

The Study of Strategic Industrial Planning for Using Model SWOT

Mohammad Ali Abdolvand

Department of Business Management, Science and Research Branch, Islamic Azad University,
Tehran, Iran

Email: abdolvand_ma@yahoo.com

Amin Asadollahi

Department of Business Management, Science and Research Branch, Islamic Azad University,
Tehran, Iran

Email: amin_asadollahee@yahoo.com

Tel: +98-912-6766815

Abstract

Organizations to maintain and achieve optimal growth and development and increase its competitiveness need to be a comprehensive and coherent plan for the mission and goals of the strategic plan. The purpose of this study is providing strategic planning and optimal strategies for using SWOT. The company is investigating the territory south of the oil industry. The questionnaire has been used as a research tool containing the questions is 138. Research data from interviews with managers, experts in the oil industry and the research and study reports on the oil companies have been mining industry in South. Reliability and validity of research instruments was calculated. Research question 2 and 4 is a side question. Study hypothesis is lacking. This type of research, application and type of data collected from research - is a descriptive case study. The analysis has three steps. First of all documentation, interviews with industry experts and company south of the industrial oil-test, Study was a list of environmental threats and opportunities and is produced by the company's strengths and weaknesses. In the second stage of the screening process was all the above factors and opportunities and threats and identify key strengths and weaknesses has. In the third stage using the key strategic factors and SWOT models identify are the best strategies companies. The research findings showed that the key axis that includes consumers, supply chain, control costs, competitive intelligence, manpower and operational efficiency. Companies to improve competitiveness should be a good strategy. In this regard, appropriate strategies to identify, develop, and were proposed. For future research, design an expert system for strategic management with respect to the above points, and value chain analysis to identify areas of valuable and remove the waste processes is proposed.

Key words: SWOT analysis, strategic industrial planning, industrial marketing, optimal strategies

Introduction

Strategic planning is a process that most successful companies of the world to conduct and promote programs, Activities with long-term horizon and toward are achieving the goals and mission of the organization. This type of plan, if properly developed, the choice of strategies which, if implemented correctly, the leading organization brings. Strategic planning and evaluation within the organization and external environment, environmental opportunities and threats and internal weaknesses can be identified with a given organization's mission, long-term goals for the organization.

Literature Review

Given the staggering environmental changes and developments and the high intensity of competition in world markets, any organization in order to sustain life and more successful, need to take advantage of strategic planning.

Strategic planning, setting goals at different levels of management, will direction and guidance. Identifying and responding to waves of change, will facilitate new opportunities and emerging threats. The benefits it gives organizations the ability to respond to competitive forces rather than simply the changing conditions prevailing in their react, on their own interactive.

Strategic management is the process of ensuring access to the benefits of applying appropriate strategies. According to this expression, an appropriate strategy in accordance with the requirements of an organization is defined in the specified time. Application process - including a six-step strategic planning is sequential and continuous. Environmental analysis, based orientation, organizational goal setting, determining and formulating strategies, infrastructure and implementation of strategies and control strategies. Establishment of organizational direction, the managers' use of environmental analysis to determine the direction of the organization altogether. The four basic elements in this regard, organizational mission, vision and organizational values are the organization, these three concepts as the connecting elements of the organization, indicating the nature, quality and organizational orientations. Mission, the philosophy, values, fundamental beliefs and principles as the landscape, the living image of the rule is defined in the future. Goals, objectives, plans are in the planning of the program. They developed within the planning process, the vague ideas and experimental results in order to make clear. Target is an integral part of a plan, although the objectives may be defined as non-conscious. Organizational objectives of the management system for their purposes, which moves. Inputs, processes and outputs of an organization's goals, all in order to act. Determining and formulating strategies, managers of the environmental analysis to determine the orientation and define the organizational mission, values, vision and goals for organizational strategies are determined. The strategies should reflect the environmental analysis and results in achieving the organizational mission and goals are. Methods and models of strategic management strategy subsequently, hoc techniques and did not follow instructions, each containing a concept and have a vision. Infrastructure and implementation strategy, the fifth stage of the strategic management process has been developed to implement strategies that will. The directors have established the effectiveness of beds; no one was actually planning to implement a systematic and is useless. Control strategies,

control strategies, as the last step in strategic management, including monitoring and evaluation process of strategic management as a whole, ensuring the proper functioning of this process is having. Control all aspects of environmental analysis, the establishment of the organization, determination and strategy formulation, implementation strategies, even strategies on how to take control.

