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Strategic Alignment and its influence on Purchasers

Propositions for constructing the strategic alignment

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Abstract

Title:	Strategic alignments influence on purchasers, propositions for constructing the strategic alignment.
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Subject terms:	Strategic alignment, strategic fit, internal fit, purchasing efficacy, purchasing, business strategy, functional strategy.

Purpose

The purpose of this research is to contribute towards a deeper understanding of the strategic alignments influence on the purchaser and how the alignment can be constructed to be more supportive for the purchaser.

Methodology

The empirical data were collected through interviews and document studies. A qualitative approach was used to get an in-depth understanding of the strategic alignment and its influence on the purchaser. The conclusions drawn in this study are based on the empirical findings and the constructed theoretical framework.

Findings

The authors identify 12 enablers/disablers that influence the purchaser's ability to make strategically aligned decisions. Furthermore, the authors have conducted five propositions on what firms should consider when constructing their strategic alignment in order to enable the purchaser to make strategically aligned decisions

Research limitations

This research will be limited to the purchasing function and it will only embrace the internal integration connected to purchase. Thereby, the external orientation e.g. the effects from the supply-chain on the purchasing function and other effecting contexts will be outside the scope of this research.

Implications

This research provides a model that illustrates the areas connected to strategic alignment and enables both managers and researchers to map the construction of the strategic alignment in an easy and visualized manner. Together with the enablers/disablers and propositions managers and researchers will be able to recognize potential pitfalls and opportunities regarding the construction of firm's strategic alignment.

Originality / value

To the researchers knowledge this is the first research that provides an in-depth understanding of how the strategic alignment influences the purchasers ability to make strategically aligned decisions.

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1 Introduction

The topic of the research is introduced by a background and problem description, followed by the purpose and research questions. The chapter ends with delimitations.

1.1 Background

The competitive situation of West European industry has faced dramatic changes during the past decades (Ellegaard, 2006; van Weele, 2010; O'Brien, 2012). New information technologies that were implemented during the late 90s created an opportunity for companies to access and coordinate their purchasing processes on global markets (van Weele, 2010; Lysons & Farrington, 2012). The new, more competitive era brought researchers and company executives attention towards the purchasing function (Reck & Long, 1998; Carr & Pearson, 2002; Ellegaard, 2006). As the possibilities related to information technology emerged, so did the interest in understanding how the new era would affect the managers. In 1991, Scott Morton published the result of the MIT research program "Management in the 1990's" where he explained the possibilities of linking information technology with strategy, organization and culture etc. (Ciborra, 1997). Two years later, Henderson and Venkatraman highlighted the importance of the linkage between information technology and strategy (Ciborra, 1997), and developed the foundation about what we today call strategic alignment.

Baier, Hartmann and Moser (2008) recognize that the need for competitive advantages on today's global marketplace have made purchasing to become a discipline of major strategic importance. However, the fulfilment of this competitive potential depends on whether purchasing decisions and activities are aligned with the organization's overall strategic goals (Hayes & Wheelwright, 1984; Porter, 1985; Reck & Long, 1988; Gonza'lez-Benito, 2007; Baier et al. 2008; van Weele, 2010). van Weele (2010) argues that purchasing decision cannot be made in isolation aimed only at optimization purchasing performance such as cost reduction. Rather, the purchasing decisions should be aligned with both overall business strategies as well as other functional decisions (e.g. manufacturing, sales and logistics) (van Weele, 2010). Thereby, an effective purchasing strategy requires a thorough understanding of the companies overall business strategy as well as collaboration with other functions (van Weele, 2010).

According to Narasimhan and Das (2001), strategic purchasing practises (e.g. early supplier involvement, supplier development and supply base reduction) usually have an external focus and are directed at the suppliers. However, purchasing integration is of an internal nature aiming for strategic alignment between the purchasing strategy and the firm's business strategy including the firm's competitive priorities. Papers contributing to the topic of strategic alignment and purchasing have been focusing on purchasing and supplier involvement connected to the firm's performance (e.g. Carr and Pearson, 2002; Nair, Jayaram, & Das, 2015). Focus has also been on the purchasing functions contribution to the firm's financial performance as well as forming models to enable alignment between the firm's business strategy and the purchasing strategy (e.g. Narasimhan & Das, 2001; Gonza'lez-Benito, 2007; Baier et al. 2008). However, the research has mainly focused on a top-down point of view, with managers as the

common source for empirical material, financial performance indicators and a quantitative approach as method of choice.

1.2 Problem statement

The background reveals that the phenomena Strategic Alignment both have been a hot topic for researchers as well as important for companies to stay competitive during the new technology era. Furthermore, the background indicates a dominated focus on research in strategic alignment from a top-down mind-set, where different theories and methods have been developed to analyse its impact on the financial performance (e.g. Narasimhan & Das, 2001; González-Benito, 2007; Baier et al. 2008). Despite how aligned and developed the strategies are the final purchasing decision always comes down to one single person, the purchaser (Webster & Wind, 1972). The focus on top managers within quantitative studies have taken us so far in understanding strategic alignment as a concept as well as the influence on the financial performance. However, when the authors reviewed the available literature a gap was found, which is the strategic alignment influence on the ones that actually need to follow it i.e. the purchaser.

1.3 Purpose

From the problem statement the following purpose has been derived:

The purpose of this research is to contribute towards a deeper understanding of the strategic alignments influence on the purchaser and how the alignment can be constructed to be more supportive for the purchaser.

In order to reach the purpose, two research questions have been developed. Both of them have a distinguished connection to the purpose. To be able to analyse the strategic alignments influence on the purchaser, the alignments influence on the purchaser's decision from both theoretical and empirical material needs to be studied. Hence, the research question:

RQ.1 How does the strategic alignment influence the purchasers ability to make strategically aligned decisions?

Grounded on the identified influences found in RQ.1, theory and empirical findings will be studied to be able to provide propositions on what to consider while constructing the strategic alignment to support strategically aligned purchasing decisions. Thus, the research question:

RQ.2 What should firms consider when constructing the strategic alignment to enable strategically aligned purchasing decisions?

Since the firms studied in this research acts in different environments they may have different influencing factors. Therefore, it would be difficult to be able to suggest a general model or step-by-step process that would answer this problem in general. Consequently, this research aims to highlight the considerations that are important when constructing the strategic alignment for the purchasing function.

1.4 Delimitations

To be able to make an in-depth research in a constrained time-period the following delimitations arise. Even though strategic alignment involves all the functions of a firm, this research will be limited to one of them i.e. the purchasing function. This thesis will only embrace the internal integration connected to purchase e.g. the strategic alignment effect on the purchasing function. Thereby, the external orientation e.g. the effects from the supply-chain on the purchasing function and other effecting contexts will be outside the scope of this research. The empirical findings presented in this thesis are collected through interviews and document studies at two manufacturing firms located in Sweden; this might affect the conclusions transferability and degree of generalization.

1.5 Contribution

According to Carr and Pearson (2002) there is a need for a wider perspective of research regarding strategic alignment in manufacturing firms. Furthermore, González-Benito (2007) states a need for studies about strategic alignment that does not only include managers. This thesis contributes to the knowledge of how two manufacturing firms manage strategic alignment but in a new way i.e. including the perspective of the purchaser. Thereby, this research will not only provide knowledge from a top-down perspective for practitioners on a managerial level but also contribute to a two directional understanding of strategic alignment between top management and the purchaser. The two directional perspective of strategic alignment in purchasing will provide practitioners within the aligned strategic activities with a integrated understanding about the impact and outcome that strategies can have on a purchaser. Including both an SME and a larger firm will provide researchers and practitioners will provide researcher with a wider perspective on the strategic alignments and its influence on the purchaser.

1.6 Key words

“Business strategy”, “Purchasing strategy” and “Strategic alignment” are three important terms that are used frequently throughout this thesis. This section will therefore provide definitions provided by the researchers.

The definition of the term “Business strategy” used in this thesis is inspired by: Andrews (1984), Porter (1985) and Lysons and Farrington (2012).

Business strategy refers to developing a Company’s competitive advantages, identify market trends and develop strategies that protrude the Company from its competitors and meet market requirements.

The definition of “Purchasing strategy” used in this thesis is inspired by: Watts, Kim and Hahn (1992), van Weele (2010) and Hesping and Schiele (2015).

Purchasing strategy refers to a pattern of purchasing decisions of materials and services in a certain category in order to improve the purchasing performance and to be consistent with the business competitive strategy.

The definition of “Strategic alignment” used in this thesis is inspired by: Henderson and Venkatraman (1999) and Baier et al. (2008).

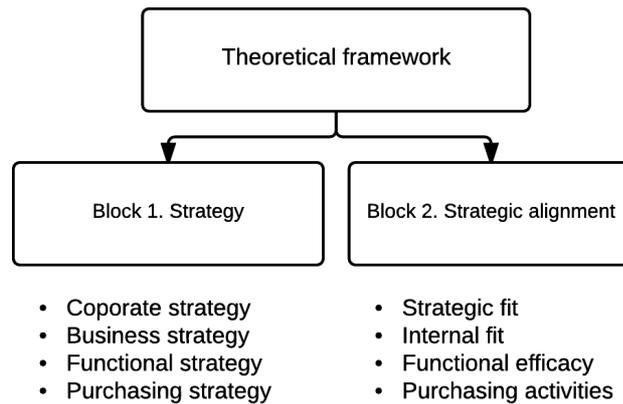
Strategic alignment is the gathering name for describing the integration and communication between business and functional strategies (Strategic fit), among functional strategies (Internal fit) and between function strategies and the functions activities (Functional efficacy).

2 Theoretical framework

The chapter starts with a short description of how the theoretical framework is constructed to give the reader a clear understanding of how the framework is designed. This is followed by presentation of the theories used in this research following two blocks.

The theoretical framework for this research is based upon two building blocks, Strategy and Strategic alignment. The strategy block includes theories about corporate, business, functional and purchasing strategies. In this research, the business strategy and its influence on one specific functional strategy i.e. the purchasing strategy is in focus. Therefore, corporate strategy and the other functional strategy will just be introduced briefly to give the reader a better understanding of the larger context. The second main block, strategic alignment, includes theories about Strategic fit, Internal fit, Functional efficacy and purchasing practices. These are the concepts that describe the connection and the alignment between the different strategies introduced in the first main block. The two blocks and its components are illustrated in Figure 1.

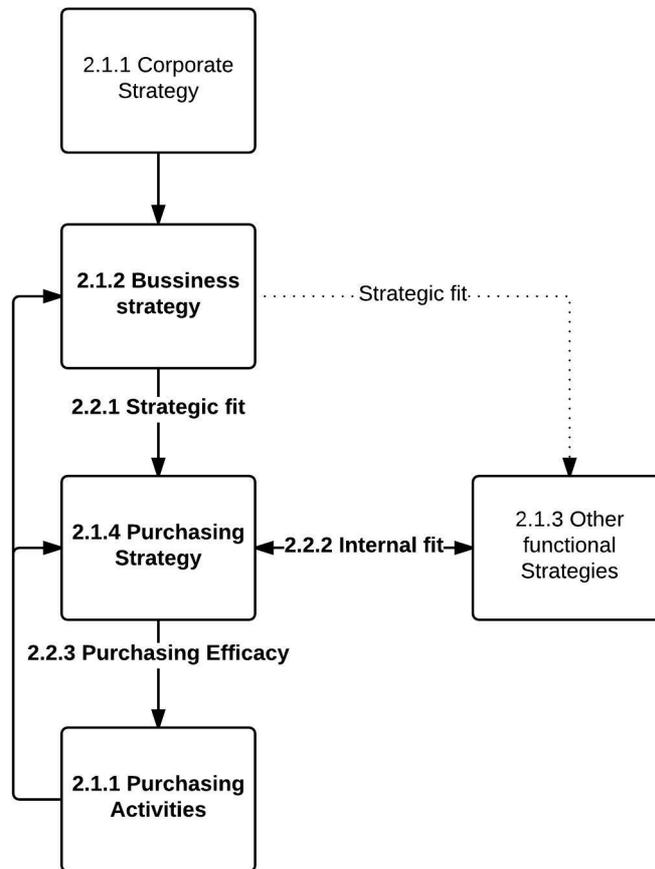
Figure 1 The two blocks of the theoretical framework



Source: The authors

Illustrated in *Figure 2* are the concepts that will be highlighted in the theoretical framework. The first main block and its components are within the boxes. Furthermore, the arrows illustrate the connection between the different strategies with the components from the second main block. The components that are focused upon in this research are bold in the figure.

Figure 2 Concepts in the theoretical framework



Source: The authors

The theoretical framework starts with explaining block one, which includes theories about Corporate-, Business-, Functional- and Purchasing Strategy. The chapter then continues with block two, which includes theories about Strategic Fit, Internal Fit, Functional Efficacy and Purchasing Activities.

