

Different Perspectives on KM 2.0 New Practices and Web 2.0 Tools at Renault-Nissan Alliance Since 2000

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ABSTRACT

The objective of this chapter was to understand how a “hybrid organization” (two automobile manufacturers Renault and Nissan within a strategic alliance) uses social networking and Web 2.0 tools to collaborate not only inside traditional organizational boundaries and within the alliance structure but also across geographical frontiers. Nissan has gradually lost its historic status as keiretsu as a result of its strategic alliance with the Renault. This alliance has had numerous consequences for the organizational structure of Nissan, even though both companies have maintained their identity by maintaining the two brands internationally. KM practices have evolved since the beginning of the strategic alliance. Two phases can be considered. During the first three years of the alliance, the two car manufacturers relied mainly on their own specific KM practices and processes. The second phase started in 2004 with the development of KM 2.0 and web 2.0 tools. The adoption of these tools by Renault has led to increased collaboration between the two manufacturers. The third period (2011-2013) is characterised by the development of collaborative tools and practices during which the Renault-Nissan alliance may enter a new phase of maturity.

Keywords: Hybrid Organisations, Joint Platforms, Knowledge Alliances, Knowledge Management (KM) 2.0 Practices, Strategic Alliances, Vertical Keiretsu, Web 2.0 Tools

1. INTRODUCTION

Competitive advantage is no longer completely dependent on capital and equipment; information and knowledge assets are increasingly important. More and more value generation lies in distribution, financing, marketing and service rather than manufacturing products. Knowledge and the potential of ICTs penetrate every step of

the value chain. The result is a new challenge to the practice of management. Knowledge Management (KM) is a set of techniques and tools to uncover and utilize information and knowledge assets—especially tacit knowledge.

KM 2.0 is a new step. Companies are undergoing another transformation toward “socialization”, as new usages of information and knowledge sharing emerge. KM 2.0 practices

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can be used to enhance external knowledge sharing among the network (alliance, business ecosystem) and to capture and share tacit knowledge within an organization with several consequences on value chains. Successful companies are becoming more networked in a fiercely competitive environment.

Few industries have a greater reliance on knowledge management than the automotive sector. This industry concentrates a huge quantity of information in several areas because the processes involve thousands and thousands of documents and facts. It is one of the reasons explaining our choice to examine, in this chapter, the evolution of knowledge sharing, KM practices, at Nissan, which is a “Japanese” car manufacturer.

This case is interesting because since the end of the 1990s Nissan has undergone drastic changes in terms of organisation and production methods. Nissan was considered for many years as a vertical *keiretsu*. Vertical *keiretsu* (manufacturing) are vertical groups of companies that are more or less independent from one another (small subcontracting firms, suppliers and equipment manufacturers) but are under the umbrella of a prime manufacturer. They are quite common and above all are well-represented in cars (Nissan, Toyota). But the Japanese recession in the 1990s had profound effects on the *keiretsu*. In addition, cross-border M&A and strategic alliances with foreign partners in the 1990s have reshaped the Japanese automotive industry. It is within this context that in 1999 Nissan and Renault have entered into a strategic alliance. This alliance married two culturally different parties. Another major challenge to large automotive firms engaged in alliances is, then, the diffusion throughout the firm of the capability learning from a partner and the diffusion of knowledge management practices (from KM to KM 2.0). It is precisely this issue we propose to analyse in this chapter.

This study, whose aim is to propose a framework to discuss the evolution of KM practices within a strategic alliance, follows a previous analysis on same issue (Daidj, 2011). We try to

provide an updated and ample overview and to exemplify our theoretical proposition based on empirical evidence from data and information acquired in particular from interviews with relevant managers and KM project leaders at Renault.

The structure of the paper is as follows: the next part (1) presents the main features of knowledge management, organisational culture within Nissan and describes briefly the Renault-Nissan strategic alliance. The following part (2) reviews the main theories and concepts about learning and knowledge management in strategic alliances. The last part (3) deals with the impact of the strategic alliance on the evolution of knowledge management practices. The paper concludes with a summary of the paper’s argument and some implications.

2. FROM NISSAN TO THE RENAULT-NISSAN ALLIANCE

The 1990s saw significant growth in international strategic alliances (Mowery, 1988; Mytelka, 1991; Hagedoorn, 1996), paralleling the increase in cross-border mergers and acquisitions (M&As). The “hypercompetition” context (D’Aveni & MacMillan, 1994) has created a significant incentive for organizations to collaborate particularly in the automotive industry. In this sector at a general level, car manufacturers look for alliances to achieve global economies of scale in production (and then to reduce costs), to attain a critical mass, and also to secure sufficient financial resources to develop leading-edge technologies for the next generation of “eco-friendly” cars (Kang & Sakai, 2000).

2.1. Structural Changes

The dramatic changes in the Japanese economy in the two last decades linked with the economic recession, the bursting of the financial bubble, the deregulation of domestic capital markets and finally the slow recovery since the early 1990s have had a great impact on firm com-

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