Operational and Strategic Change

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Operational change is a change found in the scope of services explained in the work statement and only changes the way contractors wish to do their services but it does not cover the scope of what the contractor should do in this agreement. On the other hand, a strategic plan is the reconstruction of either organization’s business or the marketing plan and it is solely done to achieve a certain objective. Even though strategic and operational changes are different, there is a close relationship between the two.

Budgeting is the first similarity. The main financial link between an operational change and a strategic change is by establishing a budget department. A strategic plan plays a role in giving budget estimates from project revenues. The operational plan also gives accurate data to be used in assessing strategic plan success (Helfat & Martin, 2014). Operational and strategic changes act as road maps and help in achieving set objectives. The allocation of resources also is another similarity. In operational change, an operational plan is adopted to help in determining the allocation of job duties, and proper usage of organizational resources. Similarly, a strategic plan explains the type of resources allocation needed to achieve the goals set. Another connection between the two is that they provide important details for the execution of the changes (Helfat & Martin, 2014). For instance, if a strategic change is about building new centers of distribution, the operational change will take care of the sourcing of contractors, land, and getting permits to run the business. The needs of operational change are based on the performance of management numbers. Projections in the company's strategic plan are used to set by the performance management numbers.

However, there are also differences between strategic changes and operational changes. Time frame is the main difference. Operational changes usually have short term goals whereas strategic changes are made to take care of long term goals. Also, these two changes operate differently in terms of practice. Strategic objectives do not make sense since they are too broad. On the other hand, operational changes are precise and short, intending to achieve short term goals hence being considered daily and allocation of assets. The other difference between the two changes is that strategic change usually alters the organizational way of carrying out the business and the configuration of the firm. On the contrary, strategic changes mainly focus on the renewing of the system (Hornstein, 2015). Usually, the production department is responsible for the operational changes whereas strategic change is mainly the work of management. Initiatives of the strategic change plan mostly consider the changes in management activities of a plan as important. Therefore, in this change workers are affected depending on how they feel about the organization. People in this initiative tend to change their mind-set because of changes in the role of people in the organization (Hornstein, 2015). The operational initiative, on the other hand, is adopted for changes in the system to be witnessed. This initiative can easily be unnoticed when changing the workers is not the goal, just like strategic change, although with changes in the system from where the workers operate.

Lastly, in consideration of the strategic change, it is evident that it a field whose decision is highly influenced by the management. It includes good usage of resources as a way of improving business performance in a business environment. In contrast, operational changes may choose to adopt using technological advances as a way of improving the quality of the organization and improve the efficiency of services.

Bibliography

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