

**National Research University Higher School of Economics St. Petersburg Branch
St. Petersburg School of Economics and Management**

**GUIDELINES FOR PREPARATION, DEFENSE AND PROCESSING OF
PROJECT "SWOT-ANALYSIS"
BACHELOR'S PROGRAMME "INTERNATIONAL BACHELOR'S IN
BUSINESS AND ECONOMICS"**

Fields of study: 38.03.01 «Economics»; 38.03.02 «Management»

Approved by the Academic Council of Bachelor's programme "International Bachelor's in Business and Economics"

Academic Supervisor: V.V. Krakovich _____ "_____" _____ 2023

Prepared by S.B. Boguslavskaya, M.D. Grigoreva, D.V. Kochetkova, N.E. Khazieva on the basis of «SWOT-analysis: Methodological guidelines for project implementation» / V.S. Katkalo, A.S. Veselova, S.V. Smeltsova; National Research University "Higher School of Economics" — HSE Graduate School of Business, 2022. — p. 60.

St. Petersburg, 2023

CONTENT

| | |
|---|----|
| Part 1. Introduction..... | 3 |
| Part 2. History and methodology..... | 9 |
| Part 3. Data sources. An interview guide..... | 13 |
| Part 4. PESTEL analysis..... | 20 |
| Part 5. Porter’s Five Forces analysis..... | 27 |
| Part 6. Key Success Factors..... | 33 |
| Part 7. Primary SWOT..... | 35 |
| Part 8. Extended SWOT analysis and strategic alternatives..... | 39 |
| Part 9. Course work requirements, presentation, defense and evaluation..... | 44 |
| Annex 1..... | 51 |
| Annex 2..... | 52 |
| Annex 3..... | 53 |

Part 1. Introduction

The SWOT analysis project was initiated in the academic year of 2022/2023 for first-year students enrolled in the "International Bachelor's in Business and Economics" program. All students of this program have to participate in the project, working in teams of five people (four to six if approved by academic supervisors), collaborating with Russian companies, primarily from St. Petersburg, across various sectors of the economy. Each company partners with several teams to analyze one or more areas of its operations. The representatives of companies played a special role in fostering a more conscious and meaningful engagement of students in their work. The current problems are being addressed in projects that rely not only on open sources, but also on first-hand data. During the 3rd and 4th modules, project supervisors assist their teams in practicing the tools and frameworks learned in the project seminar, specifically the SWOT analysis. This analysis is designed to build the knowledge and competencies required for the successful implementation of the project.

Timeline of course work and project seminar:

1. Kick-off meeting: January, 20-31
You should divide into groups before the meeting
2. Start of interaction with the companies: February
You will have several days to make your choice, and then all teams will be divided
3. The project seminar starts in the end of January
A total of 7 weekly seminars in the third module and 2 seminars in April
4. The pre-defense seminar is scheduled for the middle of April
5. The deadline for submitting the final version of the project is May 15th
6. The project's defense will be held in June

Project teams and project supervisors: The project is implemented in a team format, with teams consisting of 5 (4-6) students from the same academic group. The successful implementation of the project relies on the active participation and high involvement of all team members. The result of the project is collective, but an individual approach may also be applied to assess the performance of team members (for more details, please refer to part 9 of the current guidelines).

Students independently form project teams and send information about the team composition to the project coordinator of the "SWOT-analysis" project. Students who fail to submit information about their team composition by the deadline will be assigned to teams at the discretion of the project coordinator. The registration of project team members is done by completing an electronic form titled "Project: SWOT-analysis" within the specified timeframe. The project coordinator of the "SWOT-analysis" project sends a link to the form to students via corporate email, indicating the deadline for completing the form. The form should include the full surname, first name, and patronymic name (if applicable) of each team member, along with their academic group number and either their email or Telegram contact information. Please note that only one form should be filled out per team. Requests for project team membership are not accepted after the deadline. The project coordinator is responsible for forming the teams, and they are guided by a

project supervisor who is appointed from among the faculty or invited instructors of St.Petersburg School of Economics and Management.

One supervisor can lead several teams. The pool of project team supervisors is formed and approved by the project coordinator, who also approves the composition of project teams. These teams are further approved by the academic director of the corresponding program. The approved list of supervisors and project teams is sent to students via corporate emails or a Telegram channel.

The responsibilities of a project supervisor include:

- * providing assistance to a project team in their interactions with a company (the tasks involved in this process include organizing an initial interview with a company representative, providing guidance on developing interview questions, initiating subsequent meetings or communication with the company representative as needed, and requesting feedback from the company on the project results);

- * conducting regular consultations with project team members regarding project issues, such as requirements for project implementation and report preparation;

- * advising project teams on available sources and procedures for collecting and processing necessary information.;

- * the discussion of intermediate results and the development of necessary recommendations;

- * preparing the review of the project team's work based on the criteria specified in table 9.1 of the Guidelines (this includes evaluating factors such as the regularity of consultations with the supervisor, timeliness of presenting intermediate results, and the team's independence in working on the project, among others). The supervisor makes a decision on the compliance of the presented report with the established requirements based on the results of the project implementation and report preparation by the students. In the event of a negative decision by the supervisor, the project team is permitted to defend the project results. However, the defense commission takes into consideration the supervisor's opinion regarding the report's compliance with the requirements, as well as their feedback, when assessing the project. Additionally, the supervisor evaluates the project based on the criteria outlined in the table 9.1 (part 9). In the event of uneven student participation, the supervisor relies on their observations and the report from the team leader to determine the participation coefficient, which is then submitted to the commission. The participation rate is also used by the commission when evaluating project papers.

The supervisors of the "SWOT-analysis" project may participate in the project defenses as members of the commissions. However, they cannot be members of the commission in which the teams they supervised are defending. Consultations with supervisors can take place both offline and online, utilizing various platforms. Consultations can be individual for each team or combined for multiple teams. It is the responsibility of the project teams to initiate consultations with a supervisor. If the project team encounters difficulties in communicating with a supervisor, they should promptly inform the project coordinator of the "SWOT-analysis" project.

The choice of a company and subsequent interaction with it during project implementation. It involves conducting a "SWOT analysis" using real company materials. The project coordinator oversees the "SWOT analysis" project. The managers of all these companies have agreed to collaborate with the "SWOT-ANALYSIS" PROJECT and the project teams of students for the implementation of the "SWOT-analysis" project. The participating companies can

represent a diverse range of industries, ownership types, sizes, and business models. At the same time, when considering the objectives of the SWOT analysis, it is crucial that these companies are characterized by a desire to develop rather than merely survive or maintain the current state of their business.

Multiple teams can collaborate on the same project. The first obvious rule for addressing the issue of potential high demand for specific companies is the "first-come, first-served" rule: after the list of projects is presented to the 1st-year students, teams are invited to register their preferences by completing an electronic form.

The form requests the following information:

- * the individual number of the project team;
- * Five projects from the list. The selected projects should be ranked in order of priority, namely:

1. Project "A" (the most desirable choice)
2. Project "B" (the second priority option)
3. Project "C" (the third priority option)
4. Project "D" (the fourth priority option)
5. Project "E" (the fifth priority option)

If it is not possible to assign a team to the highest priority option, the project team will be registered for the second priority option, and so on. The preferences of the project teams will be considered based on the time their forms were submitted and registered. Each team can choose up to two different projects offered by the same company. Applications with mistakes such as selecting more than two projects from the same company or incomplete submissions will be considered in the second priority.

Project teams should conduct interviews responsibly by preparing an interview guide in advance and reviewing general information about a company available in databases and the media. The possibility of conducting additional interviews is negotiated with the representative of each company selected, and subsequent interactions are carried out directly by the project team or supervisor during the implementation of the project. Representatives from companies are invited to attend the project defenses, where they can provide their feedback on the project results. The defense committee may take this feedback into account when determining the final grade for the project. When interacting with companies, project teams represent the HSE. As such, they bear responsibility for adhering to generally accepted professional norms of business ethics and communication, as well as the norms and academic standards of HSE.

The coursework structure

The development of a company or project always includes an analysis of a company's internal and external environment. This is because only by considering both aspects simultaneously can reliable sources and mechanisms for creating and retaining competitive advantages be determined. The study of a company's external environment involves conducting a detailed analysis of the key factors outside the company that impact its activities. The purpose of conducting an external environment analysis for a company is to identify favorable and unfavorable tendencies and trends that can either support or hinder the implementation of key tasks for companies similar to the one being investigated. An analysis of a company's internal environment involves a detailed

examination of its internal organizational processes, as well as the features of its organizational structure and culture.

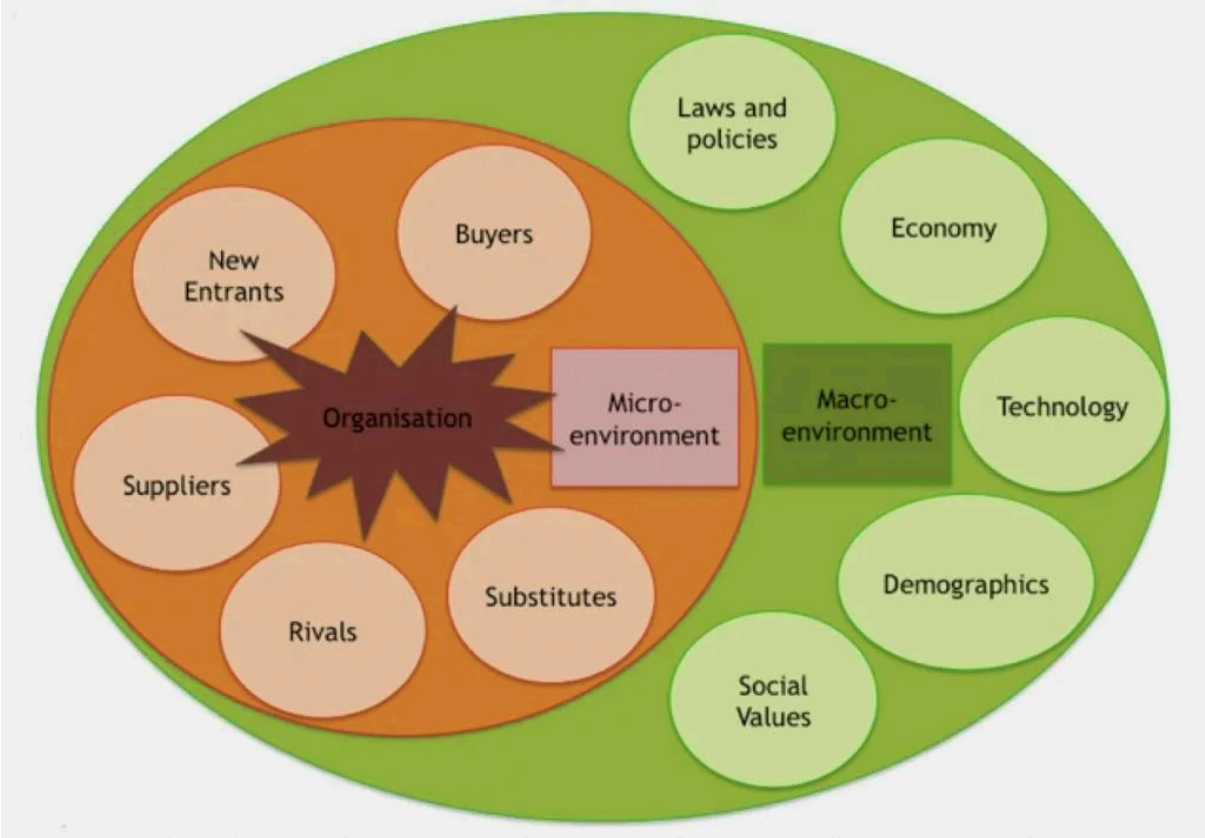


Figure 1.1 Macro and micro environment factors.
aiophotoz.com

The purpose of this analysis is to identify internal strengths that enable the company to capitalize on its external environment and mitigate external threats, while also considering its existing weaknesses. The intended outcome of the SWOT-analysis is to formulate possible directions of actions for the development of a company.

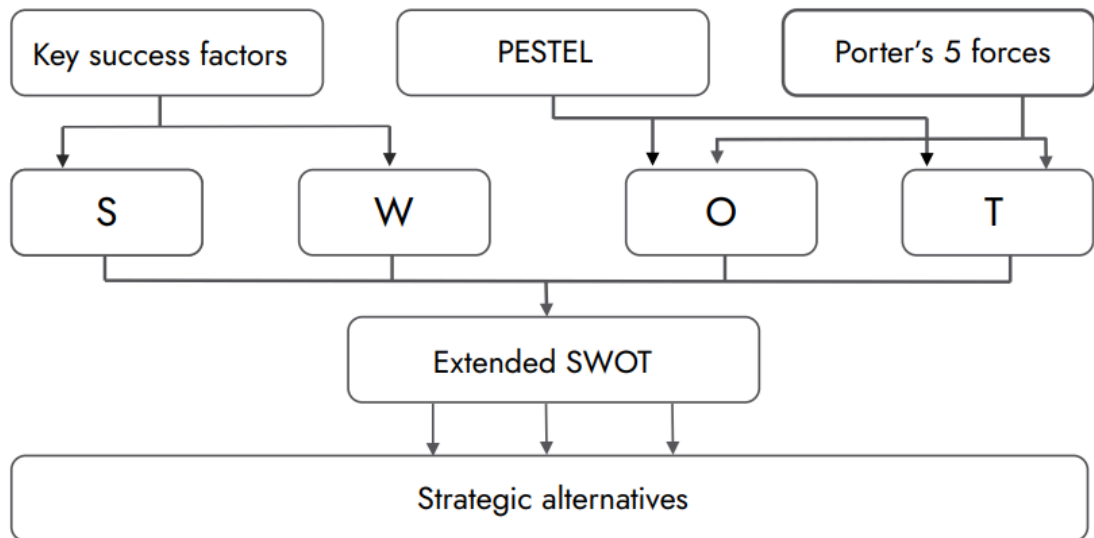


Figure 1.2 Algorithm of SWOT-analysis executions.

