

UNIT 5

Modern issues in Management

SWOT Analysis

SWOT analysis is a framework for identifying and analyzing an organization's strengths, weaknesses, opportunities and threats. These words make up the SWOT acronym.

The primary goal of SWOT analysis is to increase awareness of the factors that go into making a business decision or establishing a business strategy. To do this, SWOT analyzes the internal and external environment and the factors that can impact the viability of a decision.

Businesses commonly use SWOT analysis, but it is also used by nonprofit organizations and, to a lesser degree, individuals for personal assessment. SWOT is also used to assess initiatives, products or projects. As an example, CIOs could use SWOT to help create a strategic business planning template or perform a competitive analysis.



Features/Elements of a SWOT analysis

- Internal attributes and resources that support a successful outcome, such as a diverse product line, loyal customers or strong customer service.
- Internal factors and resources that make success more difficult to attain, such as a weak brand, excessive debt or inadequate staffing or training.
- External factors that the organization can capitalize on or take advantage of, such as favorable export tariffs, tax incentives or new enabling technologies.

Example of a SWOT analysis

- **Strengths:** good communication skills, on time for shifts, handles customers well, gets along well with all departments, physical strength, good availability.
- **Weaknesses:** takes long smoke breaks, has low technical skill, very prone to spending time chatting.
- **Opportunities:** storefront worker, greeting customers and assisting them to find products, helping keep customers satisfied, assisting customers post-purchase and ensuring buying confidence, stocking shelves.
- **Threats:** occasionally missing time during peak business due to breaks, sometimes too much time spent per customer post-sale, too much time in interdepartmental chat.

Advantages of SWOT Analysis

- a. It is a source of information for strategic planning.
- b. Builds organization's strengths.
- c. Reverse its weaknesses.
- d. Maximize its response to opportunities.
- e. Overcome organization's threats.
- f. It helps in identifying core competencies of the firm.
- g. It helps in setting of objectives for strategic planning.

Limitations of SWOT Analysis

- a. Price increase;
- b. Inputs/raw materials;
- c. Government legislation;
- d. Economic environment;
- e. Searching a new market for the product which is not having overseas market due to import restrictions; etc.

BUSINESS PROCESS RE-ENGINEERING

Business process re-engineering (BPR) is the act of changing an organization's major functions with the goal of increasing efficiency, improving product quality, and/or decreasing costs.

This starts with an in-depth analysis of the business' workflows and identifying key areas that need improvement. People who do this kind of work, often referred to as BPR specialists, are hired by companies to facilitate transitions to more standardized processes.

It's important to differentiate between this and business process improvement, which focuses on simply updating an organization's current processes. BPR, on the other hand, aims to make fundamental changes to the entire scope of a business' systems. BPR professionals exist in all kinds of industries, so the specific day-to-day duties will vary from job to job. However, all BPR experts will follow these general steps:

Step 1: Identify and communicate the problem

This is a key part of growing any business. You need to figure out what issues are holding the company back and what's causing them. For example, let's say you're a BPR specialist who's hired by a cereal company, with the main goal of increasing its revenue.

The company's production process starts at a farm, where grain is harvested and then shipped to a factory, at which point it is mixed with other ingredients and turned into the final product.

Step 2: Build a team

The senior manager will supervise your BPR project and make sure you have the necessary resources to get the job done. It's important that a senior-level employee supervises the project, since they may have the power to do things that you don't, such as approving large budgets.

The operational manager will provide the in-depth expertise when it comes to the process you're reengineering. Continuing with the example from earlier, this could be whoever's in charge of the grain transportation portion of the process.

Step 3: Identify the inefficient process and define key performance indicators

Perhaps you discover that the reason why the trucks are losing so much grain during transport is because the road between the farm and the factory is too long and bumpy. Now, you can set up

specific key performance indicators (KPIs) for your team based on that part of the process. A KPI is a type of performance measurement used to help achieve business goals.

Step 4: Re-engineer the process

Finally, it's time to implement your solution. How are you going to cut down cycle time? What's the most efficient way to get the grain from the farm to the factory? Will you upgrade to faster trucks and/or try to fix the road?

Seven principles:

1. Organize around outcomes, not tasks.
2. Identify all the processes in an organization and prioritize them in order of redesign urgency.
3. Integrate information processing work into the real work that produces the information.
4. Treat geographically dispersed resources as though they were centralized.
5. Link parallel activities in the workflow instead of just integrating their results.
6. Put the decision point where the work is performed and build control into the process.
7. Capture information once and at the source.

A five-step approach to radically change workflow:

1. Develop the business vision and process objectives.
2. Identify the processes to be redesigned.
3. Understand and measure the existing processes.
4. Identify IT levers.
5. Design and build a prototype of the new process.

SUPPLY CHAIN MANAGEMENT (SCM)

Supply chain management is the management of the flow of goods and services and includes all processes that transform raw materials into final products.

Supply chain management (SCM) is the active management of supply chain activities to maximize customer value and achieve a sustainable competitive advantage. It represents a conscious effort by the supply chain firms to develop and run supply chains in the most effective & efficient ways possible. Supply chain activities cover everything from product development, sourcing, production, and logistics, as well as the information systems needed to coordinate these activities.

The concept of Supply Chain Management (SCM) is based on two core ideas:

1. The first is that practically every product that reaches an end user represents the cumulative effort of multiple organizations. These organizations are referred to collectively as the supply chain.
2. The second idea is that while supply chains have existed for a long time, most organizations have only paid attention to what was happening within their “four walls.”

The functions of SCM include the following:



- **Purchasing**

The first function of SCM is purchasing. During manufacturing process, raw materials are needed. It is essential that these materials are procured and delivered on time. Then only the

production can begin. In order to make this happen, coordination with suppliers and delivery companies is needed to avoid delays.