Objectives and Research Questions

The main goals of research are: firstly, design and strategy company southern oil industry. Secondly prioritization strategy the company. Secondary objectives are to investigate, identify, classify and prioritize the most effective strengths. Identify, classify and prioritize the most effective corporate loopholes. Identify, classify and prioritize the most effective business opportunities. Identify, classify and prioritize the most effective corporate threats. The objectives listed in the following questions are posed, The first question is what strategies are the main strategies, Secondary research questions include these items, the company's weaknesses are the weaknesses, the strengths of the company's strengths are, what opportunities are important opportunities for the company, what the threats are threats to the company.

Methodology

This type of research, application and analysis of the type of data collection is a descriptive case study. The research process is described in the Summary. Firstly, we investigate the theoretical foundations. At this stage, to provide explanations about the management and strategic planning, industry situation is addressed. The second step is to identify environmental threats and potential strengths and weaknesses of existing documents with the company is allocated. The third phase involves the development of strategic factors and screening questionnaires in is these factors. The fourth alternative strategy is the company using SWOT.

The SWOT analysis is a useful analytical model for each of the factors that shape the system's strengths, weaknesses, opportunities and threats identified, and strategies to suit the current situation reflects on career. In this research, including the general methodology, statistical sampling, data collection methods, data collection instruments and methods of data analysis is the validity questionnaire, is presented.

Population and Sampling

In this research, collect data about your use of the tools and resources are different. The main source of information on the study of corporate executives and industry experts from key southern oil company. Which form the population? Number of key company executives and experts from is over 70. This will be used for the random sampling. This will be used for the random sampling. We should use this formula for calculating efficient samples quantity:

$$n = \frac{z^2 \times p(1-p)}{e^2}$$

If the above formula to calculate the sample size is less than 5% of the sample used is calculated as follows and as otherwise we should use follow formula:

$$n' = \frac{n}{1 + \frac{n}{N}}$$

Table1. Summarizes the Operation

Variable	Concept	Amount	Explain
N	total number of population	70	leaders and key experts
P	population success ratio	0.5	maximum of success is obtained
E	estimated error rate	0.05	according to the researchers considered
$1 - \alpha$	estimate level	0.95	according to the researchers considered
n	prototype samples number	150	calculated by the formula obtained
$\frac{n}{N}$	prototype samples number than total	2.14	the needs of compared to the prototype samples are adjusted according
n'	samples with adjusted	48	samples with adjusted is obtained

Data collection

Collecting data needed for research, the methods of collecting primary data and secondary data collected is used to.

This study uses primary data from questionnaire and interview key executives and experts will gather. The study of secondary data available in the industry, oil companies, the Internet, books, magazines, Conferences, organizations and agencies related to the topic will be used. The general methods and tools for collecting data and information will be used: Questionnaires, documents and reports in various parts of the company, interviews with experts in the areas of strategy, industry statistics and industrial oils. The main tool is a questionnaire for collecting data in this study. It should be noted that these two types of questionnaires have been distributed. The questionnaire consisted of closed questions, Likert-type spectrum and the phase II questionnaire consisted of closed questions is a key priority.

Before the questionnaires were distributed and used by experts has been amended and revised.

Questionnaire Validity and Reliability

In this study, to ensure the validity of the experts has been used, the questionnaire used in each stage of distribution among the members of several of the experts, there are many ways to test the reliability of Cronbach's alpha was used in this study. The method for calculating the internal consistency of measurement tools such as questionnaires or tests are. Calculating Cronbach's alpha for this study, a questionnaire pre-tested. Data obtained from questionnaires through SPSS statistical analysis software were used to calculate Cronbach's alpha.

SWOT Technique

Identify key opportunities identified as part of the market before it was forgotten, Improve relationships with customers, finding new interface and innovative product development company representatives can be seen as opportunities for organizational meeting. Identify key threats, economic status, laws, rules, regulations, customs duties and benefits, public policies - social - cultural, Communication between members of the industry, distribution channels and supply chain companies, competitors, consumers can be considered as a threat. Identify key strengths, the company's senior management, delegated authority, rights and benefits, education, educated, attractive forces, a good financial situation, credit purchases, high working capital, development of information technology, exclusive shopping, good reputation, the company experienced high, Proper packaging, wide distribution network can be viewed as strengths for the organization. Identify the key weaknesses, organizational structure, customer-oriented perspective, control, innovation, lack of systematic approach, working group, decision making, high overhead costs and operational. Inventories, the complexity of systems and procedures, bureaucracy, the incentive, reward and punishment system, the marketing process, not to inform the target market, as assumed for the order can be established. Compare internal strengths with external opportunities, internal strengths with external opportunities and compare the result are written in the SO group strategies. Comparison of internal weaknesses with external opportunities, internal weaknesses with external opportunities and compare the result is written in the WO Strategies Group. Comparative strengths of internal and external threats, internal strengths with external threats, and compare the result is written in the ST group strategies. Comparison of internal weaknesses with external threats, internal weaknesses with external threats can be compared and the result is written in the WT group strategies.