The "SWOT-analysis" project is an independent work of the project team, which means that it does not allow for the use of any materials from previously implemented projects. In order to ensure successful project implementation, it is necessary to adhere to the deadlines for intermediate stages and maintain regular communication with the project supervisor.

The structure and content of a "SWOT-analysis" project report

A correctly executed report should include the following:

1. Title Page (Annex 1);
2. Confirmation of Text Originality (Annex 2);
3. Confirmation of the Equivalence of Team Members' Contribution (Annex 3);
4. Table of Content;
5. Introduction;
6. Main Body;
7. Conclusions;
8. References;
9. Appendices.

An introduction should reflect the following key elements that determine the relevance and accuracy of the analysis:

- * justification of the company's choice;
- * relevance of SWOT-analysis for the company;
- * formulation of the project's goals and objectives;
- * justification of a report's logic and structure;
- * a brief description of the information sources used in the report.

An introduction should be concise and informative, limited to a maximum of two pages. The goals and objectives formulated in the introduction should be consistently implemented in the subsequent sections of the report. The fulfillment of these goals and objectives is a key criterion for assessing the success of the project.

The main body of the report may have a slightly different structure, but it must include several mandatory elements: PEST(EL) analysis, analysis of Porter's five competitive forces, key success factors, primary SWOT-analysis, and extended SWOT-analysis. Sections or paragraphs should be presented in a logical sequence and should have clear transitions or links. Chapters and sections should be meaningful and of sufficient length. A separate section should not be less than 1-1,5 pages, as it would be impractical to develop it as a separate element.

The main body of the report should primarily consist of factual information and the results of its analysis, utilizing the proposed tools. It is essential to provide references to information sources, which is particularly crucial for quantitative indicators.

It is recommended to use the following structure for chapters and sections

First Chapter: Description of an Analyzed Company and Its Macro and Micro Environment.

- * a brief overview of the analyzed company, including its history of origin, main activities, current market position, and so on;
- * description of an external environment of the company, its main elements, factors and trends using PEST(EL) analysis, analysis of five competitive forces;
- * the key success factors of the industry and a comparison of the analyzed company with its main competitors based on these factors.

Chapter Two: Primary SWOT-analysis.

- * A primary analysis matrix;
- * a description of each item within the matrix.

Chapter Three: Extended SWOT-analysis.

- * an extended analysis matrix;
- * a description of each item within the matrix.

The conclusions section should present a summary of the analysis results and clearly formulated conclusions that are based on the content of the project report. It is important to note that the conclusions should not address any issues that are not covered in the main body of the report.

A reference list must include all sources that are referenced in the text of the report and should not include sources that are not referenced. It should be formatted in accordance with the requirements outlined in Section 9 of the guidelines.

Appendices are optional elements that can be used to include additional or supplementary information for the main analysis. This may include statistical data, additional analysis, illustrative materials, and so on. It is important for the presented materials to contribute to a deeper understanding of the specific details of the analyzed company, rather than solely serving an illustrative purpose. Additionally, each appendix should be referenced in the text of the report.

The main stages of implementing a SWOT analysis project are as follows:

The implementation of the project consists of four key stages:

Stage 1

- * Choosing a company for analysis.;
- * Collaborating with a project supervisor to prepare a work schedule for the project;
- * Collecting information and materials on the company's activities, current strategy, and key factors of its environment.;

- * Assigning roles within the team;
- * Preparation for a company visit, developing and refining an interview guide to efficiently collect information through direct communication with company representatives;
- * Company visit and interview (remember to discuss the guide with your supervisor before the visit);
- * Analysis of the obtained information and its sufficiency for project implementation.

Stage 2

- * Conducting a PESTEL analysis, analyzing M. Porter's five competitive forces, and identifying Key Success Factors (KSFs);
- * Conducting a primary SWOT analysis and constructing a primary SWOT analysis matrix.

Stage 3

- * Conducting an extended SWOT analysis and constructing an extended SWOT analysis matrix;
- * Identifying all possible directions for further development of the company;
- * The description and justification of strategic alternatives.
 - Select the most effective 2-3 strategies and outline the implementation plan
 - Pre-defend the project draft during the seminar in April

Stage 4

- * The preparation of a project report in accordance with the recommended structure outlined in Section 3.1;
 - the final version of the project report preparation in accordance with the feedback provided by the project supervisor;
- * Formatting the report in accordance with the requirements outlined in Section 5;
- * The preparation of the project presentation for the defense;
- * The public defense of the project report.

Part 2. History and methodology

The time and place of creation of this basic concept of modern theory and practice of strategic management are closely related to the key processes of this essential part of Management science formation.¹ Due to the favorable economic conditions of the 1950s and 1960s, the growth of companies became a mass phenomenon in the United States and Western Europe, which required a special theory of managing the interaction of a firm with its external environment, characterized by sharply increased complexity (multifactoriality) and uncertainty. At the same time, by the 1960s, the intellectual basis for the development of concepts of strategic adaptation had been formed. By that time, the methodology of theory has been extended with the systems and contingency approaches without which it is impossible to analyze the differences in the behavior of firms in an

¹ For more details about the first concepts of strategic management see: V.S. Katkalo. Evolution of strategic management theory. 2nd ed. Saint Petersburg: Publishing House of St. Petersburg State University, 2008 (in Russian)

ever-changing environment. In economic theory, in turn, the concepts of profit, competition and vertical integration have been accumulated². They were alternative to the neoclassical theory of the firm, which was based on the postulate of market equilibrium and did not try to explain such distinctions.

On the other hand, it was the Harvard Business School (established in 1908) that was the cradle of education and research in strategic management.

The abbreviation “SWOT”³ was announced for the first time by professor C.R. Andrews in 1963 at the conference on business policy organized by the Harvard Business School. The concept of SWOT-analysis was presented in details in the Harvard Business School textbook “Business Policy: Text and Cases”⁴, written by four Harvard professors of general management — E.P. Learned, C.R. Christensen, K.R. Andrews and W.D. Guth was initially published in 1965 and quickly obtained worldwide recognition.⁵ The author of the analytical section of the Harvard textbook was K. Andrews, who presented his ideas in detail a few years later in 1971 in his monograph “The Concept of Corporate Strategy”. His approach made fundamental changes in the interpretation of general management problems, since within the concept of corporate strategy, an organization’s unity began to be understood not just as a kind of relationship between its structural and functional divisions, but as a holistic system that also includes its environment. Apparently, it was the Harvard textbook, published in 1965, that presented the company as an open system (in line with the systems theory which had already made a serious impact on global scientific and social thought). Following this methodological choice, Andrews generally accepted Chandler’s interpretation of strategy, but supplemented it with the concept of “an organization’s distinctive competence” (adopted from the sociologist P. Selznick) and his vision of environmental uncertainty factors to which a company must adapt. From K. Andrews point of view, the assessment of an organization’s internal strengths and weaknesses leads to the identification of its distinctive competencies, and the assessment of threats and opportunities caused by an external environment allows it to determine the potential success factors.⁶

Thanks to the use of the SWOT method based on this logic, professional managers have a unique opportunity to simultaneously analyze the factors of the internal and external environment of

² works by J. Schumpeter, R. Coase, E. Penrose and others

³ Great achievements often have “many fathers”, and in management literature one can find an opinion that this method was initially

⁴ Business Policy: Text and Cases / Ed. by E.P.Learned, C.R.Christensen, K.R.Andrews, W.D.Guth. Irwin: Homewood, 1965. Only in the USA this textbook had 6 editions (the last one — in 1987)

⁵ Initially, the method gained the abbreviation LCAG (which stands for the first letters of the authors’ names, then, in later textbooks editions, “SWOT-analysis” and “TOWS-matrix” appeared. One may also find some exotic options, e.g. SOFT (Strengths, Opportunities, Faults, Threats) and WOTS UP (Weaknesses, Opportunities, Threats, Strengths, Underlying Planning). All these terminology or linguistic differences are not of fundamental importance, however, the most widely accepted and used version among professional managers is «SWOT-analysis».

⁶ Later, this concept received a significant development and today is actively used in the development of management theory and practice of competitive companies management, considering necessary adaptation to the realities of the 21st century economy. In 1990, G. Hamel and K.K. Prahalad published an article in the Harvard Business Review entitled: “The core competence of the corporation”, that became one of the foundations of the so-called “resource approach” in modern management research. One of the research streams within the resource paradigm, that emphasized the role of inimitable internal competencies of an organization, was the concept of dynamic capabilities. Its author, Professor D.J. Teece (Haas School of Business, UC Berkeley), was named the world’s most cited business and management scholar in 2020.

the company, and then develop a plan of actions for a specific situation. The SWOT analysis model assumes the division of the research area into the external and internal environment of the organization. At the same time, favorable strengths, opportunities and unfavorable weaknesses, threats are considered. The researcher groups the problems by individual elements quadrants of the SWOT matrix. The strengths and weaknesses of an organization reflect the specifics of the internal environment, while opportunities and threats reflect the specifics of the external environment. Therefore, the SWOT method is a method of strategic analysis of the company, since it combines the analysis of both internal and external environmental factors. The internal aspects of organizational development are considered. The analytical goal pursued by the SWOT analysis is to identify internal strengths that allow the company, on the one hand, to take advantage of the opportunities that exist in the external environment, and, on the other hand, to avoid external threats, at the same time, accounting for existing weaknesses. This logic is shown in Figure 2.1.⁷

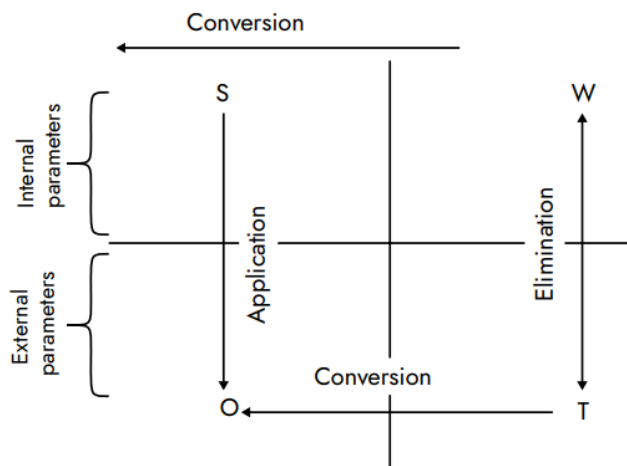


Figure 2.1 The logic of the SWOT-analysis.

Thus, SWOT-analysis is an assessment of a company's real strategic position, showing how a company's current strategy matches its internal resources and market opportunities. A company's strengths make certain opportunities more attractive, increasing the likelihood of their realization. By taking strategic steps and working on weaknesses, a company can turn threats into opportunities.

The main advantages of SWOT as a method of strategic analysis:

- * simplicity and logical interconnection of SWOT matrix elements;

The elements of the matrix can reflect both qualitative and quantitative, formal and informal information;

- * A variety of SWOT analysis options and applications. SWOT can cover a wide range of phenomena, factors, and functional areas;

- * a convenient structure for studying the company's strengths and weaknesses, opportunities and threats, as well as evaluating the company's resources and competencies;

- * SWOT analysis allows us to draw conclusions about how the company's current strategy corresponds to changes in the environment.

⁷ Mauric J. Effective strategist. 2002

The analysis of strategic challenges faced by entire countries.⁸ It is also a widespread understanding nowadays that the method is effective to assess any complex decision, including personal development of an individual. So, the SWOT-analysis is an analysis of a company's strengths and weaknesses in comparison with its competitors, as well as opportunities and threats in its external environment. An effective way to compare these four dimensions of strategic analysis is to place them in a 2x2 matrix (it is a famous SWOT matrix).⁹ Based on this analysis, one can conclude about a company's competitive position in the market and a potential need for strategic changes.

In modern management literature, one can find a very wide range of possibilities for applying the SWOT method, not only in business, but also far beyond it: from the development strategies of healthcare and non-profit organizations¹⁰ to collect information about a company's strengths and weaknesses focused on internal factors, i.e. abilities, skills, resources and assets or their deficit. Collection of information about opportunities and threats should focus on external factors that a company cannot affect.

When conducting a SWOT analysis, a researcher can assess:

- * whether a company's current strategy is focused on taking advantage of the opportunities available in the industry;

- * whether a current strategy and the means of its implementation take into account the threats in the industry;

- * whether a company's competitive position is stable.

Thus, when conducting a SWOT analysis, one should start from the specific features of the existing strategy of a company's development, since the strengths and weaknesses of a company, opportunities and threats in an external environment are assessed in the context of the current strategy. The final intended result of a SWOT analysis is to formulate an alternative development strategy for the company or identify necessary adjustments that should be made in the current strategy of the company.

Part 3. Data sources. An interview guide.

The analyzed companies should be predominantly well-known market players, and their activities are extensively covered on corporate websites, reports, and other publicly available media.

⁸ See: Duarte C. et al. The challenge of Venezuela: A SWOT-analysis // *Competitiveness Review*. 2006. Vol.16, # 3/4. P.233- 247; Helms M. et al. Entrepreneurial potential in Argentina: A SWOT-analysis // *Competitiveness Review*. 2011. Vol.21, # 3. P.269-287.

⁹ Note that in modern literature one can find suggestions to expand the SWOT method to 6 factors, adding to the traditional 4 factors also competitors' strengths and weaknesses — by analogy with the philosophy of judo wrestling, which teaches to use the weight and strength of rivals against themselves. See, for example, a short article by A. Brandenburger, Professor of the NYU Stern School of Business, published in 2019 in the *Harvard Business Review*. (<https://hbr.org/2019/08/are-your-companys-strengths-really-weakness>). However, such ideas are usually not developed to the operationalization stage and, therefore, are difficult to apply in practice.

