

Development of an Entrepreneurial Business' (Natural Food's) Strategic Plan by Shortened Systematic Strategic Planning (SSP) Working Model: Case Study

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ABSTRACT

As many sources exhort managers to “*think strategically*,” only a few addresses how to make this happen. Where strategic analysis tools are explained, this is most frequently done conceptually rather than their actual application in strategic planning. Shortened systematic strategic planning (SSP) consists of a pattern of step-wise procedure for straight-forward planning, and the fundamentals involved in any strategic planning project. The use of shortened SSP is more suitable for the development of strategic plans for small- and medium-size businesses (SMEs). SSP has been applied to and tested on different businesses' subject issue and has been generated by the composition of the cause-and-effect relations of them. The intention here is to provide a new perspective and benefit for the strategic planners by introducing this new systematic methodology and demonstrating its implementation on an entrepreneurial and new business called Natural Food. Accordingly, let shortened version of SSP easily understood and universally applied to any small- and medium-size businesses. Additionally, you are guided how to identify in what circumstances you might use its specific tools and how to target them directly at achieving effective results. The data that are used in this case are fictitious and only help for this study. Though, the given case does not cover all the steps of a typical systematic strategic plan and use all the recommended techniques, it still reflects the basics.

Keywords: Strategy, Strategic Management, Strategic Planning, Systematic Strategic Planning.

Submitted: January 03, 2023

Published: February 28, 2023

ISSN: 2507-1076

DOI: 10.24018/ejbmr.2023.8.1.1811

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I. INTRODUCTION – SHORTENED SYSTEMATIC STRATEGIC PLANNING (SSP)

Before beginning with strategic planning, businesses must have articulated their *missions and visions*, and identified their *basic policies* (Wickham, 2004). Strategic plan helps the business to establish its objectives, goals, as well as the decisions to achieve these objectives and goals. Thus, a strategic plan provides guidance for the preparation of functional plans, such as marketing, finance, production, etc., and business budget in such a manner that they reflect the objectives, goals, and main strategies of the strategic plan during the implementation phase, as well as for basing resource allocation on priorities (Harrison and St. John, 2001).

Systematic Strategic Planning (Author, 2015) is the pattern of procedures by which an organization defines its status, opportunities, long-term goals, and the strategies for which to achieve them. SSP is based on the principles of *Planning by Design (PxD)* which is generated by Muther (2011). When each step of a working model is supported by the form of *output* and *key document* leading to it, we have what is called *High Definition PxD Working Model*.

A strategic plan includes the fundamentals, and the basis on which any systematic strategic planning must rest are

competitive advantages, scenarios and strategies (Author, 2015).

Competitive advantages: *Competitive advantages* are fundamental A. Because of investigating internal and external factors, weaknesses and strengths of the organization determined. Based on the comparison of the strengths with market conditions, the unique strengths, that is, competitive advantages of the organization are determined.

Scenarios: *Scenarios* are fundamental B. Scenario analysis is made on external factors-macro economic analysis, industry analysis, etc. By this analysis, negative and positive scenarios are determined. These scenarios help to predict the industry's future.

Strategies: *Strategies* are fundamental C. Strategies are the fundamental that helps the organization to define how to reach to the opportunity that is brought out by matching fundamental A with fundamental B. This fundamental characterizes the process that organization should follow to reach the opportunity and guides the organization about how it should be done.

The use of shortened SSP version is more suitable for the development of strategic plans for small- and medium-size businesses (SMEs). This paper is intended to briefly explain how each step of shortened SSP pattern can be applied on a

given case.

The case study presented in here is an entrepreneurial and new business. The data that are used in this case are fictitious and only help for this study. Though, the given case does not cover all the steps of a typical systematic strategic plan and use all the recommended techniques, it still reflects the basics.

II. SYSTEMATIC PATTERN OF STRATEGIC PLANNING

The newly generated Shortened SSP is a six-step methodology intended to identify the three fundamentals. Fig. 1 illustrates shortened version of SSP (Author, 2015).

