

KNOWLEDGE SHARING IN THE SALES ORGANIZATION

Case: Vital Berry Marketing S.A.

Karoliina Korpela

Bachelor's Thesis
January 2011

Degree Programme in International Business
Business and Services Management



JYVÄSKYLÄN AMMATTIKORKEAKOULU
JAMK UNIVERSITY OF APPLIED SCIENCES



Author(s) KORPELA, Karoliina	Type of publication Bachelor's Thesis	Date 03012011
	Pages 49	Language English
	Confidential <input type="checkbox"/> Until	Permission for web publication <input checked="" type="checkbox"/>
Title KNOWLEDGE SHARING IN THE SALES ORGANIZATION CASE: Vital Berry Marketing S.A.		
Degree Programme Degree Programme in International Business		
Tutor(s) SAUKKONEN, Juha		
Assigned by Vital Berry Marketing S.A.		
Abstract <p>The objective of this study was to find out weaknesses and strengths in the knowledge sharing between sales people at a fresh produce exporter Vital Berry Marketing S.A. (VBM).</p> <p>The research method is qualitative and the approach is a case study. The theoretical part of the research covers theories on knowledge, knowledge management and knowledge conversion. The empirical part includes results of the semi-structured telephone interviews conducted with the sales people of VBM during the autumn 2010. The purpose of the interviews was to find out the experiences related to knowledge sharing between the sales people in the organization.</p> <p>The results of the interviews demonstrated that the communication and the knowledge sharing have improved in the organization tremendously in short time, but there are still some weaknesses related to the explicit knowledge shared between sales people from different countries.</p> <p>The main conclusions of the research are that weaknesses in the knowledge sharing affect negatively on decision making and take time away from other important sales functions. In addition, the best practices related to knowledge sharing found can be applied more extensively in the organization to improve the knowledge flow even further.</p>		
Keywords Knowledge management, knowledge sharing, knowledge spreading, knowledge flow, information flow, sales organization, sales department		
Miscellaneous		



Tekijä(t) KORPELA, Karoliina	Julkaisun laji Opinnäytetyö	Päivämäärä 03.01.2011
	Sivumäärä 49	Julkaisun kieli Englanti
	Luottamuksellisuus () saakka	Verkojulkaisulupa myönnetty (X)
Työn nimi TIETÄMYKSEN JAKAMINEN MYYNTIORGANISAATIOSSA CASE: Vital Berry Marketing S.A.		
Koulutusohjelma Degree Programme in International Business		
Työn ohjaaja(t) SAUKKONEN, Juha		
Toimeksiantaja(t) Vital Berry Marketing S.A.		
Tiivistelmä <p>Tämän tutkimuksen tarkoituksena oli selvittää tiedon ja tietämyksen jakamisen heikkoudet ja vahvuudet Vital Berry Marketing- organisaation myyjien välillä.</p> <p>Tutkimusote on kvalitatiivinen ja tutkimusmenetelmä tapaustutkimus. Tutkimuksen teoreettinen osuus koostuu katsauksesta tiedon ja tietämyksen teoriaan, tietämyksenhallintaan sekä tiedon muuntamiseen. Tutkimuksen empiirinen aineisto kerättiin puolistrukturoitujen puhelinhaastattelujen avulla. Tutkimuksessa haastateltiin toimeksiantajayrityksen myyjiä syksyn 2010 aikana. Haastattelujen tarkoituksena oli saada tietoa myyjien välisestä tiedon- ja tietämyksenjakamisesta heidän omien kokemustensa kautta.</p> <p>Tutkimustulosten mukaan tietämyksen jakaminen yrityksessä ja myyjien kesken on huomattavasti parantunut viime vuosina; kuitenkin parannettavaa löytyi. Suurimmat ongelmat tiedonkulussa olivat tiedon ja tietämyksen jakaminen myyjien kesken kansainvälisesti.</p> <p>Johtopäätöksenä todettakoon, että heikkoudet tietämyksen jakamisessa vaikuttavat negatiivisesti myyjien päätöksentekoon ja vievät aikaa muilta myyntitehtäviltä. Tietämyksen jakamista myyjien välillä voidaan kehittää hyödyntämällä yrityksen vahvuuksia tietämyksen jakamisessa laajemmin.</p>		
Avainsanat (asiasanat) Tietämyksen hallinta, tietämyksen jakaminen, tietämyksen kulku, tiedonkulku, myyntiorganisaatio		
Muut tiedot		

CONTENTS

1	INTRODUCTION.....	3
1.1	Knowledge as a source of competitive advantage.....	3
1.2	Objective of the research.....	4
1.3	Vital Berry Marketing S.A.	5
1.4	Research methods.....	8
1.5	Research approach.....	9
2	KNOWLEDGE.....	11
2.1	Data, information, knowledge.....	11
2.2	Knowledge in the economy and organizations.....	12
2.3	Knowledge management.....	13
2.4	Knowledge conversion and creation.....	16
2.4.1	<i>Ba</i> and the knowledge conversion process.....	18
2.4.2	Knowledge networks and the knowledge conversion process.....	20
3	IMPLEMENTATION.....	24
3.1	Data collection.....	24
3.1.1	Secondary data.....	24
3.1.2	Primary data.....	25
3.2	Collecting primary data for a case study with interviews.....	26
3.2.1	Types of interviews.....	26
3.2.2	The planning and structure of the interviews.....	27
3.3	Analysing the data from interviews and writing the report.....	29
3.4	Ethics in research.....	31

4	RESULTS	33
4.1	Basic information on interviews and interviewees	33
4.2	Tacit and explicit knowledge shared by the sales people.....	33
4.3	General experience on knowledge sharing.....	34
4.4	Receiving information from other departments	34
4.5	Knowledge sharing between sales people in the same sales department...	35
4.6	Knowledge sharing between Chile and related companies.....	37
4.6.1	Knowledge sharing between Chile and Europe.....	37
4.6.2	Knowledge sharing between Chile and the United States.....	39
5	DISCUSSION	41
5.1	Conclusions.....	41
5.2	Suggestions.....	43
5.3	Research limitations and ideas for further studies.....	44
	REFERENCES	46
	APPENDICES	49
	Appendix 1. Interview questions	49
	FIGURES	
	FIGURE 1. VBM blueberry production compared to world production	6
	FIGURE 2. VBM's blueberry exports from Chile in the season 2007-2008 by markets .	8
	FIGURE 3. Four modes of knowledge conversion.....	18
	FIGURE 4. The characteristics of different types of <i>ba</i>	20

1 INTRODUCTION

1.1 Knowledge as a source of competitive advantage

The importance of knowledge as a source of competitive advantage has been recognized since the change from industrial society to the information society of today. The success of a company does not derive anymore from the tangible assets such as land, capital and labour but instead from the knowledge the company possesses. In the 'knowledge-based society' where markets, products, technology and competition change rapidly, the companies that continuously innovate and have the knowledge that enables such innovation are the ones with sustainable competitive advantage. A company's ability to create and utilize knowledge determines its success compared to other companies. (Florida 2001, 10; Konno, Nonaka, Toyama 2001a, 13.)

After the recognition of knowledge as source of competitive advantage, knowledge management has become a popular issue. Several books about the importance of sharing existing knowledge and creating new knowledge have been published. Importance is especially placed in the undocumented tacit knowledge in the heads of the labour force as well as effective information technology (IT) which facilitates knowledge sharing. The main benefit that derives from different knowledge management practices is in saving time.

Having the right information available at the right time to the right people is especially important in a company's sales department. Sales people are the knowledge workers of the company absorbing and applying continuously changing information about customers, markets and competition from different sources. With the increased competition on customer's money, those sales people with the knowledge on products, markets, sales strategies or customer needs maintain credibility and close the sale. (Binder 1998.)

The idea to study knowledge sharing between sales people at Vital Berry Marketing (VBM) occurred to the author after interning in the company's sales office in Chile for

three months in 2009. The internship gave the author the opportunity to observe the work of the sales people from close proximity. The work of the VBM sales people is very hectic especially during the season with a lot of information coming to them and requested from them. Because of the abundance of information coming by e-mail, telephone or face-to-face conversations, sometimes important details were lost or the required information was difficult and time consuming to find. This gave the author an idea for the study and the final topic and research problem for the thesis was worked out together with the lecturer Juha Saukkonen. The research idea was presented to the case company who accepted it as no similar study had been conducted for the company before.

1.2 Objective of the research

The objective of the research is to study the knowledge sharing between the sales people at VBM. The research questions are:

- What are the weaknesses in knowledge sharing at VBM?
- What are the best practices at VBM related to knowledge sharing?
- How could the knowledge sharing at VBM be improved?

The objective is to recognize the best practices which would be valuable to share with others in the company. What is more, based on the possible weaknesses found, tools and practices to improve the knowledge sharing will be suggested. The purpose of the suggestions made is to further improve the knowledge sharing between sales people. Since one of the benefits of efficient knowledge sharing is in saving time, improvements in it would also improve the work efficiency of sales people as more time is left on other tasks. More efficient sales force is also likely to increase the competence of the whole company.

1.3 Vital Berry Marketing S.A.

Vital Berry Marketing S.A. (VBM) is a Chilean exporter of fresh and frozen fruits established in 1989 by six raspberry growers from south of Chile. The original goal of the company was to grow, pack and ship the best quality raspberries while providing the best service to all their customers.