¹⁰ See: Dey P.K., Hariharan S. Managing healthcare quality using combined SWOT and the analytical hierarchy process approach // *International Journal of Healthcare Technology and Management*. 2008. Vol.9, # 4. P.392-409; Kong E. The development of strategic management in the non-profit context: Intellectual capital in social service non-profit organizations // *International Journal of Management Review*. 2008. Vol.10.

It is recommended to utilize various sources of information, typically primary and secondary, for project development.

Primary data sources are essential documentary resources that provide first-hand information. They are the initial records of original research and are often considered unfiltered and original ideas and information.

These sources are often unorganized and frequently the only available information source for mankind. Primary sources of information serve as significant evidence for specific theories, providing perspective on ideas or topics, and are also used in criticism or to support claims.

It includes both published and unpublished works. There are several **important advantages** of primary sources:

1. Everyone is aware that the original material remains untarnished.
2. The primary information source directly addresses the topic.
3. It often presents essential information that is not available elsewhere.
4. The primary material is original, thereby eliminating the possibility of misinterpretation or any form of assumption.
5. The information can be easily traced back to the original writer.
6. People tend to give more weight to primary information sources than to other types of sources.

Some **important disadvantages of primary** sources of information include:

1. In certain instances, the primary information source may be incomplete, rendering it unusable.
2. Relying solely on a primary information source is subject to personal interpretation and knowledge. The original materials may not offer the same value to every reader.

Some examples of Primary Data Sources

* **Surveys and questionnaires:** Surveys and questionnaires are widely used methods for collecting data. They allow you to directly gather information from respondents, whether distributed online, through mail, or in person. Surveys enable you to reach a large audience and efficiently collect quantitative data. However, it is crucial to design clear and unbiased questions to ensure the accuracy and reliability of responses.

* **Observations:** Direct observations involve systematically watching and recording events or behaviors as they occur. This method provides real-time data, offering unique insights into participants' natural behavior and responses. It is particularly valuable in fields such as psychology, anthropology, and ecology, where understanding human or animal behavior is critical.

* **Experiments:** Experiments involve deliberately manipulating variables to study cause-and-effect relationships. By controlling variables, experiments provide rigorous and conclusive data, which is often used in scientific research. They are well-suited for hypothesis testing and determining causal relationships.

* **Interviews and focus groups:** Qualitative data collected through interviews and focus groups provides an in-depth exploration of participants' opinions, beliefs, and experiences. These methods help you understand complex issues and gain rich insights that quantitative data alone may not capture or provide for your study.

Secondary data sources for researching information about a company and its external environment include databases, analytical reports, publications, and professional journals. It is recommended to utilize a variety of these sources to gather comprehensive information.

1. Index type

- **An index** is a type of secondary information source that adds usefulness to a topic. It can be arranged chronologically, alphabetically, or by topic.
- **A bibliography** is an organized list of sources related to a given person or subject, arranged either chronologically, alphabetically, or by topic.
- **Abstracting Periodicals** is a collection of concise summaries of regularly issued articles. It serves as a valuable tool for retrieving necessary information on a specific subject.
- **Indexing Periodicals** is a collection of titles of articles that appear in current journals. It includes an alphabetical list of titles, names, topics, etc., arranged in geographical or chronological order.

2. Reference type

- **A dictionary** is a type of secondary information source that deals with words of a specific subject or language. It is often referred to as a wordbook.
- **An encyclopedia** is a type of secondary information source that deals with concepts and provides detailed information on a specific subject. It is often referred to as a storehouse of knowledge, offering significant information.
- **Tables** are ideal for presenting data, particularly in scientific contexts.
- **A handbook** is a type of secondary information source that provides principles, procedures, and data in a convenient and concise format.
- **Manuals** are instruction books that provide clear and specific directions.

3. Survey Type

- **A monograph** is an attempt to provide basic information on a small scale.
- **Reviews** aim to correlate information over a specific period and serve as indicators of trends and developments in the concerned field.
- **A treatise** is a summary on a subject that provides the fundamental information required for conducting advanced research.

*In addition to primary and secondary data, it is important to be aware of **tertiary data sources**. These sources play a critical role in aggregating and organizing existing data from various origins. Tertiary data sources focus on collecting, curating, and preserving data to ensure easy access and analysis.*

** **Data aggregators**: Data aggregators are companies or organizations that specialize in collecting and compiling data from multiple sources into centralized databases. These sources can include government agencies, research institutions, businesses, and other data providers. Aggregators offer researchers a convenient way to access a vast amount of data on specific topics or industries. By consolidating data from diverse sources, they provide researchers with a comprehensive view of trends, patterns, and insights.*

** **Data brokers**: Data brokers can be described as entities that engage in the buying and selling of data, often without obtaining direct consent or informing the individuals whose data is being traded. Although data brokers provide access to extensive datasets, their practices raise*

significant privacy and ethical concerns. As a researcher, it is crucial to exercise caution when utilizing data obtained through data brokers to ensure compliance with ethical guidelines and data protection laws.

** **Data archives:** Data archives serve as repositories for historical data and research findings. These archives are essential for preserving valuable information for future reference and analysis. They often contain datasets, reports, academic papers, and other research materials. Data archives ensure that data remains accessible for replication studies, verification of previous research, and the development of longitudinal analyses.*

Company's profile

In order to gain a clear understanding of the specific details of a company under analysis, it is essential to develop a well-presented company profile. To develop a company's profile, it is recommended to follow the following plan:

- include the full and abbreviated name of the company; specify the organizational and legal status (LLC, OJSC, etc.);
- outline the main types of activity and specify the industry according to the Russian classifier of economic activities;
- geographic regions of activity;
- company's mission (if any);
- year of establishment and a brief history of the company's origin and development;
- presence of subsidiaries, branches, parent companies, or membership in a group or corporation;
- available information on the ownership structure, including state ownership and presence of majority stakeholders;
- contact information, including the official website and legal address.

To complete this section, it is necessary to utilize official public information about the company, which can be found on the company's official website, in presentations/reports, databases, and the mass media. It is important to note that this section is intended for informational purposes only and does not require extensive analysis or conclusions.

One of the important stages in project implementation is collecting necessary information directly from a company representative through an interview.

Given the busy schedules of company representatives, it is necessary to be well-prepared for an interview in order to make the most of the opportunity for direct communication and gather information effectively.

An interview is a qualitative research method that involves asking questions to collect data. It typically involves two or more participants, with one person acting as the interviewer and asking the questions.

There are several types of interviews, often differentiated by their level of structure. Structured interviews consist of predetermined questions asked in a predetermined order. Unstructured interviews, on the other hand, are more free-flowing. Semi-structured interviews fall somewhere in between.

Structured interviews consist of predetermined questions that are asked in a specific order. These interviews often utilize closed-ended questions, which include dichotomous (yes/no) or

multiple-choice options. Although open-ended structured interviews do exist, they are not as prevalent. The types of questions used in structured interviews make them primarily quantitative in nature.

Asking predetermined questions in a specific order can assist in identifying patterns among responses. It also enables easy comparison of responses across participants while maintaining consistency in other factors. This approach helps mitigate biases and enhances the reliability and validity of the data. However, structured interviews may be perceived as overly formal and have limitations in terms of scope and flexibility.

Structured interviews may be a suitable choice if:

You appear to be quite comfortable with your topic, which will aid you in formulating your questions effectively.

You have limited time or resources, structured interviews are a more straightforward option to analyze due to their closed-ended nature. They can be a manageable task for an individual.

Your research question relies on maintaining consistent environmental conditions among participants.

Semi-structured interviews are a combination of structured and unstructured interviews. While the interviewer has a general plan for the questions they want to ask, there is no requirement for specific phrasing or order of the questions.

Semi-structured interviews are often open-ended, allowing for flexibility, while also following a predetermined thematic framework to provide a sense of order. For this reason, they are often considered to offer the best of both worlds.

However, if the questions differ significantly among participants, it can be challenging to identify patterns, which can reduce the generalizability and validity of your results.

Semi-structured interviews may be a good fit for your research if:

You have prior interview experience. It is easier than you think to accidentally ask leading questions when coming up with questions on the fly. Overall, spontaneous questions are much more difficult than they may seem.

Your research question is exploratory in nature. Conducting semi-structured interviews can provide valuable answers that can guide your future research.

An unstructured interview is the most flexible type of interview, as the questions and their order are not predetermined. Instead, the interview proceeds spontaneously, based on the participant's previous answers.

By definition, unstructured interviews are open-ended, offering flexibility that allows you to gather detailed information on your topic. Additionally, this approach enables you to observe patterns between participants.

However, the high level of flexibility can make conducting proper research with writing assistants quite challenging. It is crucial to be cautious and avoid asking leading questions, as biased responses can result in lower reliability or even invalidate your research.

Unstructured interviews may be suitable if:

You have a solid background in your research topic and prior experience conducting interviews.

Your research question is exploratory, and you aim to gather descriptive data that will enhance and contextualize your initial hypotheses.

Your research requires establishing a deeper connection with participants, encouraging them to feel at ease and disclose their genuine opinions and emotions.

An interview guide contains a list of questions that you want to cover during your interview(s). Its purpose is to keep you on track and ensure that you address all the topics necessary to answer your research question(s). Additionally, it should include a section on the interview invitation, welcoming the interviewee, providing brief information about the aim and duration of the process, and expressing gratitude to the respondent at the end. Including instructions for conducting interviews can be useful, especially when multiple people are working with the same guide.

Interview guides are commonly used in semi-structured interviews. They should be designed in a way that allows interviewees to share their stories and provide meaningful data. To achieve this, it is important to include open-ended questions that encourage a free-flowing conversation. Engaging in free-flowing conversation can help you discover topics that you may not have been aware of previously, all while staying focused on your subject matter. An interview guide serves as a helpful roadmap that you can refer to during the interview to keep yourself on track. A well-designed interview guide provides prompts and a general direction for your discussion.

Here are some useful strategies to consider when creating an interview guide:

- * Consider the research question of your study and identify the areas that need to be explored in order to answer it. It is important to note that your interview questions may not be identical to your research question, but they should serve to assist in addressing it.

- * Take into consideration the amount of time you will have with the interviewee and adjust the number of questions accordingly. It is important to be realistic about how much can be covered within the typical length of an interview, which is usually 60 to 90 minutes. Prior to collecting data, field test your guide on test or volunteer subjects to ensure that your timing assumptions are accurate.

- * It is important to avoid asking closed-ended questions, which can be answered in a few words, during a qualitative interview. The objective of a qualitative interview is to gather a substantial amount of rich data. Therefore, it is crucial to encourage participants to open up and share their personal expertise at length. Ensure that your questions are easy to understand. Ask only one question at a time, avoiding compound questions.

- * Consider the language you use to ensure it aligns with the specific recipient, taking into account factors such as professionalism versus informality.

- * Ensure that interviewees have sufficient time to elaborate on their answers and provide examples. Develop probing questions that can be used to extract more detailed information when necessary.

- * Usually, "how" questions are the preferred option as they provide an opportunity for a longer response. For example, you could ask, "Can you please explain how you started working with the company?"

- * It is generally advisable to initiate a conversation with a warm-up question. Begin by asking a simple question that your participants can easily respond to, which helps create a more relaxed atmosphere. This initial question does not necessarily have to be directly related to the main topic of discussion.

* To ensure a logical and natural flow in your interview, it is recommended to create an interview guide. Begin by sequencing your interview questions from broad to narrow, avoiding jumping from one topic to another. If you feel that sufficient time has been spent answering a particular question, you can use gentle probes to smoothly transition to another topic (e. g., "Let's now move on to another subject").

* Save the most difficult questions for the end of the interview. People are more likely to be willing to share their private experiences once they have had some time to become more comfortable with you.

* Avoid asking questions that could potentially embarrass respondents. If possible, try to avoid using negatives, hypothetical scenarios, and rhetorical questions.

* To ensure a positive and satisfying experience for your respondents, it is crucial to conclude the interview with a closing question that leaves them feeling fulfilled and content with their participation in your research.

To consider in advance the information needed by project team members and the methods to obtain it;

* To conduct a preliminary search for the required information, refer to open sources. In case you encounter conflicting information, it can be clarified during the interview by including relevant questions in the guide;

* Only include in the interview guide those questions for which you cannot find information in publicly available resources.;

* To create an interview guide with structuring the questions into thematic blocks;

* It is necessary to obtain the project supervisor's approval in advance for the interview guide;

* It is necessary to select and test the technical means for recording interviews in advance. Making notes from words can be extremely difficult and time-consuming. However, using a dictaphone allows you to record the interview and analyze it as many times as needed. Before starting the interview, remember to ask for permission from the company representative to make audio recordings. Additionally, switch your mobile phones to airplane mode if you plan to use them for recording.

Types of questions with examples

1. 'Polar' questions are designed to elicit a simple 'yes' or 'no' answer.

Does the company currently operate in international markets (you may specify the exact country)?

2. Closed questions - with multiple answers

Closed questions can be either strongly closed, providing predefined answer options, or they can include an "other" or "your variant" option for additional flexibility.

In terms of product distribution, which channels does the company currently utilize?

- a) Retail stores
- b) E-commerce platforms
- c) Wholesale distributors
- d) Direct-to-consumer sales
- e) Other (please specify) _____

3. Open questions involve critical or creative discussions and are used to gather more information.

Can you describe the company's current market positioning strategy and how it aligns with industry trends?

4. Probing questions - to gather more information and avoid misunderstandings.

f.e. Did I summarize what you said correctly?

Could you provide more details about the company's recent market expansion initiatives and the challenges faced during the process?

5. Loaded questions contain assumptions about the respondent.

For example, "How did your previous solution fail to meet your expectations?"

How has the company effectively navigated the competitive landscape to maintain its market leadership?

6. Funnel questions are used to ask someone to provide detailed information and uncover specific details.

For example, was there more than one person? Do you work nights?

