STRATEGIC DIAGNOSIS OF AN SME

Case study for Lăptăria cu caimac enterprise

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Abstract

This paper analyses the strategic diagnosis of a medium enterprise - Lăptăria cu caimac. Thus, in the first part of the paper it is presented the bibliometric analysis on the domain of SMEs, the SWOT analysis for the specified economic agent and the Internal Factors Evaluation Matrix.
Keywords: strategic diagnosis, SME, SWOT, IFEM
JEL classification: D01Microeconomic Behavior: Underlying Principles

Introduction

The objective of this paper is represented by the strategic diagnostic of the economic agent Lăptăria cu caimac. The paper is organised in 3 sections: literature review- in whichi it was realised the bibliometric analysis on the domain of SMEs; methodology, data, results and discussions- in this section it was realised the SWOT and IFEM analysis; the last section being dedicated to conclusions.

I. Review of scientific literature
Quantitative analysis of scientific documents found in the Scopus database - Bibliometric analysis performed in VOSviewer

In this chapter it was realised the bibliometric analysis on the domain of SMEs. There were analysed 2.000 documents from the Scopus database, using VOSViewer software. Thus, Figure 1 presents the analysis of collaboration relationships between countries.

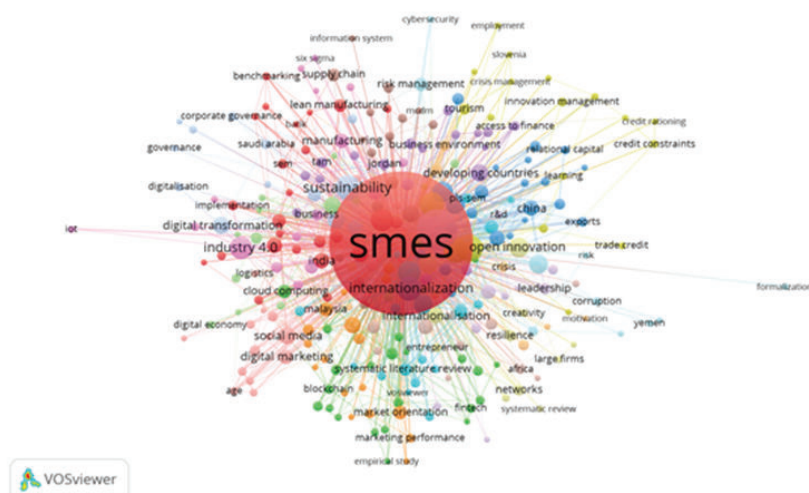**Analysis of collaboration relationships between countries**

Fig. 1
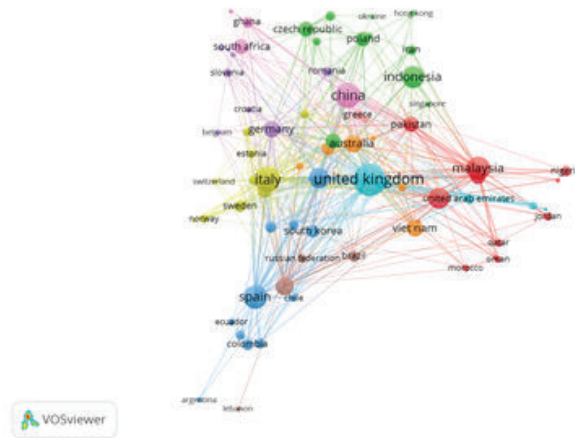
Source: own conceptualization

According to the graph above, the most documents that were published on the domain of SMEs belong to the United Kingdom – 249 published documents and 54 collaboration relationships (especially with China, Spain and Italy). On the second place is China with 157 published documents and 35 collaboration relationships. Figure 2 presents the analysis of authors' keywords used in the scientific papers.

Analysis of authors' keywords

Source: own conceptualization

The most common used word is SMEs – 2.000 occurences, Covid-19-74 occurences, sustainability- 62 occurences.

II. Methodology, data, results and discussions
2.1 SWOT analysis
Table 1 presents the SWOT analysis for the analysed enterprise.

