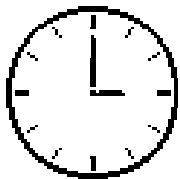




Faculty of Ag. economics and Rural Development

Teamwork

1. Mission
2. External
3. Internal
4. Long
5. Analysis
6. Choice



© Dr. Nábrádi András
DE-AVK

Debreceni Egyetem ATC - AVK



Department of Business Management and Marketing



M

B

A



Teamwork

BY: Prof. Dr. András Nábrádi
PhD, MBA

University of Debrecen
Faculty of Ag. economics and
Rural Development
Department of Agribusiness Management
and Marketing



Teamwork

Teamwork

1. Mission
2. External
3. Internal
4. Long
5. Analysis
6. Choice

1. Establish a vision and mission statement. **Together**
2. Evaluate External Assessment by External Factor Evaluation Matrix (EFE) **Group 1**
3. Evaluate Internal Assessment by Internal Factor Evaluation Matrix (IFE) **Group 2**
4. **Discussion**
5. Establish long term objectives **Group 1, Group 2**
6. Analyses your alternative strategies with IE matrix **Group1 and group 2**
7. Choose particular strategies, presentation of the result. **Group1, Group 2**



**One of the public transportation in
Zagreb**



Develop a Mission statement

Teamwork

1. Mission
2. External
3. Internal
4. Long
5. Analysis
6. Choice

An effective mission statement

- should not too lengthy; recommended is less than 200 words
- arouses positive feelings and emotions about an organization
- generates the impression that a firm is successful, has direction
- distinguish a given organization from all others





External Factor Evaluation Matrix

Teamwork

1. Mission
2. External
3. Internal
4. Long
5. Analysis
6. Choice

EFE allows strategists to summarize and evaluate all external factors in one sum.

1. Collect 10 to 20 factors both **opportunities** and **threats** that **affect** the firm and its industry.
2. Assign to each factor a weight from 0,00 (not important) to 1,00 (extremely important). The weight **indicates the relative importance of that factor to being successful in the firm's industry**. The sum of all weights is 1.
3. Assign a rating between 1 and 4 to each external factor **to indicate how effectively the firm's current strategies respond to the factor**: where 4 is superior, 3 is above average, 2 is average and 1 is response is poor.
4. Multiply each factor's weight by rating to determine a weighted score.
5. Sum the weighted score to determine the total weighted score for organization.





EFE Matrix

Teamwork

1. Mission
2. External
3. Internal
4. Long
5. Analysis
6. Choice

Key external factors	Weight	Rating	Weighted score
Opportunities			
1. Demand for prepared food increasing 10 % annually	0,07	4	0,28
2. Packaging technology offers 15 % annual cost savings	0,03	2	0,06
3 . >>>>.....9 or 10 items			
Threats			
1. Increasing governmental regulation in the industry	0,04	2	0,08
2. Leading rival firms are more fully integrated	0,07	1	0,07
3. >>>>9 or 10 key items			
Total	1,00		Σ (1 to 4)





Teamwork

1. Mission
2. External
3. Internal
4. Analysis
5. Long
6. Choice



Internal Factor Evaluation Matrix

Identifies a firm's major **strengths and weaknesses**
allows strategists to summarize and evaluate **all**
internal factors in one sum.

1. Collect 10 to 20 internal factors including both strengths and weaknesses. Use percentage, ratios and comparative numbers.
2. Assign to each factor a weight from 0,00 (not important) to 1,00 (extremely important). The weight **indicates the relative importance of that factor to being successful in the industry.** The sum of all weights is 1.
3. Assign a rating between 1 and 4 to each external factor **to refer to strengths and weaknesses**: where 4 is major strength, 3 is minor strength, 2 is minor weakness, and 1 is major weakness.
4. Multiply each factor's weight by rating to determine a weighted score.
5. Sum the weighted score to determine the total weighted score for organization.



Teamwork

1. Mission
2. External
3. Internal
4. Long
5. Analysis
6. Choice



IFE Matrix

Key internal factors	Weight	Rating	Weighted score
Strengths			
1. Our company provide 24-hour, 7 day services	0,08	3	0,24
2. Our company has 50 subsidiary in Europe and Asia	0,06	4	0,24
3 . >>>>.....9 or 10 items			
Weaknesses			
1. Our company total dept to equity ratio is 0,36 compared to the industry average of 0,9	0,03	2	0,06
2. 86 % of the trade revenues come from Europe	0,07	1	0,07
3. >>>>9 or 10 key items			
Total	1,00		Σ (1 to 4)



Teamwork

1. Mission
2. External
3. Internal
4. Long
5. Analysis
6. Choice



Long term objectives

•Establishing long term objectives

Should be:

- quantitative** (data, %,)
- measurable** (what is now, what will be)
- realistic** (no politicians promise)
- understandable** (clear in different levels of a company – corporate – division – functional – operational CDFO)
- challenging** (emotional risk)
- hierarchical** (CDFO)
- associated with timeline** (within 3 year, end of the next year)



IE Matrix

Teamwork

1. Mission
2. External
3. Internal
4. Long
5. Analysis
6. Choice

The total EFE weighted Scores

The total IFE weighted scores

	<i>Strong</i> 3,0 to 4,0	<i>Average</i> 2,0 to 2,99	<i>Weak</i> 1,0 to 1,99
<i>High</i> 3,0, to 4			
<i>Medium</i> 2,0 to 2,99			
<i>Low</i> 1,0 to 1,99			





Quantitative Strategic Planning Matrix

Teamwork

1. Mission
2. External
3. Internal
4. Long
5. Analysis
6. Choice

Name		Strategic alternatives					
		STR1		STR2		STR3	
Key Factors	Weight	AS		AS	TA	AS	TA
Key external factors (O/T) Social/cultural/demographic Technological Economy Political/legal Competitive		TA					
Key internal factors (S/W) Management Marketing Finance/accounting Production/operations R&D MIS							
TOTAL	2,00		1-8		1-8		1-8