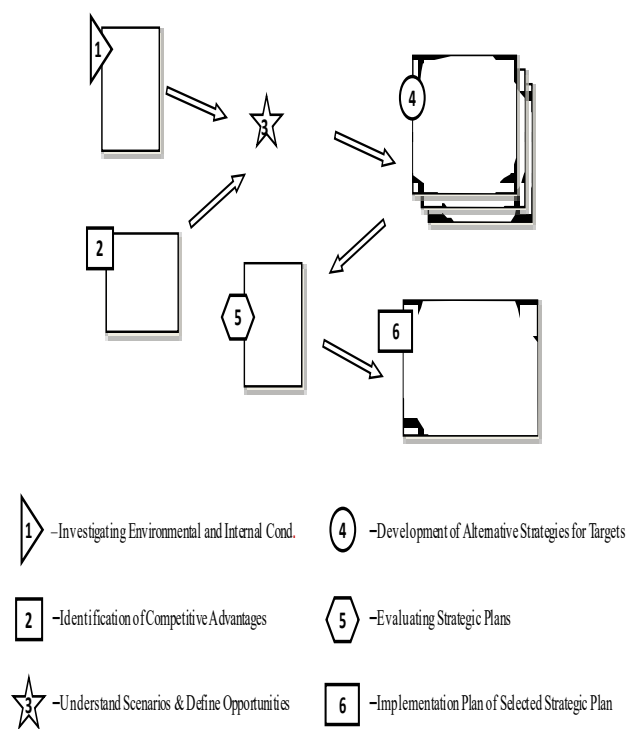


Fig. 1. Shortened systematic strategic planning.

A. Investigating Environmental and Internal Conditions – Clarification of Current Status

The aim of the first section of SSP is to answer the question “where are we?” This requires a comprehensive status analysis. During and after status analysis, the internal strengths and weaknesses of the organization, and the positive and negative developments originating from the external factors are identified.

1) Internal analysis

Internal status analysis begins with a brief history of the business. Therefore, the business should examine its past performance to isolate key internal contributors to favorable (or unfavorable) results. Diagnosing a business’ key strengths and weaknesses requires the adoption of a disaggregated view of the business. Examining the business across distinct functional areas (such as, overall management, human resources, operations/technology, marketing, finance and accounting) is one way to disaggregate the business for internal analysis purposes. The purpose is to identify the potential of the business taking into consideration its existing performance and problems.

2) Environmental analysis

Environmental analysis considers the general trends in the world, changes in the environment in which the business operates and particularly the expectations of the group served by the industry. Environmental analysis does not only identify status, but also lays the basis for future forecasts or creation of scenarios. While making these assessments, the global and domestic trends in the sector/sub-sector in which the organization operates are discussed.

Intention of environmental analysis:

- To determine the developments and trends in the macroeconomic (demographic, economical, judicial–political, technological, sociocultural) environment that effects the business and its industry at most. This review should primarily be conducted at global scale, and then at regional and country scales. The effects of trends and developments within these variables on the industry are analyzed with respect to customers’, governments’, financial institutions’, suppliers’, shareholders’, and employees’ points of view.
- To understand the powers that effect competition in the industry (new businesses, customers, suppliers, substitutes, competitors, government, financial institutions, etc.) (Porter, 1998). When one of these groups has a higher power, this will have negative implications for the industry, whereas a lower power will have positive implications.
- To foresee the trends that these powers would create in the industry. (Vernon, 1979) stated that each industry passes through the phases of introductory, growth, maturity, and finally regression. The phase that the industry is in facilitates the estimation of impacts and trends of powers defined in competition analysis.

B. Comparison of Status and Identification of Competitive Advantages

The organization’s strengths and weaknesses are compared with the key factors in the market development phases, capacities, and resources of main competitors and the industry’s success factors, to identify competitive advantages. Fig. 2 summarizes the development of a business profile (Pearce and Robinson, 2011).

A factor is considered a competitive advantage if it is something the business does (or has in the future capacity to do) particularly well relative to the abilities of existing or potential competitors. A firm gains competitive advantage by performing these strategically crucial factors for cheap or better than its competitors.

C. Understand Scenarios and Define Opportunities

Using the trends to be revealed by the environmental analysis, it is possible to anticipate how the field of business in which we operate or plan to enter will evolve in the future. It is intended to find the factors that would affect and change the outlook mostly in the status and anticipated future, based on the results obtained from environmental analysis.

Then, the scenarios to be created by trends revealed by environmental analysis for the industry must be developed; that is, alternative scenarios must be developed for the future.

