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IMPORTANCE KNOWLEDGE MANAGEMENT AND INNOVATIONS FOR THE FASHION INDUSTRY

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Abstract: *Products on the market can not last forever and they must innovate and change permanently, especially in garment industry. It is known that a pair of denim has been sold in the market for the last 100 years, but they are still in fashion and are a real challenge. Their life cycle is constantly repeating, no matter whether they are recycled in the final stage or turned into waste. The desire for change in that case can become an obligation. Fashion is in a constant state of disappearance and reappearance. It never really exists.*

A leader, by his position, should not be satisfied with the things as they are, but he should be leading in his field with ideas about a new product, customer service, efficient distribution, reducing costs, a new form of communication and sales and so on.

Key Words: *knowledge management, innovations, fashion industry*

INTRODUCTION

Innovation can be defined as the process of converting new ideas into commercial success on the market. Innovation is a process in which new ideas are transformed through economic activity into a sustainable results that has value. Sustainability requires integration with those who recognize the value of innovation, with customers and market and implies a very rigorous and continuous measurement (Livingston, 2000). As defined by Gurr (2001), innovation is an applied idea that makes benefits (An Idea-Applied-To Create Benefit). Innovation is the commercial application of discovery.

Imitation comes up frequently when discussing invention and innovation. The time difference between the presentation of innovation and imitation can be various and depends on the right on intellectual property, complexity, secrecy and alike.

It is very difficult to make a strict distance between the words creativity and discovery (invention). Creativity is the process or activity, whereas invention is the result of that activity. Creativity is a long and not an easy process. It seems that creativity is better described by the word activity than the word process, because there are no rules in creativity, or if there are, those rules are not known. Even the most creative minds can not always explain how their creative process works. In contrast to this, the invention can be clearly described on paper, and must be well documented if one wants to patent.

Ideas for innovation can come from various sources: opinions and suggestions of consumers, achievements in science and technology, monitoring the competition, experience of sellers, etc. In order to make the news of an innovation, it must take you where news is used both by PBS (production–business system) and environment. A good orientation of innovation (a new collection of garments) is reached through intuition.

INNOVATIONS IN FASHION INDUSTRY

Although most people think that creation is a "child's play," the road to go from idea to realization is a long and arduous one. Creative solutions emerge subconsciously, because the process of imagination has not yet been sufficiently explained, so there is no recipe how to create. It is an absolutely unique and individual act that happens depending on the designer talent, his imagination and expertise. A designers has a very responsible job because he should not ignore the components of quality that a product should posses.

When creating, a fashion designer must know what the purpose of a final garment will be (men's, women's or children's clothes), whether it is for a known customer with special requirements or a

customer is anonymous, whether it is for a fashion show which has a bit if a stage character. Also, he must know the psychology of colours, basic aesthetic rules of design, materials at his disposal, he must constantly think about the price of the product, and, most importantly, to keep things within the fashion trends.

Speaking about garments, it is necessary to satisfy individual tastes of buyers, design and fashion trend, ensuring individuality and solving issues on durability, and comfort, because the quality of garment is based on creating successful brands and reputation in the market.

Permanent changes which represent fashion imply creativity of a designer team. Consumer needs are one of the starting points in creating clothes, because the information a designer receives from the marketing department designer must be realistic, clear and precise with a recommendation for the level of garment quality and timely so as to have a new collection in the market at the right time. Ideas for new creations can come from various sources: opinions and suggestions of customers, achievements of science and technology, monitoring the competition at fairs, fashion shows, web sites, experiences of sellers and so on. In fashion industry's the most successful producers are those who have organized and expert teams for design and marketing, because they dictate current fashion cycle, and introduce new fashion creations easily, thus surprising the competition.