2.1 Strategy

Strategy originates from the Greek word *strategia*, which means "generalship" and are historically referred to as a military concept. Since the end of the Second World War, the concept have been applied and used in business context as organizations develop long-term plans for managing challenges within their industry (Lysons & Farrington, 2012). Strategy is today considered as a broad concept that holds several definitions (Watts et al, 1992).

For example, Johnson, Scholes and Whittington (2008) define strategy as

"... the direction and scope of an organization over the long term, which achieves advantage in a challenging environment through its configuration of resources and competences with the aim of fulfilling stakeholders expectations" (p. 3)

Usually, strategies are formulated, evaluated and implemented in three different levels: corporate strategy, business strategy and functional strategy (Watts et al., 1992; Lysons & Farrington, 2012).

In manufacturing firms, there are typically at least two out of these three levels of strategies formulated and implemented (Watts et al., 1992; Lysons & Farrington, 2012; Bäckstrand, 2012). For the purpose of this research, it is of importance to understand what distinguishes these three levels of strategies and how they are connected.

2.1.1 Corporate strategy

The corporate strategy serves the purpose of providing the organization with long-term overall directions (Johnson et al., 2008; Lysons & Farrington, 2012) and could include geographical coverage, diversity of products or business units and resource allocation (Johnson et al., 2008).

According to Lynch (2006), the difference between corporate- and business level strategy can be explained by the questions that needs to be addressed. While business level strategy addresses questions connected to competitive advantages, differentiation and customer segments (e.g. How do we compete successfully?), Corporate level strategies answers the fundamental questions regarding business area, culture, leadership etc. (Lynch, 2006).

2.1.2 Business strategy

The business strategy describes the means by which a company will compete on specific markets (Watts et al., 1992; Porter, 1996; Bäckstrand, 2012; Lysons & Farrington, 2012). It answers the strategic question “How are we going to compete in this particular business area?” and generally concerns four main tasks:

- Co-ordinating and integrating business unit strategies to support the corporate strategy.
- Develop competences and competitive advantages.
- Develop strategies for niched product markets.
- Monitoring the strategic fit between products and markets in their current state of development.

According to Hill (2010), a closely related aspect to business strategy is competitive priorities. It is of importance for firms to differentiate themselves from their competitors in order to be competitive on a specific market. To do this, firms make sure to fulfil order qualifiers and develop order winners. There are a variety of these existing in firms and they are both time- and market-specific (Hill, 2000). Price, quality, lead time, delivery, design, brand and customer service are a few examples of what can be either orders qualifiers or order winners. Hill (2000) defines order qualifiers and order winners as follows:

Order qualifiers are the criteria that a company must meet to be able to exist on a specific market. These attributes needs to be there before customers even should consider making use of the company. It may, for example, include being ISO 9000 certified, which is a standard for quality management. The company must ensure that these criteria are met, although the company does not win any orders by only fulfilling

the order qualifiers. Orders winner are the criteria that wins the order. This may involve for the firm to distinguish themselves by having better price, quality or lead times than the competitors.

According to Lysons and Farrington (2012), one of the approaches of business-level strategy is the competitive strategy developed by Porter (1996), which will be explained next.

Competitive strategy by Porter (1996)

According to Porter (1996), a company can outperform its competitors by establishing preserving differences that distinguish themselves from the competition. To achieve this, organizations can establish some combination between quality, service, cost and time that brings greater value to customers in comparison to its competitors, create comparable customer value at a lower cost or do both. Porter (1996) typology identifies three strategies that are used to create competitive advantages: cost leadership, differentiation and focus.

Cost leadership strives at creating efficient low-cost activities. As cost is generated by the activities an organization performs, cost-advantages arise when an organization performs particular activities more efficiently than its competitors. Cost leadership is effective when the market contains price sensitive buyers, when product differentiation is hard to achieve and when customers are unconcerned regarding brands. Potential threats to cost leadership is that competitors can easily imitate the strategy, it demands technological advantage and buyers may demand more than only a low price.

Differentiation aims at marketing product features that are seen as unique in a specific market. This can be done through design, technology and quality or after sale services etc.

Focus strategy aims at defining and serving specific customer groups. By studying the activities of a specific customer group, organizations using focus strategy becomes familiar with the customer requirements and can thereby provide specific solutions.

2.1.3 Functional strategy

The functional strategies are related to the main activities in an organizations business functions e.g. manufacturing, sales and logistics (Bäckstrand, 2012; Lysons & Farrington, 2012; Johnson et al., 2008; Watts et al., 2010; Porter, 1996). They are expected to derive from the business strategy and be consistent with other functional strategies in the organization (Porter, 1996; Bäckstrand, 2012; Lysons & Farrington 2012).

According to Lysons and Farrington (2012), a functional strategy answers the question "How can we best apply functional expertise to serve the business needs of the business function or organization?" and does primarily concern:

- Ensuring that competences and skills are used effectively.
- Integrating business functions (e.g. purchasing and manufacturing).

- Provides information that can be used when formulating business and corporate strategy.

There are a lot of different functional strategies e.g. purchasing strategy, production strategy, sales strategy, marketing strategy and logistic strategy. Focus for this research is the purchasing strategy. Hence, this is the next area to be presented.

2.1.4 Purchasing strategy

The purchasing function serves the purpose of handling supplier relationships in order to receive product and components from a supplier (Bäckstrand, 2012). According to Lysons and Farrington (2012), purchasing strategy is related to the specific actions that the purchasing function take by choosing suppliers, products and components in order to achieve overall company objectives. As suppliers, products and components become increasingly important sources for competitive advantages, the purchasing function should be aligned with the company’s business strategy (Cousins, 2005; van Weele, 2010; Drake, Lee & Hussain, 2013). When it comes to supplier selection or other purchasing decisions, the purchaser have to act in alignment with purchasing strategies on corporate-/business level and on operational level (Lysons & Farrington, 2012). Purchasing strategies on different levels are explained in Table 1.

Table 1 Purchasing strategies on different levels

Corporate-/business level	Operational level
Formulated on a high level in the hierarchy.	Focuses on decisions made on a lower level in the hierarchy.
Focuses on priorities and goals.	Focus on process development.
Based on large sources of information.	Based on a smaller source of information.
Long-term perspective.	Short-term perspective.

Source: Purchasing strategies on different levels inspired by Lysons and Farrington (2012) P.43

Purchasing strategy was the last theory of block one. Now block two will start with a definition of the strategic alignment and continue with theories about the connections between the different strategies explained in this block.

2.2 Strategic alignment

As the concept of alignment have been the topic in many research fields such as operations management, business strategy and information technology, a universal definition of alignment is difficult to apply (Cao, Baker & Hoffman, 2012). Originally, alignment is developed from the idea that firms should strive to “match” or “align” the business resources to the competitive context in which the firm is acting (Venkatraman & Prescottt, 1990; Cao et al., 2012). Alike the concept of alignment, research about strategic alignment includes a large body of literature including many different definitions. Hence, this section will present a collection of existing theory about strategic alignment and its related areas and present an explanation of how the concept of strategic alignment will be defined in this study.

Henderson and Venkatraman (1999) view strategic alignment as a concept based on two blocks: strategic fit and functional integration (internal fit by Bäckstrand, 2012). The

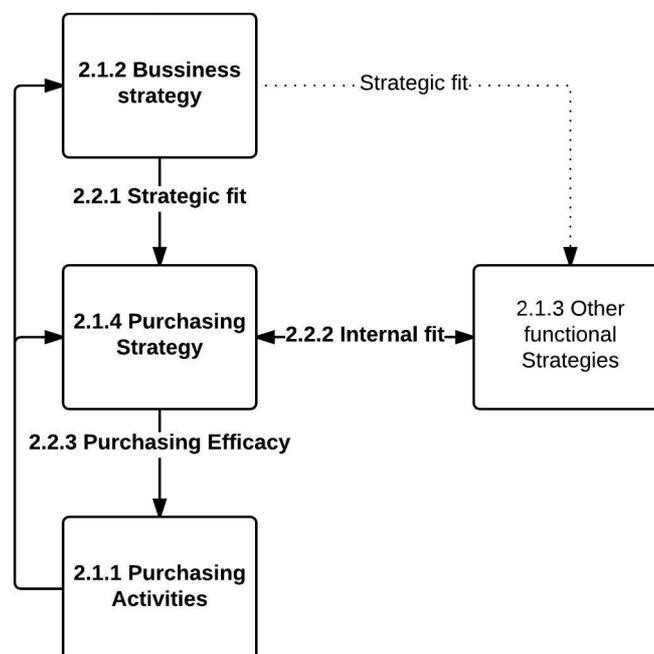
strategic fit addresses the need for any strategy to consider both internal domains such as business processes and external domains explained as the business area in which a firm competes (Henderson & Venkatraman, 1999). The strategic fit is representing the integration between the business strategy and the purchasing strategy (Baier et al., 2008; Bäckstrand, 2012). The internal fit represents the integration between different functional strategies (Bäckstrand, 2012). Both the external and internal domains are what influences how the corporate-, business- and functional strategies are formulated in an organization. Furthermore, González-Benito (2007) and Baier et al. (2008) introduce a third dimension to the concept, functional efficacy, which is described as a measurement on how well the functions capabilities contributes to the functional strategy. Kaplan and Norton (2005) states the complexity in the fact that top management have to control an organization where different performance measurements may apply for different functions. In effort to manage this, management make use of tools such as for example, balanced scorecard (Kaplan & Norton, 2005)

Influenced by Henderson and Venkatraman (1999) as well as Baier et al. (2008), strategic alignment in this research will be defined as follows.

Strategic alignment is the gathering name for describing the integration and communication between business and functional strategies (Strategic fit), between functional strategies (internal fit) and between function strategies and the functions activities (functional efficacy).

Illustrated in Figure 3 is the different block that in this research facilitates strategic alignment. The following sections will describe the strategic fit, internal fit and functional efficacy more thoroughly.

Figure 3 The concepts of Strategic alignment



Source: The authors

2.2.1 Strategic Fit

The strategic fit refers to the integration between the business strategy and the functional strategies i.e. it addresses the extent to which the functional objectives conform to the business level competitive priorities (González-Benito, 2007; Baier et al., 2008; Bäckstrand, 2012). In purchasing, it reflects upon activities such as purchasing decisions and how to manage the supply base etc. (Baier et al., 2008). For example, if the competitive priority found in the business strategy is price, the purchasing function should focus on reaching low costs. However, a purchasing function that is incentivized solely on one competitive priority may disregard other priorities such as flexibility or quality; hence making decisions that may contribute to one priority but counteract another.

According to Baier et al. (2008), only purchasing function that have competitive priorities that support the requirements of the business strategy have the possibility to act as a contributor to enhancing the competitive advantages. Understanding that the purchasing competitive priorities may not always be adaptable (e.g. Cost vs. quality), it causes the purchasing function to make trade-offs in regard to the level of which the priorities to focus on (Carr & Pearson, 2002).

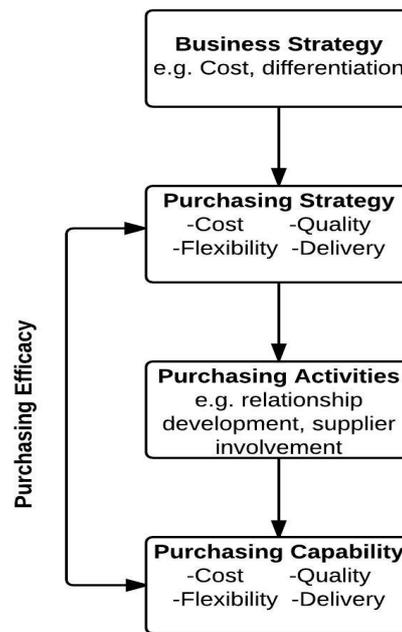
2.2.2 Internal Fit

Internal fit occurs in a firm when different functions (e.g. manufacturing, sales and logistics) integrate with each other to achieve the over-all strategy. Instead of functions working for its own goals and values with no consideration for the other functions, which often is the main cause for sub-optimization (Henderson & Venkatraman, 1999). According to Bäckstrand (2012) there is a necessity for alignment between different functional strategies (internal fit) e.g. alignment between the purchasing and manufacturing function. The importance of internal fit has been stressed, and there is much proof of the benefits of integration among functions in the literature (Bäckstrand, 2012). van Weele (2010) argues that purchasing decision cannot be made in isolation aimed only at optimization purchasing performance such as cost reduction. Rather, the purchasing decisions should be aligned with both overall business strategies as well as other functional decisions (e.g. manufacturing, sales and logistics) (van Weele, 2010).