Finally, to identify the business’ potential opportunities, the organization’s competitive advantages need to be

matched with the potential positive (attractive) scenarios in the industry (Fig. 3). Besides the market attractiveness of each scenario (the attractiveness is the net benefits less the costs (not just the benefits)), to position a business effectively on the GE grid, you also need to take some view of its competitive position with respect to the scenario (Rasiel, 1999).

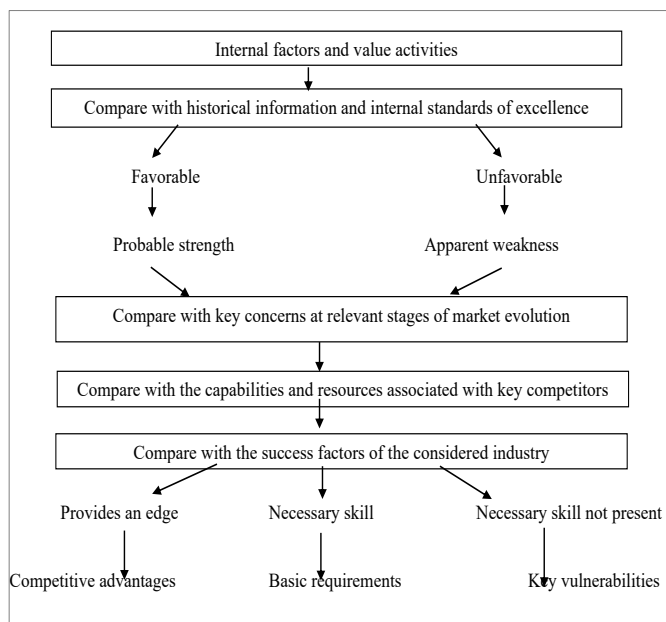


Fig. 2. Competitive advantages and success factors.

D. Identification of Strategic Objectives and Main Goals and Development of Alternative Strategies

The parameters constituting the assumed opportunities need to be laid down as strategic objectives and main goals. Strategic objectives are the conceptual results that the organization aims at achieving within a certain timeframe. Strategic objectives and main goals answer the question “what do we want to achieve?”

Main goals are specific and measurable sub objectives specified for achievement of strategic objectives. Main goals can be classified as financial and market goals, such as target markets, product range, sales volume and profitability for the planned period, regional concentration, etc.; and operational goals, such as organization, investment goals, labor turnover rate, environmental standards, technology and equipment choice, quality and performance standards, long-term capacity plans, etc.

It is necessary to analyze what should be done and how should they be done to attain opportunities and thus achieve goals, as well as to identify alternative strategies. Determination of a suitable strategy for a business begins in identifying the opportunities and risks in its environment. While evaluating the opportunities defined based on analyses conducted, various strategies we can implement come out:

- You should have a single strategy for a single opportunity.
- If there are multiple opportunities, you can have multiple strategies (Fig. 4).

Based on using both the techniques of Generic Competitive Strategies (Porter, 1998) and Components of Strategy (Ansoff, 1970), the corresponding Grand Strategy(ies) can be

identified (Pearce & Robinson, 2011). For example; concentration, market development, product development, innovation, horizontal integration, vertical integration, joint venture, concentric diversification, etc.

E. Evaluating Strategic Plans and Selecting the Best

Here you select the strategic plan most suitable for your organization. To do this, you make an evaluation of the alternatives based on qualitative factors (Muther, 2011). For example, synergy, competitive advantages, flexible organization structure, market orientation, critical success factors, etc.

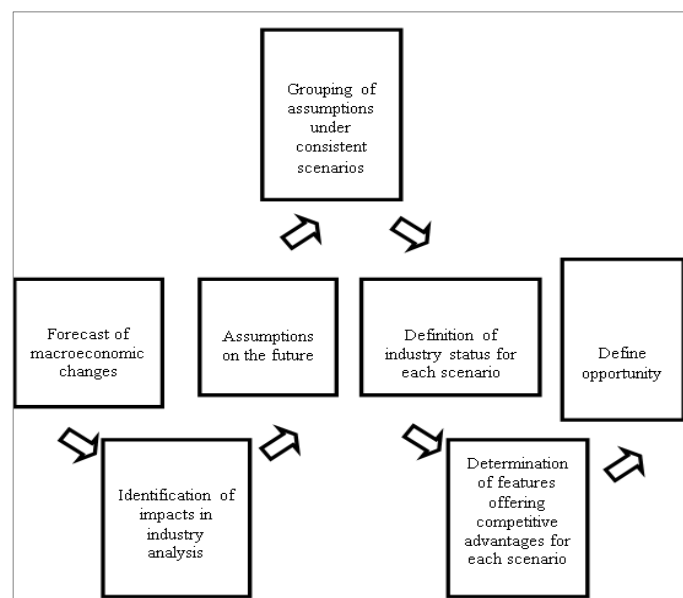


Fig. 3. Procedure of identifying opportunities (Source: Author, 2015).

