Chapter V

IS/IT Strategy for Knowledge Management

INTRODUCTION

Developing an IS/IT strategy for knowledge management is taken to mean thinking strategically and planning for the effective long-term application and optimal impact of electronic information to support knowledge management in the organization. Strategy can simply be defined as principles, a broad based formula to be applied in order to achieve a purpose. These principles are general guidelines guiding the daily work to reach business goals. Strategy is the pattern of resource development and application decisions made throughout the organization. These encapsulate both desired goals and beliefs about what are acceptable and, most critically, unacceptable means for achieving them.

Resource-based strategy is concerned with development and application of resources. While the business strategy is the broadest pattern of resource decisions, more specific decisions are related to information systems and information technology. IS must be seen both in a business and an IT context. IS is in the middle because IS supports the business while using IT. As part of a resource-based strategy, both IS and IT represent capabilities and resources that have be developed.

Business strategy is concerned with achieving the mission, vision and objectives of a company, while IS strategy is concerned with use of IS/IT applications, and IT strategy is concerned with the technical infrastructure, as illustrated in Figure 1. A company has typically several IS/IT applications. The connection between them is also of great interest, as interdependencies should prevent applications from being separate islands. Furthermore, the arrows in the illustration in Figure 1 are of importance. Arrows from business strategy to IS
strategy, and from IS to IT strategy represent the alignment perspective; they illustrate what before how. Arrows from IT to IS strategy, and from IS to business strategy represent the extension from what to how to what. This is the impact perspective, representing the potential impacts of modern information technology on future business options.

Necessary elements of a business strategy include mission, vision, objectives, market strategy, knowledge strategy, and our general approach to the use of information, information systems and information technology.

Mission describes the reason for firm existence. For example, the reason for law firm existence is clients’ needs for legal advice. The mission addresses the organization’s basic question of “What business are we in?” This single, essential sentence should include no quantification, but must unambiguously state the purpose of the organization and should just as carefully define what the organization does not do. According to Ward and Peppard (2002, p. 189), the mission is an unambiguous statement of what the organization does and its long-term, overall purpose:

Its primary role is to set a direction for everyone to follow. It may be short, succinct and inspirational, or contain broad philosophical statements that tie an organization to certain activities and to economic, social, ethical or political ends. Values are also frequently stated alongside the mission. Three widely-differing examples of missions are:

- To be the world’s mobile communications leader, enriching the lives of individuals and business customers in the networked society (large global telecommunication company).
- To eradicate all communicable diseases worldwide (World Health Organization).

Figure 1. Relationships Between Strategies at Three Levels

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Social Network Structures for Explicit, Tacit and Potential Knowledge
www.igi-global.com/article/social-network-structures-explicit-tacit/2747?camid=4v1a