

Strategy Formulation with SWOT Matrix: A Case Study of an Iranian Company

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Abstract

Purpose: The aim of this paper is to examine the use of the strategic management tool strengths, weaknesses, opportunities and threats of P.S.Taha Company, in 2014 as a case study.

Design/methodology/approach: SWOT analysis, internal and external (IE) matrix have been applied in order to illustrate the main path long term planning and development. At last the best strategies were prioritized in QSPM matrix.

Findings: The results of analyzing the IE matrix represent that there is a good condition for the studied company considering the score of 2.88 for internal factors and 2.7 for external factors. It also reveals that the company has a desirable position by analyzing its capabilities as well as its strong and weak points in the related industry. The position of the company indicates that the aggressive strategy will best fit the enterprise needs. SO strategies in SWOT matrix were introduced as suitable solutions for the company status. Market influence was chosen as the most important strategy by use of QSPM matrix.

Originality/value: Due to improving and developing the number of corporates and competitive environment, the importance of formulating comprehensive planning like strategic planning, which is playing an important role in empowering organizations, is increased. The paper has suggested strategies for enhancing the Iranian company.

Keywords: Strategic Planning, SWOT Matrix, QSPM Matrix, IE Matrix, Case Study

Paper Type: Research Paper

Introduction

The most important concern in most organizations including Small and Medium Enterprises (SMEs) is the design and implementation of strategies which assure the firm's success and sustainability in the environmental complex and variable situations (Mintzberg and Lample, 2001). Small and Medium Enterprises (SMEs) play a key role in each country's economy; meanwhile, they are recognized as the drivers for economical growth (European Commission, 2007 and Löfving et al, 2013). In addition, some companies which had already been considered as small enterprises play a vital role in this current world of business (Sharma, 2011). Also, it's so important to realize the concept of strategy and its application in the Small and Medium Enterprises (Löfving et al, 2013), because, strategic thinking and having long-term objectives may act as an appropriate tool for the companies in order to prevent bankruptcy (Sharma, 2011). Moreover, the production strategies may create competitive advantage for these kinds of companies (Löfving et al, 2013). Therefore, it will be possible to present some strategies for making balance between external environment and internal status of the firm by analyzing the strengths, weaknesses, opportunities, and threats of the organization (Lerner, 1999). Iran, as a developing country, has attempted to focus on non-oil exports and given up relying on producing and selling crude oil. That's why the industry and especially the small enterprises are considered so important in the country, because, the activity of other businesses will be somehow dependant to the industry sector (Hasanghlipour and Aghazadeh, 2006). On the other hand, some factors such as technological gaps, lack of recognition in supply and demand situations, lack of insight about product and market procedures, lack of awareness on consumers' behaviors, unbalancing in selecting strategy and structure, lack of awareness from social and political fluctuations and subsequently increasing the world trade levels have caused Iranian enterprises to be left behind from the increasing trend of the global competition (Ghasemi, and Ebrahimi, 2008). In so doing, the strategic planning may act as a key solution for both sustainability and the presence of the enterprises in the level of global competition (Razmi et al, 2008). The strategic planning is an essential tool in management which its objective is to prepare the required sources in appropriate time and location for obtaining the aims (Aldehayyat et al, 2011). In fact, the strategic planning presents a tool for organizations to enable them to follow the design and execution of the strategy in different levels of the organizations and also manage their own strategic performance (Mintzberg and Lample, 2001). Although the role of Small and Medium Enterprises (SME) in the new and uprising economies has been recognized formally, unfortunately, few researches have been carried out on appropriate strategies for the SMEs (Sharma, 2011 and Löfving et al, 2013). However, Pishgaman Sanat Taha Company, as the case study of this research, is an active small/medium enterprise in private sector that aims to utilize both the increasing trend of Iranian industry and international modern technology in order to use the new technologies such as RFID (Radio Frequency Identification), GPS (Global Positioning System), GLONASS (Global Navigation Satellite System), GALILEO technology, and Image Processing in its business relying on its technical and skilled staff.

According to a research in the IT-related companies in Italy, the importance of RFID is predicted to become a vital factor in the success of the firms in the near future (<http://www.rfidjournal.com/articles/view?9452>). On the other hand, based upon a report by ABI Research Institution, the market share for RFID technology, which has been notified as the second revolution after the Internet (Sanayei, 2010), will be increased to the amount of 70.5 billion dollars from 2012 to the end of 2017. In other words, the annual

growth in this field will be 17% (<http://www.marketsandmarkets.com/PressReleases/gps.asp>). Furthermore, according to the latest report by the World Institute for Market Research located in the USA, the selling market for GPS will have the growth of 23.7% from 2011 to 2016 (<http://www.marketsandmarkets.com/PressReleases/gps.asp>). Therefore, utilizing the environmental opportunities as well as designing appropriate strategies for the companies which are active in the aforesaid field will be essential.