Starting broadly, can you give an overview of the company's overall market presence? Then, could you provide more specific details about its market share in key regions?

7. Recalling and processing questions encourages critical thinking and in-depth evaluation of a subject during tests, interviews, or discussions.

For example, has your company ever tried CRM software before? (recall)

Looking back over the last few years, can you recall any significant changes in the market environment that influenced the company's strategic decisions? How did the company adapt its positioning in response to these changes?

How do you hope this product will improve your business? (process)

Other questions examples

How would you describe the company's culture, and how does it contribute to its success?

Are there specific values or practices that enhance the company's strengths?

What weaknesses does the company have in terms of market positioning?

Are there specific market trends that the company struggles to adapt to?

What emerging trends in the industry could benefit the company?

Are there untapped market segments or emerging consumer preferences?

How can the company leverage technological advancements for growth?

Are there potential collaborations or partnerships that could open new opportunities?

Who are the main competitors, and what threats do they pose?

How does the company plan to stay competitive in the market?

Are there current or potential regulatory challenges affecting the business?

How does the company address economic uncertainties or downturns? (recent examples)

Read more about interviews:

<https://open.oregonstate.edu/qualresearchmethods/chapter/chapter-11-interviewing/>

<https://wtf.tw/ref/seidman.pdf>

<https://nulab.com/learn/collaboration/the-8-essential-questioning-techniques-you-need-to-know>

(questions)

Part 4. PESTEL analysis

(external macro)

The external environment of a company comprises the entities with which it actively engages, such as customers, suppliers, competitors, and governmental authorities. Continuous monitoring of this external context is essential for identifying patterns and trends, thereby enabling the anticipation of necessary future actions.

Significant features of an external environment include:

- * the complexity of an external environment (the number and variety of factors that a company has to respond to);
- * the dynamism of an external environment (the speed and degree of changes in objects and processes in a company's external environment);
- * the interconnection of environmental factors (the scale of changes in one factor of the external environment when another factor changes);
- * the uncertainty of an external environment (the degree of unpredictability of changes in a company's external environment);
- * the uncontrollability of an external environment (limited influence of a company on its external environment, for example, through lobbying of laws, creation of monopolies, development of its own quality and consumption standards, etc.).

A company's external dynamics are shaped by two primary components: the macro-environment and the micro-environment.

The macro-environment encompasses factors spanning the business landscape at different levels, from local to global (city, region, country and the world as a whole). Its overarching elements influence the operations of all economic entities, irrespective of ownership structure or the nature of products and services offered in the market.

To analyze a macro-environment there is a special approach called PESTEL analysis. This strategic management tool is utilized for identifying, analyzing, organizing, and monitoring pivotal external factors that may impact a company both presently and in the future. PESTEL analysis stands as a fundamental instrument for assessing a company, with its findings often serving as a foundational component for conducting a SWOT analysis. When integrating PESTEL analysis into a SWOT assessment, the factors identified can be categorized as either opportunities or threats for the company. The acronym PESTEL denotes the primary factors within a company's external environment that necessitate examination: Political, Economic, Social, Technological, Environmental, and Legal.

* **P (Political)** — factors associated with political life at all levels (local, regional, national, international), affect or may affect a company's activities in the future;

Political stability, government policies, trade regulations, diplomatic relations, and geopolitical events are some examples of factors that fall under this category. Changes in political landscapes can have profound implications on a company's operations, market access, and overall business strategy.

* **E (Economic)** — factors that include current and future economic aspects and trends, for example, the dynamics of an inflation rate, tax rates, exchange rates, the level of population's income, the structure of population's expenditures, increased or decreased buying power from suppliers, and others. Additionally, market attractiveness for foreign investors and overall economic trends play a pivotal role in shaping a company's strategic decisions and financial outlook)

* **S (Social)** — factors that include aspects of public life (cultural norms, religion, beliefs, etc.) that can influence a company's activities, may also include demographic factors, education, health and social security systems characteristics, habits and hobbies of people, lifestyles, priorities of generations (values of people), traditions, etc.;

* **T (Technological)** — factors associated with the presence and likelihood of emergence and development of technologies that can influence a company: scientific discoveries, technological innovations, changes in patent legislation and industry, development of the Internet and mobile technologies, etc. Companies need to be adaptable to emerging technologies to stay competitive, and technological factors can significantly shape industries and markets.

* **E (Environmental)** — factors related to the influence of environmental and ecological aspects, including such factors as weather patterns, environmental impacts, consumer protection, employee welfare, waste disposal, industry restrictions, response to climate change, etc. Companies are expected to be environmentally conscious, and their strategies and operations are often evaluated in terms of sustainability and ecological responsibility.

* **L (Legal)** — factors that include changes in legislation, regulations and activities of regulatory bodies that are not directly related to the main activities of a company, but indirectly affect its business; it may also include factors of changes in the level of crime, the degree of legal support for business and measures of restraint for economic and other offenses can significantly affect a company's operations, reputation, and risk profile.

It's essential to recognize that PESTEL factors are not isolated from one another; rather, they often interact and influence each other in complex ways. For instance, political decisions can have direct economic repercussions, and changes in economic conditions may prompt shifts in social behaviors. Moreover, technological advancements can impact both political and economic landscapes, creating intricate relationships that necessitate a comprehensive understanding. An alteration in legal frameworks may also trigger adjustments in social expectations or technological innovation. The interconnected nature of these factors emphasizes the need for a holistic approach in PESTEL analysis. Companies must consider the dynamic relationships among these elements to derive a nuanced understanding of the external environment, enabling them to formulate strategic responses that account for the multifaceted interplay of political, economic, social, technological, environmental, and legal factors.

Step-by-step algorithm of PESTEL analysis To perform a PESTEL analysis, it is recommended to use the form (Table 4.1-4.6).

Step 1. Identification of factors (political, economic, socio-cultural, technological, environmental, legal) that have a reasonable impact on the industry/market.

At this step, it is recommended to take into account all the factors, regardless of their degree of influence on a company. It is extremely important to formulate the factors clearly, use

concise wording, and avoid ambiguous interpretation. The results of the first step will be expressed as a list of factors combined by sections: political, economic, socio-cultural, technological, environmental, legal. Once the list has been formed, you can filter factors by importance, sift out insignificant ones and rank the most representative ones.

It is recommended to use from 3 to 7 factors for each section.

Step 2. Identification of the influence of each factor in time.

The data must be put into the table using appropriate markers:

* N — the factor currently affects and will most likely stop affecting within 12 months;

* N/F — the factor affects now and will continue to affect for more than 12 months;

* F — the factor does not affect now, but will have an effect in future;

* S — the factor has a short-term effect (up to 6 months).

Step 3. Identification of the influence of each factor by type. The data must be put into the table using appropriate markers:

* + the factor positively affects;

* — the factor negatively affects

Step 4. Identification of the influence of each factor in dynamics. The data must be put into the table using appropriate markers:

* > the factor influences now, and the influence increases;

* = the factor influences with permanent strength;

* < the factor influences, but the influence reduces.

Step 5. Identification of the relative importance of each factor's influence. The data must be put into the table using appropriate markers:

* **CRITICAL:** the factors that threaten a company's existence or require a serious revision of its mission and goals;

* **VERY IMPORTANT:** the factors that are most likely to cause changes in a company's actions, its operations structure, external relationships, rules and regulations (state, legal status), but without changes in its main goals and mission;

* **IMPORTANT:** the factors that lead to some (limited) changes in a company's activities and structure;

* **SUBSTANTIAL:** the factors that influence a company's activities, but without significant changes in its organizational structure;

* **NOT IMPORTANT:** the factors that do not have a significant impact on a company.

Although the most influential and representative factors are used for the final table, some factors may not be classified as not important but are still essential to highlight.

Step 6. Description of each factor's influence on the analyzed company. This step aims to delve into the specifics of how each factor can impact the company, delineating its potential consequences and outlining the intricacies of the influence (how it influence or may influence, what it will specifically affect, what it will lead to, etc.)

Step 7. Ranking of factors according to the degree of their influence in the context of each group of factors. As a result of this step, in each section from above there will be the most significant factors that have the greatest impact on a company (for example, CRITICAL that influence and increase its influence, affects now and will continue to influence for more than 12 months, and have negative affect).

Step 8. An analysis of the final table and selection of factors for a SWOT-analysis. Based on the results of a PESTEL analysis one can identify:

- * factors with a positive effect that influence the company now, will continue to influence or will influence in future — these are the OPPORTUNITIES for a company (the corresponding section of a SWOT-analysis);

- * factors that are negatively effecting, will continue to influence with permanent strength, or will increase their influence in future — these are the THREATS for a company (the corresponding section of a SWOT-analysis)

Noteworthy that individual elements included in the PESTEL framework may consolidate into an aggregated opportunity or threat, which will then be incorporated into the SWOT analysis.

In the context of a term paper, this analysis is conducted at a specific point of time, but it is necessary to understand that the effective functioning of the company will occur when PESTEL analysis would be seamlessly integrated into company's continuous review process. Some leaders may hesitate to invest substantial time in planning, but this reluctance can lead to issues. To mitigate potential threats within an organization, it's essential to prioritize planning and regularly employ tools like PESTEL analysis on a monthly or even weekly basis

Tables 4.1-4.6. EXAMPLES OF A FILLED FORM FOR A PESTEL ANALYSIS

Table 4.1 The Political factors of PESTEL-analysis.

| External Environment Factors | Characteristic of the factor influenced by | | | | Influence on the company |
|--|--|------|----------|---------------------|--|
| | time | type | dynamics | relative importance | |
| Political factors | | | | | |
| Diplomatic Ties and International Collaborations | N/F | + | > | VERY IMPORTANT | Despite requiring immediate adjustments, the long-term benefits, including enhanced market access and collaborative opportunities, are crucial for ensuring ongoing international success. |
| Trade agreements and Tariffs | N/F | + | = | VERY IMPORTANT | The new tariff plans simplify the process of trade between countries, expedite the procedure, and enable cost reduction. |
| Factor 3. | | | | | |
| | | | | | |
| Factor N. | | | | | |

After the table for Political block of PESTEL analysis, it is necessary to disclose the essence in details of each factor, supported by additional sources of information and make it for each following block.

Table 4.2 The Economic factors of PESTEL-analysis.

| External Environment Factors | Characteristic of the factor influenced by | | | | Influence on the company |
|------------------------------|--|------|----------|---------------------|---|
| | time | type | dynamics | relative importance | |
| Economic factors | | | | | |
| Current Inflation Rates | N/F | + | = | VERY IMPORTANT | The company will be able to use new measures of supply to develop its technological infrastructure |
| GDP Decline | N/F | - | > | VERY IMPORTANT | GDP trends, directly influences market demand, thus, economic downturns may require cost-cutting measures and strategic adjustments |
| Factor 3. | | | | | |
| | | | | | |
| Factor N | | | | | |

Disclosure of each factor, substantiation of it.

Table 4.3 The Socio-cultural factors of PESTEL-analysis.

| External Environment Factors | Characteristic of the factor influenced by | | | | Influence on the company |
|--|--|------|----------|---------------------|---|
| | time | type | dynamics | relative importance | |
| Socio-cultural factors | | | | | |
| New trends in consumer attitudes and behaviors | N/F | + | = | VERY IMPORTANT | The company has to align their offerings according to changed consumer expectations to sustain competitiveness. |
| Religious features of new market for entry | N/F | +/- | = | CRITICAL | The need to modify the product in accordance with standards of the new market to meet demand. |
| Factor 3. | | | | | |
| | | | | | |
| Factor N | | | | | |

Disclosure of each factor, substantiation of it.

Table 4.4 The Technological factors of PESTEL-analysis.

| External Environment Factors | Characteristic of the factor influenced by | | | | Influence on the company |
|---|--|------|----------|---------------------|---|
| | time | type | dynamics | relative importance | |
| Technological factors | | | | | |
| Intellectual Property Protection | F | + | < | SUBSTANTIAL | Measures for protecting intellectual property, need to compliance with patent and copyright laws, introduction of new strategies for innovation and IP management. |
| Automation and Technological Advancements | N/F | + | < | IMPORTANT | The company can integrate the automation in the production processes, using technological upgrades for efficiency. It also will impact on workforce and skill requirements. |
| Factor 3. | | | | | |
| | | | | | |
| Factor N | | | | | |

Disclosure of each factor, substantiation of it.

Table 4.5 The Environmental factors of PESTEL-analysis.

| External Environment Factors | Characteristic of the factor influenced by | | | | Influence on the company |
|-------------------------------|--|------|----------|---------------------|---|
| | time | type | dynamics | relative importance | |
| Environmental factors | | | | | |
| Sustainability Practices | F | + | < | SUBSTANTIAL | Increase in consumer demand for sustainable products. The necessity to adjust and develop the products in alignment with green initiatives and eco-friendly principles. |
| New environmental Regulations | N/F | + | < | IMPORTANT | Need for compliance with environmental laws. New regulatory changes affecting operations for minimizing environmental impact. |
| Factor 3. | | | | | |
| | | | | | |
| Factor N | | | | | |

Disclosure of each factor, substantiation of it.

Table 4.6 The Legal factors of PESTEL-analysis.

| External Environment Factors | Characteristic of the factor influenced by | | | | Influence on the company |
|--|--|------|----------|---------------------|---|
| | time | type | dynamics | relative importance | |
| Legal factors | | | | | |
| State programs to support technological re-equipment in the industry | F | + | > | IMPORTANT | The company will be able to use new measures of support to develop its technological infrastructure |
| Increase in corporate tax rates | N/F | - | > | VERY IMPORTANT | The increase in the corporate tax rate in Russia poses a very important and enduring challenge for the company, resulting in increased expenses initially; however, with the implementation of a new financial strategy, the mitigating effects are expected over time. |
| Factor 3. | | | | | |
| | | | | | |
| Factor N | | | | | |

Disclosure of each factor, substantiation of it.

