
THE IMPORTANCE OF GE TOOL IN CHOOSING AND ASSESSING BUSINESS STRATEGY

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Abstract: The purpose of this paper is to recognize the importance of future forecasting, namely the process of strategic formulation (evaluation and selection of strategic alternatives), and the impact that this dimension can have in our business. However, during the compilation of this research, a number of research methods and studies have been used on applying evaluation techniques and selecting the strategy as an IE matrix, in international companies and application opportunities in Kosovo businesses. The study focuses on ways of strategic planning in local enterprises, their impact and results achieved. What this research tries to highlight is the ability to apply dimensions of the IE matrix and the correlation between matrix boxes and businesses. The model of this paper will include studies of international and local cases in order to derive an empirical analysis of data, where matrices will represent how we use strategic issues and how we strive to predict future and competitiveness. Regarding the concept of forecasting and competition, this segment is very dynamic and turbulent that the changes are visible, so through these techniques we will try to identify the environment and the ways of evaluating it. Therefore, the size of strategic management is a necessary and vital field for companies to plan their future and foresee the environment in which they operate so that their movements and actions can be realized with a loyal and honest competition.

Keywords: Competition, assessment – choose and posture.

INTRODUCTION

This paper (research), has been developed on a broad knowledge base and numerous practical cases developed by various world authors. During the preparation of this paper, a series of methods have been used in searching for ways of applying these matrices to local businesses. Since the Strategic Management process, respectively the formulation phase, is of great importance will have a direct impact on the growth of the firm and what the firm wants to be in the future (competitive positioning). The purpose of the development and the ways of the foreseeable future does not just mean to be strategic as a theoretical concept, but it also combines in itself the integration of the structure with the strategy such as: R&D (Research and Development), Human Resources, Marketing, Finance and MIS (Management Information System). Therefore, the research will not only concentrate on a single segment in how to formulate a strategic activity but also in other dimensions such as the ways of applying matrices, their strategic management impact on a firm, the correlation and the results of this mathematical approach. These data will be derived from matrix variables that they focus on financial variables such as financial strength, competitive stability, environmental stability and competitive advantages, variables of the GE matrix. A very important element is that firms need to identify their strategic positions and the competitiveness they have throughout the industry. Through these empirical values derived from this research is a continuation of their graphical representation of companies scattered throughout the industry. The concept of competitive rivalry refers to all strategic firms that try to position themselves in a branch or to be leaders of that field. Also the purpose of this research is how firms make their business strategies as they identify and evaluate those external and internal factors as they try to increase their opportunities and strengths in a way that reduces weaknesses and eliminates risks.

LITERATURE REVIEW

The concept of the strategy is described here as external organizational development that has contributed by a number of scholars. *While Reilley* (1955), and *Kline* (1955), who belong to the earliest authors who applied the term "strategy rating", and this is a comparable idea to the business plan, and the first is well articulated in the description (1957), *Chandler* (1962), *Tille's* (1963), *Learned et al.* (1965), and *Ansoff* (1965), as the mechanism for adapting the organization to its environment. However, *Chandler* sees it as an environmental intervention and organizational structure, and *Selznik* sees it as a "mission", as essential to organizational leadership as part of strategic formulation and evaluation. *Rumelt* in the 1980s, "The strategy is creating situations for economic rents and finding ways to support them, namely any trustworthy position, whether it is competitive or not, but many limitations of these