Data collection and analysis

Develop strategies in organizations is done in three forms - the hierarchy of decision making in organizations, Highest level, consists of board members and executives responsible for corporate financial performance and achieve company goals are nonfinancial. Are responsible for developing this class of strategies. Second-level strategies, business strategies are level; this task is the responsibility of managers of business. The third level of strategy and operational level of the hierarchy of decision-making is primarily. Management of operational, geographical and product is composed of:

Table2. SWOT Matrix

<p>Weaknesses Organizational structure, poor customer perspective, control, innovation, lack of systematic approach, working group, the decision making, high costs and operational overhead inventory, the complexity of the system and method to , bureaucracy, the incentive, reward and punishment system, the process of marketing, lack of market information, investment orders.</p>	<p>Sstrengths company's senior management, delegated authority, rights and benefits, education, attract the educated, a good financial situation, credit purchases, high working capital, information technology development, patent purchases, reputation, experience high company, depending on size appropriate, extensive distribution network</p>	<p>Organizational Internal Factor</p>
<p>WO strategies</p>	<p>SO strategies</p>	<p>Organizational External Factor Opportunities Identification of the market before it was forgotten, improving relationships with customers, finding a broker, new and innovative product development company representative.</p>
<p>WT strategies</p>	<p>ST strategies</p>	<p>Threats Increasing sanctions, coordination little shop with the company, competitors in the process of raw materials more quickly, less bureaucracy in the process of preparing and distributing the products of competitors, the high price of some products to market.</p>

Strategies to Prioritize and Determine the best Strategies

After completing the questionnaire and data were analyzed using Expert choice software, the results of the six priority strategies from the perspective Hunger and Wheelen (2000) is expressed. Developed strategies in order of importance are: the vertical growth strategy (vertical integration), product development, market development, revenue strategy, a strategy to stop / go forward with caution and diversification is homogeneous.

Conclusions

According to survey results in the implementation of this strategy is successful if the oil industry in South, Competitiveness in the market could be your chance to achieve the goal of automotive oil to greatly increase. In this regard, and in the next section for each of the strategies developed in this study, Programs are offered in the form of operating programs will be. These programs operate in the exact implementation of the strategy. Above Mentioned, and ultimately help to achieve the main goal is remarkable:

- 1 - Designing a strategic management expert system that can help managers to the south of the oil industry steadily develop corporate strategies, to improve.
- 2 - The supply chain network design for the oil industry south of the advanced information and communication technology applications.
- 3 - Audit system designed to assess the current culture and Southern culture, industrial oils changes needed to balance corporate culture with business strategy. The new culture should be an infrastructure that a support the company's strategy is customer-oriented culture is the most important feature.
- 4 - Designing systems that can assess the performance of the company to achieve strategic objectives, and also the company's success in implementing strategies to assess, and appropriate feedback to improve the management offer.

References

- [1] Kurttila, M., Pesonen, M., Kangas, J., Kajanus, M., 2000. Utilizing the analytic hierarchy process AHP in SWOT analysis – a hybrid method and its application to a forest certification case. *Forest Policy and Economics* Vol.1, pp.41-52
- [2] Vaidya, O.S., Kumar, S., 2006. Analytic hierarchy process: An overview of applications. *European Journal of Operational Research*, 169(1), 1-29.
- [3] W. Ho, 2008. Integrated analytic hierarchy process and its applications – A literature review. *European Journal of Operational Research*, 186, 211-228.
- [4] M. Kurttila, M. Pesonen, J. Kangas, M. Kajanus, 2000. Utilizing the analytic hierarchy process (AHP) in SWOT analysis-a hybrid method and its application to a forest certification case, *Forest Policy and Economics*, 1, 41-52.
- [5] Hill, T. R. Westbrook, 1997. SWOT analysis: it's time for a product recall, *Long Range Planning*, 30, 46-52.
- [6] Saaty, T.L. 1980, *the Analytic Hierarchy Process*, McGraw-Hill, New York, USA.
- [7] Expert Choice, Expert Choice, *Analytical Hierarchy Process (AHP) Software*, Version
- [8] Hunger and Wheelen (2000): *Strategic Management*, P.136