The present study aims to recognize the opportunities and threats which Pishgaman Sanat Taha Company will be faced with and then describe the theoretical basis and the process model of the strategic planning in the company. In addition, the study recognizes the strong and weak points of the company using SWOT matrix and also analyzes the suitable strategies, meanwhile, it subsequently prioritizes the best and the most attractive strategies utilizing the quantitative evaluation matrix.

2. Research Background

Strategic planning is the process of the decisions and activities which lead to one or more effective strategies for attaining the organizational goals. This process will be finalized through an appropriate design of strategy, its suitable execution, and its continuous evaluation (French, 2009). According to David, the strategic management is a rational, subjective, and systematic approach for making great decisions in an organization. In this kind of management, the qualitative and quantitative information are determined so that it will be possible to make efficient decisions in an uncertainty situation (David, 1986). Increasing coordination, recognizing and exploiting the organizational opportunities, improving the internal relations, persuading the staff to develop their inclinations for changing and improving the firm performance may be considered as strategic management advantages (Aldehayyat et al, 2011).

Strategic planning aims to improve the strategic performance of the organizations (Gkliatis and Koufopoulos, 2013). According to a 2000 study by Carol, strategic planning specifies the objective and the direction of the company as clearly as possible. Strategic planning presents a long-term vision and also provides a framework for determining the policies and decisions (Mapulanga, 2013). Dincer (2006) believes that an effective strategic planning system will enable to create the required association among the strategic long term, medium term, and operational objectives in an organization. Attention must be paid that the strategic planning has greatly been taken into consideration in the modern and industrial countries such as the USA, the UK, Canada, Australia, and Japan (Glaister et al., 2008), meanwhile, few researches have been accomplished in less developed countries. Although the strategic plans may direct the budgeting and financial plans; political, social, economical, internal, and external stresses can put negative impacts on the execution of the strategic plans (Mapulanga, 2013). On the other hand, an improvement in analysis together with the effectiveness control of various strategic planning stages may be considered as a key managerial activity (Gkliatis and Koufopoulos, 2013). Knight (2001) surveyed the role of strategies in following up the entrepreneurial opportunities for achieving success in international small businesses and concluded that the strategic key approaches may permit the aforesaid businesses to attain better performance via different levels of Research and Development (R&D) by relying on quality, product confirmation and effective distribution. Also, the results revealed that entrepreneurial strategies are the important and key drivers for international performance both in small businesses and entrepreneurial activities (Knight, 2001). Lofoving et al. (2013) argue that how the strategy design may help the

small and medium enterprises. They have also analyzed 15 models on comprehensive framework for strategy design and considered some vital criteria which must be taken into account in designing strategies, meanwhile, they have presented a model concerning to strategy (Löfving et al., 2013).

SWOT is one of the most important tools in strategic management literature so that many researchers and strategists have focused on this matrix (Khalfan, 2012). In fact, SWOT is one of the tools which help the organizations plan their strategic planning. It is also a suitable tool for strategic analysis and realizing the current situation of the organization (Sabbaghi and Vaidyanathan, 2004). The above-mentioned matrix is applied for comparing the strengths and weaknesses as well as the opportunities and threats originating from the environment. We can assume that the effective strategy is able to found the strengths and opportunities and minimize the impact of weaknesses and threats of the organization (Khalfan, 2012). From the strategic managers' viewpoints, an appropriate solution for maximizing the strengths and minimizing the weaknesses of a company will be the utilization of opportunities and removing the threats (Pearce and Robinson, 2003). Strong and weak points are generally relates to the internal environment while opportunities and threats are associated with the external environment, meanwhile, they may put desirable or non-desirable impacts on competitive situations of an enterprise (Sabbaghi and Vaidyanathan, 2004). SWOT selects a systematic and analytical method for identifying the required factors and presents a suitable strategy for creating the best matches among the factors (Fisher, 1989), meanwhile, the enterprise may identify its positive and negative factors and then develop and match its strategies to make the factors as suitably as possible (Gao and Peng, 2011). Having a vast domain, SWOT matrix is considered as a conceptual framework for system analysis which provides the possibility of analyzing the factors and comparisons, obstacles, threats, vulnerable aspects, opportunities, demands, and external environment situations as well as the strong and weak points of the designed strategy (Srivastava, 2005).

SWOT analysis has already been utilized for designing strategy in most of national and international companies such as Sehand Khodro Tabriz (Amini and Khabaz, 2010), Shahrvand Chain Stores (Mahmoudi et al., 2011), the IT-related firms (Amini and Samavatian, 2011), Tehran Province General Administration of Physical Education (Shabani and Parsajoo, 2012), Civil Management Project for Dar es Salaam, Tanzania (Halla, 2007), evaluation of IT managers' viewpoints in using the social networks' websites as well as their strengths, weaknesses, opportunities, and threats especially in governmental organizations' team-works (Al-Busaidi, 2013), information system plans in the libraries of the Malawi university (Mapulanga, 2013), meanwhile, some researches have used the comprehensive strategic model in their studies, but no researches were found in the industry that the present study has focused on.