Strenghts	Weakness
High quality dairy products	Low diversity of products
Value for money	
Reusable package	
Opportunity	**Threats**
Diversifying the product range	Competition – price and quality wise
Increasing demand for high quality dairy	

Source: own conceptualization

2.2 IFEM - Internal Factors Evaluation Matrix

Internal Factors Evaluation Matrix is utilised for diagnosing the internal potential of an economic agent. Thus, it is analysed the commercial capacity, the financial capacity, the production capacity and the managerial capacity of the economic agent. In this analysis, each factor is taken into consideration and evaluated through a coefficient noted Ki and a mark from 1 to 4 noted Ni. Thus, the factors noted with 1 and 2 represent major weakness, respectively, minor weakness for the analysed domain. On the other hand, the factors evaluated through marks of 3 and 4 are considered minor strenghts and, respectively, major strenghts for the approached domain.

Global Internal Power of the Firm		Enteprise potential
1.	**Between 1 and 2**	Low
a)	Between1 and 1.5	Very low
b)	Between 1.5 and 2	Low
2.	**Between 2 and 3**	Medium
a)	Between 2 and 2.5	Towards low
b)	Between 2.5 and 3	Towards high
3.	**Between 3 and 4**	High
a)	Between 3 and 3.5	High
b)	Between 3.5 and 4	Very high

Thus, taking into consideration the commercial capacity, the financial capacity, the productive capacity and the managerial capacity of the enterprise, it results the Global Internal Power of the Firm.

$$PGIF = \sum_{i=1}^{n} KiNi \text{, cu condiția ca } \sum_{i=1}^{n} Ki = 1.$$

Table 2 presents the Internal Factors Evaluation Matrix for Lăptăria cu caimac enterprise.

Internal Factors Evaluation Matrix

Table 2

	Strategic analysis domain and internal factors	Ki	Ni	Ki*Ni
A	**Commercial capacity of the enterprise**	1		2.55
1	Quality of the products	0.2	3	0.6
2	Market share	0.1	2	0.2
3	The image of the enterprise on the market	0.15	3	0.45
4	Distribution channel	0.15	3	0.45
5	Respecting the contractual clauses	0.15	3	0.45
6	Price policy	0.15	2	0.3
7	Promoting products	0.1	1	0.1
B	**Financial capacity of the enterprise**	1		2.85
1	Pre-calculated cost	0.2	3	0.6
2	Rentability	0.2	3	0.6
3	Cash flow	0.2	3	0.6
4	Degree of indebtedness	0.15	3	0.45
5	Financial equilibrum	0.1	3	0.3
6	Degree of auto-financing	0.15	2	0.3
C	**Productive capacity of the enterprise**	1		3.2
1	Technology used	0.15	3	0.45
2	Size of production capacity	0.1	3	0.3
3	Usage degree of production capacity	0.1	3	0.3
4	Degree of automation	0.15	3	0.45
5	Production organizing level	0.1	3	0.3
6	Workers qualification	0.2	4	0.8
7	Personnel experience	0.1	4	0.4
8	Organizing training activities	0.1	2	0.2
D	**Managerial capacity of the enterprise**	1		2.85
1	Structural organizing	0.15	3	0.45
2	Methods for processual organizing	0.15	3	0.45
3	Decisional system	0.2	3	0.6
4	Informational system	0.15	3	0.45
5	Motivational capacity	0.2	3	0.6
6	Innovation capacity	0.15	2	0.3
	The aggregate system	1		
A	Commercial capacity	0.2	2.55	0.51
B	Financial capacity	0.3	2.85	0.855
C	Productive capacity	0.2	3.2	0.64
D	Managerial capacity	0.3	2.85	0.855

Source: own conceptualization

● GIPF related to the commercial capacity of the enterprise is *towards high*
● GIPF related to the financial capacity of the enterprise is *towards high*
● GIPF related to the productive capacity of the enterprise is *high*
● GIPF related to the managerial capacity of the enterprise is *towards high*

Conclusions

After realising the diagnostic analysis for the economic agent Lăptăria cu caimac, it was highlighted the fact that the commercial capacity, the financial capacity, the productive capacity and the managerial capacity of the enterprise are well developed. On the other hand, it is recommended to utilize the diversifying strategy, in order to enrich the product range of the firm. This fact could determine an increasing market share and also the way in which the firm it is being seen throughout the market.

References

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