Even if the best strategy is selected, contingency plans are still necessary for the selected strategy in a risky environment. A sensitivity analysis needs to be conducted (Keown & Martin, 2001), taking into consideration the possibility that basic assumptions and parameters do not come out as expected and the measures considered to be taken in this respect need to be identified.

F. Implementation Plan and Control

The implementation plan is a tool that gets strategic plans underway. The implementation plan required to be created to answer the question “how can we reach our target destination?” in the systematic of strategic planning must be coherent with the whole of strategic plan.

This is the step when action plans are prepared to identify by whom, how, and when the strategy created to achieve strategic objective and goals will be implemented within the business. This step also involves the preparation of budgets for utilization of resources required for the realization of action plans.



Fig. 4. Strategy guideline (Source: Wright et al., 1997).

III. NATURAL FOOD

Natural Food's vision is to be the world's premier natural food company, offering natural products comprising superior tasting and highest quality to individuals having gusto and opting for natural life. Their mission is to provide individuals (opting for natural life and gusto) superior tasting and highest-quality natural food products by unique, innovative, and clean production process that improves the quality of individuals' life, provides employees meaningful work and maximum rate of return to investors, and contributes sustainability in ecologic life.

Natural Food offers treasures of Anatolia from the Aegean region of Turkey. The olive tree and its oil are age-old symbols of health. Natural Food brings customers the superior tasting in natural nutrition with certified products in the light of values as responsibility, honesty, accuracy, and transparency:

- Long-term profitability is fundamental to accomplish their business goals and sustainable growth. It supplies the essential corporate resources for continual investment that is required to produce and serve natural foods to meet customer needs and to contribute sustainability in ecologic life.
- Compete ethically and according to the framework of applicable competition laws.
- Insist on transparency, integrity, and honesty in all aspects of their business and expect the same in their relationships with all those that they do business.
- Comply with all applicable laws and regulations of the countries in which they operate.
- Insist on realizing production and after-sale services by considering health, safety, and environment.
- Contribute local production and work with others to enhance the benefits to local communities, and to mitigate any negative impacts from their activities.

A. Clarification of Current Status

1) Environmental analysis

a) Macroeconomic analysis

Macroeconomic analysis summarizes the status of the variables with respect to customers', governments', financial institutions', suppliers', shareholders' and employees' points of view.

Demographic:

- Population growth: Indicators show that population is increasing. This situation will affect businesses positively in terms of work force and customers who search for healthy nutrition.
- Education level: For businesses that target customers who search for high-quality taste and healthy nutrition, an increase in education level will positively affect them.

Political:

- Incentives: The olive oil sector and exporting are supported by the government.
- Green laws: Today green production and products have important roles in different industries.
- Political stability: Recent developments in Turkey show that political stability has a significant role for businesses. Therefore, businesses will be negatively

affected from the current political climate.

Economic:

- Distribution of income: Inequality in distribution of income will continue, which will limit targeted customers.
- Foreign exchange policy: The general trend of the government is to support exporting and foreign investment.
- Degree of international trade: Due to globalization; restrictions, trade barriers, and tariffs will be more flexible, which will have a direct-impacts on businesses.

Sociocultural:

Changes in lifestyles: Trends show that healthier life style has become a critical issue.

Natural environment:

Climate changes and water shortages: Indicators show that due to climate changes, water shortages will occur, which will have a negative impact on their industry. Therefore, there is a need to develop new irrigation system for olive trees.

Technological:

R&D expenditures: In the light of organic production perspective, there is a need to systematize R&D activities for improving production quality and preventing natural production volatility of olive trees.

b) Competition analysis

The global olive oil market is one of the fastest growing segments of the global food industry, showing significant growth year after year. Olive oil is the main component of the Mediterranean diet, the health properties of which makes olive oil a food product with a promising future.

