competition is fierce in that companies at the top of their game gain intelligence by tapping into how the suppliers of their suppliers are operating.

Pulling together the super-strategy

Many companies have yet to arrive at a resolved strategic focus on Big Data. But once a strategic approach has begun it remains vitally important to retain a business development focus rather than a myopic data gathering style of operating. A strong starting point in creating an integrated KMS incorporating IC, AI and Big Data is to take action on codifying any elusive tacit knowledge used within the business. Therefore an interweaving of strategies is crucial, and this data-fueled adventure should be led with clear, purposeful intent by top managers or a new Chief Knowledge Officer, rather than leaving it to IT professionals or self-running AI.

Implementing such an approach may well involve an intimidating change challenge, but this should be faced to ensure Big Data is properly integrated into decision-making to generate the desired competitive advantage that keeps the company alive on a longer term horizon. The long-term aim should be to optimize the value that's harvested from their intangible assets of data and knowledge. The risk of executing a many-pronged strategy in error is high, but the rewards of executing the super-strategy with elegance could also be immense.

Commentary

The review is based on "Developing a knowledge management strategy for data analytics and intellectual capital" (2018). This conceptual paper proposes a model for growing company competitive advantage into the future by integrating a knowledge management strategy with progressive insights from Big Data and artificial intelligence. The ultimate strategic aim here is to create and codify intellectual capital that adds business value.

Keywords:
Big Data,
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Intellectual capital,
Data analytics

Reference

Harlow, H.D. (2018), "Developing a knowledge management strategy for data analytics and intellectual capital", *Meditari Accountancy Research*, available at: <https://doi.org/10.1108/MEDAR-09-2017-0217>

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