The company quickly gained good reputation with its quality products. In two decades it has become one of the biggest berry exporters in Chile with operations all over the world. During these years the product range has widened and blueberry has replaced raspberry as the most important export product. In addition to blueberries and raspberries, the company now also exports blackberries and red currants. Other products include for example pomegranates, cherimoyas, avocados, cherries as well as peony flowers. VBM also exports frozen berries such as blueberries, raspberries, strawberries and blackberries.

The company's mission is to be the highest quality and most reliable berry and exotic fruit supplier, offering products to its customers year-round. VBM is committed to quality so all its growers have high standards and compliance with Food Safety Programs and Practices which promote safe cultivation. All products sold under VBM label are produced on farms which are GAP, Prosafe, Eurep Gap and Tesco's Nature's Choice certified. These are certifications which guarantee healthy products to the customers also with the consideration of the environment and fair employment conditions. Large part of the company's exports is produced by its own shareholders.

VBM focuses on two areas: the production of berries and other fruits in Chile, Argentina, Uruguay, Mexico and Romania and bringing markets closer to their clients with production and marketing operations in Argentina, Mexico, USA, Uruguay, Germany, Netherlands and Romania. Having production operations in both the hemispheres and strategic alliances in United States as well as Europe guarantees a year-round supply of berries and better customer service closer to the clients.

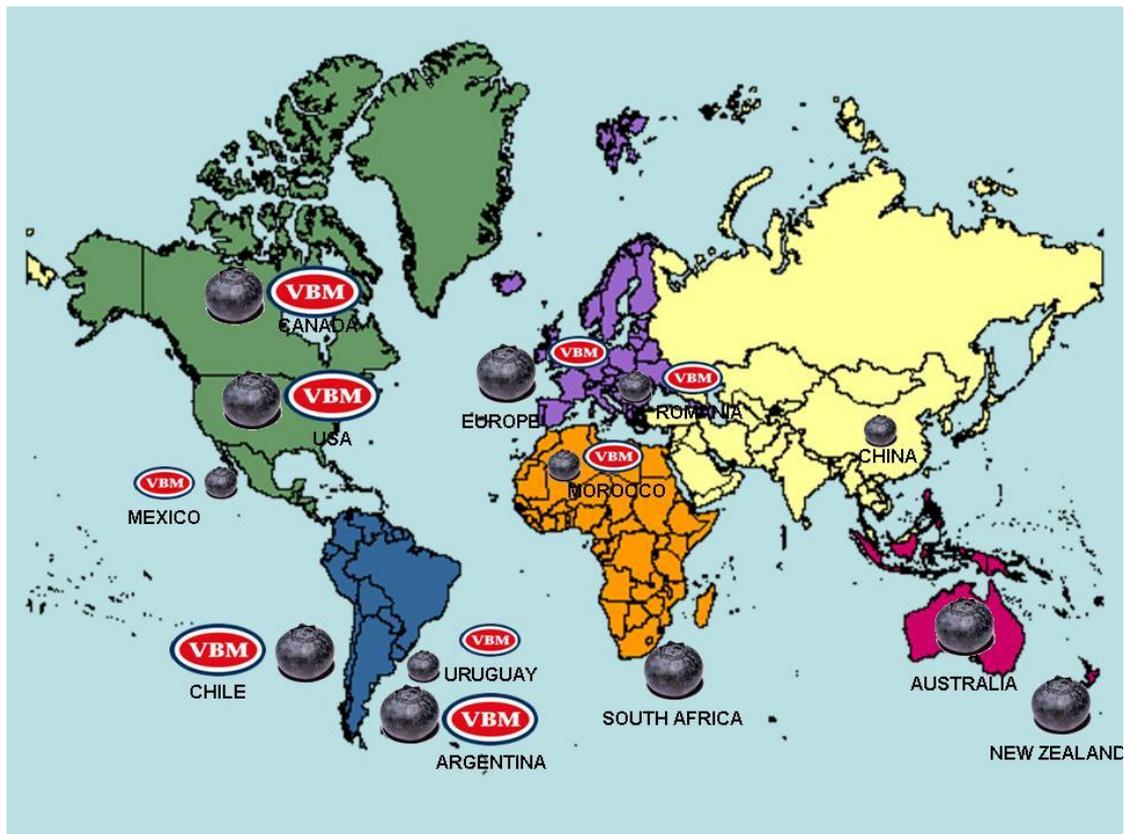


FIGURE 1. VBM blueberry production compared to world production. Source: VBM.

VBM started its expansion from Chile in 1999 when it partnered with the Argentinean Tecnoplant S.A. and Etampo S.A. in order to establish an exporting company Tecnovital in Argentina. Operating with the same quality standards as VBM in Chile, Tecnovital is now the largest exporter of fresh and frozen blueberries from Argentina, with a 20 % share of all Argentinean fresh blueberry exports and 70 % of all frozen blueberry exports in the season 2007-2008. Since 2005, Tecnovital has also had production operations in Uruguay, where it was a market leader in blueberry exports with almost a 30 % market share in the season 2007-2008. Now Tecnovital employs 20 people and exports to almost 30 clients in the United States, Europe and Asia.

In 2003 VBM started growing and exporting raspberries and blackberries from Mexico under the name VBM Giumarra S. de R. L. de C. V, which is a joint venture with Giumarra Companies from the United States. In 2004 Giumarra/VBM International Berry LLC was established in the United States after a joint venture between The

Giumarra Companies and VBM. With an extensive grower network in North, Central and South America, the company sources and markets fresh berries year-round to the US market.

In Europe VBM has a sister company in the Netherlands, VitalBerry BV, founded in 2007 together with Europe's leading berry companies: Beekers Berries from the Netherlands and BerryWorld from United Kingdom. The company produces and markets berries to European locations year round. The customers are wholesalers and retailers in Spain, Italy, Germany and United Kingdom. In 2006 VBM established a branch in Romania together with the German Herbert Widmann GMBH and Romanian company Almorom with the purpose of producing the best quality cultivated blueberries. Since 2008, VBM has also had sales operations in Germany under the name VBM GMBH, joint venture with German Fruchthansa and BerryWorld. What is more, one of the future projects include the establishment of production and exporting operations in Morocco. VBM is an important actor in the European market since in the season 2009-2010 40 % of all Chilean blueberry exports to European Union were from VBM growers.

In the season 2008-2009 VBM exported 15 % of all the fresh blueberry exports from Chile making it the second biggest blueberry exporter of the country. The company's main export markets are United States with a 50 % and United Kingdom with a 36 % share of all the exports from Chile in the season 2007-2008. The rest of the products were exported to elsewhere in Europe, Canada and Asia.

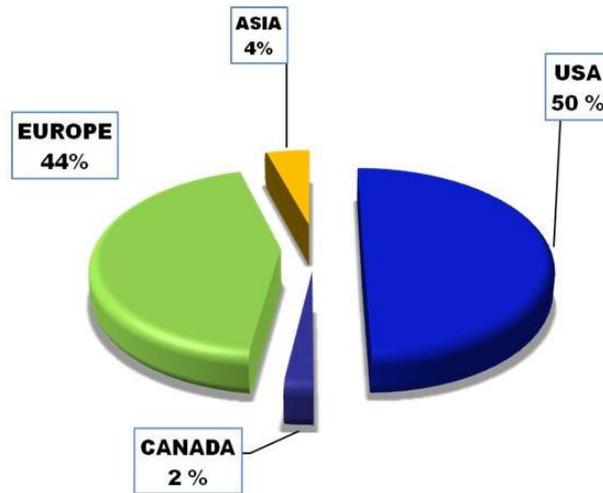


FIGURE 2. VBM's blueberry exports from Chile in the season 2007-2008 by markets.

Source: VBM

The company headquarters is in Santiago de Chile, where it employs around 70 people in administration, sales and finances. The company distributes its fresh products either directly to the supermarkets, to its related companies or to importers. Frozen products are distributed to importers, brokers, processors or directly to retailers. In the season 2007-2008 70 % of the company's turnover came from operations in Chile (VBM) and United States (Giumarra VBM International Berry LLC).

1.4 Research methods

A research method means the systematic, focused and orderly collection of data for the purpose of answering research questions. Whether quantitative or qualitative research method is used, depends on the research purpose. The main difference between qualitative and quantitative methods is in the procedure. In the latter, statistical methods and other procedures of quantification helps us to make findings about the subject. On the contrary, qualitative research methods are typically used when the research problem concerns the uncovering of person's experience or behavior or when we want to understand a phenomenon we know little about. (Ghauri & Grønhaug 2006, 85,87.)

According to Eriksson and Kovalainen, several qualitative approaches to research are concerned with interpretation and understanding, while several quantitative approaches deal with explanation, testing of hypotheses and statistical analysis. As for the collection and analysis of data, qualitative research is more context-sensitive aiming at a more holistic understanding of the subject whereas quantitative research is more prone to structured and standardized modes of data collection and analysis. (Eriksson & Kovalainen 2008,5.)

In qualitative research, a relatively small number of individuals or situations are studied, and the individuality of each is preserved in the analysis unlike in the quantitative research where large samples are collected. What is more, the qualitative research focuses on situations and people and emphasizes words, while quantitative research is more about the numbers. (Maxwell 1996, 17.)

The author's aim was to find out the experiences of sales people at VBM, that is, how they perceive the knowledge sharing in the organization. Considering this purpose and the emphasis on non-numeric data from small number of individuals, the qualitative research method is used. Qualitative methods are unable to deliver a solution to the research problem.