- **Operations**

Forecasting and demand planning is needed before materials are procured as the demand market shall dictate how many units are to be produced and how much material is needed for production. This function in SCM is vital as organizations accurately forecast demand to avoid having too little or too much inventory that would lead to revenue losses. Therefore, forecasting and demand planning should be tied in with inventory management, production and shipping.

- **Logistics**

Logistics is a part of SCM that co-ordinates all planning aspects, purchasing, production, and transportation aspects to ensure that products reach the end consumer without hindrances.

- **Resource Management**

It ensures that right resources are allocated to the right activities and that too in an optimized way. It ensures that optimized production schedule is created to maximize operations efficiency.

- **Information workflow**

Sharing information and distribution is that what keeps all other functions of supply chain management on track. If this information workflow and communication is poor, it can hurt the entire chain.

MARKETING

The action or business of promoting and selling products or services, including market research and advertising.

IMPORTANCE OF MARKETING

1. INCREASES SALES

The main objective of marketing is to engage and get to the targeted market to increase sales. Once marketing builds awareness about the product, new arrivals as well as the firm which sells a special product in the market.

2. PROVIDES EMPLOYMENT

In the Market, we need different enterprises and organizations for example wholesalers, retailers, transportation, storage, finance, insurance, and advertising.

3. BASIS FOR MAKING DECISIONS

From the conception of an idea to giving the ultimate product to the customer, the businessman has to make many decisions.

4. SOURCE OF NEW IDEAS

Marketing helps businesses to understand the need of customers Reviews from customers serves in the improvement of the current products. there is a rapid evolution in the tastes and choices of people. Marketing helps in getting these changes.

5. TACKLING THE COMPETITION

There is growing competition in nearly all sectors of the economy. It is tough for any business to create a trust for their products and services. The role of marketing is important to create a brand icon in the mind of customers.

6. CREATE TRUST

People want to buy from a company that has a trustworthy reputation. Creating trust amongst the customers is a time-consuming process. Creating trust among the customers helps the business to get loyal customers.

7. INCREASES AWARENESS

Marketing serves in building awareness about the current products, and new accessories as well as the company which sells a particular product in the market. This raises awareness among inherent consumers. it creates a brand image among the consumers.

8. INCREASE IN STANDARD OF LIVING

The first objective of marketing is to produce goods and services for the customers to satisfy their needs. Paul maur defined marketing as, "The delivery of standard of living to the civilization" Marketing helps to identify the requirements of the customers and take action to manufacture quality goods at more affordable prices.

9. INCREASE IN NATIONAL INCOMES

In a successful marketing society, if the demand for goods and services increases, then the level of production increases, and more marketing increases, that is why the national income increases.

10. MARKETING AS A SOURCE OF INCOME & REVENUE

The production of the marketing function is necessary because it is the only method through which the company could make revenue or income and bring in profits.

E-MARKETING

E-marketing comprises all the processes of planning, pricing, promotion, execution, and distribution of products and services over the internet and the World Wide Web. The purpose of using the computerized system is to facilitate the customers and meet their demands. E-marketing serves many important functions both for the customers and businesses as well. The customers would get competitive pricing and businesses would be able to cut down their operational cost.

Many businesses and companies provide the service of e-marketing and retail online-shopping nowadays. The customers can find contact details about your business and product information either from their computer or their smart phones anytime whenever they want.

Advantages of E-marketing

Less Risky

The good thing about using e-marketing is that it doesn't involve too much risk. The online and social media marketing campaigns are much cheaper compared to TV, billboards, and newspaper advertisements.

Cost Reduction by Automation

E-marketing also provides the option of automating various processes of your business. For instance, you can send the customers orders directly to the third-party suppliers and ask them to send the order directly to the customers. Here automation is allowing you to save inventory cost, logistic cost, inventory management cost, rental cost, and product delivery costs.

Fast Response

Speed and fast response is the key to the success and widespread usage of e-marketing. It allows you to reply to your audience instantly regardless of the distance. It's because of the fast response; the world has become a global village.

Easy Data Collection & Evaluation

When it comes to data collection to monitor the performance of your business, there's no better alternative than e-marketing tools. Consider if you have to collect through conventional and traditional way, then it would months and plethora of monetary resources.

Personalization

Personalized marketing is the latest and modern approach in the e-marketing world. Where you treat your customers like you know them based on the shopping data you have collected from them.

More Interactions

With the combination of the e-marketing approach with social media marketing, you can increase the interaction with your target customers. You interact with your audience by using the personalized marketing approach.

COMPETITIVE MARKET ANALYSIS

A competitive analysis is a strategy that involves researching major competitors to gain insight into their products, sales, and marketing tactics. Implementing stronger business strategies, warding off competitors, and capturing market share are just a few benefits of conducting a competitive market analysis.

A competitive analysis can help you learn the ins and outs of how your competition works, and identify potential opportunities where you can out-perform them.

Competitive Analysis in Marketing

Every brand can benefit from regular competitor analysis. By performing a competitor analysis, it is able to identify:

- Identify gaps in the market
- Develop new products and services
- Uncover market trends
- Market and sell more effectively
- Steps in Competitive Analysis in Marketing
- Determine who your competitors are.
- Determine what products your competitors offer.
- Research your competitors' sales tactics and results.
- Take a look at your competitors' pricing, as well as any perks they offer.
- Ensure you're meeting competitive shipping costs.
- Analyze how your competitors market their products.
- Take note of your competition's content strategy.
- Learn what technology stack your competitors' use.
- Analyze the level of engagement on your competitor's content.
- Observe how they promote their marketing content.
- Look at their social media presence, strategies, and go-to platforms
- Perform a SWOT Analysis to learn their strengths, weaknesses, opportunities, and threats