3. The Company Introduction

Pishgaman Sanat Taha Company was founded in the year of 2006 aiming to utilize both the increasing trend of Iranian industry and international modern technology. Also, by relying on its technical and skilled staff, the company focused its activity on development of satellite positioning systems such as GPS, GLONASS, GALILEO, and RFID. At present, the company has reached to the stage of maturity and self-confidence in customizing the mentioned technologies and granted the patent, eligibility license from the high council of informatics, and the permission letter for assembly line of car trackers.

4. Methodology

4.1 The Research Type

The study is a descriptive research which presents the existing status of the Pishgaman Sanat Taha Company together with the conceptual definitions and the research background. Since the company is classified as small/medium enterprise, the statistical population of the research contains all the managers and employees of the company. In addition, census procedure has been used due to the utilization of all the statistical population. The measurement tool contains the existing documents at the company, scientific background at the libraries, internet databases, questionnaire, and interview with the organizational staff.

4.2 The Research Method

The stages for strategic management from Chang and Huang viewpoints contain three steps: 1. designing strategy, 2. utilizing strategy, and 3. evaluation of strategy (Chang and Huang, 2006). In this study, the first step has been analyzed. For designing strategy at the Pishgaman Sanat Taha Company, the comprehensive framework of the strategy has been utilized. The said framework presents the suitable tools and methods for various types of organizations and helps the strategic planning identify the possible strategies and select the best strategies after evaluating them. This approach contains four fundamental steps as follows:

Start: determining and providing the mission statement and vision

Input: internal and external evaluation matrix (based on the required information)

Match or comparison: comparing the main internal and external factors using SWOT and IE (Internal and External matrix) for identifying the strategies in alliance with the organizational mission

Decision Making: using the Quantitative Strategic Planning Matrix (QSPM), the different variants of strategies are identified and assessed and also their relative attractiveness is determined.

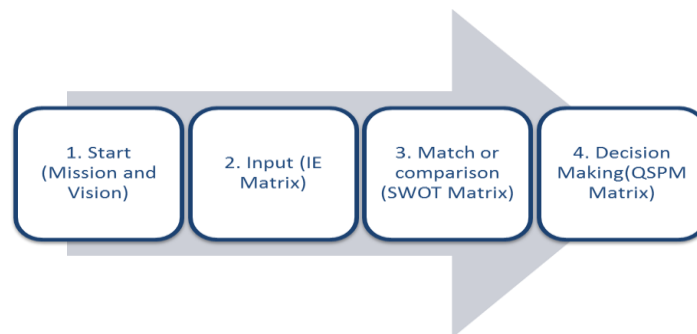


Figure1: four fundamental steps of methodology

The full description of the above-mentioned steps and the results of implementation of this approach at Pishgaman Sanata Taha Company have been discussed in the following sections.

4.2.1 The First Step: Start

An open questionnaire for gathering the required information for designing the mission and vision of the company has been provided in the first step. The questionnaire contains 9 questions in the field of product (goods or services), customer, market, technology, organizational values, focusing on sustainability, growth and profitability, core

competency, and attention to the people and staff images from the company that distributed among all the managers and staffs. Some interviews with the organizational employees containing managers and staffs were made and subsequently, the mission statement and vision of the company were prepared.

4.2.1.1 The mission statement of Pishgaman Sanat Taha Company

Pishgaman Sanat Taha Company is an enterprise which is active in the field of analysis, design, and implementation of smart systems such as GPS, GLONASS, GALILEO, RFID and Image Processing Systems. The company's customers are made up of the cars owners, complexes, companies, all the organizations and inspection firms, governmental institutions, etc. and in general, all the individuals and organization that use the aforesaid technologies. At present, the activities of the company are limited to the national markets in all provinces of the country; meanwhile, the availability to the international markets including the neighboring countries is a future objective of the company.

Attaining the organizational goals, the company has committed its responsibility on its customers, employees, suppliers, and the communities which the company is obliged to serve them; meanwhile, it has provided a suitable efficiency for its shareholders. In addition, the company has presented updated and quality products by using the skilled and eligible employees and also attempts to obtain the customer satisfaction continuously comparing with its competitor. Moreover, the company is going to participate in activities relating to the economical growth and progress of the country via benchmarking and taking ideas from the products and mechanisms used by the advanced countries in the field of smart systems and also customizing the products.