techniques are”, however, manifested by *Hunger* and *Wheelen, Barret* and *Wilstead, Thompson* and *Strickland* and *Dyson*. In recent writings of his modified theory, *Kirzner* (1997, 1999) also includes leadership qualities, which does not imply that competitors see what others see, but to be willing and able to see and do what others can do, so the end result is some differences and this will affect the outcome of the method and an adaptability of the company's strategy in evaluation. , there is a growing literature in the area of strategic management, as well as in the overall negotiation process, which the strategy in this way and focuses attention on the most dynamic and competitive aspects. Strategy is a position - specifically, a means of finding an organization in what the organization's theorists like to call the "environment". With this definition, the strategy becomes mediating force - or "match", according to *Hofer* and *Schende* - between organization and the environment, namely, between the internal and external context. According to *Pearce* and *Robinson's* approach, strategic management involves formulating strategies and implementing them as a way of achieving the goals of the organization. This approach implies that the formulation phase is the key stage of this process, which is distinguished as strategic thinking, which is, however, the first and most fundamental step in strategic management. The formulation under the stage where our permissions are cast as a form of anticipation to achieve in reality, which means that we have the tendencies to convert our formalized plans into arguments and facts which will actually send our organization to the point where we wish and always realize our goals and our organizational objectives. According to *Higgins* and *Vincze*, a possible strategic management model would start from formulating the organization's vision, mission and development basement goals on internal and external analysis and forecasting of the inner and outer environment. Starting from this point of view we can say that the formulation of the vision implies the goal of the whole organization which has its vision of achieving and for what is oriented to the function in the market. The vision is one of the most fundamental elements of a strategy, because it implies the position of the country where it is and where it wants to go in the future. The mission of the organization expresses the very existence of the organization for what purpose it operates in the market and where its importance makes it different from other organizations; the mission of the organization explains the creativity itself for what the company was founded. While the goals are those aspirations that the organization strives to achieve and are those tasks that it strives to bring to the market to meet a demand or consumer need. The goals are linked to the mission and the vision because they, besides contributing to the fulfillment of consumer requirements, are also factors that help the organization gain a good name and prestige in the industry. Strategic management is of great importance for the development of a business and for its success in increasingly fierce competition. Business challenges have imposed the need for managers of various companies to be careful during the strategic planning process and the implementation of key decisions in the organization. According to *Mintzberg* and *Quinn*, there are five dimensions (five Ps for strategy): a strategy like *a plan, a ploy, a pattern, a position* and *a perspective*. As a strategy plan is a formal written letter which implies a formulation of objectives and organizational goals designed in a model that foresees the possibility of achieving these elements that are designed for the organization itself. As a ploy, it indicates the way or its orientation on how it can be achieved and realized in the sense of its implement in the environment which brings us from once defects that we cannot anticipate after the changes in the environment are relevant we cannot have the opportunity to control nor even intervene to eliminate, except that we can adapt them if we are creative and those risks we convert to the opportunity to penetrate or even exploit as a hinge for positioning in the industry. As a pattern, we look at it because there are different templates for preparation and drafting of the strategy, which are sometimes known as formulas for formulating strategies that are also helpful in analyzing all the points that need to be considered. As a model means that the well-formulated strategy is a detailed plan and in this sense as a distinguished model as a strategy that meets all the components of the strategy-structure, but also of the external environment analysis indoors. The strategy as a position implies that in addition to the carefully analyzed plans, it also plays an important role in competitions that in science are referred to as competitive strategies or competitive rivalry. This gives us the understanding that strategy is a model where through our goals and organizational objectives we have to fulfill to meet a consumer need or demand; we have another segment that we imagine that is positioning in industry.

RESEARCH METHODOLOGY

Research on the survey will be carried out by the questionnaire used in Kosovo for SMEs businesses survey. However, this study will take all the data out of the questionnaire or empirical research which is a sample taken for SME development research purposes in Kosovo. The data will be qualitative and quantitative and that will be their detailed analysis in a way that firms will be given a good guidance to formulate strategies. These data will be

derived from matrix variables that they focus on financial variables such as financial strength, competitive stability, environmental stability and competitive advantages, variables those of the GE matrix. The methodology of this research process is based on the survey questionnaire and research questions that are structured with the purpose of extracting data in the relevant fields and the necessary variables on filling in the appropriate elements. This is a form of primary data gathering which means that they are collected by the researcher himself and are a direct representation sample because they imply the results obtained from the search case for the right reason that we have chosen the interview model through the representative, because of the importance of there is also the choice of methods for the data that we want to collect because they relate to research questions, but also to the context we have for research. Data collection is an instrument that assists and completes a research work on information, and in this paper the data are obtained on the basis of a structured research questionnaire where the data is expected to be qualitative, but their collection from the questionnaire will be quantitative. Then detailed data analysis will take place after their collection and the data is a qualitative continuum of information that will help you easily in assessing and setting the identification of strategic alternatives. Because in a form this model designed to collect research, data as an exact search model is used sample representation which is developed at a given time and which deals with many case studies including a wide range of information for which the python is used as a representation, seeing with a special focus that the data compares to each other, the search cases we have received. The whole set of questions that is compiled in the framework of the research is an open structure of questions for which the respondent has a fairly responsive answer and in what he thinks is a factice and realistic observation of the situation.

RESULTS

Internal Factor Evaluation (IFE)	Weight	Rate	Weight results
	0.0 – 1.0	1 - 4	
Strengths			
1. circulating capital of 5000000 euros in 2017	0.08	4	0.32
2. increase investment from 2017 to 2018 from € 3800000 to € 5000000	0.07	4	0.28
3. export growth in 2017 from that in 2016 1. (595000 to 770000 euro)	0.06	3	0.18
4. investments made in raw materials, cars, equipment, vehicles, land, etc in the amount of 7700000 euros in 2017	0.09	4	0.36
5. growth and development of the company's markets by 10% in 2107	0.08	4	0.32
6. the profit growth of the company as a retained profit is 70-80% of the working capital financing	0.09	4	0.36
7. the quality of the company's products	0.06	3	0.18
8. the market share and its market position somewhere near 40% in Kosovo	0.07	4	0.28
Weakness			
2. large exports abroad in 2017, only 10%	0.03	2	0.06
3. the staff lacks adequate qualifications for the sales segment and needs improvement	0.04	3	0.12
4. consultancy services are not so common for tracking innovations and trends	0.02	2	0.04
5. penetration in the markets outside Kosovo is a barrier to the company	0.05	3	0.15
6. the profitability of firms in general in the industry where Elkos operates is not that high	0.07	2	0.14
7. late start of export abroad 2016 (5%)	0.08	3	0.24
8. the opportunity to invest in other areas is also limited	0.06	4	0.24
9. lending conditions as an important source of funding are unsuitable for the company	0.05	2	0.10