2.2.3 Functional Efficacy in Purchasing

According to Baier et al. (2008) functional efficacy is the fit between the functional strategies and the activities that are carried out in the function to fulfil this strategy. It reflects upon the resources in the function (i.e. Human and Technology) as well as the activities in the function to fulfil its goal (González-Benito, 2007; Baier et al., 2008). In purchasing these activities relates to the purchasing-supply base interface (e.g. order placement and expediting, caring of buyer-supplier relationship and supplier performance evaluation (Narasimhan & Das, 2001). According to González-Benito (2007) the purchasing efficacy rather is between the purchasing strategy and the purchasing capabilities. He argues for that the purpose of any purchasing activity is to reach certain capabilities, and these capabilities, irrespective of how they have been reached, must be aligned with the business strategy. In Figure 4 the relationship between business strategy, purchasing strategy, purchasing activities, purchasing capabilities and purchasing efficacy is illustrated.

Figure 4 Purchasing Efficacy Relationships



Source: Inspired by Gonzalez-Benito (2007) P.904

Purchasing efficacy could be described as the measurement for how well the purchasing function are following the purchasing strategy and thereby the business strategy (Gonzalez-Benito, 2007). This information is proceeded by the managers for the different functions and also communicated back to the top management which uses the information for validating the strategic alignment.

2.2.4 Purchasing Activities

Purchasing activities relates to the purchasing-supply base interface (e.g. order placement and expediting, caring of buyer-supplier relationship and supplier performance evaluation (Narasimhan & Das, 2001). Purchasing activities differs from the internal and strategic fit in two major ways. Firstly, purchasing activities has an external focus, focusing on actions that impact the supply base. This is in contrast to the purchasing functions roll in the strategic and internal fit where the focus is on internal development of strategies and collaboration to reach the strategic goals (Narasimhan & Das, 2001). Secondly, development of the purchasing practises such as supplier-development costs more money in-front than development of strategic and internal fit does (Narasimhan & Das, 2001)

2.2.5 Closure of the theoretical framework

The theoretical framework presented includes two main blocks i.e. strategy and strategic alignment. The last block, strategic alignment, presented how the different strategies are connected with each other through strategic alignment e.g. strategic fit, internal fit and purchasing efficacy. The goal with the chapter was to create a better understanding for strategies and how the connections between them are created with strategic alignment from a theoretical view. Next is the methodology chapter, which is made to enable the authors to build research instruments adequate to respond to the research questions.

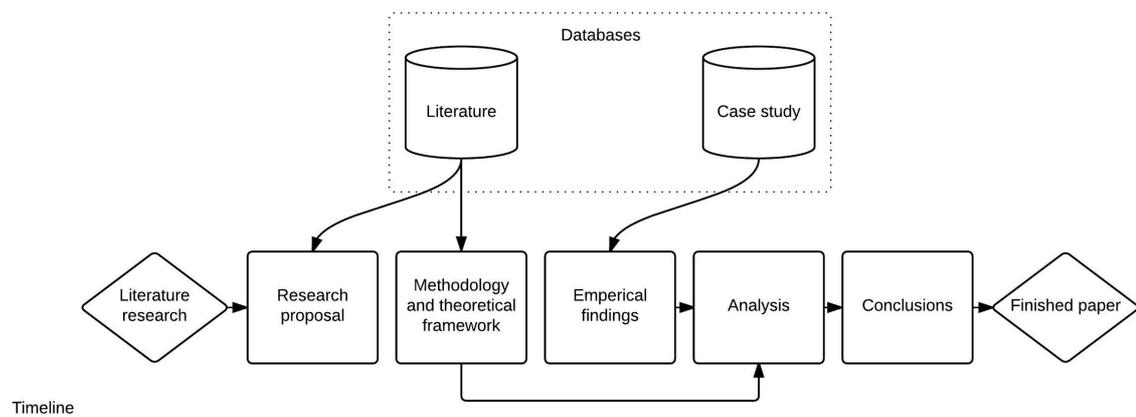
3 Method

This chapter explains the methodology used in this research. The chapter starts with introducing the research process that has been followed as well as the chosen research approach. Furthermore, an explanation of the data collection used in this research are presented as well as how that data later was analysed. Lastly, the trustworthiness and ethical considerations of the research are explained.

3.1 Research process

The research process started with a literature search where a gap was identified, which was analysed and transformed into the research proposal. In Figure 5 the research process is illustrated.

Figure 5 The research process



Source: The authors

After the research proposal was approved, the work with the methodology and the theoretical framework continued. The methodology part was written to have a clear idea how the master thesis would be conducted, this stage included studies of scientific research. The theoretical framework are based upon the literature review done for the research proposal but were supplemented with various academic articles and literature covering key areas for this research. The theoretical framework was created to enable analyse of the empirical findings. Case studies at two different companies were executed to gather the empirical data. When the empirical data was gathered the analysis of the theoretical and empirical data started simultaneous. The analysis was the foundation for the conclusions presented later in this thesis.

3.2 Research approach

The purpose of this research is to contribute towards a deeper understanding of the strategic alignments influence on the purchaser and how the alignment can be constructed to be more supportive for the purchaser. The following approach was taken to reach the purpose. First, a literature review was conducted to identify theories about different strategies and strategic alignment. The theoretical framework was constructed to give a clear picture of the theoretical view of different strategies and the strategic alignments influence on the underlying functions. Thereafter, the theoretical framework was applied on two case studies. The goal with the case studies was to compare the theoretical interpretation on how the strategic alignments influence a purchaser with

how a purchaser actually got influenced in two firms of different sizes. According to Collis and Hussey (2014) the method of moving from the general knowledge in form of theory to the particular in form of a case study is defined as deductive research.

3.2.1 Methodological choice

The approach included both interviews and document studies as data collection techniques. The interviews were the main source of empirical data and the document studies served the purpose of helping the authors counteract miss-interpretations and widen the understanding of the context. The use of document studies to complement the interviews are according to Collis and Hussey (2014) improving the quality of data collection, interpretation possibilities and the ability to analyse. Furthermore, the use of these two methods to collect spoken and written in-depth data could be defined as a qualitative multi-method design according to Saunders, Lewis, and Thornhill's (2012) definition. The authors of this thesis have chosen a qualitative method to be able to explore the subject in a real manner with access to rich non-numerical data. A quantitative approach could also have been used to conduct this research. However, previous research has mainly focused on a quantitative approach using numeric data to research this area and therefore the authors distinguished a need for an in-depth research. Table 2 illustrates three main differences between the qualitative and quantitative approach.

Table 2 The differences between qualitative and quantitative approach

Qualitative approach	Quantitative approach
Based on meanings expressed through words.	Based on meaning derived from numbers.
Collection results in non-standardised data requiring classification into categories.	Collection results in numerical and standardised data.
Analysis conducted through the use of conceptualisation.	Analysis conducted through the use of diagrams and statistics.

Source: Saunders et al. (2012) P. 547

Based on the purpose of this research, two research questions were formulated to be answered through words rather than numbers. According to Saunders et al. (2012) it is of high importance to explore and clarify this words because they can have several meanings. To achieve the purpose, non-standardised data was needed to get an in-depth understanding of the purchaser's reality.

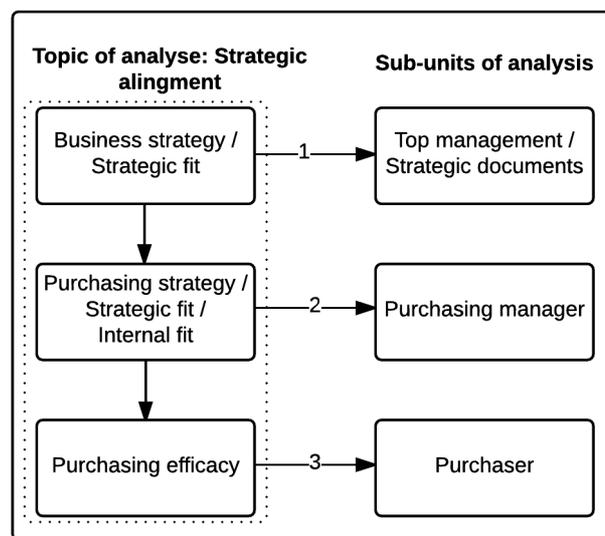
3.2.2 Case study

The authors have used case study to collect empirical data. The case study involves two companies where visits have been performed. The aim with the case study was to collect empirical data concerning how two companies construct and communicate the strategic alignment to the purchasing function and how the purchaser, as an individual, receives it. The authors choose purposeful sampling as sampling method in this research complemented with two criteria's. Criteria one were that the company were required to have some sort of manufacturing and criteria two were that they needed to have an outspoken focus on strategic purchasing. The case study approach has been criticized for producing a lot of data, which allows the researches to make various interpretations and makes it harder to generalize (Easterby-Smith, Thorpe, & Jackson, 2015). Yin

(2011) suggests that in order to meet these criticisms it is important to have a clear design produced before the data is collected, which should include the unit of analysis and procedure for interpretation of data etc.

The main units of analyse in this study consisted of the two case companies. According to Yin (2011) most of the research only use one main unit of analyse but he also distinguishes that when the purpose is to research contrasting cases of the units, two main units gives more trustworthiness. This case study consists of both an SME and a large firm, which makes it interesting as it illustrates the similarities and differences between them when it comes to strategic alignment. Therefore, this study consist of two units of analyse in the main level. According to Yin (2011) qualitative studies often have more then one level of analyse units. This is the case in this study as well as the sub-unit of analyse consists of the CEO, Purchasing manager and purchaser in one of the companies and the Global Logistic and Purchasing manager and a purchaser in the other. The relationship between the analysed topic and the units of analyse on the sub-level are illustrated in Figure 6.

Figure 6 Units of analyse



Source: The authors

The top management are chosen to be a unit of analyse to get access to knowledge about the companies over-all strategic goals, how they where communicated internally and the top-down view on strategic alignment. In Company A, the CEO was chosen as representative for the top management. Company B's top management are represented by the Global Logistic and Purchasing Manager (GLPM) who are a part of the general board in Sweden. The information from the top management representatives was also confirmed by studying the company's strategic documents. To get empirical data about how the business strategy influenced the purchasing function and how this information was transformed to goals for the purchaser, the Purchasing Manager at each company was chosen as a unit of analyse. Lastly, the Purchaser was chosen to collect information on how the strategic alignment influenced the purchaser in the day-to-day business.

3.3 Data collection

The data collection included interviews and document studies at two companies to be able to answer the research question and thereby reach the purpose of this research. According to Easterby-Smith et al. (2015), interviews and document studies is frequently used by researchers to collect qualitative data.

The aim of the data collection was to get a in-depth understanding of how two companies with different sizes have constructed and communicated their strategic alignment to their purchasing functions and how that that influenced the purchasers ability to make strategically aligned decisions.

3.3.1 Interviews

The main method used for gathering empirical data in this research were semi-structured interviews. According to Easterby-Smith et al. (2015) the use of semi-structured interviews are appropriate when it is necessary to get a in-depth understanding of the concepts that the respondents use for their opinion about a particular situation as well as when the goal of the interview is to understand the respondents "world". This is of upmost interest in this research as the respondent's interpretations are vital for understanding their processes and thoughts about the strategic alignment. Presented in Table 3 are the information about the interviewee's position as well as date and purpose for the interviews. All interviews were conducted face-to-face and took place at Company A and Company B's facilities. The authors required face-to-face interviews to enable more discussions, interpret body language and to get a more in-depth understanding of the interviewee's world. According to Saunders et al. (2012) face-to-face interviews enables the interviewee to reveal more important information.

Table 3 Conducted interviews in this research

Date	Purpose	Position	Time
2016-03-01	Strategy	CEO A	60min
2016-03-01	Strategic fit, Internal fit	Purchasing Manager A	55min
2016-03-01	Strategic fit, Internal fit, Purchasing efficacy	Purchaser A	45min
2016-04-08	Strategy, Strategic fit	Global Logistics and purchasing Manager B	55min
2016-04-08	Strategic fit, Internal fit, Purchasing efficacy	Purchaser B	35min

Source: The authors

To make sure that the interviewee had a brief understanding about the topic, a short description of the thesis as well as an interview schedule was created and sent to the interviewee one week before the interview. The interview schedule is presented in appendix A. The interviews were based on the list of questions in the schedule. However, because of the semi-structured nature, both follow-up questions from the authors and discussions occurred freely between the participants, which lead to more information rich and constructive discussion. According to Saunders et al. (2012), it is common that researchers tailor their questions depending on the interviewees' responses. The authors argue for the importance of getting a deep understanding of the respondent's thoughts on the subject to be able to reach the purpose. Therefore, follow-

up questions and discussion were used to achieve a deeper understanding when the answers from the questions in the interview schedule were not detailed enough.