1.5 Research approach

The case study approach is preferred when the researcher wants to answer questions 'how' and 'why', has little control over events and focuses on a current phenomenon in a real-life context. According to Eriksson and Kovalainen, a case study involves a construction of "the case" or "cases" and research questions are formulated in relation of solving the case. The case is usually an economic actor, like employee or customer. In this study, the cases are the sales people of the case company. Usually case study approach is used when we want to study intensively a single organization and recognize factors involved in behavior of that organization or its smaller unit. Case study is also preferred in a situation where we hope to learn something new and important of an organization which has not been studied much before. (Ghauri & Grønhaug 2002, 172-173; Eriksson & Kovalainen 2008, 115.)

Case studies can either be single-case studies or multiple-case studies. According to Eriksson and Kovalainen, Yin (2002) argues that multiple-case studies should be preferred over single-case studies when there are resources available. Intensive single-case study research aims at understanding a unique case from the inside by providing an extensive description. Extensive multiple-case study, on the other hand, focuses on developing, elaborating or testing a theory by comparing a number of cases. The cases in an extensive case study research are similar enough to generate new theory or verify an existing one. Similar kind of empirical data is collected on each case so they are more easily compared. In an extensive case study, the researcher uses cases as instruments that allow the generation of knowledge beyond the cases themselves. Thus the main interest lies in explaining a phenomenon, not in the individual cases. (Eriksson & Kovalainen 2008, 118-119, 122-124.)

Considering that there has not been a similar study done for this particular company, case study approach is a suitable approach. This study is an extensive case study which investigates the knowledge sharing in the company. The cases are the sales people of VBM who are used as “instruments” in helping to generate knowledge on the investigated theme.

2 KNOWLEDGE

2.1 Data, information, knowledge

Knowledge is neither data nor information although these three concepts are being used interchangeably. Thus it is important to distinguish between them. Data can be symbols and signs, such as numbers or words, without a meaning itself. When data is given a context it becomes information (Brelade, Harman 2003, 6). According to Nonaka and Takeuchi (1995, 58) knowledge is created when information is anchored in the beliefs and commitment of its holder. For example, the data 14:30 does not mean anything unless it is given a context: the flight departure time from New York's JFK airport to London on a certain day. Knowing this information and based on previous experience and beliefs, one might have knowledge on when to arrive to airport to be on time for check-in and where to shop before leaving.

The definition of knowledge as "justified true belief" has dominated the traditional western philosophy. Nevertheless, this fails to address the subjectivity and humanistic dimensions of knowledge. Thus Nonaka and Takeuchi (1995, 58) rather define knowledge as "a dynamic human process of justifying personal belief toward the 'truth'". Rather than being something 'true', knowledge is someone's construction of reality (Ichijo, Nonaka & von Krogh 2000, 6). We receive information but likely all of us will interpret it in a different way, based on our beliefs and experiences, whether it is the absolute truth or not.

Knowledge can be further divided into explicit and tacit knowledge. In their work Nonaka and Takeuchi refer to Michael Polanyi's (1966) distinction between the two. Polanyi classifies explicit knowledge as "codified" language which is transmittable in formal, systematic language. Tacit knowledge instead is more personal, context-specific and thus hard to formalize and communicate to others. Considering the nature of tacit knowledge, there is a lot of information which cannot be expressed in words and numbers, meaning, as Polanyi puts it, "we can know more what we can tell". (Nonaka&Takeuchi 1995, 59-60.)

Whereas explicit knowledge can be expressed in language and shared in the forms of manuals or documents, tacit knowledge is subjective insights, hunches and intuitions which are deeply rooted in one's actions, ideals and emotions (Konno, Nonaka & Toyama 2001a, 15).

Even tacit knowledge can be divided into two elements, the cognitive and technical ones. Cognitive elements are the mental models such as perspectives, schemata or beliefs that help people to define the world. Technical elements include skills and technical know-how. (Nonaka & Konno 2006, 7.)

2.2 Knowledge in the economy and organizations

Many economic theories have long treated knowledge, either explicitly or implicitly, as an important factor of economic phenomena. Although already the neoclassical economists recognized the importance of knowledge in economic affairs, it was mostly concerned with the utilization of existing knowledge, represented by price information. It was assumed that every firm had access to the same fixed knowledge, instead of every company creating different knowledge of their own. This traditional view sees companies processing information from the external environment to adapt to new circumstances. Instead, Nonaka and Takeuchi argue that in order to solve existing problems and adapt to new circumstances, organizations create new knowledge from inside out, giving them a more active role in the knowledge creation. This view explains how companies really innovate. (Nonaka & Takeuchi 1995, 32-33, 56.)

Especially since the 1990's many authors have discussed the importance of knowledge as a source of sustainable competitive advantage. In a world where markets and technology, among other things, change rapidly, continuous innovation and the knowledge which enables innovation have become important sources of sustainable competitive advantage. Thus, the ability to create and utilize knowledge in an organization can significantly improve its success. (Konno, Nonaka & Toyama 2001a, 13.)

Especially tacit knowledge as a source of competitive advantage has been discussed by many authors. Nonaka and Takeuchi (1995, 56) see the mobilization and conversion of tacit knowledge as the key to new knowledge creation, thus innovation. According to Holden (2002, 74), Burton-Jones (1999) argues that only tacit knowledge, either alone or together with explicit knowledge, can give a company a sustainable competitive advantage. Holden (2002, 74) continues that tacit knowledge, once acquired, can be developed into company resource which is very difficult for competitors to copy.

The acknowledgement that “knowledge is power” has led to the rising importance of knowledge management in companies.

2.3 Knowledge management

According to Holden, Roberts (2002) states that knowledge management is “as vague as it is widespread” (Holden 2002, 72). That is, many companies might have knowledge management practices established but they are unique to them and can differ a lot from other companies and their practices. When studying knowledge management in organizations Brelade and Harman (2002, 5) also recognized that different companies have different definition on what knowledge management is.

As knowledge management means different things to different people, there is no universal definition for it. Nevertheless, there is no lack of intentions in trying to conceptualize knowledge management. Many of these definitions describe knowledge management as the strategies to create, share and apply knowledge in an organization. In her work on the subject, Chini introduces several definitions of knowledge management by different authors. According to Chini, Birkinshaw (2001) defines knowledge management as a set of techniques and practices that facilitate the flow of knowledge into and within the firm. Chini also quotes Davenport et al. (2001), who describe knowledge management as “the capacity to aggregate, analyze and use data to make informed decisions that lead to action and generate real business value.” (Chini 2005, 11.)

In his definition, Snowden (2002), considers knowledge management also in terms of tacit and explicit knowledge. He defines knowledge management as “the identification, optimization, and active management of intellectual assets, either in the form of explicit knowledge held in artefacts or as tacit knowledge possessed by individuals or communities.”

In practice, knowledge management is usually linked with information technology (IT) and processes which try efficiently store existing, explicit knowledge so it is easily found later when needed. Other approach to knowledge management encourages new knowledge creation. When studying knowledge management in different organizations, Brelade and Harman recognized these two approaches and concluded that knowledge management is not just about IT but has as much to do with the culture and behaviour in an organization. The emphasis on existing knowledge was more characteristic for organizations with a lot of intellectual capital and emphasis on new knowledge creation more seen in organizations concerned with new product development. (Brelade&Harman 2002, 7.)

Many organizations studied by Brelade and Harman concentrated either on existing knowledge with IT focus or on new knowledge with culture focus. Nevertheless, recently many authors have recognized that the combination of the technological systems and aligned structures of human communication is the most optimal approach for efficient knowledge management. For example, according to Collison and Parcell, knowledge management extends to the fields of organizational learning and development, human resources and IT. Successful knowledge management thus requires participation of all these three fields which means having a common and reliable technology to facilitate sharing of knowledge, connecting the people who know and encouraging behaviours to ask, listen and share, and having processes that facilitate sharing in an organization. (Chini 2005, 10; Collison & Parcell 2001, 20-21.)

Despite the recognized importance of knowledge creation, in many companies knowledge management has traditionally been limited to building effective IT systems which try to manage the existing explicit knowledge. Thus, knowledge management in these companies is more “information management”, which fails to

manage the process of creating new knowledge (Konno, Nonaka & Toyama 2001a, 13). According to Konno, Nonaka and Toyama (2001b, 13) as well as Back, Seufert, and von Krogh (2006, 1) knowledge management should concentrate more on managing the new knowledge creation instead of administrating the existing knowledge.

The term “knowledge management” has been widely used for years but the term itself is not without problems. According to Dixon the whole term “knowledge management” has unwanted implications. The word “management” refers to something that the Management is responsible for, although what is wanted is that everyone in the organization participates in the generation and exchanging of knowledge. (Dixon 2000, 10.)

Also Ichijo, Nonaka and von Krogh see the concept of knowledge management itself as limited. They argue that the term “management” refers to the control of processes which may inherently be uncontrollable (Ichijo, Nonaka & von Krogh 2000, 4). Knowledge is intangible and thus harder to manage compared to other, tangible resources. Ichijo, Nonaka and von Krogh (2000, 4) continue that instead of controlling knowledge, management should support knowledge creation and for describing this activity they use the term “knowledge enabling” instead of “knowledge management”.

Based on the definitions, it is possible to conclude that IT is an essential part of knowledge management but mainly when transferring explicit knowledge. Explicit knowledge can be expressed and transmitted using systematic language, and with the help of IT solutions it can be transmitted faster and to more people, making knowledge management practices more efficient. Nevertheless, handling tacit knowledge with IT systems is more problematic because it is hard to capture and codify (Holden 2002, 76). Considering the importance of tacit knowledge for organizations as a source of competitive advantage and the difficulty in handling it with IT systems, it is obvious that effective knowledge management needs more than just effective IT systems. To conclude, knowledge management in case of tacit knowledge has more to do with direct, face-to-face interaction between people instead of IT.