IFE Total	1		3.37
External Factor Evaluation (EFE)	Weight	Rate	Weight results
	0.0 – 1.0	1 - 4	
Opportunities			
1. continued export growth is a priority on emerging markets	0.06	4	0.24
2. improving the quality of service	0.07	3	0.21
3. innovation with new products being introduced into the market (2 - 3 types)	0.08	2	0.16
4. penetration in international markets is a challenge for the company	0.09	3	0.27
5. well-qualified management staff for strategic planning	0.05	4	0.20
6. the use of larger volume consultancy will be profitable	0.04	2	0.08
7. the importance of certification of employees of the company	0.04	3	0.09
8. investments in other areas would also be profitable for the company	0.02	2	0.04
Threats			
1. great and loyal competition is a dangerous factor	0.07	3	0.21
2. high taxes are a major obstacle to the company	0.05	4	0.20
3. corruption, tax evasion and informal economy, crime, theft, etc.	0.09	4	0.37
4. non political stability, lack of market information, and payment delays for the company	0.08	3	0.24
5. laws and legislation in force that operate within the state	0.07	4	0.28
6. the qualifications and experience of managerial staff is indispensable	0.08	3	0.24
7. high taxes from the tax administration in profit give rise to a risk for the company	0.06	3	0.18
8. wars, inter-communal reciprocity, world financial crises, etc.	0.05	2	0.10
EFE Total	1		3.10

Table 1. GE Matrix

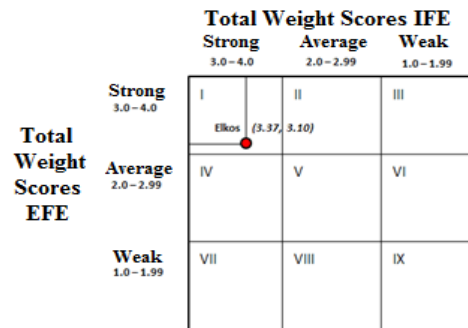


Fig 1. Graphic of GE Matrix

The results: "The attractiveness of Coca Cola and Elkos?", Given the fact that the companies listed above and the markets where they operate in can say that Elkos operates in a much smaller market than Coca Cola, but referring to

the terms of the content there are many similarities in terms of market penetration as Coca Cola has used intensive strategies. "What is the rivalry and competition facing Elkos?" The industry that Elkos operates and operates proves to be facing a very dynamic competition and market where it is performing every day and with many new developments and trends. The results from the dimensions are showing that its empowerment is growing rather than taking into account its intensity in the branch and also its market stability reaching somewhere close to 40% coverage at the country level. The values derived from this case study are due to the questionnaire and the values obtained from the respondents that have proved to be very effective and effective. Just as IE matrix in the case of Coca Cola and Elkos is built with the same criteria and has given us a firm concentric in a division where each firm aspires to be the dimension "grow and build". Dimension values are $IFE = 3.37$ and $EFE = 3.10$, the values that give the firm a very good position on the quadrature I, and which determines that the firm is in excellent state of operation in the industry. Therefore, the firm pursues these strategies in this division known as intense strategies: market penetration, market development and product development and integration strategies in types.

CONCLUSIONS

Conclusions are the almost final step on the research work that we can draw from the case study. 'How are the hypotheses reached in this work?' Regarding the achievement of the hypotheses mentioned at the entrance, we can say that they stand, because with their application a new orientation has been taken to use the formulation and forecast of the firm's future. The more detailed this application is and the better the evaluation of the factors and constituent components of these matrices comes to the conclusion that the higher will be the result of the strategic impact. It is therefore proven that by using IE matrices, the firm assists in occupying a strategic position in creating the competitive advantages and distinctive abilities that a firm's past helps to boost it and develop its entrepreneurship. 'How matrix data are correlated?' Based on the questionnaire received and data extracted from the case study Elkos we can say with full responsibility that they have an excellent and integrative harmony between our matrices and businesses by providing the aspect of correlation and interconnection between factors and constituent variables matrices and businesses in Kosovo. All the data in the questionnaire and then presented in the tables as empirical analysis demonstrate the compactness these two segments have between themselves. The conclusions reached by this study are that the firm as a case study has a good and stable positioning from GE matrix, but from the previous one we had another consensus. 'Evaluating results?' From the research sample, it emerges that these matrices as important managerial tools are relatively new to our market, respectively unrecognized, but both projections have yielded good results in future forecasting ways. From this we conclude that these decision making techniques have reflected the firm on another dimension of concentration in the market, which appears to be more effective than other environmental forecasting methods. 'Position and results?' According to GE Matrix, the firm appears to be aggressive and powerful in the industry, which in the past from their traditional analysis seems to be more competitive in terms of placement and concentration. As far as IE is concerned, this is almost used relatively as GE in certain dimensions, but shows a concentration in Division I, which is "grown and build" in a strong competition and rivalry in the industry. From these achievements and concentrations they have in the industry, we can conclude that the results are effective and very good in terms of strategic position and rival competition. The bigger conclusion is the integration of these techniques in the design of strategies, the greater the outcome of the firms themselves in terms of profit.

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