Both authors attended all of the interviews where one author had the main responsibility to take notes and the other had the responsibility to ask questions and lead the interview forward. Saunders et al. (2012) explains that taking notes enables you to record your own thoughts, relationships between variables and interviewees facial expression during the meeting. The notes taken during the interviews included both the answers to the question as well as notes of the relationships to other question as well as the interviewee's reactions to different questions. According to Yin (2011), it is important to take the "right amount" of notes. Too much can disturb the collection and make analysis harder, too little may not be enough to even perform an analyse. The author that took the notes also used them to formulate points to summarise back and devise follow-up questions. After the interviews the authors met directly to write a short summary of the notes, add contextual data and discuss the outcome of the interviews. According to Saunders et al. (2012), summaries are important to optimize the value from the interview.

Even though interviews often is claimed to be one of the best methods to gather information it can be both time consuming and complex (Easterby-Smith et al., 2015). However, the authors choose interviews as the primary method to collect empirical data because of the need of in-depth empirical data to be able to answer the research question and thereby achieve the purpose.

3.3.2 Document study

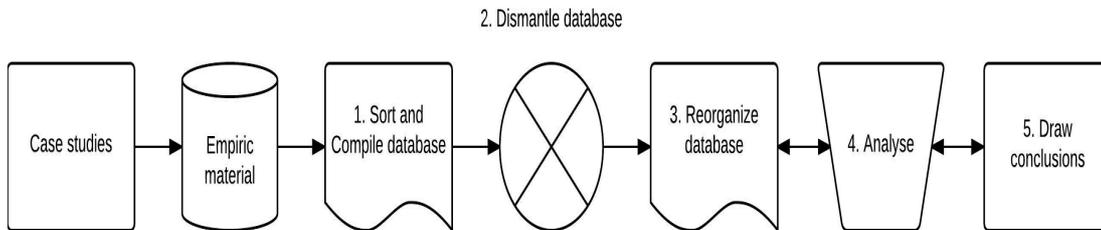
The document study included secondary textual data. Secondary data are written source of information produced for another purpose than the research (Saunders et al., 2012). In this research, the textual data contained of internal company information and reports as well as the case companies homepages. The homepages was used to collect information about the company's background, products and organization structure. This information was collected through Internet searches prior to the interview occasions to give the authors a better understanding of the company's context. Secondary data is often of high quality and does not take a lot of time and effort to collect (Easterby-Smith et al., 2015). Hence, it is suitable to use secondary data as a complementary to primary data collected from interviews. When collecting secondary data it is important to evaluate the source as well as let the research question frame the data and not the other way around (Saunders et al., 2012; Easterby-Smith et al., 2015).

3.4 Analysis of data

Analysis of data has followed the steps advocated by Yin (2011) and the case analysis was combined with a cross-case analysis to identify potential patterns. Yin (2011) argues that the most important things to consider during the phase of analyse in a qualitative study are: control that your data is correct, do the analysis as thorough as possible and critically review the outcome of the analysis as you go. This has permeated the author's work with the analysis. The data has been confirmed with triangulation (explained in 3.4.1) and the analysis has consciously been the most time-consuming part of this thesis in order to make it as accurate as possible. According to Saunders et al. (2012), the data collection and analysis part in qualitative research are both of interrelated and interactive nature. This research is not an exception as the authors has

discussed and analysed the data directly after it has been collected. The analysis started with sortation and compilation of the collected data from interviews and document studies into a database. Second, the compiled database was dismantled into smaller parts. The third phase included the reorganization of the new database into a text describing the empirical data. Following, the new reorganized database was analysed. In the last phase, the authors draw the conclusions presented in this research. Figure 7 illustrates the analyse process in this research.

Figure 7 The phases of analyse



Source: The authors, inspired by Yin (2011) P.181

The two cases were handled separately but followed the same phases and were reorganized in the same way.

3.4.1 Triangulation

In this study both data-collection method and sources have been triangulated. Triangulation is the use of two or more data-collection methods or sources of data within a study (Saunders et al., 2012). Triangulation is used to confirm that the data you have collected is correct with your initial belief. The data-collection methods used in this research are interviews as well as document studies. The document study was conducted in the purpose to confirm the data that was collected through the interviews was to be trusted upon. Furthermore, five interviews at two case companies have been performed. This in the purpose to get a greater understanding of the strategic alignment path as well as confirm the interviewee's answers with other interviewee's. Data has also been compared between the two companies to distinguish between data that is company specific and data that are of more general nature.

3.5 Trustworthiness

To describe the trustworthiness of this research, three terms i.e. *reliability*, *validity* and *generalizability* will be used. According to Easterby-Smith et al. (2015) these terms can mean different things within different research traditions. Therefore, before explaining how this research meets these terms they will be defined within the context of this research.

Reliability measures if there is transparency about data collection and interpretation (Easterby-Smith et al., 2015). To reach a high reliability in this study the authors have written a methodology chapter, which explains both the choice of strategy and methods of the data collection and analysis. Which are in line with Saunders et al.'s (2012) suggestion when using semi-structured interviews.

Validity measures to which extent the research findings provide accurate representation of the things they are supposed to be describing (Easterby-Smith et al, 2015). To get a high validity in this research, both methods as well as source triangulation was used to ensure accurate findings. According to Saunders et al. (2012) semi-structured interviews can achieve a high level of validity if conducted carefully. The interviews included clarifying questions and follow up questions to explore responses from different angles. To reduce the risk of researcher bias the finished report were sent to the interviewees for reviewing and approval.

Generalizability measures to which extent the research originated in one context can be relevant to other contexts (Easterby-Smith et al, 2015). To ensure high generalizability in this research, two case companies active in different markets were used. This to minimize the risk of that the conclusions drawn would be branch specific. Furthermore, the conclusions in this study are formed as general recommendations for firms that want to strengthen their strategic alignment. Qualitative studies using semi-structured interviews cannot be used to create generalizations about a whole population (Saunders et al., 2012). However, by describing the research well including research questions, design, context, findings and conclusions, other researchers can design a similar research in new contexts.

3.6 Ethical considerations

In every management and business research, ethical issues will arise during the whole research process (Saunders et al., 2012; Easterby-Smith et al., 2015). Therefore, the authors of this thesis think it is of high importance to explain which countermeasures that have been taken to minimize the issues during this research. The authors have carefully used references when taking inspirations from funding sources including both text and figures. Furthermore, the authors have been honest and transparent when writing about the research process and result. These two principles are in line with Easterby-Smith et al., (2015) key principles for ethical research.

The interviewees received the interview schedule including an explanation of what the material would be used for, one week before the interviews and got the finished report for reviewing and approval before any publication of the thesis. This in line with Saunders et al.'s (2012) suggestions regarding informed consent. Furthermore, both the case companies as well as the interviewee's names were made anonymous in the thesis. The companies was referred to as Company A and B and the interviewees by their position in the company. Hence, the privacy and anonymity of both individuals and organizations were protected. This is also in line with both Easterby-Smith et al. (2015) and Saunders et al.'s (2012) principles.

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4 Empirical finding

In this chapter the empirical findings that have been collected through interviews and document studies are presented. The two case companies are presented separately. First, a short introduction of the companies is provided. Secondly, the chapter follows the same keywords as the theoretical framework. The interview schedule used for the interviews is presented in Appendix A.

The two case companies are of different sizes, are active in different markets and have different approaches for both strategies and purchasing in general. The two different methods for collecting empirical data (i.e. interviews and document studies) was done simultaneously as both the case companies had strict rules in handing out strategic document to non-employees. Hence, this chapter will not make any direct difference in the data gathered from document studies or interviews, rather present a descriptive text of the both companies current situation. All empirical data that is presented in this chapter is written from the words of the interviewees or from the strategic documents shown during the interviews. Hence, no analysis will be presented below the headlines corporate strategy, business strategy, purchasing strategy or purchasing efficacy.

4.1 Company A

Company A is a fourth generation family business acting in the Scandinavian shop fitting industry. They offer standard and customized furnishing solutions to stores and shops (e.g. Sport stores and clothing stores) in Scandinavia. Their headquarters are located in the southern part of Sweden with branches in Denmark, Finland and Norway. The company was founded in the early 1900 and have, as of today, about 140 employees working with R&D, production, sales, purchasing and business development.

The purchasing function, which is the analyse unit of this research, is located at the head quarters in Sweden. It has six employees including the purchasing manager that works with purchasing for projects and the daily operations as well as with supplier development.

4.1.1 Corporate strategy

As of today, Company A holds the position of being the third largest furnishing supplier in Scandinavian, and have during the last years seen a growing revenue stream making the company growing substantially. Since 2010, the company have worked towards the goal of doubling their revenue's in the year of 2020. When asked about the company's strategy, the CEO states that there are several different aspects to take into consideration including supplier selection, customer segments, production development and resource management. In short, the CEO states that their corporate strategy is to grow on the Scandinavian market through an organic focus in the above mentioned business areas. Company A have since it got established been managed as a family corporation and they tend to keep it that way. The CEO says:

“We have a good reputation on the market and our brand have a positive ring to it. The customers may see us as an expensive alternative compared to some of the competition, but the fact that we have been able to keep the hierarchical advantage of being an SME at the same time as we have established the resources to compete with the large

competitors, have given us a great advantage against the competition. Its hard for them to keep up with us.”

4.1.2 Business strategy

Company A has two main customer segments that are represented approximately 50/50 when it comes to contributing on revenue. The first customer segment demands standard furnishing with good quality and price. To meet the demands of this customer segment, Company A have established a wide range of standard collections that can be delivered to the customer with a competitive lead-time. The second customer segment demands unique products and solutions, which in its turn demands flexibility from Company A.

According to the CEO, the customers have established a good knowledge about the quality and price standards on Company A’s market. He stresses quality as an important factor for being able to compete on the market but that higher quality makes little difference when competing for orders. The same thing applies to the price of the products, having a good price is necessary to compete for orders but is rarely seen as the key factor for winning orders. The CEO also stresses the importance of delivering on time. He says that the customer sees the delivery precision as more important then the actual delivery time. But regardless of the business strategy set to compete on the market, the CEO states that you have to make sure that you can meet the customer demands even if it does not correspond with the set strategy. The CEO says:

“It is a sales oriented business, you have to track down new customers and offer them solutions. The Company have established a lot of measurements for all functions but when it comes down to it, about 5% of the daily operations focus on maintaining strategies and the rest is about trying to meet the customer demands in the best way possible. Whether its unique products that has to be delivered on short time or customer demands that surpasses what we previously have seen as possible, we have to make sure that we can meet the demands.”

Company A’s sees themselves as the “small actor with the big resources”, which according to the CEO means that they want to preserve the flat hierarchy enabling them to be flexible towards its customers, at the same time as they show the ability to supply large customers that demands challenging solutions.

4.1.3 Purchasing strategy

The purchasing function of Company A has three main strategic targets: flexibility, delivery precision and quality. The purchasing manager (PM) states that maintaining the purchasing strategy is a hard task to manage. On the one hand, it is important to provide the company with components that hold a certain quality standard, on the other hand, the sales function often communicate price and delivery precision as what is most important for the customers. According to the PM, the company are trying to work closely with the suppliers to ensure that the quality standards are met. But, to be able to be flexible they need a large base off suppliers, and to ensure good quality on all of them is hard. Furthermore, the price and delivery precision communicated as important by the sales function creates a situation where the purchasers can seldom choose the supplier they want, rather the one that can meet the varying customer demands. The PM says:

“We purchase a wide range of products, from standardized parts/product in high quantities to specialized parts for specific customers and occasions. The customer’s demands vary from order to order and we have to make sure that we possess the supply base necessary to handle the demands. We have tried to decrease the supplier base to make sure that we have the possibility to work close with the suppliers we trust. But unfortunately that did not work out as we needed to have a lot of suppliers to make sure that we could meet the varying demands.”

The purchaser view on the purchasing strategy is similar to what the PM explained. She repeatedly stated the importance of being flexible, both towards the customers demand but especially towards the sales function. The large supplier base help the purchaser to make sure that there is always a supplier that can meet the demand when it comes to lead time. She explains that the purchasing strategy always lies in the back of her head as guidelines but that it is hard to follow a single strategy on a daily basis. A lot of the customer orders are different and challenges appear daily that requests for quick decisions to manage the challenges. One day is not like another, the purchaser has to put the customers need first and make sure that the company can deliver.

4.1.4 Strategic fit

To make sure that the purchasing function act as a supporter for developing Company A’s competitive advantages, they use a balanced score card (BSC) where the business strategy is decomposed into measurements for the purchasing function. The measurements used in the purchasing function are delivery precision, cost of poor quality and cost per item. The BSC is available on the intranet for the purchaser to see and follow up and it is the main tool for communicating the business strategy to the different functions. Once a month, the managers meet with the CEO to go through the BSC to make sure that there are not any deviations. As long as all the functions’ values are normal, no action plan is needed.

