

SWOT analysis and its interaction with strategic planning in companies**El análisis FODA y su interacción con la planeación estratégica en las empresas**

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Abstract

Strategic planning allows organizations to visualize and build their future and can be conceptualized as an important process to help determine the major purposes of an organization. Therefore, the case study presented is referred to a company in the telecommunications sector, considered as a small company because of the number of people working in it, but due to the wide market it would be considered within the medium-sized company, it started operations Without considering strategic planning, therefore the growth phase in which it is located, is representing a serious problem, since it has not been able to determine the areas of opportunity it has to achieve the goal of staying in the market and continuing to be part of the supply chain for regional companies. Therefore, one of the fundamental parts of strategic planning is precisely the situational analysis, also known as SWOT analysis, which allows the collection and use of data, which makes it possible to know the operating profile of an organization at a given time, since it favors the development and execution of formal planning, from there an objective diagnosis is established for the design and implementation of strategies that help improve the competitiveness of said company.

Resumen

La planeación estratégica permite a las organizaciones la visualización y construcción de su futuro y se puede conceptualizar como un importante proceso para ayudar a determinar los mayores propósitos de una organización. Por ello, el estudio de caso que se presenta es referido a una empresa del sector telecomunicaciones, considerada como una pequeña empresa por el número de personas que trabajan en ella, pero por la amplitud de mercado se consideraría dentro de la mediana empresa, inició operaciones sin considerar una planeación estratégica, por lo tanto la fase de crecimiento en la que se encuentra, está representando un grave problema, ya que no ha podido determinar las áreas de oportunidad que tiene para lograr la meta de mantenerse en el mercado y seguir formando parte de la cadena de suministros para las empresas regionales. Por lo tanto, una de las partes fundamentales de la planeación estratégica lo constituye precisamente el análisis situacional, también conocido como análisis FODA, el cual, permite la recopilación y el uso de datos, lo que hace posible conocer el perfil de operación de una organización en un momento determinado, ya que favorece el desarrollo y ejecución de la planeación formal, a partir de ahí se establece un diagnóstico objetivo para el diseño e implementación de estrategias que ayuden a mejorar la competitividad de dicha empresa.

Planning, strategies, SWOT analysis

Planeación, estrategias, análisis FODA

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Introduction

Strategic planning, also called formal planning, is considered an administrative effort in order to provide conditions for the future with which present decisions are made through a document that we call the Strategic Plan; Although many companies are accustomed to developing plans, they face certain problems in collecting and ordering information that refers to operating conditions and the resources available to businesses, which directly affects the adoption of competitive strategies and therefore the elaboration and execution of a plan.

In many cases, the plans do not reflect the actual operating conditions, caused that they are only a list of good intentions and that their contribution is ultimately not appreciable or representative.

One of the tools that helps in the process of analyzing the operations of companies is precisely the situational analysis also known as DOFA diagnosis, because it is an appropriate tool through which, the real conditions prevailing in the company are known, which facilitates a good diagnosis and evaluation in the strategic planning process, and given that importance is that an application of this diagnosis is presented in this case study conducted to a telecommunications company located in the state of Guanajuato.

This paper presents the relationship of Strategic Planning, SWOT analysis and interaction with the company, establishing the importance of a company's environment for the preparation of a situational diagnosis, the variables included in the SWOT analysis are identified, the general considerations for its elaboration are explained, the conclusions and proposals that can help the entrepreneur in the decision making process are established.

Strategic planning and the importance of DOFA analysis

(Steiner, 1995), affirms that strategic planning consists in the systematic identification of opportunities and dangers that arise in the future, which combined with other important data, provide the basis for a company to make better decisions in the present. This implies, among other things, the elaboration of multiple plans to achieve your vision and your mission.

Therefore, strategic planning allows an organization to describe the visualization and construction of its future, so it allows to determine the major purposes of the organization and the strategies that must guide the acquisition of resources, for their use and control in the Achievement of your goals.

