

# The importance of strategic fit management essay



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## **Introduction**

The original meaning of the word strategy derived from the Greek 'strategia' which means the ability to employ available resources to win. Strategy is defined as 'The direction and scope of an organization over the longer term, which ideally matches its resources to its changing environment, and in particular, to its markets, customers and clients to meet stakeholder expectations.' (Johnson, Scholes & Whittington, 1993)

Strategy is concerned with long term goal of the organisation also it determines the direction of the organisation in its going environment; it defines strategic intent, resource-based strategy. Business strategy is achieving the competitive advantage.

Strategy is expressed in strategic goals and developed and implemented in strategic plans through the process of strategic management. Strategy is Implementation, Planning the change in the organization and achieving the Strategic Fit. (M. Armstrong, 2006)

Strategy can have different names or different forms or meanings namely Plan, Ploy, Pattern, Position and Perspective. Strategy as a plan establishes a view of the organisations in the leaders view and pre-determines the course of action it can also serve as a ploy in the same scenario, Strategy as position refers to external environment to create economic rents, As perspective, strategy looks inwards to the corporate personality or culture of a firm. (Mintzberg, 1987),

There are many kinds of principals, analysis's, and tools which can help to determine the exact kind of the strategy followed or to be followed by the specific organisation. These include SWOT, Value Chain Analysis, Cash Flow Analysis and Benchmarking etc. Strategic fit or Strategic Alignment can also be useful to evaluate the opportunities of organisation such like M&A opportunities. A CEO survey conducted by Bain & Company showed that 94% of the interviewed CEO's considered the strategic fit to be vitally influential in the success or failure of an acquisition (D. Garten, 2005)

## **The Importance of Strategic Fit**

Strategic Fit of an organisation defines the how well the resources and capabilities matched with the opportunities to the external environment. Strategic Fit is a key factor in determining the gains of the organisation in order to achieve and sustains success, strategic alignment guides the firm in strictly goal oriented. (Grant, Robert M. 2007)

Strategy Fit is concerned with strategies works in practice; these are mainly designing the structure of the organisation to support the performance through the process and relationships. Enabling success by complete utilisation of resources, such as People, Information, and Technology, and managing the strategy by modifying the strategy for the exact situation. (G. Johnson, K. Scholes, and R . Whittington, 2005)

Strategy is the direction and scope of an organisation over the long term, which achieves advantage in a changing environment through its configuration of resources and competences with the aim of fulfilling stakeholder expectations. Strategic management has three major elements:

Strategic Position, Strategic choice finally by the understanding the strategic position and choices Strategy in Action. (G. Johnson, K. Scholes, and R . Whittington, 2005)

The challenges in implementing strategic management successfully in an organisation first strategic drift, second understanding impact of Important Contemporary Themes effecting at a point of time and the desirability of viewing the strategic issues of the organisation in different ways is the third. (G. Johnson, K. Scholes, and R . Whittington, 2005)

### **Strategic Management Model:**

Strategic management model is also known as strategic planning model. It has been proved that no strategic planning model is perfect, every company designs its own strategic planning model frequently by choosing a model and transforming it as the company strategic management plan procedures. The main components of strategic planning model are Mission, Objectives, Situation Analysis, Formulation of Strategies, and Application, and Control. The Strategic Project Management Model (SPM) explicates the important elements that are keys for developing strategic leadership project management in a team. The mission statement is the first step in defining the strategies. The mission statement defines team's core values or vision. Other factors considered in the Strategic Project Management Model are assessing leadership skills, identifying availability of technology and resources, the use of power, and strategically managing a changing environment to support effectiveness and efficiency.

(B. Burrell & A. Bess, 1996)

The underlying theoretical concept is that environment and cultural orientation impact upon task performance in a team. The main objective of the Strategic Management Model is general and specific environment work in concert to impact upon a team's performance, creating action plans for goals tasks that need to be accomplished is a key concept of the model. (B. Burrell & A. Bess, 1996)

Burrell & Bess (1996) defined “ The Strategic Project Management model combines Time Management, Systems Thinking, Cultural Orientation Theory, Leadership Theory, within the context of Team Development, and Organization Theory”

### **Knowledge Management Strategy Model**

The basic model is introduced by Henley Knowledge Management Forum the main aim behind the development of this model is to highlight the nature of the organisations KM strategies, and examine how the changes took place in different directions strategy's in different organisations. (E. Truch and D. Bridger, 2002)

Knowledge Management Model is one of the best Strategic Planning Model, in the industry at present, many organisations mainly have adopted there Working plan from the Knowledge Management Model. KM- strategy formation process tends to be emergent rather than the subject of formal long-term planning KM model or the approach is successfully implemented in the many organisations such as Malaysian telecommunication industry; kBOS unified process, national defence and Canadian Forces, Iran aerospace industries and etc., The KM model defines and five important elements,

Knowledge, Information, Task/Decision, Learning, and Context and their interrelation. (kBOS Methodology, 2004)

The kOBS(Knowledge driven Business Operation System) Strategic Knowledge Management model is a methodology supported by development of Capabilities, Knowledge Centric Solution, and Knowledge Network. The kBOS technology has designed the Organisational Responsive and Performance control, which is adopted and appreciated by many innovative companies who have improved the there process and product. By the time knowledge management theories and technologies have reached the maturity level required for business confidence and endorsement. KM Model is about protection, development and exploitation of knowledge assets, and the model implemented is called as Unified Process and Knowledge Management (kBOS Methodology, 2004)

The model is based on linking Knowledge Management Process to the Basic Bossiness Model and Performance Control, figure-1 gives the brief relations between each process given.

Fig-2: Integration framework for Business Process Management and Knowledge Management for kBOS (kBOS Methodology, 2004)

The Knowledge Management Strategy has a direct input to the knowledge acquisition and dissemination process. The detailed requirements for knowledge acquisition and dissemination were determined by the business processes. At the process design phase knowledge gaps or limitations is identified and this will dictate knowledge acquisition plans. When processes are operational the evaluation and user feedback will create all the

information required to specify the knowledge acquisition and dissemination process. The knowledge acquisition requirements will be mainly translated in recruitment and training requirements. The training programme provides the means to establish the corporate conditions for knowledge management as well as the means to develop the required skills and competencies. The training programme is an essential part of the knowledge development process that should enable the company to operate efficiently with optimum levels of productivity and effective decision making. Process measurement and customer feedback is used in the performance management process; the outcome of which will guide the refinement of strategy and process improvement. Performance management should specifically evaluate the knowledge management strategy and implementation in order to provide the necessary input for strategy refinements. The strategy, process, and product improvements contribute to the organisational knowledge development. Knowledge development is also undertaken through experience gained from problem solving and decision making activities in the normal day to day work. (kBOS Methodology, 2004)

In case of the Defence Knowledge Management which is implemented by the National Defence and Canadian Force(CF), cognitive hierarchy is somewhat different from that of academia. They identify them as Data, Information, Knowledge, And Understanding; the first 3 components of hierarchy are somewhat identical and collectively become the Knowledge Creation Process or Knowledge Edge (J. Girard, 2002)

**The Knowledge Edge OR Knowledge Creation Process by National Defence and Canadian Force (J. Girard, 2002)**

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An agreed definition of knowledge management has eluded scholars and practitioners alike since the term first entered our lexicon. Virtually every paper penned on the subject includes a reworked definition, and the debate continues. In the end, it is not the definition that is important but rather the outputs and outcomes of the process. That said, there would appear to be a need for a definition within the Department of National Defence (J. Girard, 2002).

## **Conclusion**

The Strategic Fit or the strategic alignment is the