The transfer of explicit and tacit knowledge and their interaction is further discussed in the next chapter.

2.4 Knowledge conversion and creation

When studying the creation of knowledge in companies in the 1990's Japanese businessmen Ikujiro Nonaka and Hirotaka Takeuchi established the concept of 'knowledge conversion'. While westerners tend to stress explicit knowledge and Japanese the tacit, Nonaka and Takeuchi saw these two mutually complementary entities. Explicit knowledge and tacit knowledge interact with each other and interchange to each other in creative human activities. Their model of knowledge creation assumes that knowledge is created and expanded through social interaction between tacit and explicit knowledge. The process of knowledge creation happens between individuals whether than within an individual. In their study they created four modes of knowledge conversion which are socialization, externalization, combination and internalization. (Nonaka & Takeuchi 1995, 61-62.)

From tacit knowledge to tacit knowledge – Socialization

As tacit knowledge is expressed in actions and intuitions of its holder, its transfer to others is gained through experience. Thus socialization is the process of sharing experiences, mental models and technical expertise. Because tacit knowledge is difficult to formalize, its socialization can happen without language, through observation and imitation. Example of socialization in the business setting can be for example on-the-job training or when apprentices work closely with their masters and learn by observing. The key to acquire tacit knowledge through socialization is the shared experience, without it it is difficult to pass on tacit knowledge. (Nonaka & Takeuchi 1995, 63.)

From tacit knowledge to explicit knowledge – Externalization

In externalization tacit knowledge is converted into explicit knowledge with the help of metaphors, analogies, concepts, hypotheses and models. Making tacit knowledge explicit through externalization makes it possible to share with others. According Nonaka and Takeuchi, Nisbet (1969) has concluded that much of what Polanyi char-

acterized as tacit knowledge, is possible to express using metaphors. Using a metaphor helps one to understand tacit knowledge in terms and characteristics of something else. (op.cit.p 64-67.)

From explicit knowledge to explicit knowledge – Combination

Combination happens when individuals share and combine explicit knowledge with the help of, for example, meetings and documents. This happens in three stages: first explicit knowledge is collected inside and outside the organization and then combined, after which the new knowledge is distributed to organizational members in meetings and documents and, finally, edited to become more usable for the organization. When explicit knowledge is shared and combined it becomes more complex. The adding, sorting, categorizing and combining of existing knowledge can create new knowledge. In this mode of knowledge conversion communication, diffusion and systemization of knowledge is important. (op.cit. p 67-68.)

From explicit knowledge to tacit knowledge – Internalization

Internalization is closely related to “learning by doing” when explicit knowledge is embodied into tacit knowledge. Individual’s experience on socialization, externalization and combination creates new valuable tacit knowledge. (op.cit.p. 69.)

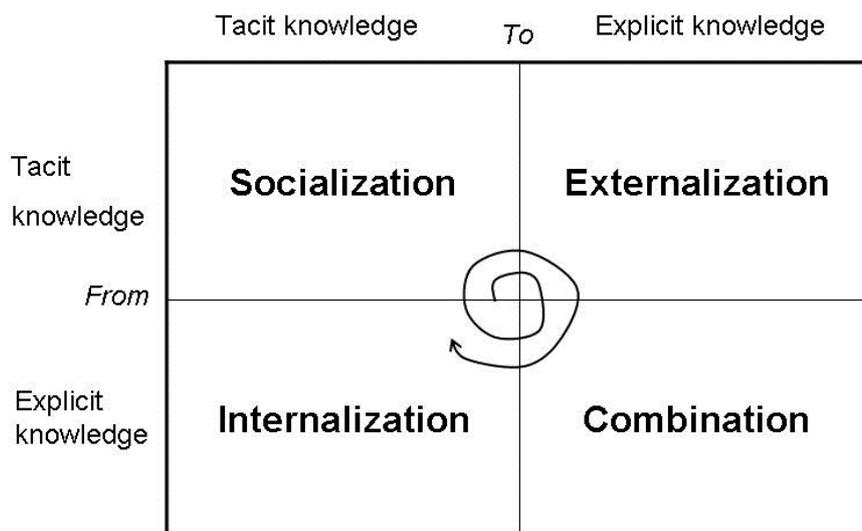


FIGURE 3. Four modes of knowledge conversion. Adapted from Nonaka and Takeuchi (1995, 62)

Knowledge creation is a continuous process in the organization and it happens when different modes of knowledge conversion interact with each other in different stages of the knowledge creation spiral. With close interaction of tacit and explicit knowledge innovation emerges increasing the competence of the company. For example, sales people might have tacit knowledge on the customer needs which through knowledge conversion process can become explicit knowledge and expressible to the product development team. Based on the articulated customer needs, the product development team creates a new product. Through learning-by-doing process sales people apply this new explicit knowledge about the product in their work which can in turn convert into new tacit knowledge in their sales practices. (Nonaka, Konno & Toyama 2006, 17.)

Through the four modes of knowledge conversion, knowledge is also amplified to other levels of the organization. This process, that is, the interaction between tacit and explicit knowledge becoming larger in scale and moving to other levels of the organization, is called the knowledge spiral. Interaction between tacit and explicit knowledge is not limited to the individual level, but it extends also to group, organizational and inter-organizational levels. (Nonaka, Konno & Toyama 2001b, 17.)

2.4.1 *Ba* and the knowledge conversion process

To facilitate the knowledge creation process and the interaction between tacit and explicit knowledge, a company's knowledge management practices should concentrate on providing a platform for knowledge creation, sharing and exploitation in all the four stages of knowledge conversion. This platform is called *ba*, which is Japanese and roughly translated as the 'place'. Nonaka and Konno define *ba* as the space for emerging relationships and it can either be physical (e.g. office), virtual (e.g. e-mail), mental (e.g. shared experiences) or any combination of them. In addition to shared, specific space, *ba* is also a shared, specific time. (Nonaka & Konno 2006, 5; Nonaka, Konno & Toyama 2001b, 19.)

As mentioned earlier, an individual does not independently create knowledge but instead this happens through interaction with other individuals and with the environment. Knowledge of an individual needs to be shared, recreated and amplified to others through interactions in order for knowledge to be created organizationally. *Ba* is the space where these interactions happen. Thus the knowledge creation process also means the process of creating *ba*. (Nonaka, Konno & Toyama 2001b, 19.)

According to Nonaka and Konno, knowledge is embedded in *ba*, where it is then acquired by an individual either through his or her own experience or by reflecting on the experiences of others. Knowledge resides in *ba*, and thus when separated from it, it becomes information which can then be communicated independently from *ba*, for example through media or networks. For an individual to participate in *ba*, means that he or she gets involved and surpasses his or her own limited perspective or boundary. (Nonaka&Konno 2006, 5-6.)

There are four types of *ba*, each of which supports each of the four knowledge conversion modes. The first one is *the originating ba* from where the knowledge creation begins. This *ba* supports the socialization mode of knowledge conversion being a world where individuals share feelings, emotions and experiences, that is, tacit knowledge. In originating *ba* individual removes the barrier between self and others by sympathizing and empathizing with others. To promote originating *ba* and thus socialization open organizational designs are important. (Nonaka&Konno 2006, 10-11.)

The second one is *the dialoguing ba* where tacit knowledge is made explicit, thus it is associated with the externalization mode of knowledge conversion. Compared to originating *ba*, dialoguing *ba* is more consciously constructed. In this *ba*, the people with the right mix of knowledge are brought together by creating a team, for instance. Through dialogue mental models and skills are exchanged and then converted to common terms and concepts, that is, to external knowledge. Dialogue and the skills for extensive use of metaphors are important. (Nonaka&Konno 2006, 11.)

The third one, *the systemizing ba* is associated with the combination mode of knowledge conversion. In this *ba*, the interaction takes place in the virtual world instead of sharing the same space and time in reality. Here new explicit knowledge is combined to the existing information and concepts are justified throughout the organization. To promote this type of interaction, the collaborative environment that utilizes information technology is relevant. In practice this means on-line networks such as internet and intranet, document tools and databases. (Nonaka&Konno 2006, 12.)

The fourth one, *the exercising ba* supports the internalization mode of knowledge conversion. This interaction happens in shared time and space where explicit knowledge is applied to real-life applications. In this *ba* learning by continuous self-refinement through on-the-job training is essential. (Nonaka&Konno 2006, 12.)

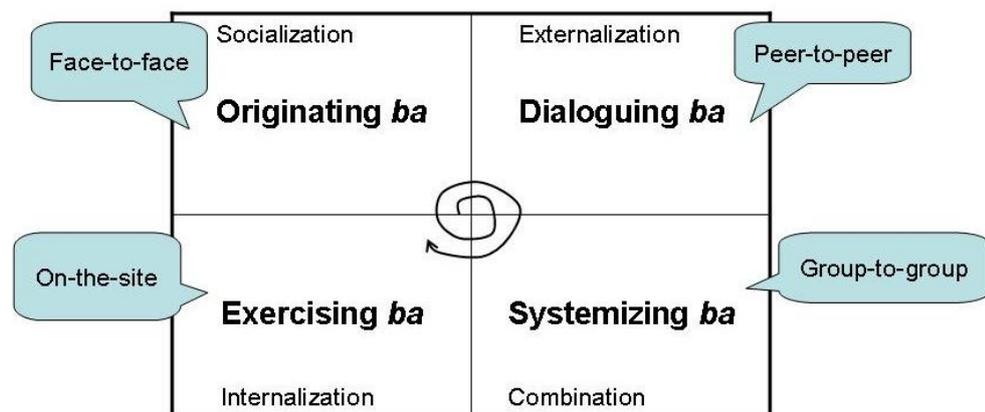


FIGURE 4. The characteristics of different types of *ba*. Adapted from Konno, Nonaka and Toyama (2001a, 25); Konno, Nonaka (2006, 11)

2.4.2 Knowledge networks and the knowledge conversion process

Knowledge as a source of competitive advantage and its abundance has led to an increase in the amount of organizational networks. These networks have been considered important in processing and creating knowledge (Seufert, Back & von Grogh 2006, 74). In their study on knowledge networks Seufert, Back and von Grogh further

developed Nonaka's and Takeuchi's knowledge conversion model by proposing blueprints for knowledge networks to support each of the four modes of knowledge conversion.