The SWOT analysis or situational diagnosis by its acronym (strengths, opportunities, weaknesses and threats), is a tool that gives the possibility to know and evaluate the real operating conditions of an organization, based on the analysis of these four variables, to propose actions and strategies for the benefit of organizations, since it is the appropriate tool to know the real conditions of action of the company, facilitating a good diagnosis and evaluation in the strategic planning process. This diagnosis is most important if you want the proposed strategies to relate to the competitiveness of the organization.

The DOFA analysis and its interaction with the company in strategic planning

Administrators must take into account the environment that prevails in the company, to know its elements and try to relate them to each other and visualize how they can affect the performance of the organization. In general, the authors always talk about the existence of two environments that affect a company, on the one hand the existence of an internal environment is established and on the other hand an external environment. The first emphasizes those elements that are directly related to the structure and operation of the company, including both the available resources and the functional areas, since the strengths and weaknesses of the organization derive there, which are under your control. On the other hand, the external environment is integrated by broad-spectrum components that are associated with variables of global influence such as economy, politics, culture, technology, legal regulations and the regulatory framework, to name a few, to this environment belong both opportunities such as potential threats that haunt companies. Therefore, it is said that these variables are beyond the reach and control of organizations. Thus, people who manage an organization should visualize both the opportunities and threats and their strengths and weaknesses in a timely manner.

	Positive	Negatives
Internal	Strengths	Weaknesses
External	Opportunities	Threats

Table 1 Components of a SWOT analysis
 Source: self made, 2019

Case study development

For the development of this case study, information was used from a company dedicated to the services and integration of information and communication technologies, with more than 27 years in the market, located in the city of Irapuato, Gto., Which seeks to comply and exceed customer expectations.

Vision:

Satisfy the needs of the Information Technology and Telecommunications market, promoting comprehensive products and services of high quality and technological innovation, to achieve total customer satisfaction.

Mission:

To be a leading national company in the Information Technology and Telecommunications market with products and services always at the forefront. Below is each stage of strategic planning that was developed for this company.

SWOT matrix development

The following table establishes the results obtained in the situational analysis performed on the company, in which the strengths, opportunities, threats and weaknesses were determined

With the previous information, the SWOT strategy matrix was developed, with the purpose of proposing proposals to elaborate the strategies that the company must follow to achieve its objectives.

SWOT matrix	
Strengths	Weaknesses
<ul style="list-style-type: none"> Responsible staff Fast customer service by phone / mail Teamwork Staff commitment to the services they perform Positive image to consumers Proactivity in customer management / search It has a customer tracking record Good working environment Good communication system 	<ul style="list-style-type: none"> Lack of technical training High prices on quotes Lack of liquidity to conclude a service Lack of liquidity to make field visits Dependence on the other areas to conclude a customer service Take responsibility for other areas Lack of time management to fulfill certain activities of other departments
Opportunities	Threats
<ul style="list-style-type: none"> Creation of new companies Location of the favorable company. 	<ul style="list-style-type: none"> Increase in competitors Competitors with lower prices Bad relationship with suppliers Credit conditions with customers

Table 2 SWOT Analysis
 Source: self made, 2019

	Strengths	Weaknesses
	<ol style="list-style-type: none"> Good work environment in the company. Good product quality and service. Motivated and happy human resources. Quality technical and administrative processes. High level service provided by workers. 	<ol style="list-style-type: none"> Lack of training. Bad financial situation. Inability to see errors. Market recognition Price of product and service by suppliers.
OPPORTUNITIES	SO (MAXI - MAXI)	WO (MINI - MAXI)

