WorldCIST'15 - 3rd World Conference on Information Systems and Technologies, Ponta Delgada, São Miguel, Azores, Portugal, 1-3 April 2015

Knowledge asset management pertinent to information systems outsourcing

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Abstract.
Organisations have over time realised that leveraging their already accumulated knowledge assets are the most cost effective way to increase their competitive standing and to harness innovation. In choosing to outsource their information systems (IS), they may unintentionally fragment their knowledge assets by missing critical learning opportunities, with a resulting loss of ensuing business gains. Organisations should manage knowledge exploitation effectively, especially in the context of IS outsourcing arrangements, where the planning, management and operation of all or a part of the IS function, are handed over to an independent third party. There is, however, currently a lack of applied research to explain how knowledge asset dynamics happen in organisational value creation mechanisms, especially in the context of IS outsourcing. This paper analyses and describes knowledge asset management relevant in such an IS outsourcing arrangement. By understanding the requirements to manage knowledge assets, an organisation may optimise the relationships among critical knowledge assets as well as the knowledge sharing mechanisms required to meet knowledge demands in the context of IS outsourcing.