

# Competition-oriented Knowledge Management for SME

**Helmut Wölting, University of Bremen<sup>1</sup>, Bremen**  
**Jörg Freiling, University of Bremen<sup>2</sup>, Bremen**

Medium-sized enterprises active in business-to-business settings, often focus too little attention not only on their customers, but on their competitors and on the competitive environment even less. Therefore a number of problems arise:

- decisions are made without taking competitors and the competitive environment into account.
- heed is given only reactively, after actions of competitors already occurred.
- potential competitors and possible changes in the competitive environment are completely ignored.
- assessments of competitors are chiefly a collection of data and information, but are not converted into workable knowledge.
- if an analysis is undertaken it is not integrated into strategy formulation
- important information concerning partnering in the present and in the future is lacking

As a cause for these shortcomings two main points can be identified:

- internal: the almost traditional bottleneck of medium-sized enterprises; although flexible they are generally short on manpower and therefore lack the capacity to think beyond the day-to-day business. Due to difficulties to identify the immediate benefits and direct value, scanning the strategic environment does not take place in an adequate manner. Moreover, knowledge about competitors and the competitive environment is often restricted to individuals and not transformed to an organizational level.
- external: through the process of globalization and technological convergence formerly steady markets get exposed to new levels of dynamic competition.

Usually medium-sized enterprises do not possess the financial strength or mass efficiencies to avert disadvantageous market trends through their tangible assets. Hence, it is a crucial element for their survival not only to be flexible in the present, but to anticipate the future. Drawing on the theoretical foundations of Resource- and Competence- based View, where – next to traditional tangible resources – the intangible assets, especially the commodity “information”, and the capability and competency of its processing, become an ever more crucial element of generating competitive advantage.

As an answer a conceptual framework for the organizational integration of competition-oriented knowledge management into medium-sized businesses should be developed.

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<sup>1</sup> Helmut Wölting, Assistant at the University of Bremen, Faculty of Business Studies & Economics, Chair of Management of SME in International Business, Hochschulring 4, D-28359 Bremen, Phone: ++49 0421 218 8205, Fax: ++49 218 8203, e-mail: woelting@uni-bremen.de.

<sup>2</sup> Prof. Dr. Jörg Freiling, University of Bremen, Faculty of Business Studies & Economics, Chair of Management of SME in International Business, Hochschulring 4, D-28359 Bremen, Phone: ++49 0421 218 9645, Fax: ++49 218 8203, e-mail: freiling@uni-bremen.de.