1. Market poorly served. 2. Product need. 3. Competitive advantage 4. Favorable trends in the market. 5. Strong purchasing power of the target segment.	* Through upsell and crossselling strategies, the company intends to publicize and strengthen the service, as well as to arrive in front of a very poorly attended market with many competitors. * Create a marketing network with prospects to have a sales and referral base that will grow the company.	D4 - O4. Work as a team with other companies that have a similar market, but are not competent to find new opportunities with minimal effort generating strategic alliances. D5 - O2. Determine the matter of the needs of customers and adjust the price of products according to agreements with suppliers.
THREATS	ST (MAXI - MINI)	WT (MINI - MINI)
1. Changes in legislation. 2. Very aggressive competition. 3. Increase in product price. 4. Market segment contracted. 5. A lot of direct and indirect competition 6. Financial situation of customers.	* Although the size of the company is medium, this gives a lot of adaptability in case of market fluctuations. * In case of changes in commercial legislation, the company intends to be in the commercial society of greater convenience according to its needs.	D5 - A4 Market recognition vs contracted market segment recognize the position that the company has in the points of sale. -D2 - A3 Low sales for high product prices by suppliers, the solution to find suppliers with fixed prices and increase sales more. -D1 - A6 the causes of low wages in the country with a threat to the financial situation of customers, the company will adapt the price to wages.

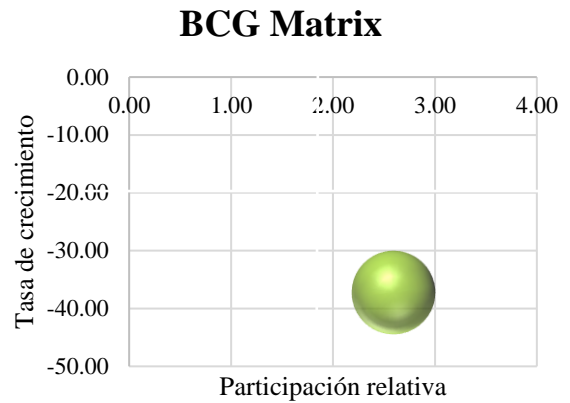
Table 3 SWOT strategies
Source: self made, 2019

BCG matrix application

This matrix will be used to verify in which quadrant the company is located, taking into account the participation in the market and the growth rate for each year, this in order to know in what situation the company is currently.

Compan y name	Sales 2016	2017 sales	2018 sales	Sales 2019
	\$7,798,996.36	\$4,885,490.94	\$118,565.54	\$97,124.29
Market share	26.00	16.28	0.40	0.32
Growth rate	-37.36	-97.57	-18.08	

Table 4 BCG Matrix
Source: self made, 2019



Graphic 1 BCG Matrix
Source: self made, 2019

The BCG matrix of the company gave a location result in the dog quadrant, emphasizing that its relative market share is low and its growth rate is equally low, however, the numbers are gradually decreasing, giving negative results.

MPC matrix application

This matrix was used to have a measuring range that will show that competition is stronger and weaker, in addition to verifying in what position the company in the case study is to measure the level, know if it can improve or will have to apply strategies and tactics to increase your position.

Weighing			
0	The zero trend is nothing important.	1	The tendency to one is very important
Value			
1	Major weakness	3	Minor Fortress
2	Minor Weakness	4	Major Fortress

Table 5

3. Matrix of the competitive profile

From the previous analyzes, the direct competition of the company was selected, obtaining the key factors to be evaluated, it will be possible to observe which is the company that has some of these factors stronger or weaker, having in itself a relative weight according to the importance and hence apply the most convenient are strategies or benchmarking.

	Key factors	My business			Competition 1 (Security)		Competition 2 (Softeck)		
		Relative weight	Qualification	Weighted weight	Qualification	Weighted weight	Qualification	Weighted weight	
1	Market share	0.20	2	0.40	2	0.40	2	0.40	
2	Prices	0.02	1	0.02	3	0.06	3	0.06	
3	Financial position	0.30	1	0.30	3	0.90	2	0.60	
4	Product quality	0.10	3	0.30	4	0.40	4	0.40	
5	Customer loyalty	0.10	3	0.30	2	0.20	2	0.20	
6	Company image	0.10	4	0.40	3	0.30	3	0.30	
7	Plant location	0.08	2	0.16	1	0.08	2	0.16	
8	Innovation	0.10	4	0.40	2	0.20	2	0.20	
Diagnostic Result		1.00		2.28		2.54		2.32	