With knowledge networking Seufert, Back and von Grogh mean the assembling of people, resources, relationships and communication technologies to accumulate, transfer and use knowledge with the purpose of creating value. With knowledge networking, companies can overcome barriers to knowledge transfer and creation. What is more, open knowledge network can offer a fertile environment for new knowledge creation and thus promote innovation. (Seufert, Back & von Grogh 2006, 79.)

Each of the network models address the four different knowledge conversion modes proposed by Nonaka and Takeuchi. Facilitating conditions and tools are proposed for every different network considering the nature of the knowledge-transformation processes of the four knowledge conversion types.

The first one is *the experiencing network* which supports the sharing of tacit knowledge in the socialization mode of knowledge conversion. The network size is small with great importance on personal relationships, face-to-face contact and trust among its members. Facilitating conditions for experiencing network are direct interaction by spending time together, shared trust and openness and common culture and language. Since communication is vital for this network type, different tools for improving communication are important. These tools can include e.g. knowledge forums, meetings and conversation and negotiation techniques. As personal relationships can to some extent be established and experiences shared in virtual environment, some ICT tools such as messaging programs and real-time conferencing systems can be helpful. (Seufert, Back & von Grogh 2006, 85-86.)

In *the materializing network*, the task is to transform tacit knowledge into explicit knowledge, like in the externalization mode of knowledge conversion. The goal is to motivate people with valuable tacit knowledge to make this knowledge available to others in explicit form through dialogue and discussion. To facilitate this, the culture

which values care, trust and openness is important. Other facilitating conditions are a high degree of communication and shared values. As in the creation of the appropriate *ba* for this type of knowledge sharing, it is essential that individuals with appropriate mix of knowledge are identified and brought together. Since the goal is to transform tacit knowledge into a comprehensible format, for example through visualization of ideas, sufficient time to structure the knowledge is needed. What is more, clear-cut network roles and responsibilities facilitate the process of conceptualizing tacit knowledge into explicit form. The creation of project teams, usage of metaphors in communication and prototypes are examples of tools used in creating a materializing network. ICT tools, such as visualization tools, are important in transforming tacit knowledge into expressible explicit knowledge. (Seufert, Back & von Grogh 2006, 89-90.)

The systemizing network supports the combination mode of the knowledge conversion where explicit knowledge is transformed into more refined explicit knowledge and distributed to the whole organization for example in the form of newsletters and training materials. Less importance is placed on common activities and geographical proximity. Many ICT tools, on the other hand, are widely used. Since explicit knowledge is easily transferred through ICT tools (e.g. online networks, intranets, databases) the network size can be very large. As a facilitating condition, no explicit knowledge is hidden in the organization and it should be easily accessible. Knowledge of the limitations and possibilities of the ICT tools is also essential. Clear-cut roles and responsibilities help in the processes of systematizing knowledge. These roles can include a 'knowledge gatherer' who looks for knowledge from the external environment and 'knowledge analyst' who interprets the needs of different clients. (op.cit.p. 93-94.)

The learning network is related to the internalization mode of knowledge conversion where explicit knowledge is transformed into tacit knowledge. The learning network supports the process of applying existing explicit knowledge and, as a result of learning-by-doing, new tacit knowledge is created. In different stages of the transformation process different characteristics of the network become important. For example, personal relationships and common activities become essential when

explicit knowledge is embodied into practice through training and mentoring. The facilitating conditions to support learning-by-doing and the experimenting of new explicit knowledge are culture which enables continuous learning and tolerance of failure. Visualization tools and audio and video streaming tools for learning purposes ensure that explicit knowledge is in a well-structured form and thus easy to read and understand. Organizational tools, such as mentoring, simulation and coaching, support the application of explicit knowledge to practice. (op.cit.p. 97-99.)

3 IMPLEMENTATION

3.1 Data collection

To answer the research questions or problems of the certain project the researcher has two types of sources of empirical data: primary and secondary. The former is the empirical data collected by the researcher herself by e.g. interviewing and observing. The latter is the empirical data that already exists in the form of textual (e.g. documents) or visual (e.g. movies) data. The type and source of empirical data used is based on the research project in question; its purpose, approach as well as research questions. (Eriksson & Kovalainen 2008, 77-78.)

3.1.1 Secondary data

Secondary data is the information already collected by other people. The purposes of the data collection can differ from our own but yet it can be relevant to our own research problem. Secondary data sources include e.g. internet sites, studies and reports of governments and institutions, academic journals and text books. Once the relevant sources have been found, the researcher needs to look for information on the specific research problem and decide whether the information available can be used in the study or not. The secondary data from these various sources can help the researcher to answer the research questions or solve some or all of the research problems. Using secondary data also helps to formulate the research problem, make more specific research questions, decide on the appropriate research method and provide benchmarking measures which can be used to compare to the information found later in the study. (Ghuri & Grønhaug 2002, 76-77.)

The advantage of using secondary data is in saving time and money when the researcher only has to locate and use the source instead of, for example, conducting a research herself. According to Ghauri and Grønhaug, secondary data can be used as a comparison instrument which helps the researcher to better understand the primary data collected. Often many research questions are best answered combining infor-

mation from the secondary and primary data sources. It is often recommended to start the research process with the secondary data sources since it can alone provide us answers to the research questions, thus making the time-consuming collection of primary data unnecessary. (Ghauri & Grønhaug 2002, 76-78.)

As for this research project, the author started the search of secondary data from publications and books related to the subject of knowledge management and knowledge in general. Given the popularity of the topic, several books about the topic have been written during the last two decades, so these sources were the most useful. As the knowledge sharing in this certain organization has not yet been studied, it was necessary to conduct a primary data collection to answer all the research questions.

3.1.2 Primary data

When secondary data is not available or when it does not answer all the research questions, primary data is collected by the researcher herself. The method of collecting primary data, whether it is a survey, interview, experiment or observation, depends on the research problem and design. Since primary data is collected for the certain project at hand, it is more consistent with the research questions and objectives. If we want to know the opinions, behavior or past experiences we have to ask directly from the people involved. (Ghauri & Grønhaug 2002, 81-82.)

A problem with the primary data is that it can be difficult to access to and collecting it can be time consuming. Finding interviewees from the top of the organization can be a challenge especially when dealing with sensitive issues. Thus the quality and scope of the primary information gathered depends on the willingness of the respondents. (Ghauri & Grønhaug 2002, 81-82.)

In order to answer the research questions, it was necessary to know the experiences of the sales people in the case company. Since secondary data does not answer all the research questions, telephone interviews with the sales people were conducted in order to obtain primary data on the subject.

3.2 Collecting primary data for a case study with interviews

For a research that is a case study, the data collection is important, as the whole study depends on it. What makes the data collection challenging is the fact that the data needs to be collected personally by the researcher. Conducting a case study requires that the researcher is fully aware of the research problem and the purpose of the study. Asking relevant and probing questions alone is not enough, but the researcher also needs to have the capabilities to listen and interpret the answers. Interpreting the answers requires not just good listening skills, but also the ability to read between the lines, that is, understand the meanings behind what is said. The researcher also needs to be careful not to let biases affect the interpretation, which can be overcome by using multiple data sources. (Ghauri & Grønhaug 2002, 177.)

The success of this study is very depended on the collection of primary data through interviews. Thus it was important that the author, before conducting the interviews, familiarized herself with the research problem and purpose and the secondary data related to the topic. What is more, to avoid bias, the intention was to collect primary data from several cases, that is, to interview more than just one sales person of the case company.

As mentioned above, the primary data source for this study consists of interviews, which is often the case with qualitative business research and case studies (Eriksson & Kovalainen 2008, 125). For this particular research, the interview is the most appropriate technique for obtaining primary data. This is because VBM and its sales department's knowledge flow have not been studied before; hence there is no documented data already available on the subject. What is more, the best way to answer the research questions is to talk directly with the people involved and let them tell their experiences in their own words.

3.2.1 Types of interviews

Interviews are usually categorized as structured and unstructured. The former has a standard format with little flexibility in the ordering of questions or wording. There is

a preplanned script for interviews which is adhered precisely by the interviewer. On the contrary, the latter type gives the respondent almost full liberty to discuss about the opinions on particular subject making the interview more narrative and informal by nature. (Eriksson & Kovalainen 2008, 81-82; Ghauri & Grønhaug 2002, 100-101.)

In this study, the semi-structured interview is used which is as an interview type somewhere between structured and unstructured interview. In a semi-structured interview the outline of topics, issues or themes are prepared beforehand but there is still a possibility to vary the wording or ordering of the questions. (Eriksson & Kovalainen 2008, 82.)

In this study the topic is narrowed to the knowledge sharing in the sales organization, thus in order to best answer the research questions, the theme and questions for the interviews are set beforehand. Nevertheless, to better discover valuable information from the interviewees, the interview is informal by nature, giving the interviewer the possibility to vary the ordering of questions and probe for more in-depth answers. Considering this, semi-structured interviews are the most appropriate type of interviews to use.