Pishgaman Sanat Taha Company has set its organizational values and beliefs on honesty, morality, and commitment toward the company and customers, meanwhile; the customer satisfaction is one of the most important factors in its success. The company has also created a dynamic and efficient environment and provided a situation for its employees' promotion and empowerment. The company believes that the human resources are the most important capital of the organization.

4.2.1.2 The vision of Pishgaman Sanat Taha Company

Relying on its national experts and the modern technologies in the world, Pishgaman Sanat Taha Company is intended to become a creative and innovative enterprise in the field of smart systems by using RFID, Satellite Tracking Systems, and Image Processing technologies. The company is going to be a pioneer in domestic markets and also earn the first position inside the country; meanwhile, it aims to enhance the Iran's ranking as a modernized country among the five important countries in the Middle East.

4.2.2 The Second Step: Input (Internal and External Evaluation)

The internal factors are controllable inside the company, but the external factors are not directly controlled and the organization may affect on them by changing the internal variables indirectly (Helms and Nixon, 2010). In fact, the internal environment contains the variables (strengths and weaknesses) which exist inside the organization and generally are controlled by managers as a continuous and long-term activity. These variables comprise a structure that the work can be performed in such an environment (Razmi et al, 2008). Since the analysis of the external environment for finding the opportunities and threats can not create the competitive advantages for the companies by itself, the strategic

managers must consider the internal situation of the company in order to identify the internal strategic factors, i.e., the strengths and weaknesses.

4.2.2.1 External Factors Evaluation matrix

Table 1: External Factors Evaluation Matrix for Pishgaman Sanat Taha Company

Number	External Factors			
	Opportunity/Threat	Coefficient	Ranking	Score
O1	An increase in demand of RFID and GPS in Iran and Middle East (creating potential markets)	0.06	4	0.24
O2	Increasing the importance of management security in small and big enterprises	0.06	4	0.24
O3	Increasing the educated population and the graduated experts	0.05	3	0.15
O4	Availability to new technologies	0.06	4	0.24
O5	Attending at the commercial chambers	0.04	3	0.12
O6	Customer loyalty toward the product due to the complexity of changing service processes	0.06	4	0.24
O7	The possibility of establishing joint venture with foreigner partners	0.06	3	0.18
O8	Awareness of people about the advantages of RFID and GPS	0.05	3	0.15
O9	The presence of new satellite systems	0.05	3	0.15
O10	The minority of the number of presenters (software, hardware, and support system)	0.06	4	0.24
O11	Approving the governmental act on determining and receiving royalty for non-governmental activities in the field of post and telecommunication	0.05	3	0.15
T1	Inappropriate economic situations inside the country	0.05	1	0.05
T2	Fluctuations in USD currency	0.06	1	0.06
T3	High rate of inflation in the country and prediction for its continuation	0.05	1	0.05
T4	The entrance of semi-governmental rivals with strong favoritism	0.06	1	0.06
T5	Lack of awareness on the advantages of RFID and GPS	0.05	2	0.1
T6	Legal restrictions for frequency band by the regulatory	0.04	2	0.08
T7	The rivals who present cheaper prices via importing illegal goods	0.05	1	0.05
T8	Lack of awareness of the customers about the Iranian-made servers (a competitive advantage for Pishgaman Sanat Taha Company) as well as the information security	0.05	1	0.05
Total				2.7

The External Factors Evaluation matrix (IEE) is a tool for analyzing the trend of accountability and the way that the organizational managers are able to encounter with the opportunities and threats outside the organization (Razmi et al, 2008). Two techniques of PEST Analysis and Porter's Five Forces Analysis have been utilized for analyzing the

specialized and macroeconomic environment of the company and also the opportunities and threats of the organization was identified. PEST is a method for evaluating the macroeconomic environment and contains the political, social, economical, and technological factors which affect on the company. This method presents an overall image of the company as well (Blery and Sfetsiou, 2008 & Khalfan, 2012). The Porter's Five Forces Model is an approach for analyzing the specialized or microeconomic environment of the company. Five major competitive forces are discussed and analyzed in this model that are: competitive rivalry, the threats of new competitors, the threats of substitute products, bargaining power of suppliers, and bargaining power of customers (Dobbs, 2014).