Apart from the measurable on the BSC, the purchasing function has improvement and status meetings once a week. On this meeting they discuss about the daily status on purchasing operations, distribute workload and set their own goals on matters they want to improve. This meeting are also a forum for the PM to inform the purchasers about the measurable on the BSC and follow up on the potential action plans made during the meeting with the other function managers and the CEO. According to the PM, the weekly meeting gives the purchasing function a chance to discuss about the matters that primarily are handled by the purchasing function. The PM says:

“The function meetings were a part of a development program we set in action a few years ago. I value the individual development of the purchasers and this meeting is a good way of helping each other to reach both individual and functional goals. Unfortunately, the purchasing function is the only function that still has these meeting.”

4.1.5 Internal fit

As explained in the strategic fit, the business strategy is communicated through a BSC where the different functions have measurements that they are working to keep on the positive side. The CEO describes that there is different things that needs to be measured depending on which function you are measuring. He says that they have chosen to create strategies that the different functions can measure, in obverse of having more general strategies that can be hard to understand for someone in the organization that are

not familiar with strategic work. He also stresses that people are different, they have different goals and visions and you have to make sure that everyone understands where we are going and how we will get there. In that sense, it is important to communicate with the different functions in a way that they understand.

Furthermore, the CEO stresses the importance of being transparent in the organization. The BSC is available at any time on the company's intranet to make sure that all employees can see the different functions contribution to the strategic objectives in the business strategy. The purchaser responded to the cross-functional transparency by saying:

"I think that it is good that I can see how the other functions are doing and what they are measured on. However, I seldom go into detail regarding the other functions measurements."

Both the purchaser and the PM say that in some cases the different functions goals can be hard to reach simultaneously. For example, both the purchaser and the PM say that they seldom get information from the sales function about the order winner in specific cases. They both states that their business is very sales oriented and that it is important to be flexible towards the customer and make sure that you meet the customer demands. Hence, it is usual that the purchasers choice of supplier according to the purchasing functions strategic mission does not align with what is promised to the customer, which make the supplier base grow as the customer demands vary.

4.1.6 Purchasing Efficacy

Both the purchaser and the PM state that the purchasing function holds a key role in the strategic work. They express the organizational need of having a purchasing function that enables flexibility and can make sure that the supply is available when needed. The purchasing function handled a large base of suppliers, which guarantees that there is always at least one supplier that can meet the customer demands. Furthermore, the purchasing function have weekly meeting to evaluate their current status, developing improvement plans and make sure that they contribute to the company's competitive advantages.

4.2 Company B

Company B is an international supplier of intelligent transportation solutions (ITS). Their products are used for road tolling, traffic management, safety and security and to connect cars. They offer component and integrated solutions from one single source, which includes developing, integrating, implementing, maintaining and operating of ITS. The Company was founded in the late 1800's and today they have approximately 6000 employees worldwide at 100 offices on six continents. The case study was conducted at Company B's Swedish office, which has 140 employees most of them developing engineers. The Swedish office is appointed as the head of competence centre. Therefore, the main focus is on R&D as well as product testing with the other functions mainly acting as support.

The logistic function at the Swedish office, which has been the function in focus in this study, includes eight employees. Three of them are working with purchasing and the others are working with other logistic tasks (e.g. inventory management). The

purchasing function in Sweden is mainly focusing on strategic purchasing, with long contracts with their suppliers as well as purchasing for different projects. Purchasing for the daily production is another purchasing functions responsibility, which focuses more on operative purchasing.

The Global Logistics and Purchasing Manager (GLPM) has worked for the Company for 14 years and is a part of the Swedish general board, consisting of eight managers. The project purchaser has worked for the Company for 15 years. Besides working with purchasing for the projects he also works with performance testing and transport booking for the delivery to the end customer.

4.2.1 Cooperate strategy

Company B's vision is to be world leaders at smart traffic solutions. To be able to reach that vision, the top management has put together a strategic program, which is due to 2020. This strategic program includes strategies, guidelines and sub-goals for different areas of their global business. The 2020 program is what bring their internationally business together and the different functions is all focusing on reaching the strategies set in the document. When asked about the 2020 program, the GLPM elaborated about it on an over-all level because of the fact that the program is undisclosed for people not employed by the company.

“Our corporate strategy is found in the 2020 program and serves the purpose of providing the global organization with guidelines, goals and overall-strategies. It is the main document for how we want to become world leaders in our field. (...) In short, we want to provide integrated solutions... instead of our main business today in component solutions (...) to do this we want to own the main segments of the refining process. We have for example recently bought one of our Spanish supplier.”

4.2.2 Business strategy

When asked about the market conditions, the GLPM states that it is price fixated. He explains that the customers focus 90% on price and 10% on the performance of the products. Furthermore, he explains that the big customers recognize the importance of performance. The GLPM says:

“Overall, our customers demands that we have competitive prices on our products. (...) We often participate in large negotiations and as several of our competitors take part in these, price becomes of importance for the customer. (...) But, our high performance is what sets us apart from the competition.”

The Purchaser shared an example of the importance of performance for the customer:

“(...) It is of importance to the customer that our products do not fail on registering the cars that travels on their roads. For example, if 10 000 cars travel on a road every day, it's a significant difference in income for our customers if our product are able to register 95% or 99% of them.”

According to the GLPM, the 2020 programs main focus is on securing their competitive advantages, which is connect to the performance of their products. To strengthen there competitive advantages, Company B work with cross-functional projects to make sure that the different functions are integrated in the R&D process.

The purchaser confirmed this by saying:

“(...) Most of my purchasing decisions are made in consent with the project manager and our engineers. This enables us to make sure that we choose the supplier that can deliver components with the performance, quality, price and delivery time that is needed for the project”

This was according to the GLPM also a step in right direction to be able to offer integrated solutions to the customers. Another way of increasing their market share is according to the GLPM to go into partnerships with different actors as well as previously mentioned focusing on integrated solutions including hardware instead of only focusing on software solutions.

4.2.3 Purchasing Strategy

Alike the business- and corporate strategy, the top management group sets the purchasing strategy, which is included in the 2020 program. The purchasing strategy is then carried out at the Swedish office, which is working with strategic purchasing. The purchasing function at the Swedish office conduct long-term contracts (3-5 years) with their suppliers. These contracts are later used as the base from which the operative purchasers in Company B make call offs. The CLPM says:

“(...) Our choice of suppliers is based on the strategic goals of the 2020 program which promotes that the purchasing function contribute in enabling performance and in-house purchase. But, when purchasing large volumes the price factor becomes of large importance. Hence, when we are not able to purchase in-house, we try to establish contract and do our purchasing with the manufacturers instead of a distributor to make sure that we can get the best price possible.”

Both the CLPM and the project purchaser mention performance as a key strategic advantage continuously during the interviews. To reach good performance, the CLPM states that finding quality components is of importance. Furthermore, he says that the purchasers must have an understanding of the end product to know what is needed in the purchased components to enable production of high-performance products. The project purchasers need to have a close contact with the R&D engineers and project managers before making any purchasing decisions. According to the project purchaser, the most important is to get the right quality and price from the supplier. Secondly, is to purchase from within the Company. Furthermore, the project purchaser says:

“I do not make a lot of day to day purchases, that is mostly done by our purchasing functions in our production facilities. (...) I mostly work in product development projects. I get involved early in the development process, about six month to one year before the components are actually needed. (...) I am provided with the specifications in quality, price and delivery time and then I turn to our production facilities to see if they can fulfil the need. If not, I try to find a supplier that can.”

4.2.4 Strategic Fit

The top management located at the head office decides upon the over-all strategy. The strategy is later communicated to the general board in Sweden. The 2020 program, which is the strategy focus right now, is monitored through monthly meetings with the general board. The general board in Sweden communicates the strategic position and

what the main focus should be at the moment to the 140 employees every month. On these monthly meetings, the general board presents the results as well as the new direction for the different functions. The top management revises the strategy quarterly and if they are not following the directions, actions plans are carried out.

The 2020 program is available for all the employees at Company B's intranet. Measurements for the different goals of the strategy e.g. delivery precision and yield, is also available at the intranet. The ERP-system is, according to the GLPM, not connected with the strategies and goals of the 2020 program

In this case the strategic fit is referred to the connection between the business strategy and the purchasing function located in Sweden. The business strategy is focusing on in-house purchasing and performance as key strategic objectives to gain competitive advantages. To reach these factors the company are executing new acquisitions as well as entering partnerships to be able to hold the supply-chain within the company's control. To support that strategy, the purchasing function in Sweden follows the strategic directions of purchasing as much as possible from their own production facilities. Furthermore, the purchasing function is focusing on purchasing good quality products and conducting long relationships with their external suppliers. The main communication of the business strategy is made through the 2020-program. But, according to the purchaser this could be done better.

"It is hard to understand from the 2020-program how exactly my work contributes to the over-all strategies. I would like to have more specific goals and measurements that are related to my day-to-day work and can give me a better understanding about my contribution to the strategic objectives".

4.2.5 Internal Fit

The internal fit is referred to the connection between the purchasing function and other functions within the company located in Sweden. Both the GLPM and the project purchaser describes the interaction between the different functions as crucial for being able to do a good job, especially between the purchasing function and the R&D function. The main example of this is that the purchasing function is participating in all product development projects from the beginning. Furthermore, purchasing decisions regarding new products or in existing projects are always double-checked with the project leader and/or the developing engineers. The purchaser says:

"I see myself as the project leaders extended arm for everything concerning purchasing and works closely with both the project leaders and the developing engineers on a daily basis."

The GLPM also spoke about that the functions holds presentations for each other describing their plans and goals for the near future. Furthermore, the GLPM says:

"The purchasing function is to a large extent a support function to the R&D function. Therefore, it is important that we work closely together and focus on the end-product."

4.2.6 Purchasing Efficacy

The purchaser explains that his only measurement is his daily contact with the project leader. If the purchased goods has arrived in time for the projects time plan, the purchaser has done a good job. The purchaser strengthens his argument by explaining that the deliver precision is of utmost important. He has read the 2020 program but explains that it does not go down to detailed or even functional level; it is a broader program mainly for managers. He thinks that the strategy could be better communicated but also realises that it needs people who works with that to make it happen. However, the purchasers cannot see this occur in a near future because of the lack of resources allocated on strategic work and as the day-to-day business workload absorbs most of the time. The purchaser says:

“The strategy does not have a big impact on my work. I think that the over-all goals needs to be decomposed to a lower level so I can visualize them and contribute. (...) It may be harder because of the fact that I work in project form.

The purchaser argues that the fact that he works in project form can make it harder to break down the strategy to him. No project is similar to the other project. When asked about possible improvements, the purchasers thought that Company B should work more with the whole supply-chain as well as conducting a workshop to explain their strategy for the employees at the lower levels.

5 Analysis & Result Discussion

In this chapter the analysis and discussion of the empirical findings are presented. The chapter is organized with two main headings i.e. the strategic alignments influence and considerations when constructing the strategic alignment, which represents the research questions.

5.1 The Strategic alignments influence

This chapter includes the analysis and discussion connected to the first research question i.e. *How does the strategic alignment influence the purchasers ability to make strategically aligned decisions?* The analysis will include elements of discussion to make it possible for the authors to describe the case companies current construction of their strategic alignment. Furthermore, the element of discussion will enable the authors to describe connections that are not presented in current literature. The chapter starts with a summary/analysis of the companies' construction of the strategic alignment from the empirical findings. This will be done by analysing the empirical findings and map it into the strategic alignment model, illustrated in Figure 3. Following, the strategic alignments influence on the purchaser will be analysed below the headlines: Strategic fit, Internal fit and Purchasing efficacy. After each analyse chapter, enablers and disablers for the purchaser's ability to make strategically aligned decisions will be identified. These are company specific but will be analysed together below the heading Enablers and Disablers. Enabler and disabler are defined as follows:

Enabler: Factors that *enhance* the purchaser's ability to make strategically aligned decisions.

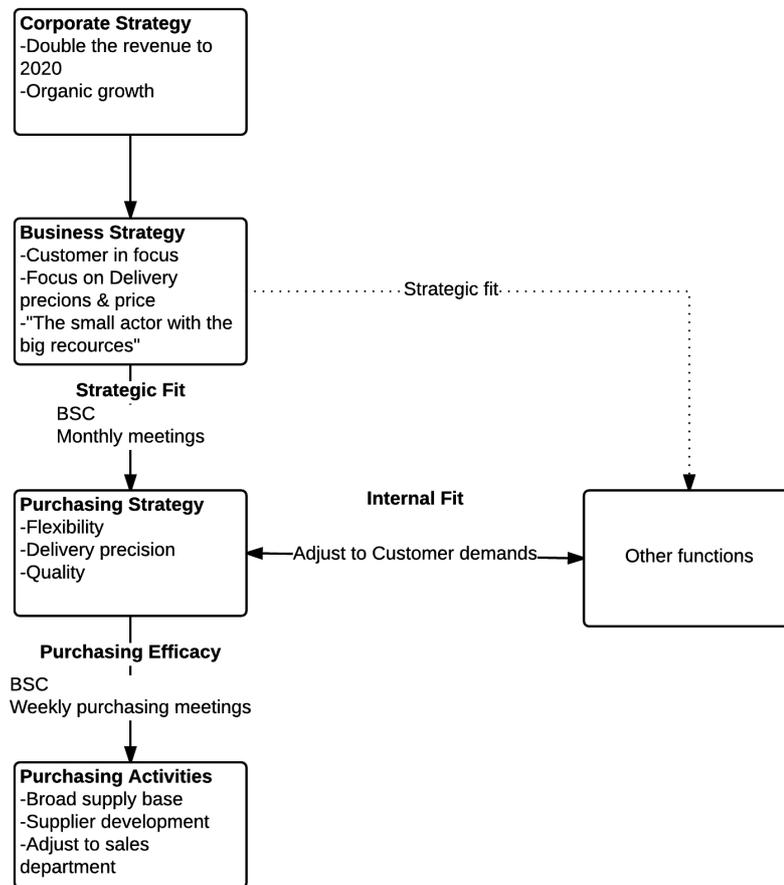
Disabler: Factors that *disturb* the purchaser's ability to make strategically aligned decisions.