If creating is seen within the PBS techniques of "brainstorming", it should be based on 3D- image of a man as a human being. We use our brain to think with the help of factors and process knowledge. Anyone who thinks about the future of his PBS (Adamovic Alihodzic, 2002), should have a 3-D human being in front of him (Figure 1) and 3-D PBS (Figure 2). New PBS should have a vision as an image of the future where third dimension should be a "brain storm" (brainstorming) in practical and professional life.

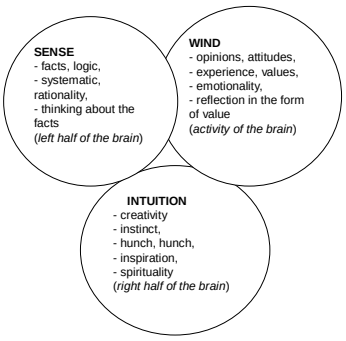

Figure 1: 3-D man

In creating a 3-D structure of PBS, the culture and dynamics are the basis for success and survival of PBS.

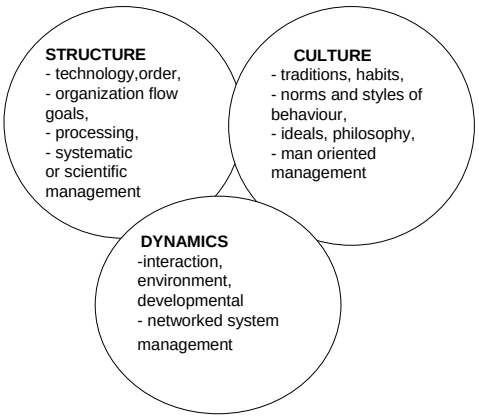

Figure 2: 3-D PBS

In practice, many existing ideas which have proved to be popular are often combined, i.e. existing designs based on the target market are often processed (redesigned). It is often more rational for a producer to use market information to improve or develop the existing fashion products than to create and introduce the new ones. Redesign of existing models enables creating new collections and survival on the increasingly demanding fashion market. Figure 3 shows a virtual collection of Ramax company (Colovic, 2012).

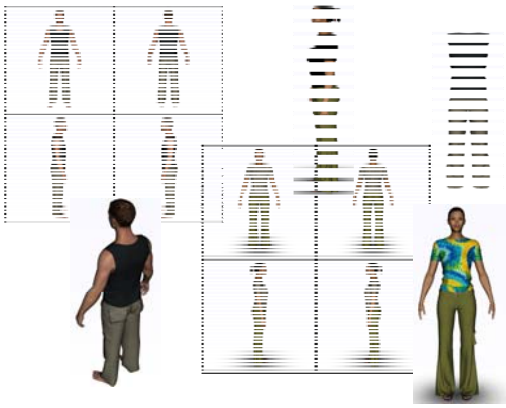

Figure 3: Ramax company virtual collection

Market success in open world markets must be based on the production of attractive products that exceed customer expectations. For the application of AQC (Attractive Quality Creation) concept it is sometimes enough to have a brilliant idea especially in garment industry where the attractiveness of ideas is often a main reason for the choice of products. Success in innovation depends predominantly on two key elements - the technical resources (people, equipment, knowledge, money) and the ability of an organization to manage them.

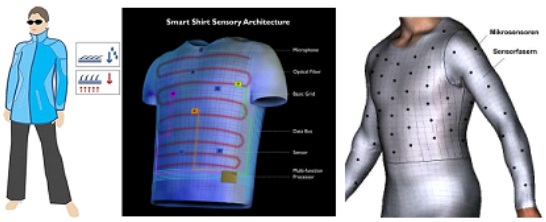

Figure 4: Smart garment

KNOWLEDGE MANAGEMENT

Successful innovation is clearly and strongly correlated with how the company selects and manages projects, how it coordinates inputs of various functions, how they are connected with costumers, etc. The ability concept in managing innovation leads to another important issue – how abilities are created as time goes by. There must be a learning process, because it is not enough to gain experience. The possibility of knowledge management is becoming increasingly important in today's so-called knowledge economy. Creating and improving knowledge within modern organization is becoming a crucial factor in achieving and maintaining its competitive advantage.

