



## **Chapter V**

# **E-Business Knowledge**

## **Introduction**

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This chapter documents some of the links between e-business and knowledge management systems that might be explored in future empirical research. The research propositions in this chapter illustrate the need for a contingent approach to knowledge management systems that are to support e-business. Knowledge management systems successfully supporting and improving e-business performance have to satisfy several requirements. First, they have to support the chosen e-business model(s). Second, they have to cause improvements through redesign of e-business processes. Furthermore, in terms of codification strategy, more advanced stages of knowledge management technology will be more powerful and successful. These are some of the research propositions presented in this chapter, which represents a rich knowledge base for future empirical studies.

The main objective of a knowledge management system (KMS) is to support the creation, transfer and application of knowledge in organizations (Feng, et al., 2005). Electronic business (e-business) is marketing, buying, selling, delivering, servicing and paying for products, services and information across networks linking an enterprise and its prospects, customers, agents, suppliers, competitors, allies and complementors (Weill & Vitale, 2002).

Several researchers emphasize the important role of knowledge management systems in e-business (e.g., El Sawy, 2001; Fahey, et al., 2001; Holsapple & Singh, 2000; Malhotra, 2000, 2002; Plessis & Boon, 2004; Singh, et al., 2004; Tsai, et al., 2005). Garud and Kumaraswamy (2005) argue that knowledge has emerged as a strategi-

cally significant resource for the firm. Accordingly, knowledge creation and transfer become key factors to gain and sustain a competitive advantage (Sambamurthy & Subramani, 2005). E-business processes can create additional customer value through knowledge creation with customers (Kodama, 2005).

Plessis and Boon (2004) argue that the knowledge management value proposition with reference to e-business is not very different from the generic value proposition of knowledge management. There are, however, subtle differences in focus and areas of importance, for example, the scale of knowledge sharing over geographical, divisional and organizational boundaries, consolidation of knowledge to provide one view of organizational knowledge and the role of technology in providing platforms for sharing knowledge internal and external to the organization.

We are in an era of knowledge economy and knowledge-based competition. In this era, an organization must be able to secure various types of knowledge assets and maximize their strategic value. To do so, many organizations have begun to reexamine and rearrange their business strategies, process, information technologies and organizational structures from a knowledge perspective. This task has been complicated in the Internet-enabled business environment. With the advances of Internet-related technologies, the intricacy of the worldwide economy is fast changing. Lower cost, customized product / service and quick response have become the critical success factors for most businesses. More and more competing firms are adopting collaborative work and knowledge management to create and maintain these critical success factors. Collaborative works within an organization and between organizations can not only share the work based on each member's expertise, but also achieve a seamless information flow among the collaborative team members. Such sharing of knowledge has proven to improve productivity and decision quality of the participating organizations. In order to have effective collaborative work in electronic business, the management of knowledge is essential and critical (Li & Lai, 2005).

The purpose of this chapter is to discuss how knowledge management systems (KMS) can support and improve electronic business (e-business). Based on a review of the research literature, research propositions are developed in this chapter. Each proposition is concerned with relationships between knowledge management and e-business. Perspectives from the research literature applied in this chapter include: drivers for digital transformation, evolving the e-business, e-business models, e-business process redesign, value configurations, knowledge transfer, knowledge management technology stages and intangible assets.

This chapter makes an important contribution to the field, as there has been a missing link between know-what and know-how concerning cause and effect relationships between knowledge management systems and e-business. Know-what has stressed the importance of knowledge in e-business. This chapter makes a much-needed

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