5.1.1 The companies Strategic Alignment construction

Company A's goal is to grow organically and double their revenue until the year 2020 (i.e. Corporate strategy). The business strategy is to make use of the fact that they are "The small actor with the big resources" to be able to put the customer in focus and meeting varying customer demands. Furthermore, the business strategy focuses on delivery precision and price. The focus of the business strategy is communicated through a BSC available on the company's intranet, as well as monthly meetings (strategic fit, Figure 8). To support the business strategy, Company A have a purchasing strategy focusing on flexibility, delivery precision and quality. However, as Company A's business is sales oriented, the purchaser and PM states the importance of working closely with other functions and not only focus on the purchasing strategy, rather adjust their purchasing decisions to customer demands (Internal Fit, Figure 8).

To make sure that the purchasing activities are aligned with the purchasing strategy, Company A's BSC includes measurements that enable the purchasers to keep track of their contribution to Company A's competitive advantages. Furthermore, the purchasing function have weekly meeting where they discuss their measurements (Purchasing efficacy, Figure 8). The main purchasing activities that are made by the purchaser at company A is finding suppliers to create a broad supply base, supplier development and respond to customer demands communicated by the sales function.

Figure 8 Company A's strategic alignment



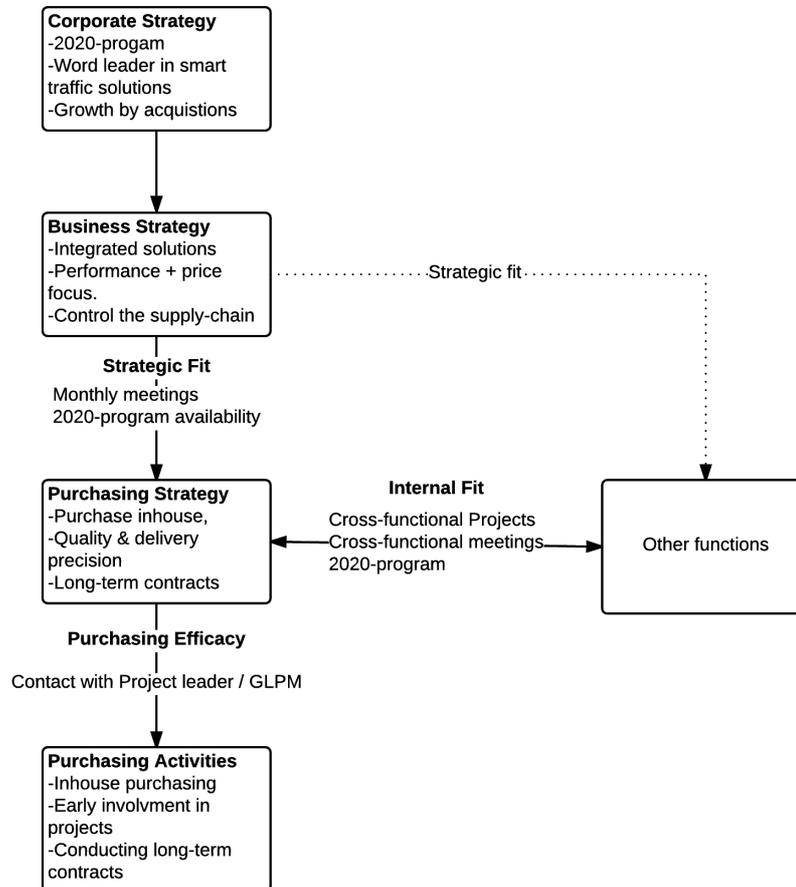
Source: The authors

Company B's vision is to become the world leader in smart traffic solutions. To reach this vision, Company B enables growth by acquisitioning companies to have control over their supply chain (i.e. Corporate strategy). The business strategy of Company B is to provide integrated solutions focusing on performance and price. The business strategy is communicated through monthly meetings and the 2020-program availability at the intranet to all employees (strategic fit, Figure 9). To support the business strategy, Company B have established a purchasing strategy focusing on in-house purchasing, quality and delivery precision. As Company B works with product development projects, close contact between the purchasing function, the project leader and R&D-function has been established. The purchaser explains the close contact as highly important and all purchasing decision are made in consent with the project manager, R&D-function and the GLPM. This cross-functional integration is also carried out through cross-functional meetings and the connection between the different functional strategies are found in the 2020-program (Internal fit, Figure 9).

To ensure that the purchasing activities are in-line with the purchasing strategy, the GLPM and project manager monitor and takes part in the purchasing activities (purchasing efficacy, Figure 9). The main purchasing activities for supporting the purchasing strategy of Company B is early involvement in projects, long-term contract

with suppliers and to make as many purchases as possible from Company B's own facilities.

Figure 9 Company B's strategic alignment



Source: The authors

Above, the authors has presented a summary on how Company A and B have constructed their strategic alignment. From these findings, the elements of strategic alignment (i.e. strategic fit, internal fit and purchasing efficacy) will be analysed further to identify enablers and disablers for the purchaser's ability to make strategically aligned decisions.

5.1.2 Strategic fit

A purchasing function has the possibility to act as a contributor to enhance the business competitive advantages if the competitive priority within the function supports the ones in the business strategy (Baier et al., 2008). One of Company A's competitive advantages is to be flexible to the demands from the customer. Therefore, according to the CEO, the purchasing strategy involves having a broad supply-base to support flexibility. However, the PM stated at the interview that they tried to work for a more slimmed supply-base and that they worked hard to develop their suppliers to enhance better quality of the ordered products. According to the CEO, quality was more of an order qualifier and not something that needed too much focus. According to Carr and Pearson (2002) its common that the purchasing function has to make trade-offs in

regard to the level of which priority is most important. Company A's purchasing functions goals are flexibility, delivery precision and quality. Hence, it is hard to both have a broad supply base to enhance flexibility and delivery precision and at the same time have a close relationship with and develop the suppliers to enhance better quality.

Disabler 1A: It becomes harder for the purchaser to make strategically aligned decisions when trade-offs are needed e.g. focusing on flexibility and therefor giving up on higher quality.

Company A make use of a BSC to enable their strategic fit, the BSC decompose their competitive priorities in the business strategy to sub-goals for the different functions. According to the CEO, it is important to diversify the sub-goals for different functions. The purchasing function works to fulfil these goals i.e. flexibility, delivery precision and quality, to contribute to the company's competitive advantages. This is in line with Gonzales and Benito (2007), Baier et al. (2008) and Bäckstrand's (2012) definition of strategic fit i.e. strategic fit addresses the extent to which the functional objectives conform to the competitive priorities.

Enabler 1A: The purchasers ability to make strategically aligned decisions get enhanced by Company A's use of BSC. As the strategies are decomposed to measurements and goals for each function it becomes easier for the purchaser to distinguish what she can contribute with.

The business strategy at Company B is communicated through the 2020-program, which is available for all employees at their intranet. Furthermore, the managers at the Swedish office communicate the most important strategic actions at the monthly meetings. However, if referred to the Baier et al. (2008) definition of purchasing functions that can contribute to the competitive advantages, this is to insufficient. According to the GLPM, the goals for their purchasing function is to purchase as much as possible from their own facilities as well as contribute to the performance of their products e.g. purchasing high quality products. There is a fit between those sub-goals and Company B's business strategy, which is to gain market-shares by out-performing their competitors. However, the fit is vague and it is hard for both the GLPM and the purchaser to describe what they are measured at. For example, at one point the GLPM states that the market is price fixated and in another he explains that the performance of the product is the most important. The top management at the head office decides upon the purchasing strategy at Company B. This has made it so that it is not customized for the operation in Sweden e.g. the purchasing strategy is not modified to handle purchasers working in project form. The purchaser says:

“The strategy does not have a big impact on my work. I think that the over-all goals needs to be decomposed to a lower level so I can visualize them and contribute. (...) It may be harder because of the fact that I work in project form.”

Enabler 1B: The availability of the 2020-program on the intranet as well as the monthly meetings enables the purchaser to make more strategically aligned decisions.

Disabler 1B: Because of that the strategies are both decided upon and communicated on a high level and not decomposed or specified for different local functions makes it harder for the purchaser to make strategically aligned decisions.

5.1.3 Internal Fit

Internal fit occurs in a firm when different functions (e.g. purchasing, sales and production) integrate with each other to achieve the over-all strategy. Instead of functions working for its own goals and values with no consideration for the other functions, which often is the main cause for sub-optimization (Henderson & Venkatraman, 1999). At Company A, the different functions towards separately measurements and goals decomposed from the business strategy. Both the PM and the purchaser at Company A uses the BSC measurements, available at the intranet, to get a better overview of the different functions strategic goals.

Enabler 2A: The high transparency including all the measurements from the BSC for the different functions are available for everyone enhances the purchaser to make strategically aligned decisions.

However, the PM states that the interfaces between purchasing and the other functions could be improved. The transparency is high from a top-down perspective but according to the PM the vertical integration between the functions does not work, as it should. The PM described a scenario, which happened because of the diversified measurements for the different functions. The sales function is working to get as many customers as possible and to that they need to confirm the customers needs. Often there are demands on short lead-times and good prices. However, the purchasing function had been working to slim their supply-base and improve their supplier's quality to contribute to the quality measurement of their function. When representatives from the sales function then asks about low price and quick delivery from suppliers, which the purchasing function has ended their relationship with problems with the internal fit arises.

Disabler 2A: The unsynchronised goals and measurements for the different functions developed with the BSC disrupt the purchaser to make strategically aligned decisions.

Company B's purchaser's works closely with other functions. The purchasers are involved early in both projects for customers and in projects with the R&D function. The purchaser sees himself as the project leaders extended arm and said that they had contact on a daily-basis. According to the GLPM, this was to make sure that the right quality on the products was purchased to enhance the performance measurement. The purchaser always double-checked his purchasing suggestions with either the project leader or the R&D engineer. The GLPM also stated that the purchasing function is a support function and acts to help the projects and the R&D function to succeed. This clear integration between the purchasing function and other functions in Company B enhance their internal fit. The GLPM also stated that the different functions holds presentations for each other describing their plans and goals for the near future.

Enabler 2B: The clear and defined relationship between the purchasing function and other functions (purchasing function acting as a support function) enhance the purchaser's ability to make strategically aligned decisions.

Disabler 2B: Because of the fact that the strategic fit is not well defined to the functional level, the purchaser needs to rely on the internal relations. This might disturb the purchaser ability to make strategically aligned decisions if the internal source of information is not strategically aligned.

5.1.4 Purchasing Efficacy

Purchasing efficacy is described as the measurement for how well the purchasing function are following the purchasing strategy and thereby the business strategy (González-Benito, 2007). Company A's purchasing strategy is to satisfy three main strategic objectives i.e. flexibility, delivery precision and quality. To reach those objectives, the purchasing function works with a large base of suppliers to enable flexibility and delivery precision. As previously mentioned they also tried to slim their supply-base to work more closely with some of the suppliers to enhance the quality measurement. However, that did not work because of the need for flexibility and short-term solutions to satisfy the customer needs.

Company A's purchasing function have internal meetings where they evaluate their current status and developing improvement plans to make sure that they contribute to the company's competitive advantages. However, these meetings are internal and the problem that Company A has is the internal fit i.e. the integration between the functions. This influences the purchaser, which needs to decide between the strategic alignments view on a particular matter and the opinions from the other influencing functions.

Enabler 3A: The communication and evaluation of the purchasing functions contribution to the business strategy enhance the purchaser's ability to make strategically aligned decisions.

Disabler 3A: The contradictive measurements and different opinions from internal functions and the business strategy force the purchaser to make trade offs. This disturbs the purchaser ability to make strategically aligned decisions.