The global olive oil market grew by 3% between 2008 and 2012, but this growth rate varied widely across different markets. Traditional consumer countries in the North Mediterranean, that is, Italy, Spain, and Greece, have the highest per capita consumption (more than 12 kg per person) but are characterized as a very mature and stagnating market. In contrast, developed markets offer significant potential in terms of both value (at present, they account for 41% of the global market) and growth, with levels projected to continue at around 4% for at least the next 5 years.

Emerging markets hold the greatest potential for the olive oil industry, posting an impressive 13% growth rate over the last 5 years. Brazil and China are the two most important in terms of volume and producers. China imported 45,000 tons of olive oil in 2012 and became a crucial market for producers. Several major state-owned enterprises (SOE) have been increasing their imports of bulk olive oil from southern Europe.

Private label products (PL) and A-brands represent the primary growth opportunities in developed countries. In the UK, the most developed food retailer market, the PL share in olive oil accounts for almost 5%, while it accounts for 25% in the US and 20% in the most fragmented Italian market. The latter two markets and several other northern European markets provide other interesting growth opportunities.

There are factors that will restrict the industry's ability to realize its ambitions in emerging markets. First, there is a need for all players to strengthen their strategic sourcing options. Second, a generic marketing campaign is required in

emerging markets to educate consumers about the benefits and versatility of olive oil.

Spain is the largest producer and exporter of olive oil in the world followed by Italy, while the US is the third largest consumer of olive oil after Spain and Italy. The consumption pattern of olive oil in the BRIC countries has shown tremendous growth. It is expected that in the near future India and China will be on the list of largest consumers of olive oil as people have started recognizing the health benefits of olive oil and have accepted it as cooking oil.

As the production of olive oil is limited to some specific geography, pricing of olive oil sees major fluctuations when production or cultivation gets affected.

Turkey's olive oil exports have dramatically increased to over 45,000 tons, with a 446% rise in the last 5 months compared to the same period a year earlier. The rise is due to a considerable fall in the harvest of Spain, the world's largest oil producer, according to a sector report.

Turkey's olive oil exports, which had been halted considerably since the 2005-2006 season, started to recover last year. While exports increased to 20,000 tons in the 2011-2012 seasons, from 12,000 tons in the previous period, income from exports reached to \$65 million, with a 33% increase.

The new season showed more than 400% increases in both the quantity of exports and the value. As the exports reached 45,524 tons with a 446% increase between November 2012 and March 2013, the exports value reached \$143 million with a 406% increase. The exports in March soared by 626% on a year-on-year basis.

The report revealed that a 60% loss in Spain's olive oil production because of lack of rain had boosted Turkey's exports. The 95,000 tons of olive oil production hike in Italy and Greece could not fill the gap in the market, and the European Union's removal of the customs duty on Turkey's olive oil exports also helped Turkey. Despite the recent fall, Spain remains the largest olive oil producer in the world, followed by Italy, Greece, Tunisia, and Turkey. Fig. 5 and Fig. 6 summarize the competitive forces status.

2) Internal analysis

Table III (see Appendix) shows the strengths and weaknesses of the firm based on functional approach. In the table,

- The strengths are marked as (+)
- The weaknesses are marked as (-)

B. Competitive Advantages and Success Factors

Table IV (see Appendix) is a comparison of the firm with main competitor and industry average that ends up with competitive advantages and success factors of the firm, which are shown in Table V (see Appendix).

C. Scenarios and Opportunities

1) Positive and negative scenarios for industry

Based on the outcome of environmental analysis, the concluded positive and negative scenarios for the olive oil industry are described as follows:

Positive scenarios:

- Expectations on the change in lifestyles will continue and healthier lifestyles have become more of an issue.

Therefore, educational level, awareness, and demand on organic and natural products will increase.

- People who can afford high prices and superior tasting olive oil will increase.
- Due to the high potentials of olive oil exporting, incentives and laws against monopolization will continue. Turkey has approximately 5% market share in world olive oil production. The statistics show that demand for olive oil in emerging markets has grown at a rate of over 13% since 2007, and such double-digit growth is expected to continue at least for the next 5 years. Accordingly, by considering the increasing trend of olive oil demand, Turkey has the potential to increase its market share as well.