3.2.2 The planning and structure of the interviews

According to Ghauri and Grønhaug, the first steps in preparing for an interview are analyzing the research problem, understanding what information is needed from an interviewee and who can provide that information. After having a clearly defined research problem it is easier to know what to ask and from whom. (Ghauri & Grønhaug 2002, 102.)

The interview questions should be consistent and related to the research questions, since the answers to these interview questions provide material for solving the research problems. Nevertheless, it is important to bear in mind that interview questions are not equal to the research questions. (Eriksson & Kovalainen 2008, 79.)

After the author had analysed the research problem and constructed the interview questions, a pilot study was conducted with one of the interviewees to see whether the interview questions give the desired answers for solving the research problem. After the pilot study, the author made the required changes to the interview questions and the final draft for the interviews was made. The pilot study also gave the author some idea on the duration of the interview, which was important to know when contacting the interviewees. With all the rest of the interviewees it was not possible to use exactly the same interview questions since they were sales people working on different locations with slightly different sales functions. Thus for some interviews a few questions were modified or left out, bearing still the research problem in mind. (Ghauri & Grønhaug 2002, 102-103.)

The next step was to contact the rest of the interviewees either through Skype instant messaging or sending e-mails. The interviewees were informed on the purpose of the study, the duration of the interview and what type of information the author is interested in collecting through these interviews. In most cases it was not possible to set an exact time for an interview because interviewees were busy and their schedules could change several times a day. Basically only the day of the interview was set, and the interviewees contacted the author when they had time to be interviewed. The Skype instant messaging proved to be very useful since the interviews could be conducted right after the interviewee had announced his or her availability. (Ghauri & Grønhaug 2002, 103.)

Before the author contacted the rest of the interviewees they had been informed about the research and interviews by the sales manager and one sales person in Chile, who were the main contacts in the case company during the implementation of the research. This helped in creating confidence in the interviewees and it probably would have been more difficult to conduct the interviews if the author had contacted the interviewees first directly.

In the beginning of the interview, the interviewees were again informed on the purpose of the study and the length of the interview. Also a permission to record the interview was asked and confidentiality assured. The interviewees were also in-

formed that they will receive the final report on the study, which was used as a reason or reward to take part in the study (Ghauri & Grønhaug 2002, 104).

After the introduction phase, the actual interview was started with fairly general questions about the interviewee's job title and main responsibilities in the company. Topic like that which is easy to talk about helps to create a relaxed atmosphere and makes it easier to move on to more specific and difficult questions, which in this case were related on the knowledge sharing in the organization. According to McGivern, it is also important to signal the end of the interview, which was done by asking for some final comments about the subject and if there had been something the interviewee had not yet said but would like to say. (McGivern 2006, 197-199.)

After the interviews were made they were transcribed by the author during the same day. According to Eriksson and Kovalainen (2008, 85) transcribing recorded interviews is a lot of work but is a very good way to familiarize oneself with the interviews.

3.3 Analysing the data from interviews and writing the report

In case study research the analysis of empirical data starts in the very early stage of the research and often the data collection and analysis are done simultaneously, instead of performing them separately. In the interview situation, the interviewer interprets meanings of the answers and might attempt to confirm or reject his or her hypothesis with follow-up questions, thus "pushing forward" the analysis already in the interview situation. According to Kvale, "an ideal interview is already analysed by the time tape recorder is turned off". (Eriksson & Kovalainen 2008, 127; Ghauri & Grønhaug 2002, 179; Kvale 1996, 178.)

When all the empirical data from different sources has been collected it should be organized and fitted together with some kind of logic for better manageability. Next step is coding the empirical data, which requires further interpretation of the material. Coding means that the researcher recognizes and classifies themes and instances from the material, giving them a specific label, a code. The themes and instances can

be based on existing theory, e.g. in this research the interview results could be coded based on a theory on knowledge conversion. Another way of coding material would be developing an own coding system based on the collected empirical data, e.g. in this research the interview results could be coded based on the themes and issues found in the interviews. (Eriksson & Kovalainen 2008, 128-129.)

The two main strategies of analysis can be recognized from the methods of coding material. Several business researchers are more in favour of the latter, that is, more inductive-oriented strategy of analysis. Using an inductive-oriented strategy implies that the researcher is interested in the themes and patterns that they find out from the natural variation of empirical data, not from the pre-given theoretical framework. Nevertheless, the concepts of prior theory can still be used in the data analysis, to give "a general sense of reference". (Eriksson & Kovalainen 2008, 129.)

Often the analysis starts with analysing each individual case separately which can include a general description of the case structured in order either chronologically or thematically. If there are multiple cases, individual analysis is then followed by cross-case analysis which includes some kind of comparison of the cases to see if there are similarities or differences across cases.

The author used more inductive-oriented strategy in the data analysis. Coding was done according to the findings from the interviews themselves and then later compared to the theory on the subject.

After the construction of a research problem, data collection and analysis, the findings of the research must be presented in a logical, consistent and persuasive report. The way the contents, data and results are presented, and at which length and with what terminology, depend upon the audience. According to Eriksson and Kovalainen, good writing is produced with the attention to the audience as the successfulness of the written reports depends on how the writing mode and style speaks to the readers. Usually business research is written to academic audience, business practitioners and to the business media. The academic audience is usually interested in how the theory is involved and linked to the research, whereas business practitioners are

more interested in the research results and their practical implications. (Ghauri & Grønhaug 2002, 183; Eriksson & Kovalainen 2008, 280.)

The readers of this report are academic audience and business practitioners. As this study is part of the degree studies, it will be read and evaluated by the instructors and supervisors. Also the case company, VBM, will likely be interested in the results of the research.

3.4 Ethics in research

Ethics in research are the moral principles and values that affect the way the researchers implement their research activities. Ethics are present in our everyday lives and apply to all situations and activities in which there can be actual or potential harm caused to someone. The importance of ethics and responsibilities of researchers is also growing in business studies. (Ghauri & Grønhaug 2002, 18.)

Usually research ethics have been only related to the gathering of empirical data e.g. through interviewing. Nevertheless, research ethics concern the whole process, starting from establishing a relationship between the researcher and the researched object and ending up to the writing of a report and publishing it. There are some universally accepted ethical principles, but as many ethical issues are not that obvious, professional guidelines for good scientific practice have been published. (Eriksson & Kovalainen 2008, 65-68.)

One of the key elements in ethical guidelines is the protection of people participating in the research. The participants should be made aware that they participate in the research on voluntary basis and can withdraw from it at any point. In addition, the audience and participants of the study should be made aware of the purpose of the study and its basic procedures and how the data gained from it will be used. The research should neither be harmful for the participants e.g. taking part in an interview should not have negative consequences for the interviewee. Thus anonymity of individuals participating in the research is important and should be respected, and all the personal information should be kept confidential. When writing the report, the re-

searcher should avoid plagiarism by giving acknowledgement to other researcher's work, instead of using that as his or her own. The researcher should not claim credit for other people's ideas. According to Ghauri and Grønhaug, the researcher needs to report the results objectively and honestly. Results should not be distorted to fit one's purpose. (Eriksson & Kovalainen 2008, 70-75; Ghauri and Grønhaug 2002, 20.)

4 RESULTS

4.1 Basic information on interviews and interviewees

The case company gave the author the names and contact information of nine people working with sales at VBM in Chile and its related companies in Europe and the United States. Considering that these contacts are from different locations and include the majority of people working with sales in the whole organization, the sample size can be considered sufficient for collecting primary data. At the end in total six people from Chile and Europe were interviewed. With the rest it was not possible to schedule a time for an interview due to the busy schedules of sales people and time difference. Nevertheless, interviews with sales people from three different locations offered a good source of primary data to answer the research questions. All of interviewees will be referred to as “he” to guarantee the anonymity of the participants.

4.2 Tacit and explicit knowledge shared by the sales people

Before analysing the knowledge sharing itself, it is relevant to know what type of explicit and tacit knowledge is shared between the sales people locally in the office and internationally between sales people of different sales offices. Also it is good to know what type of information sales people need from other departments to perform their jobs effectively. Most knowledge that came up during the interviews was explicit which is understandable considering the fact that tacit knowledge is hard to formalize and express in words (see p. 15). Sharing of tacit knowledge only came up in the interviews when discussing the communication within one sales office.

According to the interviewees, the sales people perform their sales tasks based on the information of production volumes received from the production departments of different production locations, which mainly are in Latin America. Often the information on production is communicated first to the sales people in Chile who then pass the information forward to the customers and this information is used when

planning the delivery quantities and schedules for them. These customers can be e.g. importers in Asia or related companies like VitalBerry B.V. in the Netherlands, VBM in Germany or Giumarra/VBM International Berry LLC in the United States. The related companies mainly sell directly to the supermarkets. In addition, the sales people within one sales office also share information with others on the markets they are responsible for.

The related companies in the Netherlands, Germany and the United States provide market and sales information back to the sales people in Chile. This information includes e.g. market prices, actual prices as well as market events.

4.3 General experience on knowledge sharing

According to one interviewee the possibility to find information in the organization has improved a lot during the last two or three years. He continues that this is because a lot of information is now found online through a common database, a SAP (Systems Applications and Products) system. Previously the sales people had to work with estimations but now, because of the investment on information technology, it is possible to have quick access to the information in the organization. Another interviewee stated that there is always a good access to all kinds of information and knowledge in the organization. Nevertheless, since not all information is yet online it makes it more time consuming to access it by making telephone calls to people. However, all interviewees stated that they always know to whom to turn to in need of any type of information.