Take into account that the examples provided above are more general factors, while in your research, it should be more precise with more detailed conclusions, depending on the specifics of the analyzed company.

Part 5. Porter's Five Forces analysis (external micro)

Porter's five forces analysis is used to analyze an external microenvironment of a company. The Five Forces Model is a tool widely used by consultants for the analysis of an external environment that allows to assess the attractiveness of an industry in terms of competition, as well as the current position of a company in the industry and outline an action plan strategy, programs, initiatives, etc. to maximize the use of competitive advantages.

The analysis evaluates five competitive forces (Figure 5.1):

- * Industry competitors;
- * Threat of new entrants;
- * Bargaining power of buyers;
- * Bargaining power of suppliers;

* Threat of substitutes.

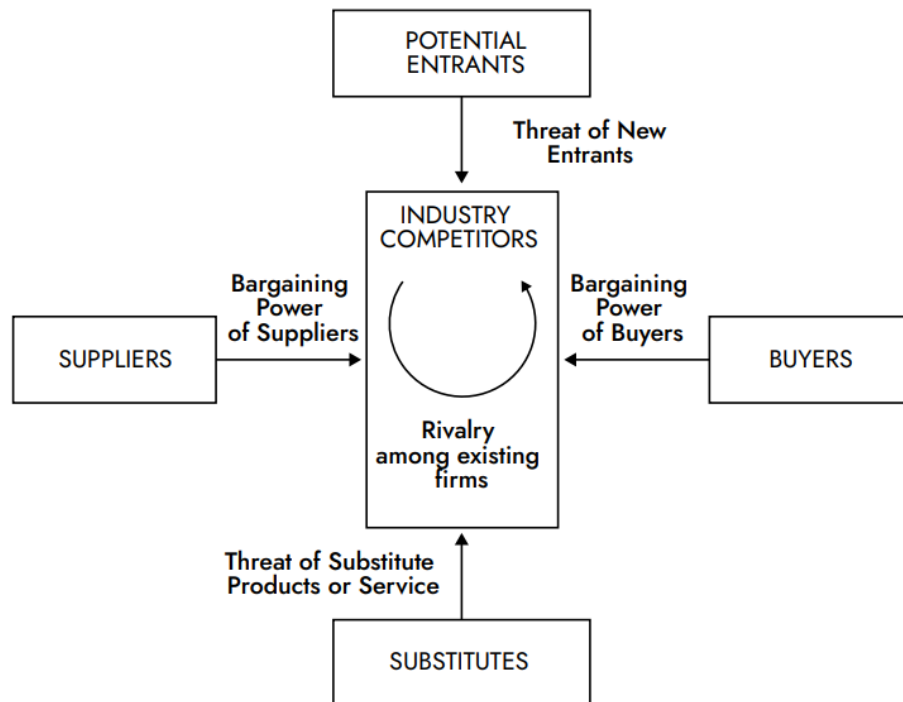


Figure 5.1. Porter's Five Competitive Forces Model

The five forces determine the degree of attractiveness of a particular industry, and their analysis makes it possible to understand more clearly an industry context in which the company operates, to assess the competitive space in all aspects. In addition, this tool allows us to explore the attractiveness of new industries, as well as to assess the company's strategic position in the market.

The model consists of **5 interconnected blocks**

* **Industry competition** is a central section that analyzes the intensity of competition in the industry where the company operates. When assessing the intensity of competition within an industry, it is important to consider the company's characteristics. If you are, for example, a small company producing a lemonade, then, the presence of Coca Cola, PepsiCo and other similar companies on your market puts you in a constantly catching up position, since the main rules and trends in this market are set by these leaders. If, on the other hand, a small store buys baked goods from a huge bakery nearby, then it is most likely that the bread factory will determine what, when and at what price to supply the store simply will not have any other reasonable choice.

* **The bargaining power of buyers** shows how much market pressure a buyer can exert on the company, so here we are talking about bargaining power again. When analyzing clients, it is very important to define them correctly. For example, if you are a free to air TV company, the definition of your buyer customer is not so obvious. Being a leader makes you limited in your pricing policy, marketing, and distribution channels choice, and in many other aspects.

* **The bargaining power of suppliers** shows who and to what extent is able to exert pressure bargaining power on a counterparty. For example, a huge retail chain has a large number of small suppliers, to whom, due to its size, it simply imposes its conditions.

It would seem that your client is a TV viewer, because they consume the content that you produce, but it is not right. TV viewers watch TV, but they do not pay money to a TV company; the client of the TV company within this business model is an advertiser. It buys advertising time from a broadcaster for money, and thereby gets access to a viewer advertising its product or service. The viewer in this case is “a provider of attention”, which is attracted by interesting TV content and then resold to the advertiser. Accordingly, in this case, it is necessary to determine to what extent the advertiser is able to dictate his terms to the broadcaster.¹¹

* **The threat of substitutes** describes competitors of a different type. They are not companies that produce the same products and or services as the analyzed company, but producers of other alternative, substitute products and or services that compete with yours. For example, considering the Moscow St. Petersburg route, Aeroflot competes with other airlines S7, Ural Airlines, Nordwind and others, but the competition is not limited to the above mentioned companies. A passenger may prefer traveling by Sapsan train of Russian Railways by purchasing a ticket or by a private car on the M10 toll highway by paying the fare instead of flying by Aeroflot. The block Substitutes often includes the analysis of the state regulatory environment, since the balance of competitive forces between various alternative products and services is often influenced by state regulation in a particular industry.

* **The threat of new players** entrants shows how easy it is for a new player to enter the industry and become a strong competitor. For example, it is extremely difficult to enter the maritime transport industry due to the capital intensity of the business. To organize the activity, one needs to purchase or lease expensive ships, acquire licenses, sign long term contracts for port services and marine fuel supply. Thus, the current players in the industry may not be too worried about the threat of new competitors. In contrast, the sector of private tutorship is very easy to enter, i. e. any person competent for teaching is able to become a tutor as it doesn't require investment or licensing.

To assess and assign points for each of the five forces, you can rely on the list of indicating questions presented in Table 5.1

Table 5.1 Indicating questions to determine the degree of companies' dependence on the porter's five competitive forces

| Competitive force | Indicating questions |
|-----------------------------|--|
| Competition in the industry | Are there many players in the market? What is the structure of the market? (many small players or a few large ones?) What advantages do competitors have? What is the growth rate of the industry? Do market players have unique (difficult to copy) competitive advantages? |
| Threat of new entrants | Are there barriers to entry that prevent new competitors from entering the market? Are there economies of scale for doing business? Is initial investment high? Is it difficult to get access to distribution channels? Are there legal restrictions for a company to enter the market? Do incumbent market players have strong unique |

¹¹ Porter M. Competitive strategy: a methodology for analyzing industries and competitors.

| Competitive force | Indicating questions |
|-------------------------------|--|
| | competitive advantages? (e.g. licenses/patents, know-how) Is the industry regulated by authorities in terms of limiting the number of players? |
| Bargaining power of buyers | Do companies operate in B2B, B2G or B2C markets? Can buyers dictate their terms of purchase, and to what extent? Do companies have predominantly large or small buyers? What is the share of large buyers? Is it easy for buyers to make a similar purchase elsewhere? Do buyers have high switching costs? How well a buyer is informed about the product/service? (the better the buyer is informed about the product, the stronger his position is in negotiations with a supplier) |
| Bargaining power of suppliers | Do companies have alternative suppliers? Is the cost of changing suppliers high for companies? How quickly can companies change suppliers? Is there direct integration with a supplier? (does it produce and sell to consumers of the company?) |
| Threat of substitutes | Is it easy to replace a company's product or service with another product or service? Is the substitute able to completely or partially replace the product/service of the company? Is the substitute significantly different for the better? |

Keep in mind that this tool is used for the analysis of an industry/microenvironment of the company. After the analysis of the answers to indicating questions, it is recommended to provide a table(s) with each competitive force's description and the degree of its influence on the company (Table 2.2). An example of the filled final table is presented in Table 2.3. In addition to the tabular form of results reporting, it is also recommended to use a graphical method and build a radar diagram that clearly shows the alignment of forces (Figure 5.2)

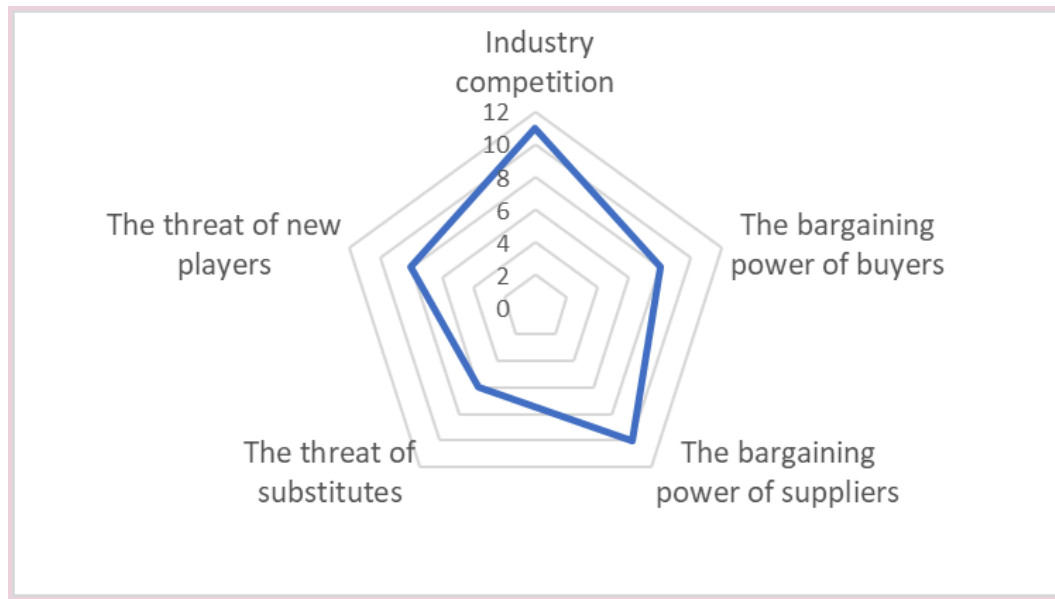


Figure 5.2 Alignment of forces

To **determine the rating for each power**, you must:

* Analyze 4 parameters (left column of the table). Opposite the criteria there are three possible answers with a certain numerical value. Put a plus sign opposite the correct one. Each of the criteria is evaluated on a 3-point scale:

- 1 point is a weak degree of severity;
- 2 points — the average degree of severity;
- 3 points — a strong degree of severity

* Calculate the total number of points (add all the points for each answer)

Do this for each of the 5 forces

Table 2.2 The example of evaluation parameter(s)

| Evaluation parameter | Evaluation | | |
|--------------------------------------|---|---|--|
| | 3 | 2 | 1 |
| Number of players | High level of market saturation | The average level of market saturation | A small number of players |
| Market growth rate | Stagnation or decrease in market volume | Slowing down, but growing | High |
| Product differentiation level | Companies sell standardized goods | The product is standardized according to its key properties, but differs in additional advantages | The companies' products differ significantly from each other |

| Evaluation parameter | Evaluation | | |
|---------------------------------------|--|---|--|
| | 3 | 2 | 1 |
| Restriction on price increases | Fierce price competition in the market, there are no opportunities B | There is an opportunity to increase prices only as part of covering the cost increase | There is always an opportunity to increase the price to cover the cost increase and increase |

After that, the scores for all criteria are summed up. The risk level for each force is defined as low, medium or high.

4 points - Low level of intra-industry competition

5-8 points - average level of intra-industry competition

9-12 points - high level of intra-industry competition

Gather all results in the table 2.3 with only one line for each force. Add the short description of the competitive force's influence.

Table 2.3 The example of filled form of Porter's five competitive force

| Competitive force | Degree of influence | Description of the competitive force's influence |
|-------------------------------|---------------------|--|
| Competition in the industry | 10 | There are several large players on the market that serve 70% of the market The company is the market leader (holds a market share of 25%) Two direct competitors have unique competitive advantages Buyers find it easy to change suppliers The industry has a high growth rate |
| Bargaining power of suppliers | 7 | Most companies have a list of alternative suppliers, preliminary negotiations with them have already occur. The costs of changing suppliers are not high for companies Companies will be able to change the supplier within approximately 2 months (which may affect companies' smooth operations) The main supplier of companies does not sell products directly to consumers |
| | | |

Strengths of Porter's five forces:

The comprehensive analysis of Porter's Five Forces Analysis covers a wide range of factors affecting the competitive environment of an industry.

Easy to use: The model is relatively easy to use and can be applied to a wide range of industries and businesses.

Helps identify who holds the power in the industry: By analyzing the bargaining power of suppliers and buyers, as well as the threat of new entrants and substitutes,

businesses can gain insights into who holds the power in the industry and make more informed strategic decisions.

Helps identify opportunities and threats: By analyzing the competitive dynamics of an industry, businesses can gain insights into potential opportunities and threats, allowing them to make more informed strategic decisions.

Weaknesses of Porter's five forces:

Limited scope: The model focuses primarily on the external factors that impact industry and doesn't consider internal factors like company culture, management, or resources.

Static analysis: Porter's Five Forces analysis is a snapshot in time and doesn't take into account changes in the industry or wider business environment.

Can be subjective: The analysis can be influenced by the biases and perspectives of the person conducting the analysis, leading to potentially inaccurate results

Challenging for diversified businesses: The model is less effective for businesses with a wide portfolio of products and services, as the competitive dynamics can vary significantly across different segments of the business.