Negative scenarios:

- Rich soil shortages may cause negative impacts on the additional supply of olive trees and quality of products. In addition, climate changes and water shortages may negatively affect production.
- Due to the current negative political and economic conditions, the businesses may become more volatile.

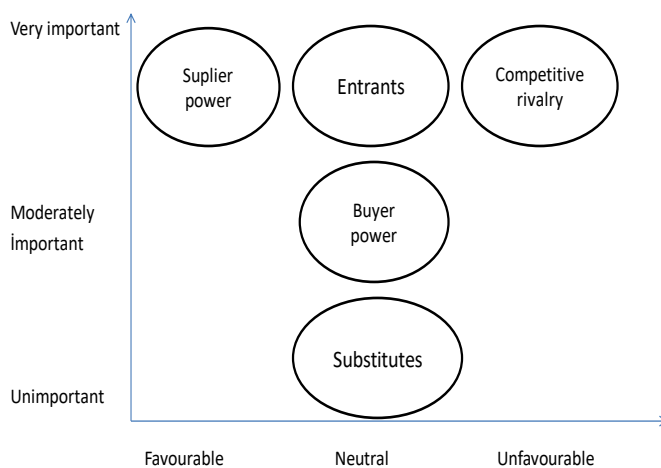


Fig. 5. Competitive forces.

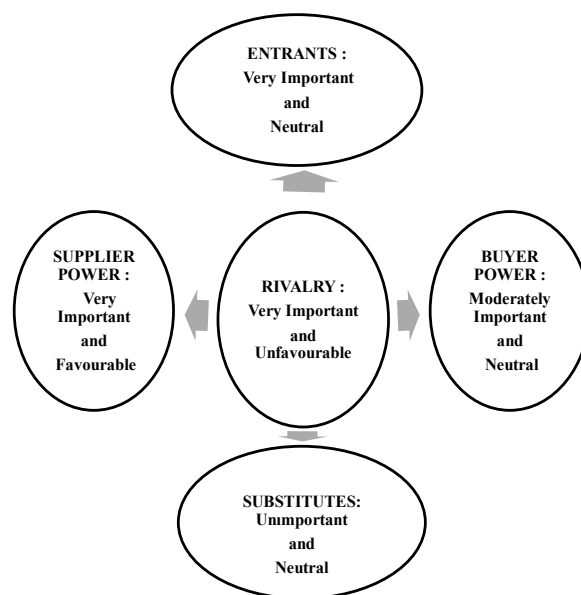


Fig. 6. Competitive forces status.

2) Business opportunity

People who can afford high prices and superior tasting and highest-quality olive oil will increase, and this niche market will be met by strong management skills, specialized product and service performances, and effective distribution channels. Fig. 7 shows the Big Bang and Milky Way as business opportunities.

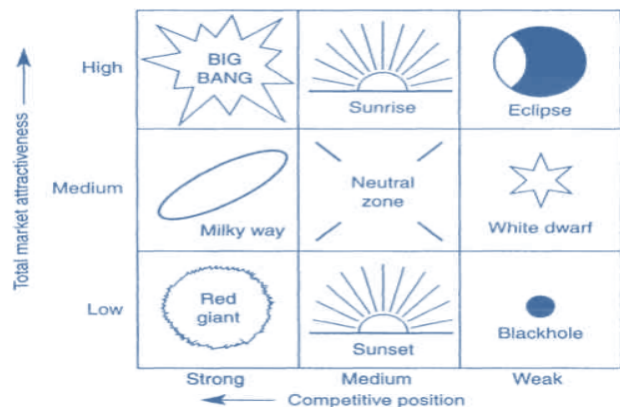


Fig. 7. Business opportunities.

D. Main Goals and Main Strategies

1) Main goals

Based on the determined opportunities of Natural Food, the following main goals are set.

- Providing services to specific and high-level customers with highest-quality products;
- Producing highest-quality natural olive oil by unique and innovative production processes;
- Contributing sustainability in ecologic life via clean production processes;
- Satisfying higher needs of people who search for gusto;
- Being an exporter;
- Providing employees meaningful working life;
- Working with best employees;
- Improving employees' self-esteem and training them to get maximum productivity;
- Improving R&D activities.