4.4 Receiving information from other departments

As stated by one interviewee in Chile, during the off-season the commercial executives work with production estimates for the coming season which gives an idea with what volumes and qualities are they working with the following season. He continues that during the season the production estimate is revised weekly for the current week and for the four following weeks. The information on the changes in produc-

tion is very important to the sales people. As one interviewee stated that if there is a significant decrease in production, it might mean that the delivery programs for clients are not being fulfilled.

According to the interviews, the information on production is received from the production departments of VBM Chile and related companies, such as, TecnoVital in Argentina, who in turn receive the information from producers directly.

According to one interviewee the difficulty with information received from production lies in complexity of estimating the production volumes and one can never have an estimate as accurate as one would want to, thus there is always an error margin to work with. Nevertheless, the problem is seen as something unmanageable:

I would say that it is not perfect on the production side rather because of something unmanageable, it is something very technical that is difficult to make accurate. And because of the climate it neither is very manageable.

Two interviewees thought that there has been a lot of improvement in the information flow from the production department since the information is now more systemized and centralized. This gives the sales people a quite good idea on production of the previous weeks and what will be expected for the following weeks. Nevertheless, other interviewee continues that the sales people are not always informed on the changes in production estimates and often it needs to be them who pursue the information instead that the production department would provide it.

4.5 Knowledge sharing between sales people in the same sales department

From the interviews it was possible to conclude that a lot of knowledge is shared within one sales office and its sales people, especially in the case of VBM Chile. Compared to other VBM sales offices, the one in Chile is relatively large having four people working only with sales and all with different markets of responsibility. Knowledge in the office is shared either through meetings and documents or infor-

mally by discussing in the office. According to the interviewees in Chile, the commercial executives have a meeting concerning purely commercial issues once a week. These issues are mainly prices and market events. In addition to that, there is a weekly 'shipment meeting' which is about the volumes being shipped. In this meeting also prices and market happenings are discussed, since based on those the decisions on where to sell and ship can better be made.

Two of the interviewees in Chile mentioned that to their opinion there should be more commercial meetings. According to one interviewee there was previously an intention of having a short commercial meeting of ten minutes at the beginning of every work day but it had to be left out because they were not able to be put in practice. This was seen as affecting negatively in the interviewee's work:

I would have liked to have a commercial meeting of 10-15 minutes every morning at a definite time to be able to comment a bit on the market.-- Because now, this commercial meeting is replaced by listening what the other is talking about, asking the other how are things, what's his opinion, what is he doing.. which basically interrupts your work.

Two other interviewees stated that these daily meetings are still held but they have become very informal. They preferred more formality to the daily communication, instead of having informal daily meetings covering day-to-day business issues. One interviewee stated that the daily meeting is so informal, that sometimes it is not even held every day. One interviewee would have preferred having two more efficient, shorter meetings per week, instead of having just one which can lengthen to last for hours.

For the rest of the week the commercial executives work independently with their clients and markets and information and knowledge are shared in a more informal way in the office. According to one interviewee, some market details are lost when communication is informal and happens meanwhile other is busy with his or her daily responsibilities.

All the Chilean interviewees found it easy to share all kinds of information in the office. One interviewee stated that he is trying to share all the information that arrives

to him, so that everyone would also be aware what happens in other market outside his or her responsibility. Also colleagues were given high importance and reliability as a source of information. Through colleagues it is the easiest way not only to inform oneself on the other markets but as well to evaluate one's own performance:

It is really very useful, for example if I ask another person responsible of the same market what is he doing and what are the prices, I know approximately where I'm going, if I'm doing it correctly or not, it's very easy. The information which I'm given is 100% correct; I never hesitate nor doubt that the information would be incorrect.

According to the interviewees from Chile, explicit knowledge there is mainly related to the markets, customers and prices and it is shared virtually e.g. through Excel spreadsheets and in meetings. Not having enough of these meetings, where important explicit knowledge is exchanged in a more structured and efficient way was seen by all interviewees affecting negatively to their daily work. The information on markets was important to all of the interviewees as decisions e.g. on prices and where to ship are made based on that information.

4.6 Knowledge sharing between Chile and related companies

4.6.1 Knowledge sharing between Chile and Europe

According to the interviewees, the sales people in Chile inform the related companies in the Netherlands and Germany, and their sales people, on issues related to production, deliveries and minimum sales prices. The related companies report back information on the markets. The information reported from Europe varies between offices, it can include e.g. the outlook of the market situation, sales prices and stock level and the sales offices in Chile and Europe (Germany and the Netherlands) communicate on a daily basis, especially during the season. Also the sales offices in the Netherlands and Germany communicate with each other to exchange price information.

In general, the interviewees were satisfied with the knowledge sharing between offices. The sales people communicate with each other by phone and also have videoconferences. The problems that came up in two of the interviews were mainly related to the reporting from Europe to Chile, its frequency and accuracy:

Previously they (market reports) arrived once a week, in two weeks not at all, the following week yes. And now it arrived to me in an excellent form, which is what we need. -- but what I am still missing is the information on sales prices and stock, which are things with which we continue to work on.

For example last week I was supposed to receive the report on different sales prices of the previous week but I could not take out the information from the system -- it took me two days to get this information. Instead of having this information online it takes time to get to you. --- We need more detailed information to make better decisions.

The sales people in Chile receive information on European markets, stock and prices through an intranet type space for document sharing. In the system documents can be added and edited from different locations with a password. This is an important tool for the sales people in Chile in receiving information especially from the Netherlands. The knowledge sharing through this mode is mainly one way, that is, no documents are added from Chile to be used by the sales people in the Netherlands. According to two interviewees in Chile, there were sometimes technical problems in accessing the system. In addition, all the updated information e.g. on sales prices or stock levels was not input to the system on a required time frame. One interviewee concludes that there is still a lot to be solved in the reporting:

I think there is a lot to solve in there. There are things I should know instantly, be sure of the figures I manage and I don't feel it.

According to one interviewee in Europe, the needed information from Chile and Argentina to Europe is not automatically given on a certain time intervals; instead it needs to be asked for. Nevertheless, this was not seen as a problem since the information was provided whenever it was requested. Another interviewee in the Netherlands stated that there are sometimes problems in receiving information on the shipment arrivals, that is, sometimes the receivers in the Netherlands do not

know when a shipment will be arriving to them. The interviewee continues that due to the time difference it is not always possible to consult Chile on the prices. In this case when a customer in Europe asks for prices, the related company must decide it without consulting Chile first.

According to one interviewee it has been difficult to get organized with all the communication issues. Understanding and reaching an agreement has been difficult and takes a lot of time, also because of the cultural differences. This is understandable since the offices in Europe were relatively recently established in 2007 and 2008. Also one interviewee stated that the start of establishing an office in Germany was difficult because during the first weeks it was difficult to receive information and instructions from the headquarters in Chile. There was no training for the job, so a lot was learned by doing. Nevertheless, the interviewee continues that there has been a lot of improvement in ways to share information. He also continues that there is still a lot to do in this field, but it basically is a question of money. According to him, the IT systems which would improve the flow of information are expensive and are thus not of current interest of small sales office, like the one in Germany, with relatively small turnover.

4.6.2 Knowledge sharing between Chile and the United States

Information on production, deliveries, markets and prices are also exchanged between Chile and the United States in oral and written form. In addition to telephone conversations and videoconferences, information on delivery schedules, quantities and sales prices is shared online. After the shipment has left South America, the sales people in Chile enter the information on what is being shipped to a shared online system. Based on the information, the receiver can plan the sales before the shipment arrives, days in advance. The receiver in turn inputs the sales prices and quantities to the online system, making it possible for the sales people in Chile to see what was sold at which price without a long delay:

It is quite fast and it reflects quickly what is being sold, with no filtration. There is no big delay. Instead, the fruit which was sold yesterday I

can see during today to whom it was sold, at which price, if there were any problems etc.

As stated by one interviewee, there are sometimes misunderstandings between the sales people because of the cultural differences. Nevertheless, the interviewee sees the knowledge sharing satisfactory:

On one hand there is oral communication or conversation and on the other hand there is written, numerical communication. This helps to eliminate the cultural barrier.

5 DISCUSSION

5.1 Conclusions

Based on the interviews it is possible to conclude that the knowledge management practices at VBM rely a lot on IT. On one side, the recent improvements in the IT systems have enabled sales people to access the needed knowledge fast, leaving more time to more important functions like making the actual sale. On the other side, when there is not a full commitment of using these systems or technical problems in using them, it affects negatively on the work of sales people when they have to use more time in finding the information from another source. Nevertheless, IT solutions alone are not enough in transferring all kinds of knowledge. This is also the case at VBM where knowledge from documents and intranets are supplemented with videoconferences, meetings and discussions, that is, with closer interaction. These ways to communicate offer a platform for sharing explicit as well as tacit knowledge and make the all the knowledge conversion modes (see p. 18) in the organization possible.

The first research question of this study was about recognizing the weaknesses in the knowledge spreading between sales people. One weakness which rose from the interviews was related to the reporting between the offices in Chile and Europe. Sales people were not able to receive all the required information within a required time frame from distant sales offices. Information on stock level and sales prices did not always reach Chile from the Netherlands when it was needed and information from Chile on minimum sales prices did not reach the office in Netherlands at a required time frame. Also the receiver in the Netherlands was not always aware on the shipment arrivals and details. Having a technology offers a good platform for sharing this type of information, but also a commitment from the people to update the information to the system is needed. What is more, the technical problems facing these systems affected negatively on knowledge sharing.