According to Porter, rivalry is intensified by the following factors:

- (a) Numerous or equally balanced competitors
- (b) Slow industry growth
- (c) High fixed or storage costs
- (d) Lack of differentiation or switching costs
- (e) Capacity augmented in large increments
- (f) Diverse competitors
- (g) High strategic stakes
- (h) High exit barriers

Part 6. Key Success Factors (industry factors)

To understand a company's strengths and weaknesses, it is necessary to determine what determines its success in the face of competition, what are the key success factors (KSFs) in a particular field. KSFs are “characteristics, conditions, or variables that, when properly supported, maintained, or managed, can have a significant impact on the success of a competitive business in a particular industry.” (Leidecker, Bruno, 1984: 24). Identifying the KSF and evaluating the company analyzed by the KSF against its competitors allows the company to determine its competitive position and highlight areas in which the company outperforms or underperforms its competitors. competitor.

When selecting KSFs, one should take the position of a buyer and formulate the criteria that the company/product must meet in order for a buyer to consider it as attractive one. Thus, **in order to identify KSFs, it is important to answer two questions:**

* What do buyers want to get from the company, what are their needs, what criteria do they use to choose between products/services of different companies in the industry (e.g. high quality, low prices, service levels, etc.)?

* What allows the company to survive in the face of competition, what resources and organizational skills are needed for this (e.g. low production costs, quick response to changes in preferences of customers, etc.)?

They can be (**examples**, not a mandatory list)

1) technological: the quality of scientific research; the possibility of innovation in the production process; the ability to develop new products; the degree of using existing technologies; availability of patents;

2) production: low cost of production; product quality; high degree of utilization of production facilities; advantageous location of the enterprise, resulting in cost savings during transportation; access to a skilled workforce; high labor productivity; the possibility of manufacturing a large number of models of different sizes; the ability to fulfill customer orders;

3) financial: sufficient own funds, including free ones; access to affordable loans and borrowing;

4) sales: a wide network of wholesale distributors / dealers; wide access/presence in retail; · availability of retail outlets owned by the company; low implementation costs; fast delivery; advantageous location; pleasant to communicate with, friendly employees;

5) marketing: breadth of assortment; highly qualified sales department; customer-friendly technical assistance system for purchasing and using products; · accurate execution of customer orders; variety of models/ types of products; the art of sales; attractive design/packaging; guarantees for buyers; the ability to create effective advertising; favorable image / reputation of the company among customers;

6) personal: special talents, creative potential of employees/managers; · know-how in the field of quality control; competence in the field of design; degree of mastery / knowledge of a certain technology; the ability to quickly transfer new products from the development stage; to industrial production.

7) organizational: the use of advanced management methods; the level of information systems; the ability to respond quickly to a changing market situation; · extensive experience and know-how in the field of management.

Step-by-step algorithm for identifying and evaluating KSFs:

Step 1. Identification of Key Success Factors (no less than 4, no more than 8 factors).

Step 2. Assessment of the company's current position in comparison with its main competitors (no less than 3, no more than 5-6 competitors).

To assess the position of the company by KSFs in comparison with its main competitors, it is recommended to use the form presented in Table 6.1. The assessment of competitors can be carried out on a subjective scale using the following approach:

+++ the factor is present in a high degree;

++ the factor is present in a moderate degree;

+ the factor is present in a low degree;

- the factor is absent.

The assessment of the factors can be carried out by members of the project team independently based on research of information from open sources or with the participation of market and/or segment experts of interest. It is necessary to choose really important factors, there should not be too many, as this will significantly complicate the analysis, usually no more than 10. In addition, many factors strongly correlate with each other, so you should not overly detail them.

KSF's evaluation results are reflected in the company's strengths and weaknesses. However, the strengths and weaknesses of the SWOT matrix can also include other factors.

If the analyzed company has more advantages in one or another factor than most competitors, this factor will certainly fall into the SWOT analysis matrix and in part S. If most of the competitors are superior, then they will get into the matrix as W.

Table 6.1 The example of a filled KSF table

| KSF | What client’s need do we try to close? | degree of the factor | | | |
|------------------------------|---|----------------------|---------------|---------------|---------------|
| | | com-pany | compe-titor 1 | compe-titor 2 | compe-titor 3 |
| Convenient user-friendly app | The app has intuitive navigation, clear & concise information, efficient features, and responsive design | ++ | + | +++ | ++ |
| Individual loyalty program | Loyalty programs offer attractive rewards, personalized benefits and a sense of value, driving stronger connections and encouraging repeat purchases. | - | +++ | + | + |
| KSF-3 | | | | | |
| | | | | | |
| KSF-N | | | | | |

Part 7. Primary SWOT

A SWOT-analysis is a strategic tool utilized to systematically assess and aggregate an organization's present internal strengths and weaknesses relative to competitors, as well as the opportunities and threats (risks) of the external environment.

The objective of conducting a SWOT analysis is to pinpoint internal strengths that empower the company to capitalize on external opportunities and mitigate external threats, while acknowledging its inherent weaknesses. Ultimately, the aim of the SWOT analysis is to craft strategic pathways for the company's advancement.

* S — strengths. These encompass advantages, core values, and distinctive competencies that contribute to increased sales, market presence, and competitive confidence. Questions to consider include:

- What are our areas of excellence?
- What unique resources do we possess?
- What strengths do others perceive in us?

* W — weaknesses. These denote disadvantages that hinder the company's competitiveness relative to its peers, impeding profit growth and developmental progress. Questions to address are:

- What aspects require improvement?
- In which areas do we lack resources compared to others?
- What do others think is our weak point?

* O — opportunities. These are levers in an external environment that are available to a company and can be used for its further development, for example, the development of information and communication technologies, emergence of new sales and promotion channels, etc.

- What potential avenues for growth are available to us?
- Which emerging trends could benefit our objectives?
- How can we capitalize on our strengths to leverage these opportunities?

* T — threats. These encompass challenges and adverse trends in the external environment that pose potential risks to the company's success. This analysis aids in assessing the company's competitive standing and the necessity for strategic adjustments. Questions to address include:

- What threats could adversely affect our operations?
- What strategies are competitors employing?
- How do our weaknesses expose us to potential threats?

The purpose of SWOT-analysis is to identify internal strengths that enable a company to take advantage of its external environment and avoid external threats, while taking into account its existing weaknesses.

The attributes defining a company's strengths and weaknesses ought to primarily encompass internal factors such as competencies, capabilities, tangible and intangible assets, as well as other resources (including human, social, and reputational assets) or their deficiencies. Conversely, the attributes of opportunities and threats should focus on external factors that exert influence in both present and future contexts, lying beyond the company's sphere of direct influence (being uncontrollable, yet necessitating strategic responses). A SWOT analysis yields numerous valuable insights, such as:

* How well does the company's current strategy capitalize on the opportunities in the market and in the industry?

* Does the current strategy take into account risks and threats from the external environment?

* How does the company intend to respond to these threats: avoid, prevent, manage, minimize, turn into advantages, etc.?

* How stable is the company's competitive position?

A full-fledged SWOT-analysis method presupposes its carrying out in two main sequential stages: primary and extended SWOT-analysis.

Algorithm of SWOT-analysis execution

A company’s strengths (S) and weaknesses (W) are formed based on the key success factors. Opportunities (O) and threats (T) from an external environment are formed mainly as the results of PESTEL analysis (P-political factors, E-economic factors, S-social factors, T-technological factors, E-environmental factors, L-legal) and analysis of Porter’s 5 forces. Co-allocation of a company’s strengths and weaknesses with the opportunities and threats of an external environment form an extended SWOT matrix that serves as a basis for identification of priority directions of a company’s strategic development.

Primary SWOT-analysis matrix The purpose of the primary SWOT-analysis is to highlight the key elements of the SWOT matrix, namely the strengths and weaknesses of the company, as well as the opportunities and threats from the external environment. The traditional representation of these elements is a 2x2 matrix:

| | |
|----------------------|-------------------|
| STRENGTHS | WEAKNESSES |
| OPPORTUNITIES | THREATS |

Figure 7.1. Organising of SWOT-analysis.

The strengths of a company refer to its internal attributes that set it apart from competitors and enable the successful execution of its operations, thus constituting a source of competitive advantage. These strengths manifest in various forms, including unique tangible and/or intangible resources, streamlined internal processes, technological expertise, and a robust and valuable brand identity.

A company’s **weaknesses** are internal characteristics of the company that lags the company behind its competitors and negatively affect its activities. Weaknesses can be associated with problems in the company’s strategic aspects, ineffective operational processes, insufficient marketing promotion, etc.

Opportunities are external factors that create favorable conditions for a company’s development, open up new prospects and directions of activity, contribute to its strategy implementation and the achievement of high results. Opportunities come from the company’s external environment and must be assessed by the company in terms of their significance. Not every company is able to take advantage of all the opportunities in its industry.

Threats are external factors that can have a tangible negative impact on a company’s activities and its competitive position. As a rule, beyond the company's direct control, threats necessitate the formulation of mitigation strategies aimed at minimizing their detrimental effects on the company.

Simultaneously, there exist certain risks inherent in employing this analytical tool:

- There's a risk of oversimplifying complex issues or overlooking nuanced factors due to the straightforward nature of the SWOT framework.

- Limited or incomplete data may result in inaccurate conclusions or missed opportunities. Without comprehensive information, the analysis may fail to capture the full scope of internal and external factors impacting the company.

- There is also a risk of selectively interpreting information to confirm pre-existing beliefs or hypotheses, rather than objectively evaluating all available evidence.

- External factors may evolve rapidly, rendering the analysis outdated or irrelevant if not periodically revisited and updated to reflect changes in the business environment.

To mitigate these risks ,consider implementing the following strategies:

- Gather data from a variety of sources, including internal company reports, market research, industry publications, and independent studies, to ensure a comprehensive understanding of the company's environment.

- Focus on identifying and prioritizing the most critical factors impacting the company's performance and strategic direction, rather than generating an exhaustive list of all possible considerations.

- Continuously monitor changes in the internal and external environment to ensure the SWOT analysis remains relevant and actionable over time.

- Develop actionable strategies and implementation plans based on the findings of the SWOT analysis, ensuring that insights are translated into tangible improvements and strategic initiatives.

Prioritize factors based on their significance to the company and their impact on its activities. The effectiveness of the analysis hinges on accurately defining the most critical elements, which should be limited in number and truly pivotal for the company's development. Following these recommendations allows for the identification of 4-6 key points for each element of the primary SWOT matrix, ranked by their importance in affecting the company's current or near-future activities. This systematic approach facilitates the formation of a primary SWOT matrix, presented in Table 7.1.

Table 7.1 Primary SWOT matrix form

| | |
|---|---|
| STRENGTHS | WEAKNESSES |
| S1: S2: ... SN: | W1: W2: ... WN: |
| OPPORTUNITIES | THREATS |
| O1: O2: ... ON: | T1: T2: ... TN: |

Please note that strengths and weaknesses are unique characteristics of the analyzed company, while opportunities and threats are what the external environment of the company

provides not only to the analyzed company, but also to other similar companies. The most common mistake in performing the primary SWOT-analysis is the inclusion of potential directions/actions for the analyzed company to strengthen its competitive position in the list of available opportunities — this is incorrect.

IMPORTANT

* Avoid the “contradiction” mistake. Pay attention from the very beginning and double-check yourself after drawing up a primary matrix that there are no similar wordings in strengths and weaknesses. For example, for a hotel, a large number of rooms is a strong point, since it allows servicing a large number of guests during a period of high demand, but also entails problems in servicing the rooms, primarily leading to high operating costs. The element “large number of rooms” cannot be placed in both strengths and weaknesses, as a contradiction arises. The wording needs to be clarified. In particular, strengths may include “large number of rooms”, and weaknesses “high operating costs”.

* Avoid the “understatement” mistake. A primary SWOT matrix is a main intermediate result of the project, it summarizes the preliminary stage of analysis. Each wording in the matrix should form an unambiguous understanding of what it means among the audience (business representatives, members of the defense commission, etc.). It is necessary to exclude the possibility of a factor’s misinterpretation.

Table 7.2 Example of a primary SWOT analysis matrix

| STRENGTHS | WEAKNESSES |
|--|---|
| S1: Positive corporate culture S2: Brand recognition with good reputation S3: Robust supply chain management ensuring timely production | W1: Dependence on a few key suppliers for critical components W2: Lack of online presence on e-commerce markets |
| OPPORTUNITIES | THREATS |
| O1: Growing market demand for eco-friendly products O2: Collaboration with popular influencers for enhanced marketing O3: Integration of e-commerce and online sales channels | T1: Disruption of established logistic chains due to geopolitical tensions T2: Shifts in customer preferences trends |

Part 8. Extended SWOT analysis and strategic alternatives

Extended SWOT-analysis refers to an expanded application of the standard SWOT matrix, which serves as the foundation. At this stage, the primary objective is to generate four distinct sets

of strategic alternatives by combining the identified strengths and weaknesses of the company with the opportunities and threats present in the external environment. This process results in the formation of the following groups.