4.2.2.2 Internal Factors Evaluation matrix

Table 2: Internal Factors Evaluation Matrix for Pishgaman Sanat Taha Company

Number	Internal Factors			
	Strength/Weakness	Coefficient	Ranking	Score
S1	Having skilled experts	0.03	4	0.12
S2	Using know-how knowledge in the field of the existing technologies	0.03	4	0.12
S3	Dynamism in attaining modern technologies	0.03	4	0.12
S4	Supporting the establishment of managerial systems by the top manager	0.03	4	0.12
S5	Having representative in different provinces of the country	0.03	4	0.12
S6	Variety in the market needs and portfolio of the company services	0.03	4	0.12
S7	Special applications of the products (the possibility of selling the products in the time of economical recession by decreasing the costs for the customers)	0.03	4	0.12
S8	Customer satisfaction resulting the previous performance of the company and having loyalty toward it	0.03	4	0.12
S9	The possibility of injecting capital by the shareholders	0.02	3	0.06
S10	Budgeting process in the company and having control on it (estimating the costs, profitability and Internal Rate of Return)	0.02	4	0.08
S11	The manager attitude on the employees' learning and providing a suitable situation for education	0.03	3	0.09

S12	The employees' attitude on learning, promotion, and updating their knowledge	0.03	4	0.12
S13	Having reporting system and analyzing the reports as a daily routine	0.02	3	0.06
S14	Persuading the employees based on the reports and performances together with the direct supervision of the manager	0.03	3	0.09
S15	The low rate of job abandonment	0.03	3	0.09
S16	Management risk-taking due to his/her youthfulness	0.02	3	0.06
S17	Considering percentage for the team working in the selling section as a persuasion	0.03	3	0.09
S18	Having good communications between the manager and employees (including monthly sessions)	0.02	3	0.06
S19	Having a calm and friendly atmosphere	0.03	3	0.09
S20	Targeting by the company for internal and external markets and also future services	0.03	4	0.12
S21	Understanding the company's management from the system, operations, processes, and restrictions	0.03	4	0.12
S22	The company's ability in identifying the customers' needs	0.03	4	0.12
S23	The relatively recognition of the company from the market status	0.03	4	0.12
W1	Lack of systematic evaluation mechanism for the employees	0.02	2	0.04
W2	An increase in the fixed costs of the company	0.02	2	0.04
W3	Having high prices of products in comparison with the rivals	0.03	1	0.03
W4	Lack of flexibility and possibility of offering discounts in pricing	0.03	1	0.03
W5	The shortage of manpower in different parts of the company and having trouble in assigning each project to its specialized department	0.04	1	0.04
W6	Lack of propaganda	0.03	1	0.03
W7	Lack of having an individual section for foreign trade department	0.03	2	0.06

W8	Lack of systematic control of the processes	0.03	1	0.03
W9	Financial restrictions and limit budget for marketing	0.03	1	0.03
W10	Having high overhead costs	0.02	1	0.02
W11	Lack of presenting ancillary products together with the main products (such as camera, crush barrier, etc.)	0.02	1	0.02
W12	Low rate of selling	0.03	1	0.03
W13	Lack of providing appropriate infrastructure for propaganda	0.03	1	0.03
	Total	1		2.88

The Internal Factors Evaluation matrix (IFE) is a tool for analyzing the internal factors which evaluates the strengths and weaknesses of the organization (Razmi et al, 2008). Internal factors have been identified and evaluated as follows based upon the information obtained from the questionnaire concerning the mission statement and interviews with the organizational employees:

After identifying the internal and external factors, strengths, and weaknesses; we must specify the opportunities and threats of the company and put these items in the internal and external evaluation matrices in terms of the coefficient considered for each factor by taking into account the managers and employees' viewpoints so that the most score has been assumed 1 (very important) and the least score has been supposed 0 (not important). The considered coefficient for each factor identifies the relative importance of the factor in organizational success. Then, the existing status of each factor has been determined by a ranking from 1 to 4 (Razmi et al, 2008).

4.2.3 The Third Step: Match or Comparison

4.2.3.1 Internal/External Factor Evaluation Matrix

.....The Internal Factors Evaluation Matrix.....	 The External Factors Evaluation Matrix ... 1 2.5 4	
1	2.5		4
I conservative strategy	2.8 II aggressive strategy		2.7
III Defensive strategy	IV Competitive strategy		

Figure 2: 4-cell internal and external factors matrix for Pishgaman Sanat Taha Company

The Internal/External Factor Evaluation Matrix is a tool which permits the strategists to assess the environmental, economical, political, social, cultural, legal, and technological factors as well as the market status in the considered period and it is also applicable in governmental, private, and public organizations (Forbes, 1996). Hence, it will be possible to determine the strategic situation of the company via locating the variables in the internal and external factors matrix. According to the scores obtained from the internal factors matrix (2.7) and external factors matrix (2.88), the company situation was determined in the second cell (II) of the 4-cell internal and external factor matrix and it reveals that aggressive strategy must be applied by the company. In such a situation, the implementation of SO strategies has to be taken into consideration in order to utilize the best external opportunities using the internal strengths.