According to the purchaser, Company B lacks official measurements on the purchasing functions outcome. Instead, the purchaser gets evaluated depending on the projects outcome. If the project is successful and the purchased products have arrived in time and in right quality, the purchaser is considered to have done a good job. According to the purchaser, the 2020-program, which is the base for Company B's strategic work, is only communicating broader strategies i.e. it is not decomposed to strategies on functional levels. Hence, it is hard for the purchaser to know if he is contributing to the business strategy. The purchaser at Company B states that if the strategies were decomposed to functional level, he would enable him to visualize them and contribute. Furthermore, the purchaser states that the strategies do not have a big impact on his daily work.

Enabler 3B: The purchaser's involvement in the cross-functional project groups enhances the purchaser's ability to make internally aligned decisions.

Disabler 3B: The lack of clearly communicated measurements and goals related to the purchaser's contribution to the business strategy disturbs the purchaser ability to make strategically aligned decisions.

5.1.5 Enablers and disablers

In total, 12 enablers and disablers were identified which influences the purchaser's ability to make strategically aligned decisions. The identified enablers and disablers were coded to be able to put them into different headlines for further analysis. The coding scheme is presented in Appendix B. In table 4, the identified enablers and disablers are positioned below five different headlines, which were identified during the coding procedure. A more detailed table with the placement and explanation of the enablers and disablers are found in Appendix C.

Table 4 Identified Enablers and Disablers

Headlines:	Transparency	Goals & Measurements	Trade Offs	Function Positioning	Strategic Fit vs. Internal Fit
Enablers:	1B, 2A, 3B	1A	-	2B, 3A	-
Disablers:	-	1B, 3B	1A, 3A	-	2B, 2A

Source: The authors.

The headlines that were identified are Transparency, Goals and Measurements, Trade offs, Function positioning and Strategic Fit vs. Internal Fit. These headlines and the relationship of the enablers and disablers within the headlines are further explained below heading 5.2, which contains the analysis of RQ.2.

5.2 Considerations when constructing the strategic alignment

This chapter contains the analysis and discussion for answering RQ.2 i.e. *What should firms consider when constructing the strategic alignment to enable strategically aligned purchasing decisions?* The categorized enablers and disablers from chapter 5.1 will be the foundation for answering RQ2. Under each headline in this chapter, which is the category name, the authors will explain the similarities and differences found between the enablers and disablers from the two case companies using theories found in the theoretical framework. Furthermore, each headline will culminate in propositions regarding what firms should consider when constructing the strategic alignment, and thereby answer RQ2. The five propositions are gathered together under Appendix C.

5.2.1 Transparency

Below this sub-heading the headline named Transparency will be explained. The headline includes the enablers: 1B, 2A and 3B as seen below.

Enabler 1B: The availability of the 2020-program on the intranet as well as the monthly meetings enables the purchaser to make more strategically aligned decisions.

Enabler 2A: The high transparency including all the measurements from the BSC for the different functions are available for everyone enhances the purchaser to make strategically aligned decisions.

Enabler 3B: The purchaser's involvement in the cross-functional project groups enhances the purchaser's ability to make internally aligned decisions.

According to Lyson and Farrington (2012), one of three main areas for functional strategies is to integrate with other business functions (e.g. purchasing and manufacturing). Another is to ensuring that competences and skills within the function are used effectively in regard to the competitive priorities set in the business strategy. For a function to enhance this, the business strategy needs to be communicated to the functions and the functions different goals need to be transparent within the organization.

Company A have made their BSC measurements and goals available at their intranet for all employees and not only the measurements and goals for the function that you work for. Hence, you could work for the purchasing function and have access to the measurements and goals for the production function. This enables both a top-down transparency regarding the business strategy as well as an internal transparency between functions.

At Company B, the strategic 2020-program was available for all the employees on the intranet. Furthermore, the general board conducted monthly meetings to inform about the most current strategic goals. This, to ensure that the business strategy, which includes the competitive priorities is transparent for the employees. The purchaser at Company B is involved early in the different project groups where he is a part of a cross-functional team. This enhanced the transparency between the different functions as they shared information and took decisions together.

In summary, the authors conclude that transparency is important both in a top-down (i.e. strategic fit) and vertical perspective (i.e. internal fit) to enhance the purchaser's ability to make strategically aligned decisions. Without the knowledge of how to contribute to the competitive advantages or how the purchasing functions decisions interact with other functional goals it becomes hard to take those decisions. The author argues for companies need to think through how (e.g. intranet or meetings) and what (e.g. competitive advantages or specific measurements) that should be made transparent within the organization.

Proposition 1: Companies need to investigate on how to make the business strategy transparent for both the directly influenced function as well as the others. Transparency is an enabler for strategically aligned decisions.

5.2.2 Goals and Measurements

Below this sub-heading the headline named Goals and Measurements will be explained. The headline includes the enabler 1A and disablers 1B and 3B as seen below.

Enabler 1A: The purchasers ability to make strategically aligned decisions get enhanced by Company A's use of BSC. Because of that the strategies are decomposed to measurements and goals for each function enhances the purchasers ability to make strategically aligned decisions.

Disabler 1B: Because of that the strategies are both decided upon and communicated on a high level and not decomposed or specified for different local functions makes it harder for the purchaser to make strategically aligned decisions.

Disabler 3B: The lack of clearly communicated measurements and goals related to the purchaser's contribution to the business strategy disturbs the purchaser ability to make strategically aligned decisions.

The strategic fit refers to the integration between the business strategy and the functional strategies i.e. it addresses the extent to which the functional objectives conform to the business level competitive priorities (González-Benito, 2007; Baier et al., 2008; Bäckstrand, 2012). Purchasing efficacy could be described as the measurement for how well the purchasing function are following the purchasing strategy and thereby the business strategy (González-Benito, 2007). Hence, without any or wrongful measurements for the function or the purchaser it is hard for the purchaser to make strategically aligned decisions.

At Company A, the use of BSC, which is a tool for decomposing the business strategy to goals for the different functions to work for helped the purchaser to make strategically aligned decisions. The purchaser at company A said that she always had the goals in the back of her head when taking the decisions. Furthermore, the purchasing function had weekly meetings where these goals and measurements were evaluated.

At Company B, the lack of clearly communicated measurement and goals for both the purchasing function as a whole as well as the purchasers contribution disturbed the possibilities for the purchaser to make strategically aligned decisions. The purchaser

stated that he does not think about strategies in his daily work instead he tried to satisfy the project leaders demand. Company B's strategic 2020-program is according to the purchaser a program mainly including broad over-all strategies for managers. The purchaser expressed a need of having decomposed goals to enable him to understand how he can contribute to the business strategy.

In summary, the author argues that it is of high importance to establish and communicate goals and measurements from the business strategy. Furthermore, they need to be decomposed to functional levels to enhance the purchaser's ability to make strategically aligned decisions.

Proposition 2: The business strategy should be decomposed (including measurements and goals) to the functional level to enhance the purchaser's ability to make strategically aligned decisions.

5.2.3 Trade-offs

Below this sub-heading the headline named Trade-offs will be explained. The headline includes the enabler 2B and disabler 3A as seen below.

Enabler 2B: The clear and defined relationship between the purchasing function and other functions (purchasing function acting as a support function) enhance the purchaser's ability to make strategically aligned decisions.

Disabler 3A: The contradictive measurements and different opinions from internal functions and the business strategy force the purchaser to make trade offs. This disturbs the purchaser ability to make strategically aligned decisions.

According to Baier et al. (2008), only purchasing function that have competitive priorities that support the requirements of the business strategy have the possibility to act as a contributor to enhancing the competitive advantages. Understanding that the purchasing competitive priorities may not always be adaptable (e.g. Cost vs. quality), it causes the purchasing function to make trade-offs in regard to the level of which to meet the priority (Carr & Pearson, 2002).

Both case companies explained an impact of the theory of trade-offs explained by Baier et al. (2008) and Carr and Pearson (2002), but two different manoeuvres where found to handle the situations of the trade-offs.

Company A describes a situation where the strategic objectives of the purchasing strategy and the sales strategy contradict each other, causing trade-offs to appear on a regular basis. The PM at company A described a case where the purchasing function tried to decrease their supplier base to be able to work closely with fewer suppliers and enhance quality in the products, which is part of the purchasing functions strategic objectives. But as the sales function focused on meeting customer demands that varied a lot, the purchaser had to first and foremost make sure that the customer demand was fulfilled, sometimes causing trading quality for cost or better lead-time.

Company B described a clear and defined relationship between the purchasing function and the R&D function. Every purchasing decision were made in consent with the

project manager and R&D engineering, which made the purchaser feel more comfortable in his decisions. As the project could be different, so could the priorities in attributes of the purchased components that would contribute to the demanded end product. As the purchasing were made in consent with the involved functions, it became easier to handle the potential trade-offs regarding for example cost vs. quality.

In summary, the authors conclude that trade-offs takes place as specific customer demands is hard to handle proactively and thereby trade-offs may need to be done in consent with other functions. In Company A, the purchaser and the PM states that they usually do not get information from the sales function about why they won the order, which would explain the specific customer demand. In Company B, the purchaser got involved early in the process and got the information of specific customer demand early. The authors argue that if the potential trade-offs are identified early in the process, it becomes easier for the purchaser to make strategically aligned decisions.

Proposition 3: Identify the potential trade-offs that can appear between the purchasing function and other functions. When trade-offs needs to be made, involve the purchaser early in the process and make trade-offs in consent with all involved functions.

5.2.4 Function positioning

Below this sub-heading the headline named Function positioning will be explained. The headline includes the enabler 2B and 3A as seen below.

Enabler 2B: The clear and defined relationship between the purchasing function and other functions (purchasing function acting as a support function) enhance the purchaser's ability to make strategically aligned decisions.

Enabler 3A: The communication and evaluation of the purchasing functions contribution to the business strategy enhance the purchaser's ability to make strategically aligned decisions.

According to Henderson and Venkatraman (1999), it is of importance that the different functions integrate with each other to contribute the company's over-all strategy. Furthermore, van Weele (2010) argues that purchasing decision cannot be made in isolation aimed only at optimization purchasing performance (e.g. enhance quality). Rather, the purchasing decisions should be aligned with both business strategies as well as other functional decisions (e.g. manufacturing, sales and logistics) (van Weele, 2010). In both companies, enablers were found that enhances the purchaser's ability to make strategically aligned decisions.

At Company A, the PM described the importance of continuously try to develop the purchasing function and the purchasers. To do this, they held weekly status and development meetings. In fact, the purchasing function is the only function having weekly meetings. The meetings partly included evaluating the contribution to the business strategy, which in the purchasing functions case would be developing their measurements from the BSC (i.e. flexibility, delivery precision and quality). This is seen as important because of the fact that the PM states that the purchasing function is a key function in Company A. On the other hand, both the PM, Purchaser and CEO

describes their business as very sales oriented and customer centric. Furthermore, the over-all goal for Company A is to double their revenues in the year 2020.

At Company B the GLPM and purchaser described that they see themselves as a support function for the global organization in general and the R&D function in particular. The purchasing function made all their purchasing decision in content with the project manager and the R&D engineers.

In summary, the authors argue that how the purchasing function is looked upon in contrast with other functions have an impact on the purchaser's ability to make strategically aligned decisions. The purchasing function role has to be defined in which way they are strategically important and how they are placed in contrast to other functions (e.g. support or main contributor). As Company A's development process takes place in isolation from the other functions, at the same time as the decisions are depending on customer demands and sales promises, the purchaser gets stuck in the middle of the two forces. At Company B, the purchasing function is considered as a support function and takes all purchasing decisions in consent with the project manager and the R&D engineers.

Proposition 4: The purchasing functions strategic importance needs to be defined (e.g. support or main contributor) in contrast with other function to enhance the purchaser's ability to make strategically aligned decisions.

5.2.5 Strategic Fit vs. Internal Fit

Below this sub-heading the headline named Function positioning will be explained. The headline includes the disabler 2A and 2B as seen below.

Disabler 2A: The unsynchronised goals and measurements for the different functions developed with the BSC disrupt the purchaser to make strategically aligned decisions.

Disabler 2B: Because of the fact that the strategic fit is not well defined to the functional level, the purchaser needs to rely on the internal relations. This might disturb the purchaser ability to make strategically aligned decisions if the internal source of information is not strategically aligned

Strategic fit occurs in a firm when there is integration between the business strategy and the functional strategies (González-Benito, 2007; Baier et al., 2008; Bäckstrand, 2012). Strategic fit addresses the extent to which the functional objectives form to the business level competitive priorities. To avoid sub-optimization between different functions in a firm (e.g. manufacturing, sales and logistics) they need to have same strategic goals (Henderson & Venkatraman, 1999). This is called internal fit and occurs when the different functions integrate with each other to achieve the over-all strategy.

At Company A, the CEO expressed the need of having different goals and measurements for different functions. This to make sure that the business strategy was broken down into measurements and goals that the different functions could understand and relate to. The purchaser confirmed that the measurements for the purchasing function were easy to understand and she could measure her progress. However, she expressed that the measurements and goals did not have a big impact on a daily basis.