2) Main strategies

Providing high-priced products to high-level consumers who search for gusto and natural olive oil. Table I shows the differentiation focusing as a strategy. Changing consumption

styles of high-level customers who search for gusto by new product and service concepts. Table II shows the product development as a strategy.

TABLE I: COMPONENTS OF STRATEGY

	Competitive Advantage	
Scope	Low Cost	Differentiation
Broad	1. Cost Leadership	2. Differentiation
Narrow	3a. Cost Focus	3b. Differentiation Focus

TABLE II: GENERIC COMPETITIVE STRATEGIES

Product \ Market	Present	New
Present	Market Penetration	Product Development
New	Market Development	Diversification

IV. CONCLUSION

The aim of Systematic Strategic Planning (SSP) is to force a consider the future and therefore provides an opportunity to influence the future, or assume a proactive posture, to provide better awareness of needs and environment, to help define and focus on the objectives of the organization. SSP—shortened version consists of a pattern of six steps for straight forward planning, and the three fundamentals (competitive advantages, scenarios and strategies) involved in any strategic planning project. The use of shortened SSP version is more suitable for the development of strategic plans for small- and medium-size businesses.

SSP has been applied to and tested on different businesses' subject issue and has been generated by the composition of the cause-and-effect relations of them.

Here, we have provided a new perspective and benefit for the strategic planners by introducing the newly generated shortened version of SSP and demonstrating its implementation on an entrepreneurial and new business called Natural Food. This will help SSP users to easily understand and apply this new methodology to any small- and medium-size businesses' strategic planning project.

Though, the given case did not cover all the steps of a typical systematic strategic plan and use all the recommended techniques, it still reflected the basics. Some of the special working forms, in the forms of key documents and output, were used in applying the techniques in each step of the SSP pattern on the given case.

APPENDIX

TABLE III: FUNCTIONAL APPROACH WORKSHEET

	Factors	Strengths/Weaknesses
Marketing	Firm's products /services; breadth of product line	-
	Concentration of sales in a few products or to a few customers	-
	Ability to gather needed information about markets	+
	Market share or submarket shares	-
	Product / service mix and expansion potential	+
	Channels of distribution: number, coverage and control	-
	Effective sales organization	-
	Product / service image, reputation and quality	-
	Imaginative, efficient and effective sales promotion and advertising	+
	Pricing strategy and pricing flexibility	-
	Procedures for digesting market feedback and developing new products, services or markets	+
	After-sale service and follow up	+
	Goodwill/brand loyalty	-
	Finance & Accounting	Ability to raise short-term capital
Ability to raise long-term capital: debt/equity		-
Corporate-level resources		-

<i>Cont. of Table III</i>		
	Cost of capital relative to industry and competitors	+
	Tax considerations	-
	Relations with owners, investors and stockholders	-
	Leverage positions	+
	Cost of entry and barriers to entry	+
	Price-earnings ratio	-
	Working capital; flexibility of capital structure	-
	Effective cost control, ability to reduce costs	-
	Financial size	-
	Efficient and effective accounting system for cost, budget and profit planning	+
Production/ Operations/Technical	Raw materials cost and availability	+
	Inventory control systems; inventory turnover	+
	Location of facilities; layout and utilization of facilities	+
	Economies of scale	-
	Technical efficiency of facilities and utilization of capacity	+
	Effective use of subcontracting	+
	Degree of vertical integration, value added and profit margin	-
	Efficiency and cost / benefit of equipment	+
	Effective operation control procedures	+
	Cost and technological competencies relative to industry and competitors	+
	Research and development/technology/innovation	+
Patents, trademarks and similar legal protection	+	
Personnel	Management personnel	+
	Employees' skill and morale	+
	Labor relations cost compared to industry and competition	-
	Efficient and effective personnel policies	+
	Effective use of incentives to motivate performance	+
	Ability to level peaks and valleys of employment	+
	Employee turnover and absenteeism	-
Organization /General Management	Specialized skills	+
	Experience	+
	Organizational structure	+
	Firm's image and prestige	-
	Firm's record for achieving objectives	-
	Organization of communication system	+
	Overall organizational control system	+
	Organizational climate, culture	+
	Use of systematic procedures and techniques in decision making	+
Top-management skill, capacities and interest	+	
Strategic planning system	+	
Interorganizational synergy	+	