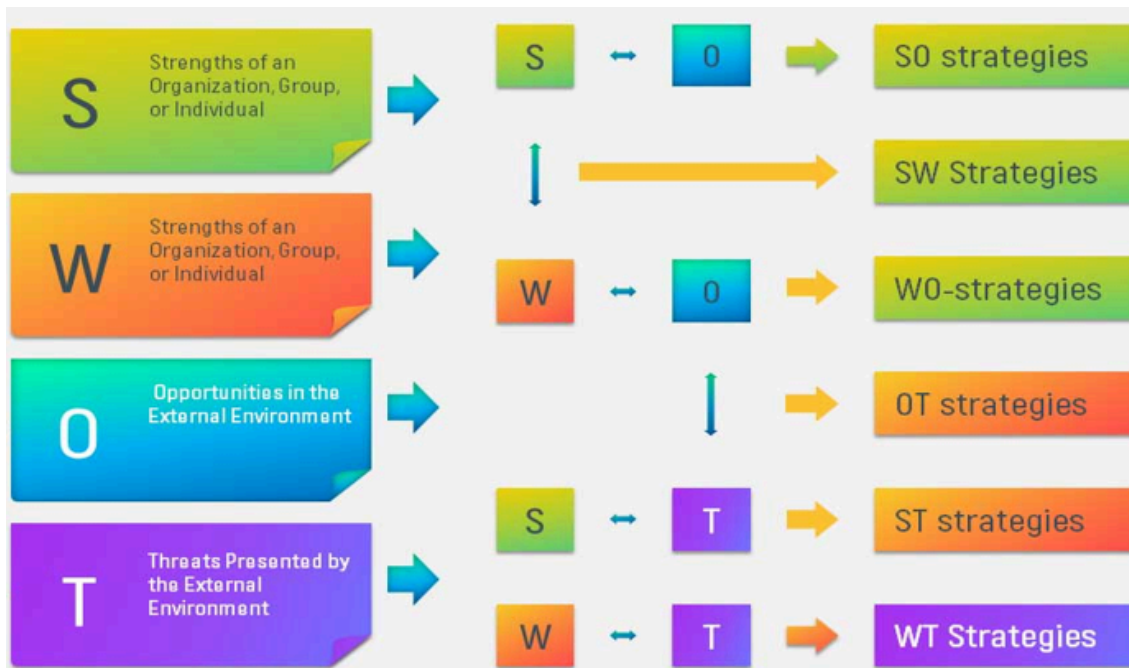


Figure 8.1 The scheme of empowering 6 extended SWOT-analysis outcomes for strategic decision-making <https://strategium.space/e/extended-swot-analysis-in-strategic-decisions/>

Strategic alternatives can be categorized into four groups, namely SO, ST, WO, and WT.

SO strategic alternatives focus on maximizing the effect of the company's strengths in relation to the opportunities from the external environment (max — max); at the same time, it is possible to partially ignore possible threats.

ST strategic alternatives aim to minimize threats from the external environment by leveraging the company's strength (max-min)s; at the same time, the opportunities from the environment take the backstage, and the company focuses on how to react to real or potential threats.

The WO strategic alternatives center around minimizing the company's weaknesses while maximizing available opportunities (min-max). This approach involves utilizing the opportunities presented by the external environment to overcome the company's weaknesses.

The WT strategic alternatives prioritize minimizing both weaknesses and threats (min-min). Therefore, the company focuses on developing solutions that prevent threats from the external environment while considering the weaknesses it possesses.

It is worth mentioning that conducting an analysis of SW (Strengths and Weaknesses) and OT (Opportunities and Threats) is also possible, although not obligatory.

Formulating strategic alternatives, take into consideration a comprehensive examination of the situation by exploring various viewpoints, including those of leadership, clients, competitors, and collaborators. Conduct a thorough analysis of potential actions within both the present and future contexts, encompassing the entire spectrum of the organization's strategic planning. Aim to delve deep into your analysis, considering not just present trends but also projected future shifts.

Present any suggestions for addressing both current and anticipated challenges and opportunities, even if they may appear impractical. It is important to ensure that your recommendations are unambiguous, precise, and presented as individual items.

When constructing an extended SWOT analysis matrix (Table 8.1), it is recommended to systematically generate a comprehensive set of strategic alternatives for each quadrant (SO, ST, WO, WT). The goal is to streamline the number of alternatives by grouping them when applicable, thus optimizing the selection process. Prioritization of the grouped alternatives should be based on their relevance and feasibility for the company. More than one factor from each section of the Primary SWOT matrix can be incorporated during the formulation of alternatives. It is essential to provide a brief description of each alternative immediately after presenting the matrix.

IMPORTANT:

It is essential to avoid the mistake of including obvious factors. Evaluating the factors based on their significance to the company and prioritizing them is crucial. This prevents the inclusion of trivial and generic factors that do not contribute to the formation of unique strategic alternatives for the company's strategic development.

Furthermore, it is important to steer clear of the "pseudo-opportunity" mistake. The alternatives for the company's strategic development should be realistic and feasible, taking into account available resources, market dynamics, and the necessary infrastructure and technical capabilities.

Lastly, it is advisable to ensure that each factor highlighted in the primary SWOT analysis is utilized in at least one of the strategic alternatives. If a factor cannot be incorporated into any of the initiatives, reconsideration of its inclusion in the primary SWOT matrix is recommended.

Table 8.1 Extended SWOT analysis matrix form

| | STRENGTHS | WEAKNESSES |
|--|---|---|
| | S1: S2: S3: | W1: W2: W3: |
| OPPORTU- NITIES O1: O2: O3: | SO: A strategy to maximize the strength and opportunities from the environment 1. S1O2 2. S2O1O3 3. | WO: A strategy to minimize the impact of weaknesses and maximize the use opportunities from the environment 1. W1O3 2. W2O1O2 3. |
| THREATS T1: T2: T3: | ST: A strategy to maximize the strength and minimize threats from the environment 1. S1O2 2. S2O1O3 3. | WT: A strategy to minimize the impact of weaknesses and minimize threats from the environment 1. W1T2T3 2. W2T1 3. |

Table 8.2 Extended SWOT analysis matrix example

| <h1>SWOT Analysis</h1> | | |
|---|---|---|
| | STRENGTHS S1. Good Taste S2. Brand Equity S3. Global Experience S4. Operations S5. Trademark Recipes S6. Strong Customer Focus | WEAKNESSES W1. High price W2. Image of 'Fried' W3. Only chicken related recipe W4. Most of the product having close substitution in market W5. Inconsistent Quality of service in many outlets. W6. Lack of control in Joint-venture arrangements. |
| OPPORTUNITIES O1. Increase outlets O2. Undeveloped market abroad O3. Increase trends to take meal out of home O4. Earn big profits as the population grows O5. Availability to increase the number of franchise to other countries. | SO – Strategy *Introduced new recipes (S1,S2,O3) * Increase numbers of outlets in different countries (S3,O5) * Capture customer by introducing new deals (S6,O4) | WO – Strategy *Introduce cheaper items in the menu (W1,O3) * Change the image of KFC from fried to Healthy (W2,O3) * Offer cow meat and vegetable food also (W4,O4) |
| THREATS T1. New entrants / better quality brands T2. Health conscious eating habits T3. Animal care activists T4. No support from government agencies T5. Intensive Competition | ST – Strategy *Introduce healthier recipes (S5,T2) * Differentiate as one providing in fastest service (S2,S4,T1) * Engage in CSR activities (S2,S4,T3) | WT– Strategy *Work on the image of a healthy fast food chain through advertising (W2,T2) * Develop a strong culture of strong service (W5,T5) |

<https://mavink.com/explore/Mission-Analysis-Matrix>

Based on an extensive SWOT matrix, it is imperative to select 2-3 strategic alternatives that, in your expert perspective, offer the greatest advantages for further development, while duly considering the available resources and existing capabilities. Provide a detailed outline outlining the complex steps for implementing these strategic alternatives. Carefully contemplate the algorithm of actions, essential resources, timeframes, and anticipated outcomes. Additionally, take into consideration diverse scenarios that may arise during the project's execution, acknowledging potential deviations from the primary strategy, and appraise both the optimal and worst-case scenarios.

For example:

- 1) S3: The presence of a sports facility.

T1: Foreign companies left the market.

T3: Low consumer spending power.

ST alternative: Attracting a Russian brand of inexpensive sportswear and equipment (S3T1T3).

This alternative is valuable for the company, since it simultaneously allows to diminish the degree of negative influence of such external threats as the withdrawal of foreign companies from the local market and decreased consumer spending power, as well as to take advantage of the existing strength. By attracting a low price segment Russian sports store to the shopping center, which would be a good complement to the already operating fitness club, the company may obtain a reliable tenant who will bring it a stable income. As the passability of the shop increases, the

turnover will be higher respectively. Thus, there is an opportunity to conclude a rental agreement based on the percent of turnover principle. In the long-term, this will increase the shopping center's bottom lines.

This strategy can be implemented using the following algorithm:

1. Selection and prioritization of potential tenants;
2. Organization of meetings with representatives of stores;
3. Discussion and drafting of a rental agreement with one of the stores;
4. Opening a store together with a good promotion system.

For implementing this strategic alternative, the company needs to have available leasable premises. The allocation of funds for arrangement of a place for a new tenant may be required. The existence of complementary shops maximizes the utility for the visitors of the shopping center, therefore, creating comfortable conditions for them. Due to this, customers are more likely to return to the mall. Moreover, this strategy may increase awareness of the company and attract new customers not only for the sports store and fitness club, but also for other shops.

(The project was implemented by: Sapov V., Slykhova K., Eshchenko E., Lechenko E., Lobanova A.; Course Project supervisor: Maksheeva A. D.)

2) W3. Lack of advertisement

W4. No reputation yet

T1. Greater competition

W3; W4+T1: Rebranding (changing the name of a product)

The product was created relatively recently and hasn't managed to gain a permanent user base, which also harms competitiveness. To solve this problem, it's needed to engage in attracting partners for more advertising. By increasing the advertising budget, new marketing channels should be explored to reach a wider audience. This will help create a strong image and reputation for the product.

a) Implementation algorithm: the amount of the budget allocated for advertising this product should be increased. The platform has recently added a "Certification" tab, which includes a "Partner Directory" tab, so it's worth focusing on the development of this part of the platform. Finding these partners can be done by going even deeper into the marketing platforms.

Attracting new partners can also be carried out through offline events (for example, holding lectures with specialists with free entry (it is important to hold not online, as this practice already exists, but offline events in specially rented conference rooms)).

b) Required resources: new staff who will monitor and search for new proven candidates for the position of partners. It also requires staff who will organize offline events, that is, search for venues where they can be held, as well as select speakers who can interest the audience. Therefore, the implementation of all of the above requires an additional budget.

c) Expected results: development of partnerships that will expand cooperation with other products, increase audience engagement, and platform recognition and create a good reputation

(The project was implemented by: Balanovskaya D., Don A., Moorashkin N., Sabadyshina S., Sinyakova E.; Course Project Supervisor: Grigoreva M.)

Part 9. Course work requirements, presentation, defense and evaluation

Preparation of a SWOT analysis project presentation.

* When it comes to **the choice of presentation design**, including colors and fonts, there are a few options to consider. You can either use the corporate colors of the HSE or the colors associated with the analyzed company. Alternatively, you can select your own color scheme. For selecting colors, you can refer to the color wheel provided by Adobe at the following link: <https://color.adobe.com/en/create/color-wheel/site> . Once you have chosen your colors, you can further refine the design of the presentation in the "Design" tab.

— When selecting fonts, it is important to choose a combination that is suitable for each other. As a general rule, this involves selecting two main fonts that differ from each other.

— the minimum font size to be used is 14. Using a smaller size may make the text difficult to perceive;

— choose matching colors;

— use different font sizes;

— combine bold and italic fonts;

— set the background color of the presentation.

It is recommended to use no more than three colors on one slide: one for the background, one for the title, and one for the text. Pay attention to the color of the hyperlinks both before and after their use. Ensure that the text does not blend in with the background, considering that the contrast on the projector might be lower than on your monitor. The ideal background color is white or a shade close to it, while the best text color is black or a very dark tone of the desired shade. Additionally, keep in mind that a black background can convey a negative or gloomy undertone, and white text on a black background can be difficult to read.

***The structure of the project's presentation**

Add text to each slide. Keep it concise: fewer words are better. Remember, a presentation doesn't replace a speaker: the audience will read it, not just listen.

*** Presentation visualization**

— Division into blocks;

— Formation of connections using arrows;

— Adding pictures: when adding pictures to the presentation, ensure that they have a good resolution of over 1000 pixels. It is recommended to search for large or medium-sized pictures on the internet;

— Adding icons: You can download icons for the presentation from the website <https://thenounproject.com/>. In PowerPoint, you can change the colors of the icons. However, please note that the available colors for the icons are limited to the colors that you have set up in the presentation design settings beforehand. Additionally, icons can be formatted in various ways;

— Adding tables (visually highlight the key points you will be discussing in the table);

— Adding graphs (visually highlight the key points you will be discussing in the graphs);

— Numbering of slides.

*** Check what you have done**

Here are some recommendations for the structure and order of slides in a presentation:

1. Title slide: The title slide should include the project title, the full names of all project team members, and the full name of the project supervisor;
2. A brief description of the selected company;
3. The results of the PESTEL analysis;
4. Results of Michael Porter's five competitive forces analysis;
5. Identified Key Success Factors (KSFs) and a comparative analysis of competitors;
6. Primary SWOT Analysis Matrix
7. Extended SWOT Analysis Matrix
8. Developed strategic alternatives, made suggestions, and conclusions.
9. Final slide: It is not recommended to include phrases such as "Thank you for your attention" or "Ready to answer your questions". Instead, it would be more useful to duplicate the project title and the list of participants on the last slide. This will make it convenient for the members of the commission during the project defense. Additionally, the number of sections does not necessarily have to be equal to the number of slides. If needed, you can use multiple slides to address a single point.

The procedure for the public defense of a SWOT analysis project is as follows:

The defense of the project report will take place in June. The final version of the report must be submitted to the project supervisor no later than May 15th. The supervisor will review the project within a week after the deadline and evaluate it based on the criteria specified in the table, using an electronic form. If there is an unequal contribution from participants, the supervisor will assign appropriate coefficients, which will be communicated to the members of the commission. This coefficient is also applied to the estimates of the commission for the project, but it does not directly affect the assessment for defense. The members of the commission make their assessments within a week after the supervisors' assessment, using the criteria in the table, which is also available in electronic form. The commission's score is calculated as the arithmetic mean of all its members. The members of the commission are also allowed to leave comments regarding the advantages and disadvantages of the work, which will influence the assessment. If there are any comments, they will be sent to the participants no later than 2 days before the defense.

The final project reports must be uploaded into the Learning Management System (LMS) before the deadline. The project coordinator will provide instructions for submitting the project reports in the LMS no later than three days before the deadline. It is not permissible to make any changes to the reports once they have been submitted. Project reports that are not uploaded by the deadline will not be eligible for defense and will be graded as "unsatisfactory". Any unsatisfactory grades for the SWOT-analysis project will be eliminated in accordance with the HSE regulations during the retake period.