4.2.3.2 SWOT Analysis

SWOT analysis method is a short and applicable model which systematically identifies each factor of strength, weakness, opportunity, and threat; and also reflects the appropriate strategies relating to the current situation of the studied occupation (Razmi et al, 2008). Some efforts have been performed in this method for analyzing the external situations and internal conditions of the organization; and appropriate strategy for sustainability of the company is designed. Opportunities and threats in the model reveal the main desirable or non-desirable challenges which exist in the external environment of the organization and in return, strengths and weaknesses (competencies, abilities, skills, and shortages) represent the internal environment situation for the studied structure. After identifying the environmental factors (opportunities and threats) and internal factors (strengths and weaknesses) and separating the key factors from other factors, it's time to select and recommend the strategies.

Table 3: strengths, weaknesses, opportunities, and threats for Pishgaman Sanat Taha Company

Opportunity	Threat
<p>An increase in demand of RFID and GPS in Iran and Middle East (creating potential markets)</p> <p>Increasing the importance of management security in small and big enterprises</p> <p>Increasing the educated population and the graduated experts</p> <p>Availability to new technologies</p> <p>Attending at the commercial chambers</p> <p>Customer loyalty toward the product due to the complexity of changing service processes</p> <p>The possibility of establishing joint venture with foreigner partners</p> <p>Awareness of people about the advantages of RFID and GPS</p> <p>The presence of new satellite systems</p> <p>The minority of the number of presenters (software, hardware, and support system)</p> <p>Approving the governmental act on determining and receiving royalty for non-governmental activities in the field of post and telecommunication</p>	<p>Inappropriate economic situations inside the country</p> <p>Fluctuations in USD currency</p> <p>High rate of inflation in the country and prediction for its continuation</p> <p>The entrance of semi-governmental rivals with strong favoritism</p> <p>Lack of awareness on the advantages of RFID and GPS</p> <p>Legal restrictions for frequency band by the regulatory</p> <p>The rivals who present cheaper prices via importing illegal goods</p> <p>Lack of awareness of the customers about the Iranian-made servers (a competitive advantage for Pishgaman Sanat Taha Company) as well as the information security</p>
Strength	Weakness
<p>Having skilled experts</p> <p>Using know-how knowledge in the field of the existing technologies</p> <p>Dynamism in attaining modern technologies</p> <p>Supporting the establishment of managerial systems by the top manager</p> <p>Having representative in different provinces of the country</p> <p>Variety in the market needs and portfolio of the company services</p> <p>Special applications of the products (the possibility of selling the products in the time of economic recession by decreasing the costs for the customers)</p> <p>Customer satisfaction resulting the previous performance of the company and having loyalty toward it</p> <p>The possibility of injecting capital by the shareholders</p> <p>Budgeting process in the company and having control on it (estimating the costs,</p>	<p>Lack of systematic evaluation mechanism for the employees</p> <p>An increase in the fixed costs of the company</p> <p>Having high prices of products in comparison with the rivals</p> <p>Lack of flexibility and possibility of offering discounts in pricing</p> <p>The shortage of manpower in different parts of the company and having trouble in assigning each project to its specialized department</p> <p>Lack of propaganda</p> <p>Lack of having an individual section for foreign trade department</p> <p>Lack of systematic control of the processes</p> <p>Financial restrictions and limit budget for marketing</p> <p>Having high overhead costs</p> <p>Lack of presenting ancillary products together with the main products (such as</p>

<p>profitability and Internal Rate of Return) The manager attitude on the employees' learning and providing a suitable situation for education The employees' attitude on learning, promotion, and updating their knowledge Having reporting system and analyzing the reports as a daily routine Persuading the employees based on the reports and performances together with the direct supervision of the manager The low rate of job abandonment Management risk-taking due to his/her youthfulness Considering percentage for the team working in the selling section as a persuasion Having good communications between the manager and employees (including monthly sessions) Having a calm and friendly atmosphere Targeting by the company for internal and external markets and also future services Understanding the company's management from the system, operations, processes, and restrictions The company's ability in identifying the customers' needs The relatively recognition of the company from the market status</p>	<p>camera, crush barrier, etc.) Low rate of selling Lack of providing appropriate infrastructure for propaganda</p>
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SWOT model is generally composed of a two-dimension coordinate table so that each area from its four areas represents a group of strategy. For determining the company strategies, a session was held with the company managers after identifying the strengths, weaknesses, opportunities, and threats; and finally the appropriate strategies were identified.