Knowledge management has a role to ensure that people have the knowledge they need where they need and when they need, i.e. the real knowledge in the right place and at the right time. There are many definitions of knowledge management, such as:

• Knowledge management is to discover, develop, utilize, deliver, and absorb knowledge inside and outside the organization through an appropriate management process to meet current and future needs. (Ouintas, Lefrere and Jones, 1997).

• Knowledge management is a process that helps organizations find, select, organize, disseminate, and transfer important information and expertise necessary for activities. (Gupta, Iyer and Aronson, 2000).

In fact, knowledge has always been the driving force for social and economic progress. In this sense all economies have been and are knowledge based. There are many types and forms of knowledge. Also, there are complementary definition of knowledge (Nonaka, Toyom and Konno, 2000):

● knowing which information is needed (’know what’)

● knowing how information must be processed (’know how’)

● knowing why which information is needed (’know why’)

● knowing where information can be found to achieve a specific result (’know where’)

● knowing when which information is needed (’know when’).

A common portrayal is that of a knowledge hierarchy that goes from **data** (facts and figures) to **information** (data in context) to **knowledge** (information with meaning) to **wisdom** (knowledge with insight). Nevertheless, the most important distinction is that between explicit and tacit knowledge. According to Nonaka and Takeuchi (1995) **explicit knowledge** is knowledge that is expressed in formal language and can be shared in the form of hard data, documents, scientific formulae, manuals, codified procedure and the like. **Tacit knowledge** is know-how that is higly personal and difficult to formalize and express in words. Tacit knowledge has both cognitive and technical elements such as mental models, crafts and skills an individual has.

Knowledge management promotes an integrated approach to identifying, capturing, retrieving, sharing, and evaluating a firm’s knowledge assets. We consider that knowledge management is key factor of successful transition processes in all transition countries (Pokrajac S. 2007).

Strategic view on knowledge management considers the union between technology and human factors as a basis for market survival. Some authors even differ the very nature of the concept of knowledge management from other strategic concepts just according to passion, courage and confidence of a knowledge leader.

Knowledge management requires turning personal knowledge into corporate knowledge which can be shared and appropriately applied in the organization. It is most commonly defined as the collective knowledge, including experience, skills, information and data of an organization. Three key factors of knowledge management are people, technology and organizational processes. This concept of management is a key activity in organizations because knowledge is considered to be the most important resource that provides competitive advantages and competitive markets.

The objective of general knowledge management system is to provide the right knowledge, in the right form, to the right people at the right time. Proper knowledge management allows individuals the access to information they need to perform their tasks contributing to meeting the overall objectives of organization at all levels of organization. Knowledge must be applicable in making and implementing decisions, and available with very little effort. If knowledge is used in a smart and strategic way, it makes pure profits. The concept of knowledge management is the ability to reach the information that will allow everyone in the organization to make the best decision in a relatively short period of time.

According to data from KPMG's European Knowledge Management Survey, a major application of the concept of knowledge management in the following areas:

• Marketing and sales - 53%
• Services - 53%
• Operations - 51%
• Human resources - 43%

- Research and development - 43%
- Strategy - 36%
- Distribution channels - 32%

CONCLUSION

Creating a brand and success comes largely as a result of innovation. While competitive advantage can arise as a consequence of the size of the company or disposition of resources, more and more dominant position in the market occupied by companies that are able to mobilize knowledge, technology skills and experience to constantly create new products, and processes and services. The presented conceptualization of knowledge management is based on the need for synergy between the capabilities of advanced information technologies and human creativity and innovation to realize goals in turbulent business environment. Concluding this paper, we can say that the knowledge management is the mental, behavioural and cultural shift from the old adage 'knowledge is power' to the new mindset **'sharing knowledge is power'**.

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