A grade is assigned to a student based on the results of the project's public defense at an open meeting of a defense commission. During the defense, the project team members are required to orally present the results of the SWOT analysis using a PowerPoint presentation, with a total time limit of 10 minutes for all speakers.

The project team members have the freedom to independently choose a presentation structure and the sequence of their individual presentations. However, it is crucial that each member of the team presents a part and actively participates in answering the questions from the defense commission.

A recommended presentation algorithm is as follows:

1. One student gives a short description of the selected company and its external environment, including the results of the PESTEL analysis.
2. The second student presents the results of M. Porter's five competitive forces analysis.
3. The third student presents the Key Success Factors (KSFs) and the results of the competitors' comparative analysis.
4. The fourth student presents the conclusions of the primary SWOT analysis.
5. The fifth student presents the conclusions of the extended SWOT analysis and strategic alternatives.

After the presentation, the project team members will answer questions from the members of the defense commission. The commission may ask questions about the project to both the entire project team and individual members, regardless of their specific role in the project. The implementation of a project by a team does not necessarily mean dividing the work into separate parts to carry out independent activities and then combining the results. Therefore, it is important for each project team member to be familiar with all elements of the conducted analysis and be able to answer questions about any part.

When making an assessment, the commission considers several factors. These include the quality of analysis and the feasibility of proposed recommendations, as well as the project team members' ability to present the results clearly and reasonably within the given time frame. Additionally, the commission evaluates the completeness of the answers provided during the defense, with an emphasis on solid arguments. The project report defense entails presenting and defending the project results as outlined in the report. Any inconsistencies between the key points in the report and the presentation serve as the basis for assigning an "Unsatisfactory" grade.

If, for any reason, a project team member is unable to participate in the defense, the remaining team members will present and defend the entire project. In such cases, the absent team member will not receive a grade for the project. However, if a student is unable to attend the defense of the project report due to a serious reason confirmed by necessary documents, the student is allowed to defend individually within the designated timeframes set by the program office. Simultaneously, in order to receive a grade, they will also need to defend the entire project as a cohesive unit. In this scenario, the student's grade may differ from that of other team members obtained during the main defense.

The evaluation criteria for a SWOT analysis project

The grade for the SWOT-analysis project is determined based on a set of criteria specified in Table 9.1. The supervisor and members of the defense commission assign a score on a 10-point scale. Grades of 9 or 10 are given if the project team demonstrates excellent critical or creative thinking, achieves objectives of advanced complexity, presents innovative solutions, and exceeds expected learning outcomes. The final grade for the project is determined by the following formula: 25%* of the supervisor's grade for the project work, 35% of the commission's grade for the project paper, and 40% of the commission's grade for the project defense. The commission's grade is calculated as the average of the grades given by the commission members. Scoring follows the rule of simple arithmetic rounding.

The grade of a project team member may be reduced if the project supervisor claims that the member did not participate or incompletely participated in the project implementation, or based on

the individual's performance during the project defense. In such cases, the baseline for the grade is the overall grade of the project team, and the extent of the grade reduction is determined by the coefficient provided by the supervisor to the chairperson and members of the commission. In this case, the commission may also ask additional questions to a specific student during the defense. This is done in order to assess his or her awareness of the project details and ability to present and justify specific results.

Upon the request of the project teams, the chairperson of the defense commission provides brief feedback and key remarks about the presentation while announcing the grades. It is important to note that these remarks are provided for the project and the defense in general, rather than being specified for each criterion listed in Table 6. Following the defense, the chairperson and members of the defense commission do not provide detailed comments on the projects to the teams.

In accordance with the HSE Regulation, dissatisfaction of a student/project team with the grade cannot serve as a basis for appealing the defense results.

The public defense of the project report involves a group presentation of the project results, with the participation of all project team members. The commission assesses the overall level of the presented project, as well as the ability of the project team to work cohesively. This includes evaluating the distribution of individual blocks of the presentation among team members, their mutual assistance and support in answering questions about specific stages of the project, and the overall analysis results. The commission may decide to reduce an individual grade if one of the project team members has a low involvement in the presentation of project results or answering questions.

If a team member misses the defense for a serious reason, which is confirmed by an appropriate document such as a medical certificate, the student will be assigned another day for the defense during the approved retake period. However, if a team member misses the defense without a serious reason, the student will receive an "Unsatisfactory" grade, even if the project team they are a member of receives a positive grade for the defense.

Table 9.1 Evaluation criterias

| PROJECT PAPER | | | | DEFENCE | |
|---------------|--|-------------------|---|---------|---|
| Supervisor | | Commission member | | | |
| 1 | All mandatory items are presented in the work | 1 | All mandatory items are presented in the work | 1 | Time limits are met |
| 2 | Compliance of the text and logic of reasoning within the SWOT-analysis algorithm, absence of analytical errors | 1 | Correct usage of PESTEL and logical conclusions | 1 | The presentation is clear, logical, no mistakes |
| 2 | Correct use of statistical and factual materials | 1 | Correct usage of Porter's 5 forces with logical conclusions | 1 | The presentation is accompanied by a lively speech, concise and logically connected |
| 1 | The reasonableness of the developed strategic alternatives for the company | 1 | Correct applying of KSF with logical conclusions | 1 | Equal distribution of defense efforts |
| 1 | Following the supervisor's deadlines, constant | 1 | All parts are logically connected | 1 | Competent presentation of the |

| | | | | | |
|---|---|---|--|---|---|
| | interaction with them | | with each other, the work is coherent. | | results of the PESTEL |
| 1 | The project report formatted in accordance with the requirements specified in the methodological guidelines | 2 | Primary SWOT and extended SWOT is built in a correct manner | 1 | Competent presentation of the results of the Porter's 5 forces |
| 1 | Incorporating and using a variety of data sources | 1 | Strategic alternatives are reasonable, comprehensive, and executed correctly | 1 | Competent presentation of the results of the of KSF |
| 1 | Excellent feedback from the company | 1 | Various sources of information are used to format the project report in accordance with the requirements specified in the guidelines | 2 | Competent presentation of the results of the preliminary SWOT analysis and extended SWOT analysis |
| | | 1 | Extra methods can be employed in addition to the curriculum, but only if all mandatory methods are utilized correctly | 1 | Competent presentation of the strategic alternatives |

**Competent presentation - students can explain the results (and the process, if necessary), the speech is relevant to the slides. Students answer the questions correctly.*

REQUIREMENTS FOR A SWOT ANALYSIS PROJECT REPORT

The project report formatting has several major requirements.

The report on the SWOT analysis project is created using computer-based tools for document creation. It is recommended to utilize the standards of the Microsoft Word text editor. The project report should be submitted to the commission in electronic form by uploading it to the LMS before the deadline.

The document margins are as follows: top - 2 cm, bottom - 2 cm, left - 3 cm, right - 1.5 cm. The approximate number of characters on a page is 2000.

The font used is Times New Roman. Limited use of various typefaces (bold, italic, underlined) is allowed to emphasize specific terms, concepts, or statements.

The main body and bibliography should have a font size of 12 pt. The line spacing should be set to 1.15. The paragraph indent should be 1.25 cm. The text should be aligned to the width. There should be no spacing between paragraphs.

Section titles are printed in capital letters without a period at the end. The font size is 12 pt.

The line spacing is set to 1.15, paragraph indent is set to 0 cm, and the alignment is centered. There is a distance of 1 blank line between the chapter headings and the text.

Each new chapter starts on a new page, and the same rule applies to other main structural parts of the report, such as the introduction, conclusion, references, appendices, and so on.

Report pages, including appendices, should be numbered consecutively. The first page, which is the title page, should not have a page number. Arabic numerals should be used for numbering, and they should be centered at the bottom of each page without a dot. A sample title page is provided in Appendix 1.

The length of the text is between 30, 000 and 45, 000 characters.

Here are the rules for tables, figures, and graphs:

Tables and figures should be named and sequentially numbered. For figures, the word "Figure" should be added before the number, while for tables, the word "Table" should be added. The numbers should be in Arabic numerals and placed before the name of the object. The font size should be 12 pt. Numbering for figures and tables can be done either continuously (Table 1, Table 2, etc.) or by chapters. In the latter case, the number should consist of the chapter number and the serial number of the object, separated by a dot (Figure 1. 1, Figure 2. 3, etc.). The titles of figures are located below the figures in the center of the page, while the titles of tables are positioned above the tables, aligned to the right. All figures and tables should be referenced in the text of the report. Figures and tables should be placed in the report immediately after the text in which they are first mentioned, or on the following page. If a figure or table is sourced from an external source, a reference to the source should be provided below the title. If a figure or table is compiled by the author, a reference stating "compiled by the author" should be included under the title. Please use the forms provided in this guideline for your coursework. The tables contain essential information such as parameters and brief descriptions/comments, as indicated by the form (refer to the examples in the respective chapters for guidance). Please include all detailed comments after the table.

Here are the rules for formulas and equations:

Formulas should be placed on separate lines, either in the center of the page or within text lines. It is recommended to include short, simple formulas that do not have independent meaning and are not numbered within the text. However, for important and lengthy formulas, they should be placed on separate lines and numbered consecutively throughout the entire report using Arabic numerals enclosed in brackets on the right side of the line. Separate numbering of formulas for each chapter is allowed. In this case, the formula number consists of the chapter number and the ordinal number of the formula, separated by a dot. One empty line should be left above and below each formula or equation. The explanation of the parameters of the formula is provided directly below it, in the same order as they appear in the formula. References in the text to the ordinal numbers of formulas and equations are given in brackets.

The requirements for links and notes are as follows:

The rules for referencing literature sources should be followed as per the guidelines provided.

When making references to literature sources, one should follow the GOST7. 0. 5-2008 requirements. A reference to a literature source is made in brackets, where the author's surname is followed by the year of publication (e. g., Ivanov, 1999; Smith, 2002a, 2002b).

Rules of Appendix

The appendix is an optional final part of a report that provides additional informative value and may be necessary for a more comprehensive coverage of the topic. In terms of content, appendices can vary greatly, including copies of original documents, extracts from reporting

materials, specific items from instructions and rules, and more. They can be presented in various formats such as text, tables, graphs, maps, and so on.

Appendices are developed as a continuation of the report, placed on its last pages.

Each appendix should start on a new page with the word "Appendix" in the upper right corner and have a thematic heading. If there is more than one appendix in the report, they should be numbered. The page numbering for the appendices should continue the general numbering of pages in the main body. The main body can be connected to the appendices through links that are indicated with the word "See." This is typically abbreviated and enclosed in brackets along with the corresponding code. The listing of the appendices in the report's Table of Contents is usually presented as a separate section, which includes the full title of each appendix.

Rules for the reference list

The reference list may include various sources such as literature sources (monographs and educational literature), periodicals (articles from journals and newspapers), legislative and instructive materials, statistical books, and other reporting and accounting materials. Additionally, website pages and other sources of materials used for the project can be included. The reference list should be constructed in the same language as the report. If the author utilized academic publications or literature in foreign languages, they should be included in the reference list in their original language.

Information about the sources is reported in accordance with the requirements of GOST 7. 82-2001 and GOST 7. 1-2003.

When constructing a reference list, it is important to include a description of the scientific sources. This description should consist of the following elements: 1. Information about the author or authors (the author's initials are always abbreviated, and the information is presented in italics, for example, Ivanov V. V.). 2. Title of the source, whether it is a book, monograph, textbook, or article. 3. Information about the edition, including the place (city where the publishing house is located), the publishing house, and the year of publication. 4. Number of pages. 5. Information about illustrations, if applicable. When citing articles published in periodicals, it is important to include the journal title, issue number, year of publication, and page numbers.

When quoting electronic publications, such as web pages, it is necessary to include not only the URL of the resource but also the date of access to the cited resource.

The sources in the reference list can be sorted in several ways: alphabetically, chronologically, by type of publication, by the nature of content, or as they appear in the text. It is not acceptable to use multiple sorting methods simultaneously. The choice of the sorting approach is determined by the authors of the report and the project supervisor.

It is recommended to use alphabetical sorting for the sources in the reference list. This approach involves sorting the names of authors or titles of works (if the author is not specified) in alphabetical order. Different alphabets are not mixed within the same list, and foreign sources are typically placed at the end of the list.

The reference list of sources should be placed after the text of the report and before the appendices. The list should be numbered with Arabic numerals without a dot, and each element of the list should be indented.

Annex 1

Federal State Autonomous Educational Institution for Higher Education
NATIONAL RESEARCH UNIVERSITY HIGHER SCHOOL OF ECONOMICS
Saint Petersburg School of Economics and Management

Course project

SWOT-analysis

(indicate the full name of the company, including its legal form, and the name of the product, if relevant)

Field of studies 38.03.01 «Economics»; 38.03.02 «Management»

Educational Programme «International Bachelor in Business and Economics»

The project was implemented by:

Course Project supervisor:

Name, degree, position

Course project meets / doesn't meet the
requirements (underline the correct option)

Saint Petersburg

2024

Annex 3

CONFIRMATION
of the equivalence of the contribution to the course project

We, _____ Name, group
_____ Name, group
_____ Name, group
_____ Name, group
_____ Name, group
_____ Name, group

1st year students of International Bachelor in Business and Economics Programme, HSE Saint Petersburg School of Economics and Management confirm, contribution to the course project is equivalent

(name of the project)

| | | | |
|--------------------|---|------------------------|---|
| _____ Signature | / | _____ Name, Surname | / |
| _____ Signature | / | _____ Name, Surname | / |
| _____ Signature | / | _____ Name, Surname | / |
| _____ Signature | / | _____ Name, Surname | / |
| _____ Signature | / | _____ Name, Surname | / |
| _____ Signature | / | _____ Name, Surname | / |