

## Chapter 2

# Policy Perspectives for SMEs Knowledge Management

**Mukund Deshpande**  
*Independent Researcher, India*

### ABSTRACT

*Knowledge Management (KM) has exposed multiple advantages in increasing profits by improving chances to pick up valuable business opportunities (Wong & Aspinwall, 2004) and share resources and competencies in very challenging and rapidly changing business environment. Most SMEs have no explicit policy targeted at strategic KM, and they tend to treat KM on an operational level (Beijerse, 2000; Hutchinson & Quintas, 2008). While KM has demonstrated its benefits SMEs want straightforward scheme of implementing KM initiatives. SMEs are curious to know on KM strategies and to adopt them in their firms productively. In addition, they look for uncomplicated methods to understand and implement KM policy. This chapter reveals that three major dimensions such as knowledge resources, processes and control strategies are more convenient to SMEs for implementation.*

### INTRODUCTION

The objective of the SME is to harness private interests to serve the public interest. Accruing fair returns to shareholders is another objective. Therefore to do business wherein the business environment in the globe is consistently changing with pace has evolved challenge. More and more businesses are, as a result, going global, to tune up with the shifting environment, as such; incredible movement, throughout the globe, en route to small and medium enterprises is mostly captivating owing to intrinsic benefits to their investors. Industries have been exerting to devise methods to face the challenges in their businesses that crept in due to globalization. Knowledge about resources, processes and the benefits that are derived has led to change in the philosophy of entrepreneurs that is noticed owing to the changes they observe in the business environment. People are the real strength of the nation whilst entrepreneurs the actual wealth. Maintaining sound economy and making it enhance is the proficiency of the government. The administration has strongly been spreading privatization for national economy to spin through private entrepreneurship. Consequently entrepreneurs are the big drivers of economic growth,

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innovation, regional development and job creation. A strong and vibrant SME sector provides a sturdy foundation to increase wealth, standards of living and reduce poverty. Making right choice for business is elegance, whilst leading the enterprise to sustenance, growth and global recognition is talent. Diverse approaches are discussed by researchers, yet glocal approach adopted and emerged to reach global level brings magnificent makeover of the local industry to gratify the requirements of universal customers. Analysis of the philosophy and personality is accountable for the revolution in the industrial world. Data shows utilization of local skills with cost competitiveness has successfully clicked to materialize glocal instrument. Law of continuous improvement (Masaaki, 1986) has brought in global revolution in manufacturing as well as in Information Technology such that the business environment became so competitive that is posing great challenge as SMEs need to tune up with this environment. Some of the changes that SMEs are focusing on include acquiring quality certifications, creating e-business models and diversification to meet the increasing competition.

Knowledge about local products sold on global map where there is a demand has shown the way to SMEs. In that context, Glocalization embraces both universal and local values, and places them in a familiar context. The term is useful because the struggle between globalization and local cultures cannot be ignored. It is indispensable to find new ways to bring global knowledge to indigenous groups. The business environment in the globe is consistently changing due to knowledge exchange. Industries have always wanted to devise methods to sustain in this shifting environment. Industry is one such business that has enormously spread all over the world whilst firms have been making an indelible impression on the global map because of their cost competitiveness and innovative technology to sustain the world competition.

Knowledge about the business in the globe has revealed significant innovative ideas to leap into. As a result, in the current economic landscape, it comes as no surprise that business owners choose to adapt and change (Kazmi, 2010) the focus on their business policy. The starting point is to realize and accept that the business environment has transformed and looks very different than a year ago. The industries are framing new business policies. In the past decade, the SME industries have emerged as one of the strongest enterprise all over the globe, surpassing some of the business conglomerates in terms of entrepreneurship and revenues. Industry engages material, financial, human, equipment and tools as resources for its business while knowledge resources have the ability to provide knowledge on various issues of doing business. By setting knowledge resources and processes SMEs are able to derive knowledge from various resources to reach the countries in the globe for their business. In that context, Globalization has been importantly used (Tuomioja E., 2001) as a force that touches all businesses even those that once seemed too specific, local or small to worry about. As a result entrepreneurs have to keep abreast of new technologies and novel business processes. Industrialists essentially need to develop knowledge management skills to develop new business models, products or services to ensure growth and lead market. Consequently, success, effectiveness and growth of the enterprise depend upon the of the entrepreneurs' multidimensional attitudes on knowledge management, qualities and values which develop their foresight. Making right choice for business is elegance, whilst leading the enterprise to sustenance, growth and global recognition is talent. The effort of SMEs in general is astounding and knowledge management in particular worthy to emulate. Therefore the SME firm which fruitfully formulated business and knowledge management policies to expand his business globally, utilizing skills of the local populace needs to be studied.

In order for the knowledge management taking its shape a glocal approach is supposed to be understood to present global knowledge within a local context. It is basically, the concept of 'Think global, act

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