SO strategies

SO1: identifying the potential markets as well as finding the ways to affect on them in Iran and Middle East by the experts of the company (market influence)

SO2: customer orientation: creating more commitment and loyalty among the customers toward the products and services of the company via presenting a comprehensive solution (software, hardware, and support systems)

SO3: retention (or increase) the variety of the products

SO4: increasing the selling agencies for more influence in market and people and acquiring good brand reputation

ST strategies

- ST1: enhancing the people awareness about the advantages of the company's products (mass marketing)
- ST2: having a fixed trade coworker for ancillary products
- ST3: continue relation with the foreign join ventures
- ST4: controlling and decreasing the price of products and services

WO strategies

- WO1: increasing the selling quantities
- WO2: propaganda
- WO3: increasing the manpower
- WO4: creating a foreign trade unit for entering the overseas markets

WT strategies

- WT1: controlling the fixed and current costs of the company

4.2.4 Strategy Selection

Selecting the strategy is one of the challenges of the managers in making decisions (Farzipoor and Azadi, 2011), because choosing a specific path will lead to the development of new solutions and simultaneously the old solutions will be removed (Feurer and Chaharbaghi, 1995). Thus, the selection of the best strategy will be a hard task and also a vital duty for the success of the strategic managers (Farzipoor and Azadi, 2011). Selecting strategy means assessment of various strategies and choosing the best one (French, 2009); meanwhile, this kind of selection depends upon the rate of change in environment (Ansoff and Sullivan, 1993).

According to David (1986), one of the methods of selecting strategy is using the QSPM (Quantitative Strategic Planning Matrix). The QSPM is one of the tools for decision making which helps managers to prioritize and select the required strategies (Razmi et al, 2008). In this matrix, the columns contain the internal and external factors as well as their weights so that they are originated from the Internal and External Factors matrix. In the next columns, strategies stated in SWOT matrix have been located so that each column contains the attractiveness coefficients and scores. Scores can be obtained by multiplying the weight by the attractiveness coefficient. Attractiveness coefficient may have the amounts of 1, 2, 3, or 4. The maximum amount for attractiveness coefficient is 4 and the minimum amount is 1. The scores for attractiveness coefficient must not be considered based on trail and error, but, they have to taken into account logically and ought to be justifiable. Finally the scores of each strategy must be added. Each strategy with higher score will have priority for the organization.

Table 4: the QSPM Matrix for Pishgaman Sanat Taha Company

Strategy Internal/ External Factors	Weighted score	Strategy 1		Strategy 2		Strategy 3		Strategy 4	
		score	Interest Coefficient	score	Interest Coefficient	score	Interest Coefficient	score	Interest Coefficient
S1	0.04	0.16	4	0.12	3	0.16	4	0.12	3
S2	0.03	0.12	4	0.06	2	0.12	4	0.03	1
S3	0.03	0.12	4	0.06	2	0.12	4	0.06	2
S4	0.03	0.12	4	0.12	4	0.09	3	0.09	3

S5	0.03	0.12	4	0.12	4	0.09	3	0.12	4
S6	0.03	0.12	4	0.09	3	0.12	4	0.12	4
S7	0.03	0.12	4	0.12	4	0.12	4	0.12	4
S8	0.03	0.12	4	0.12	4	0.12	4	0.06	2
S9	0.02	0.08	4	0.02	1	0.08	4	0.06	3
S10	0.03	0.06	2	0.09	3	0.12	4	0.06	2
S11	0.03	0.12	4	0.09	3	0.12	4	0.03	1
S12	0.03	0.12	4	0.09	3	0.09	3	0.03	1
S13	0.03	0.06	2	0.03	1	0.03	1	0.03	1
S14	0.03	0.09	3	0.06	2	0.03	1	0.03	1
S15	0.03	0.03	1	0.03	1	0.03	1	0.03	1
S16	0.03	0.12	4	0.09	3	0.09	3	0.09	3
S17	0.03	0.12	4	0.06	2	0.09	3	0.06	2
S18	0.03	0.09	3	0.03	1	0.03	1	0.03	1
S19	0.04	0.08	2	0.08	2	0.04	1	0.04	1
S20	0.03	0.12	4	0.09	3	0.09	3	0.12	4
S21	0.03	0.09	3	0.09	3	0.06	2	0.09	3
S22	0.03	0.12	4	0.12	4	0.12	4	0.12	4
S23	0.03	0.12	4	0.12	4	0.12	4	0.12	4
W1	0.02	0.02	1	0.02	1	0.02	1	0.02	1
W2	0.02	0.02	1	0.02	1	0.02	1	0.02	1
W3	0.03	0.12	4	0.06	2	0.09	3	0.09	3
W4	0.03	0.12	4	0.06	2	0.06	2	0.09	3
W5	0.04	0.16	4	0.08	2	0.08	2	0.08	2
W6	0.03	0.12	4	0.12	4	0.06	2	0.12	4
W7	0.03	0.12	4	0.03	1	0.06	2	0.03	1
W8	0.03	0.09	3	0.06	2	0.03	1	0.03	1
W9	0.03	0.12	4	0.06	2	0.12	4	0.09	3
W10	0.02	0.04	2	0.02	1	0.04	2	0.02	1
W11	0.02	0.08	4	0.06	3	0.08	4	0.04	2
W12	0.03	0.12	4	0.12	4	0.12	4	0.12	4
W13	0.03	0.12	4	0.12	4	0.06	2	0.12	4
O1	0.06	0.24	4	0.12	2	0.24	4	0.24	4
O2	0.06	0.24	4	0.06	1	0.24	4	0.24	4
O3	0.05	0.1	2	0.05	1	0.1	2	0.05	1
O4	0.06	0.18	3	0.06	1	0.24	4	0.06	1
O5	0.04	0.12	3	0.04	1	0.04	1	0.12	3
O6	0.06	0.18	3	0.24	4	0.18	3	0.18	3
O7	0.06	0.24	4	0.06	1	0.24	4	0.06	1
O8	0.05	0.2	4	0.1	2	0.15	3	0.15	3
O9	0.05	0.2	4	0.05	1	0.2	4	0.05	1
O10	0.06	0.24	4	0.12	2	0.18	3	0.18	3
O11	0.05	0.2	4	0.05	1	0.1	2	0.15	3
T1	0.05	0.05	1	0.05	1	0.1	2	0.05	1
T2	0.06	0.06	1	0.06	1	0.12	2	0.06	1
T3	0.05	0.05	1	0.05	1	0.1	2	0.05	1
T4	0.06	0.12	2	0.06	1	0.12	2	0.12	2
T5	0.05	0.15	3	0.05	1	0.1	2	0.1	2
T6	0.04	0.04	1	0.04	1	0.04	1	0.04	1
T7	0.05	0.1	2	0.15	3	0.15	3	0.1	2
T8	0.05	0.15	3	0.2	4	0.15	3	0.05	1
Total	2	6.53		4.34		5.71		4.58	