Table 6 MPC Matrix

Source: self made, 2019

Through the analysis of the competitive profile, it follows that the company is at a very low level, its diagnosis reflects that it is the weakest company in the market, affected by the price and the financial position that is taken, taking into account that CONDUMEX is the strongest company on the economic side being world-class has more market share and is more recognized having 60 years in the market.

Methodology to be developed

The following methodology was carried out for the development of this project:

1. A situational analysis of the company was carried out to know the situation that prevails within the main administrative areas.
2. The analysis criteria were identified, that is, to consider the most relevant factors in the performance of an organization.
3. Determination of the real conditions of action in relation to the internal and external variables of the analysis.
4. The SWOT analysis and its strategies were performed.
5. The BGC Matrix was applied to know where the company is located in relation to market share.

6. The MPC Matrix was applied, with the intention of knowing the competitive profile of the company.

Results

Based on the provisions of this project, the results obtained when developing the strategic plans were favorable based on the marketing that was managed, based on an analysis of the environment in which the company was and how it changed according to the strategies that were proposed for the increase of sales and profits of the company. Analyzing the different factors that cause the company to have a deficit in the area of ICT sales, it was possible to detect the areas of opportunity where strategies were proposed to improve them and grow as a company, choosing to make a BCG matrix which helped to know in what quadrant was found and from this generate the relevant strategies for a better result, in addition to this a competitive profile was developed in order to know which was the strongest competition in question of the ICT Sales department and with it apply the best options of strategies enhancing the profits of the company, as well as its market. To develop strategies according to the cost, it is necessary to take into account the situation of the company, in addition to the prices that are available, this to improve the financial analysis and increase sales, as well as customers, which is why they were analyzed the prices of both suppliers and competition, leading to the development of internal and external costing strategies, so that the company does not have a mismatch according to prices and budget, but that more profits are obtained, so that investments can be made and financing sought for have a cash flow in cash with assets and liabilities for a better economic situation. Not only what is mentioned above is needed, but also a strategic planning made up of matrices, strategies in plans A, B, C, analyzing well the market to which it focuses and seeing the vision every day of the company how far it wants to go.

Conclusions

In general, the company has favorable and unfavorable, profitable and risk aspects. With the analysis completed, conclusions that reflect the general diagnosis of the situation of the organization regarding the variables studied and that will serve as a basis for making proposals for competitive strategies that are consistent, relevant and appropriate should be issued.

1. The DOFA analysis is a valuable tool that supports the strategic planning process of the company. Its importance consists in the evaluation made of the strengths and weaknesses that prevail within its internal and external environments.
2. The Opportunities, strengths, threats and weaknesses that were included in the diagnosis, are a representation of the company under study and according to each business scenario, therefore they are unique in their operation and results, so it is not They must generalize.
3. The information that was collected in the SWOT diagnosis is objective, flexible and relevant, which should cause changes or adjustments in the planning process.
4. The proposals that were made for improvement are made with the purpose of orienting to reduce weaknesses and to strengthen and maintain the strengths to look for suitable opportunities according to the capacity of the company.
5. The use of the BCG Matrix, supports the company to verify in which quadrant it is, being that the participation in the market and the growth rate for each year are taken into account, this in order to know How much growth is having year by year.
6. The use of the MPC Matrix, used to have a measuring range that shows that competition is stronger and weaker, in addition to verifying in what position it is in relation to direct and indirect competition.
7. In turn, it is established that in order to facilitate the design and implementation of the strategies derived from both the DOFA analysis, the BCG matrix and the MPC matrix, it is proposed to have professional advice at a very low cost if you make strategic alliances with universities and specialized training centers in the sales area.

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