TABLE IV: COMPARISON TABLE

Factors		Natural	Main Comp.	Industry	
Marketing	Firm's products /services; breadth of product line	-	-	-	
	Concentration of sales in a few products or to a few customers	-	-	-	
	Ability to gather needed information about markets	+	+	-	
	Market share or submarket shares	-	-	-	
	Product / service mix and expansion potential	+	+	-	
	Channels of distribution: number, coverage and control	-	-	-	
	Effective sales organization	-	-	-	
	Product / service image, reputation and quality	-	+	-	
	Imaginative, efficient and effective sales promotion and advertising	+	-	-	
	Pricing strategy and pricing flexibility	-	-	+	
	Procedures for digesting market feedback and developing new products, services or markets	+	+	-	
	After-sale service and follow up	+	-	-	
	Goodwill/brand loyalty	-	-	-	
	Finance & Accounting	Ability to raise short-term capital	+	+	+
		Ability to raise long-term capital: debt/equity	-	+	-
Corporate-level resources		-	-	-	
Cost of capital relative to industry and competitors		+	+	-	
Tax considerations		-	-	-	
Relations with owners, investors and stockholders		-	-	-	
Leverage positions		+	+	-	
Cost of entry and barriers to entry		+	+	-	
Price-earnings ratio		-	+	-	
Working capital; flexibility of capital structure		-	+	-	
Effective cost control, ability to reduce costs		-	+	-	
Financial size	-	-	-		
Efficient and effective accounting system for cost, budget and profit planning	+	-	-		
Production/ Technical	Raw materials cost and availability	+	+	+	
	Inventory control systems; inventory turnover	+	-	-	
	Location of facilities; layout and utilization	+	+	+	
	Economies of scale	-	-	-	
	Technical efficiency of facilities and utilization of capacity	+	-	-	
	Effective use of subcontracting	+	+	+	
	Degree of vertical integration, value added and profit margin	-	-	-	
Efficiency and cost / benefit of equipment	+	-	-		
Effective operation control procedures	+	-	-		

Cont. of Table IV			
	Cost and technological competencies relative to industry and competitors	+	-
	Research and development/technology/innovation	+	-
	Patents, trademarks and similar	+	-
Personnel	Management personnel	+	+
	Employees' skill and morale	+	-
	Labor relations cost compared to industry and competition	-	+
	Efficient and effective personnel policies	+	-
	Effective use of incentives to motivate performance	+	-
	Ability to level peaks and valleys of employment	+	-
	Employee turnover and absenteeism	-	+
Organization of General Management	Specialized skills	+	-
	Experience	+	+
	Organizational structure	+	-
	Firm's image and prestige	-	+
	Firm's record for achieving objectives	-	+
	Organization of communication system	+	-
	Overall organizational control system	+	-
	Organizational climate, culture	+	+
	Use of systematic procedures and techniques	+	-
	Top-management skill, capacities and interest	+	+
	Strategic planning system	+	-
Interorganizational synergy	+	+	

TABLE V: COMPETITIVE ADVANTAGES AND SUCCESS FACTORS

	Factors	Competitive Advantages	Success Factors
Organization of General Management	1. Flexible and horizontal relations facilitate decision making		
	2. Participatory and sharing management		
	3. Broad investment vision		
	4. Prestigious company name		
	5. Experienced management staff undertaking responsibilities		
	6. Strategic planning	+	
Personnel	1. Competent, experienced and responsible staff		+
	2. Qualified and young labor force	+	
	3. Specialized staff	+	
Production & Technical	1. Ease of raw material supply		+
	2. Good supplier relations		
	3. Registered trademarks	+	
	4. Effective use of subcontractors		+
	5. Cost and technological competencies relative to industry and competitors	+	
	6. Production control procedures	+	
	7. Effective quality control	+	
	8. Vertical integration		
	9. Technical team competence	+	
	10. Product development capacity	+	
	11. Development potential of products	+	
Marketing	1. Product diversity		
	2. Market leader		
	3. Pre-sales application service	+	
	4. Qualification and competence in distribution channels		
	5. Quality and branded products		
	6. Technical support department		
	7. Strong references		
Finance & Accounting	1. Automation and integration through system investments, resulting in effective accounting, costing and budgeting	+	
	2. Effective cost control		
	3. High credibility		
	4. Positive communication with shareholders, strong shareholder		
	5. High equity profitability		
	6. High working capital ratio		
	7. High profit margin	+	

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