5. Discussion and Conclusion

This study aims to evaluate and analyze Pishgaman Sanat Taha Company as a pioneer company in the field of new technologies of RFID, GPS, GLONASS, GALILEO, and Image Processing by the SWOT strategic planning approach. Therefore, the current situation of the studied industry was analyzed and then the appropriate strategy was identified and suitable strategies were selected via utilizing the comprehensive framework of strategy design.

The results of analyzing the internal and external factors matrix represent that there is a good condition for the studied company considering the score of 2.88 for internal factors and 2.7 for external factors. It also reveals that the company has a desirable position by analyzing its capabilities as well as its strong and weak points in the related industry. The position of the company indicates that the aggressive strategy will best fit the enterprise needs. In addition, WO, ST, SO, and WT strategies were identified by putting the internal and external factors in SWOT matrix, but, according to the position obtained for the company base upon figure 2, SO strategies were introduced as suitable solutions for the company status. After surveying the internal and external factors matrix and also analyzing the SWOT matrix, it was specified that QSPM matrix will lead to more accurate analysis than SWOT. Based on the results of the mentioned analysis, the strategies were prioritized as influencing the market (6.53), retention and increase of products' variety (5.71), an increase in number of agencies (4.58), and customer orientation (4.34). Hence, the strategy of influencing the market was identified and selected as the attractive solution so that it must be considered as an important plan for the company. Since the customers' poll showed a desirable customer satisfaction, there is no need to focus on any strategy in this respect and this strategy has less attractiveness comparing other strategies. According to the obtained results and also the mission and vision of the company, the development of market in the Middle East and promoting propaganda in the mass media can be considered as a three-year long term goal. In addition, the completeness of portfolio relating to the industry, the increase in number of agencies in all the provinces of the country and implementing the Customer Relationship Management (CRM) may be considered as one-year medium term goals. Furthermore, participating at the exhibitions relating to the associated industry considering the approach of increasing the market share and assigning the required agencies in the provincial centers were recognized as short term goals.

Since Pishgaman Sanat Taha Company has analyzed its internal and external environment, it's recommended that the company execute its strategic planning considering the long term, medium term and short term and evaluate, review, and improve its plans in the specified periods in order to participate in the activities related to the development of technology inside the country via applying all its potentials and capacities.

6. Research Limitations and Suggestions

One of SWOT analysis limitation is covering issues that can definitely be considered as a strength, weakness, opportunity or threat so it is difficult to address two-sided factors which could either be a strength or weakness.

Applied Strategic Planning has not been fully executed in Iranian companies so that another limitation is because no application of this kind of planning was observed in the studied industry. Thus, it's suggested that the active companies in the related industry design their strategic planning and report their findings as a basis for having comparison with the present study.

Acknowledgement

The research is financed by Pishgaman Sanat Taha Company (P.S.Taha co) (No 108, Sepahbod Gharani st., Taleghani st., Tehran, Iran. Tel: 88902133 Website: www.pstaha.com)

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To cite this article:

Mirzakhani, M., Parsaamal, E., & Golzar, A. (2014). Strategy Formulation with SWOT Matrix: A Case Study of an Iranian Company. *Global Business and Management Research: An International Journal*, 6(2), 150-168.