Often, customer demand and sales promises made impact on her purchasing decisions that gave a negative impact on the purchasing functions measurements and goals.

The purchaser at Company B expressed a need of having a stronger strategic fit in the sense of understandable and relatable measurements and goals for the purchasing function. As it is today, the purchaser have to put trust in the project manager and R&D engineers and their measurements, which makes it harder for him to see his contribution to the strategic objectives.

In summary, both cases describe a similar situation but in different aspects. The purchaser at Company A felt the need to de-prioritize her measurements and goals to enable the internal fit between the purchasing- and the sales function. The project purchaser in Company B felt the need to have clearer understanding on his works contribution to the business strategy in form of decomposed measurements and goals, and not solely his contribution to the internal fit. In both cases, the purchasers have to rely on other functions understanding of the contribution to the business strategy.

Proposition 5: The forces from the strategic Fit and the Internal fit needs to be defined and prioritized to enhance the purchaser's ability to make strategically aligned decisions.

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6 Conclusion and Discussion

In this chapter the conclusions drawn from the analysis will be presented. Furthermore, a discussion of the limitations, which lead to the suggestions for future research, will be elaborated upon. Following is the final reflections and implications of the research.

6.1 Conclusion

Through analysis of two case studies and the theoretical framework, the authors identify 12 enablers/disablers that influence the purchaser's ability to make strategically aligned decisions (appendix C). The enablers/disablers is coded into five headlines i.e. Transparency, Goals and Measurements, Trade-offs, Functional positioning and Strategic fit vs. Internal fit. Furthermore, the authors have conducted five propositions on what firms should consider when constructing their strategic alignment in order to enable the purchaser to make strategically aligned decisions (appendix D). These two appendixes are the summarised answers to the research questions.

Another important conclusion of this study is that the strategic alignment is a management practise. It is shown both in the two case studies i.e. the strategies and construction of their strategic alignment are made by top management and in current literature about the subject. But, this study concludes that the purchaser get influenced by how the management construct the strategic alignment and how well it is communicated to the purchaser. Thereby, a well-constructed strategic alignment can have negative effect if it is not understood by and adapted to the ones that perform the daily activities (e.g. the purchaser).

6.2 Limitations and future research

In this section the limitations of this research will be discussed. Furthermore, these limitations are rephrased into possible future research approaches and areas grounded on this research. One of the limitations that the authors experienced during the case study was that the case companies could not give full transparency and availability to their strategic documents. The authors had the opportunity to look into the documents under the interviewees supervising but did not get the access to them for more careful analysis. To deal with that limitation the authors asked more follow up questions regarding the documents during the interviews.

A base of literature has covered the phenomena strategic alignment in different contexts mostly connected to managers and its effect on the financial performance. However, even though the phenomena are widely used, the literature does not provide a standardized definition of the concept. Hence, strategic alignment is always defined within the researched context. This made it tougher for the authors to create a theoretical framework as the area researched in this thesis i.e. the influence on the purchaser was not comprehensively covered. The same reasoning applies on the choice of method. The research available, which covers strategic alignment connected to purchasing (e.g. González-Benito, 2007; Baier et al., 2008), had mainly used quantitative studies focusing on the manager's perspective. As the authors did not have any similar research to draw experience from a qualitative approach were chosen to get an in-depth understanding of strategic alignments influence on the purchaser. This may

have limited the generalizability of this research. However, the authors have made sure to describe the research process thoroughly to ensure transferability and to enable other researchers to develop the research in a wider or new perspective.

This study was limited to only include the purchasing function. However, the authors recognized after the first visit at case Company A that the investigation of the internal fit may have needed more interviews with representatives from other functions connected to the purchasing function. Including another function and getting another perspective could lead to a deeper understanding of the internal fit.

Based on the limitations that have been elaborated upon above, a number of suggestions for future research have been developed. The authors recognise a need for more in-depth research about strategic alignment with higher transparency e.g. access to strategic document and more functions included. The companies themselves could conduct these studies, which would lead to a better understanding of the strategic alignments influence in the firm. Furthermore, the authors also perceive a need of quantitative studies. There is still a lack of research connected to the strategic alignments influence on the ones that actually performs the tasks (e.g. in this case the purchaser). Quantitative studies would lead to a more general picture of the strategic alignments influence.

Another suggestions for future research are to conduct a thoroughgoing literature review about strategic alignment to find a common definition, which could serve as a base for future research. Lastly, the authors think it would be interesting to conduct a comparison study between a firm, which construct their alignment with hard values (e.g. measurements and goals) and a firm, which uses soft values (e.g. shared vision and values). That study could lead to some interesting findings. For example, where the strategic alignment should end (strategic alignment point) and which of the two ways are most efficient.

6.3 Final reflections and implications

From the perspective of managerial practises, this study provides the practitioners with an integrated understanding on strategic alignments influence on the purchaser. As studies on strategic alignment traditionally have solely been something for managers to understand, this research provides a new angle for managers about the importance of involving the purchaser in the strategic work. Furthermore, this study provides managers with a model (see Figure 3) illustrating the areas connected to strategic alignment i.e. corporate strategy, business strategy, functional strategy, strategic fit, internal fit and purchasing efficacy complemented with description of the areas in the theoretical framework. This enables managers to map the construction of their strategic alignment in an easy and visualized manner. Together with the enablers/disablers and propositions, which this study provides, managers will be able to recognize potential pitfalls and opportunities with the construction of their strategic alignment.

In management research, the authors argue that researchers have to involve different professions (e.g. Purchasers and not only managers) in effort to understand the impact of strategic alignment on their company. This study is an example of two firms that have an understanding of strategic alignment and that are making effort in all areas connected to strategic alignment. Still, the purchasers at both case companies states a

discouragement in several aspect when trying to make strategically aligned decisions. Hence, this research provides management researchers with an example on how to investigate on strategic alignment by involving purchasers.

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8 Appendix

Appendix A – Interview schedule

Appendix B – Coding of Enablers and Disablers

Appendix C – Table of Enablers and Disablers

Appendix D – The Propositions

Appendix A - Interview schedule

These interviews will provide an empirical basis for the Master's thesis of the undersigned. In addition to support for our empirical material we look forward to pleasant discussions that could bring new ideas to both you and us. The material can be made completely anonymous and the information considered as sensitive can be completely removed after your wishes. You will have access to the thesis of the audit before it will be published. Below is the preliminary interview schedule attached. The interviews will be of semi - structured nature with these questions as a starting point. No need for any preparation.

Interviewee- Top Management

1. What is the Company vision?
2. What is your over-all strategy?
3. What is required of you to compete in your market?
4. How do you win your orders?
5. What is your purchasing strategy?
6. How do you work with strategies at the Company? (Levels, functions and development)
7. How do you communicate the strategies to the employees?
8. What is communicated?
9. How is the monitoring of the strategies' impact on underlying functions?

Interviewee – Purchasing Manager

1. What is the Company vision?
2. What is your over-all strategy?
3. What is required of you to compete in your market?
4. How do you win your orders?
5. What is your purchasing strategy?
6. What is your role in the strategic work?
7. What is the purchasers' role in the strategic work?
8. What role does the purchasing function have in the Company?
9. How do you communicate the strategies to the purchasers?
10. How big of an influence does the strategies have on the daily work?

Interviewee – Purchaser

1. What is required of you to compete in your market?
2. How do you win your orders?
3. What is your purchasing strategy?
4. What measurable are you evaluated on?
5. What role does the purchasing function have in the Company?
6. On what grounds do you take your purchasing decisions?
7. What tools do you use as assist when purchasing?
8. How much freedom do you have when making purchasing decisions?

Appendix B – Coding of Enablers and Disablers

Enabler Disablers /	Motivation	Code
Enabler 1A	The purchasers ability to make strategically aligned decisions get enhanced by Company A's use of BSC. As the strategies are decomposed to measurements and goals for each function enhances the purchasers ability to make strategically aligned decisions.	Goals & Measurements
Disabler 1A	It becomes harder for the purchaser to make strategically aligned decisions when trade-offs are needed e.g. focusing on flexibility and therefor giving up on higher quality.	Trade-offs
Enabler 1B	The availability of the 2020-program on the intranet as well as the monthly meetings enables the purchaser to make more strategically aligned decisions	Transparency
Disabler 1B	Because of that the strategies are both decided upon and communicated on a high level and not decomposed or specified for different local functions makes it harder for the purchaser to make strategically aligned decisions.	Goals & Measurements
Enabler 2A	The high transparency including all the measurements from the BSC for the different functions are available for everyone enhances the purchaser to make strategically aligned decisions.	Transparency
Disabler 2A	The unsynchronised goals and measurements for the different functions developed with the BSC disrupt the purchaser to make strategically aligned decisions.	Strategic fit vs. Internal fit
Enabler 2B	The clear and defined relationship between the purchasing function and other functions (purchasing function acting as a support function) enhance the purchaser's ability to make strategically aligned decisions.	Function Positioning
Disabler 2B	Because of the fact that the strategic fit is not well defined to the functional level, the purchaser needs to rely on the internal relations. This might disturb the purchaser ability to make strategically aligned decisions if the internal source of information is not strategically aligned.	Strategic fit vs. Internal fit
Enabler 3A	The communication and evaluation of the purchasing functions contribution to the business strategy enhance the purchaser's ability to make strategically aligned decisions.	Function Positioning
Disabler 3A	The contradictive measurements and different opinions from internal functions and the business strategy force the purchaser to make trade offs. This disturbs the purchaser ability to make strategically aligned decisions.	Trade-offs
Enabler 3B	The purchaser's involvement in the cross-functional project groups enhances the purchaser's ability to make internally aligned decisions.	Transparency
Disabler 3B	The lack of clearly communicated measurements and goals related to the purchaser's contribution to the business strategy disturbs the purchaser ability to make strategically aligned decisions.	Goals & Measurements

Appendix C – Table of Enablers and Disablers

Goals and Measurements	Motivation
Enabler 1A	The purchasers ability to make strategically aligned decisions get enhanced by Company A's use of BSC. As the strategies are decomposed to measurements and goals for each function enhances the purchaser's ability to make strategically aligned decisions.
Disabler 1B	Because of that the strategies are both decided upon and communicated on a high level and not decomposed or specified for different local functions makes it harder for the purchaser to make strategically aligned decisions.
Disabler 3B	The lack of clearly communicated measurements and goals related to the purchaser's contribution to the business strategy disturbs the purchaser ability to make strategically aligned decisions.
Transparency	
Enabler 1B	The availability of the 2020-program on the intranet as well as the monthly meetings enables the purchaser to make more strategically aligned decisions
Enabler 2A	The high transparency including all the measurements from the BSC for the different functions are available for everyone enhances the purchaser to make strategically aligned decisions.
Enabler 3B	The purchaser's involvement in the cross-functional project groups enhances the purchaser's ability to make internally aligned decisions.
Trade-offs	
Disabler 1A	It becomes harder for the purchaser to make strategically aligned decisions when trade-offs are needed e.g. focusing on flexibility and therefor giving up on higher quality.
Disabler 3A	The contradictive measurements and different opinions from internal functions and the business strategy force the purchaser to make trade offs. This disturbs the purchaser ability to make strategically aligned decisions.
Function positioning	
Enabler 2B	The clear and defined relationship between the purchasing function and other functions (purchasing function acting as a support function) enhance the purchaser's ability to make strategically aligned decisions.
Enabler 3A	The communication and evaluation of the purchasing functions contribution to the business strategy enhance the purchaser's ability to make strategically aligned decisions.
Strategic Fit vs. Internal Fit	
Disabler 2A	The unsynchronised goals and measurements for the different functions developed with the BSC disrupt the purchaser to make strategically aligned decisions.
Disabler 2B	Because of the fact that the strategic fit is not well defined to the functional level, the purchaser needs to rely on the internal relations. This might disturb the purchaser ability to make strategically aligned decisions if the internal source of information is not strategically aligned.

Appendix D – The Propositions

Proposition 1: Companies need to investigate on how to make the business strategy transparent for both the directly influenced function as well as the others. Transparency is an enabler for strategically aligned decisions.

Proposition 2: The business strategy should be decomposed (including measurements and goals) to the functional level to enhance the purchaser's ability to make strategically aligned decisions.

Proposition 3: Identify the potential trade-offs that can appear between the purchasing function and other functions. When trade-offs needs to be made, involve the purchaser early in the process and make trade-offs in consent with all involved functions.

Proposition 4: The purchasing functions strategic importance needs to be defined (e.g. support or main contributor) in contrast with other function to enhance the purchaser's ability to make strategically aligned decisions.

Proposition 5: The forces from the strategic Fit and the Internal fit needs to be defined and prioritized to enhance the purchaser's ability to make strategically aligned decisions.