Other issue which rose from the interviews was related to the knowledge sharing within the sales office in Chile. When important knowledge on the market events and other issues were not discussed daily in a systemized and efficient way in a short formal meeting, its consequences were affecting negatively to the work of the sales people. When this knowledge was instead shared in a less structured and informal way, it either distracted one's daily responsibilities or caused some important details to be lost.

The second research question aimed at recognizing the best practices VBM has on knowledge sharing. Despite some weaknesses in sharing information between distant sales offices, the effort put in improving the methods have brought positive results. The combination of written, numeric information with oral communication has proved to be efficient in eliminating misunderstandings derived from cultural differences between sales offices in Chile and the United States. Also an efficient IT system combined with people's commitment on updating it with new information has made it possible for both offices to have up-to-date information on deliveries and market happenings. When updated information is found online whenever it is needed, it helps to make better and informed strategic decisions. What is more, the possibility to provide the receivers with all the shipment details without delays improves customer service and satisfaction. Also the reporting between the sales people in the Netherlands and Chile have to some extent reached an optimum, that is, the reports have started to arrive in a form which makes it possible to make better informed decisions. To conclude, having all the possible information online has made it easier for the sales people to perform their sales responsibilities.

Another good aspect related to knowledge sharing was found from the sharing of tacit knowledge between the sales people at the office in Chile. The shared trust and good relationships in the open sales office offer a good platform for sharing all kinds of knowledge. Sales people working close to each other make it possible to observe each other and share experiences on different situations. One's success or failure in performing sales tasks can be passed to others, thus helping the work of others for not making the same mistakes or using the same good sales practices. This was especially important when one was new to the job. Two interviewees stated that they

learned mainly working together with more experienced sales person and observing what he was doing.

The third research question considered the ways of improving the knowledge sharing in the company. The suggestions can be found below.

5.2 Suggestions

The benefits of the best practices recognized in knowledge sharing at VBM are undisputable. When less time is spent in finding the information more time is left for decision making and to the actual sales functions increasing the company's competence. These best practices should also be put in use in those areas where there is still some work to do. For example, the best practices in reporting and communicating between the sales people in Chile and the United States could be used as a reference also with other sales offices, current and future ones. Commitment in using technology and updating the databases can be encouraged with incentives. For example, the other party might not be motivated in adding information if there is no information for them in the system to be taken out. The intranet system actively used by both parties combined with videoconferences and other means of communication make sure that important information is accessed with no long delay and that there are no misunderstandings. Since there also have been improvements in the reporting between the sales people in Chile and Europe, it is important that when an optimum for a report type is found it is also used in the future, possibly with other related companies also.

To improve the work efficiency of sales people in Chile it is important that short, more formal commercial meetings are held every day. The interviewees suggested that these daily meetings should not be left out and more formality should be placed on them. Having a short commercial meeting of 15 minutes covering market issues gives the sales people the possibility to share important information in a more structured and efficient way. This makes sure that less market details are lost, facilitating the daily decision making on prices and other issues. In addition, sales people can better concentrate on their markets and customers when there are no interruptions.

What is more, it is important that the recent development of having everything (e.g. production estimates) online continues. Not needing to pursue the information by e.g. making telephone calls improves the work efficiency.

If the company is to expand even more with new sales offices opened around the world, it is important to remember the experience that the people in the already established related companies have. Most of the people working in the related companies have worked there from the start and learned everything basically just by doing. Instead of starting everything from the very beginning, the tacit knowledge of these people should be taken advantage of. There is no reason to reinvent the wheel, since the experience is already found within the organization.

5.3 Research limitations and ideas for further studies

The author's primary plan was to interview at least one person in each VBM sales office to get a better overview on knowledge sharing between distant sales offices. Nevertheless, due to the busy schedules it was not possible to interview any sales person from the United States. Thus the experiences on knowledge sharing between the sales people in Chile and the United States could only be found out from the perspective of the sales people in Chile.

When implementing the interviews the author recognized the limitations that semi-structured interviews have when they are done by telephone. The weakness of telephone interviews compared to face-to-face interviews is that there is no possibility to interpret e.g. facial expressions. The author noticed that it was difficult to interpret whether the silence in the other end resulted from not understanding the question or because of the fact that the interviewee was thinking of an answer.

Because of the extent of the work it was necessary to concentrate mainly on knowledge sharing between the company's sales people and their experiences on the subject. A more extensive study could examine the knowledge flow in the whole organization and recognize the possible weaknesses e.g. in the knowledge flow between departments. In addition, as IT is an important part of knowledge

management at VBM, these tools could be investigated and their limitations recognized since there were some technical problems related to their use.

REFERENCES

Back, A., Seufert, A. & von Krogh, G. 2006. A Vision of Knowledge Networking; Knowledge Networking: Unleashing the Power of Networks for Knowledge Management. In Getting Real About Knowledge Networks. Eds. A. Back, E. Enkel, A. Seufert & G. von Krogh. New York: Palgrave Macmillan, 1-4; 74-102.

Binder, C. 1998. Sales Knowledge Management: A Technology Strategy. Binder Riha Associates. Accessed on 15 October 2010. http://www.binder-riha.com/skm_paper.htm.

Brelade, S. & Harman C. 2003. A Practical Guide to Knowledge Management. London: Thorogood.

Büchel, B., Probst, G. & Raub, S. 1998. Knowledge As a Strategic Resouce. In Knowing in Firms. Eds. D. Kleine, J. Roos & G. von Krogh. London: SAGE Publications Ltd, 240-252.

Chini, T. 2004. Effective Knowledge Transfer in Multinational Corporations. New York: Palgrave Macmillan.

Collison, C. & Parcell, G. 2004. Learning to Fly. Chichester: Capstone Publishing Limited.

Dixon, N. 2002. Common Knowledge: How Companies Thrive by Sharing What They Know. Boston: Harvard Business School Press.

Eriksson, P. & Kovalainen, A. 2008. Qualitative Methods in Business Research. London: SAGE publications Ltd.

Florida, R. 2001. Competing In the Age of Talent. Greater Philadelphia Regional Review 2001. Accessed on 15 October 2010.

<http://www.radioboise.org/assets/competing-RR.pdf>

Ghauri, P. & Grønhaug, K. 2002. *Research Methods in Business Studies: A Practical Guide*. 2nd edition. Harlow: Pearson Education Limited.

Holden, N. 2002. *Cross-Cultural Management: A Knowledge Management Perspective*. Harlow: Pearson Education Limited.

Hresko, T. 2003. What Knowledge Management Isn't. *Destination CRM* 21 July 2003. Accessed on 15 October 2010.

<http://www.destinationcrm.com/Articles/ReadArticle.aspx?ArticleID=48310>

Ichijo, K., Nonaka, I. & von Krogh, G. 2000. *Enabling Knowledge Creation: How to Unlock the Mystery of Tacit Knowledge and Release the Power of Innovation*. New York: Oxford University Press, Inc.

Konno, N. & Nonaka, I. 1998. The concept of *Ba*: Building a Foundation for Knowledge Creation. In *Getting Real About Knowledge Networks*. Eds. A. Back, E. Enkel, A. Seufert & G. von Krogh. New York: Palgrave Macmillan, 5-18.

Konno, N., Nonaka, I. & Toyama, R. 2001a. *SECI, Ba and Leadership: a Unified Model of Dynamic Knowledge Creation*. In *Managing Industrial Knowledge*. Eds. I. Nonaka & D. Teece. London: SAGE Publications Ltd, 13-43.

Konno, N., Nonaka, I. & Toyama, R. 2001b. Emergence of "Ba". In *Knowledge Emergence*. Eds. I. Nonaka & T. Nishiguchi. New York: Oxford University Press, Inc. 13-29.

Kvale, S. 1996. *InterViews: An Introduction to Qualitative Research Interviewing*. Thousand Oaks: SAGE Publications, Inc.

Maxwell, J. 1996. *Qualitative Research Design*. Thousand Oaks: SAGE Publications Inc.

McGivern, Y. 2006. *The Practice of Market and Social Research: an Introduction*. 2nd edition. Harlow: Pearson Education Limited.

Nonaka, I. & Takeuchi, H. 1995. The Knowledge Creating Company. New York: Oxford University Press, Inc.

Vital Berry Romania. Website of S.C. Vital Berry Marketing ROM S.R.L. Accessed on 14 October 2010. <http://www.vitalberry.ro/>

Vital Berry Marketing S.A. Company. The website of Vital Berry Marketing S.A. Accessed on 14 October 2010. <http://www.vitalberry.cl/company.php>

The Giumarra Companies. Our partnerships. The website of Giumarra Companies. Accessed on 14 October 2010.

http://www.giumarra.com/our_partnerships/giumarra_vbm_international_berry_llc/4

APPENDICES

Appendix 1. Interview questions

Job title and responsibilities of the interviewee

General on information and knowledge

What information do you need in your job daily?

Where do you obtain this information?

With what tools is this information shared? Your opinions of them?

Knowledge sharing between other sales offices

With which other sales branches of VBM are you communicating with?

In general, how would you describe the communication with those branches? Is there something you would change?

What information do you need from other sales branches and how would you describe the flow of that information?

What information do you need to report to other branches and how often? Is this information easy to provide?

Can you give an example of a situation when you lacked some information and how did you solve the problem of not having it?

Knowledge sharing within one office

Describe the knowledge sharing in your own sales office? What information is shared? Is there something you would change?

Something to add, change?