Strategic Planning in Iran Milk Industries

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Abstract: The main purpose of the research is to identify appropriate strategies of Isfahan Pegah CO. Pasteurized milk. The secondary objectives of this research are to identify opportunities, threats, strengths and weaknesses. A statically populations include mangers, deputies and heads of various departments in Isfahan Pegah milk company in 2009. A survey method was applied and questionnaire was used as the instrument of data collection. Validity of the data collection instruments is verified through face validity method and their reliability is determined through Cronbach's alpha which equals to 0.950. Data analysis was performed by using normalization. Results reveled that the major strategies of organization which have been chosen as the main strategy include: market penetration, greater product diversification and development of markets.

Key words: Strategic planning ⋅ Strategic planning model of David ⋅ SWOT matrix ⋅ A quantitative strategic planning (QSPM)

INTRODUCTION

Today, organizations are faced with a restive and turbulent environment. Environmental threats from all sides put the life and survival of organizations in danger. Organizations should identify their current position, precisely analyze their strengths and weaknesses and by relying on their strengths use the environmental opportunities and prepare themselves for the threats [1]. The dairy industry, which is among the main ones in food industry, is faced with numerous issues and problems directly or indirectly. While the possibility of influence on the influential factors in the outside of organization is limited, with careful and comprehensive analysis we can have knowledge from within the plan to promote the performance of Pegah milk company, which is among the companies of Iran Milk Industries. This company needs to develop and implement effective and efficient planning and management program in order to obtain more awareness from inside and outside of the organization and promote its current position among competitor and also to achieve the goals of Iran Milk Industries company for its strategic plan.

The importance of the study is the institutionalization of the company's strategic plane through which the organization can take advantage of particular interest. The dairy industry has such interest and takes steps for profitability, increasing the capital of stock holder and obtaining consent of other stock holders. The food industry of the country is becoming tighter and tighter every day and transition from this condition needs long-term program. This is according to the lofty position of Isfahan Pegah Co. Pasteurized milk and also is due to the absence of a compiled and written program to suit with the current changing conditions on how to perform activities in the coming years. Moreover, it should be considered that this competition is because of to the varied and numerous activities. The investigator decided to study about the company's strategic plan and ultimately develop the SWOT model based on it. It can be expected from the results of the current study that the production and processing of dairy products and its quality take advantages of particular interests, such as growth and health promotion of society, increase of employment and upgrading the status of dairy industry, providing domestic needs and the growth of national self-sufficiency, enhancement of competitiveness at home and abroad and finally increasing export to other countries.

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MATERIAL AND METHODS

The Method of Data Analysis: The present research is descriptive survey method. The obtained data of this research are assessed quantitatively and qualitatively. The quantitative methods include descriptive statistics such as frequency table and mean, normalization Cronbach's alpha and tools like matrix, assessment of inside factors, assessment of inside factors matrix, the matrix of strengths, weaknesses, opportunities and threats, assessment of internal and external factors matrix, assessment of situation and strategic action matrix and finally quantitative strategic planning matrix. Qualitative analysis methods include interview, brain storming, the method of nominal group and the meeting of exports.

Strategic Planning: There are several definitions presented for strategic planning. The following are some of them:

In Webster's dictionary the word 'strategy' is defined as: the knowledge and art of using political, economical, spiritual and military powers of a nation or group of nations for maximum support from adopting policies in war or peace [2]. Andrews believes that 'strategy' is "the pattern of the intentions, purpose, goals, the main policies & planning's for gaining goals" [3].

\William Newman and his colleague write:

Strategy, the long term program of the organization, presents concepts for diagnosis and differentiation of organization from others, consolidates all units and enterprise- classes and sets the tie of the organization with inside and outside space of the organization [4].

According to the presented definitions the meaning of 'strategic planning' is the planning that can:

- Put organization in a higher position than its competitors,
- Enforce people to operate and provide report,
- Activate creative force of employees and attract their commitment,
- Have a major impact on the market [5].

These criterion features are consistent with the definition of Ansef [4].

Strategy Components: A well- designed strategy consists of five parts or five sets of issue:

Territory: The territory of an organization is the domain of it s strategic scope.

Overall and Operational Goals: Strategies should also determine exactly the desired levels of achievements based on one or more dimensions of performance.

- Every organization has limited financial and human resources that decision should be made about allocation and acquisition of the resources.
- To achieve a particular advantage over existing and potential competitors, managers should review available distinctive opportunities and company's distinctive competence compared to the rivals.
- Synergistic: It exists when activities, market-products, the way of allocation of resources and competencies of company enforce complement each other [16].

Types of Strategic Planning:
Strategic Planning: In this planning the objectives and outline of the organization's mission is determined for long- running.

Tactical Planning: The process by which managers picture a set of activities related to the implementation of a strategy.

Operational planning: In this type of planning short-term and daily objectives of the organization is determined.

Perspectives on the Strategic Planning: Strategic planning helps organizations to have an image of their industry and organization and also can recognize any change in the time required to obtain [7]. The most important feature of strategic planning lies in the team work nature. It is due to the fact that faith and belief in teamwork are formed with such a process and teamwork. What's more, people involved in this process find a sense of ownership and belonging to it [8]. Planning process occurs mostly when the planning team members focus on a fit between available resources, emerged and developed opportunities, explain program content and finally goals and means to achieve it [9, 10]. The process of strategic planning made managers assess the logical consequences between allocation of resources and selection of appropriate performance indicators [11]. Many approaches and techniques can be used in strategic analysis such as Hill and Jones strategic planning, Pierce and Robinson model of strategic planning, Harrison and John model of strategic planning, David model of strategic

Table 1: Comprehensive framework of strategy compilation (David, 2009)

	Start stage	
Providing organization vision & mission statement		
	Input stage	
External factors evaluation matrix (EFE)		Internal factors evaluation matrix (IFE)
	Matching stage	
SPACE matrix	IE matrix	SWOT matrix
	Decision satge	
	QSPM matrix	

planning, Boston consulting group model, or the porter or the GE model that was introduced by General Electric Company [12]. But among these techniques David strategic planning model in comparison with Hill model is more comprehensive.

This research is based on David model of strategic planning since this method is among the commonest and most superior methods of strategic planning. It was attempted in this study to verify the study based on it [13].

Comprehensive Framework for the Compilation of Strategy: The strategy chosen for this study for the compilation of strategy in Pegah Milk Company of Isfahan is Fered R David model. Based on this model it can be possible to include important methods of strategy compilation in a framework of decision making.

The tools and methods presented in this framework are suitable for a variety of organizations and can help executives to identify, evaluate and select strategy (Table 1).

The Steps of Compilation of Strategic Planning Based on David Model
Starting Stage: In this stage, the organization's mission and vision get determined and the statement of mission and vision get prepared.

Input Stage: This stage includes internal factors evaluation matrix (IFE), the matrix of competition (CPM) and external factors evaluation matrix (EFE). The basic information needed for the strategy is determined in this stage.

Matching Stage: In this stage the types of possible strategies are attended and a balance occurred between major internal and external factors.

The Methods and Tools Used in this Phase: The matrix of strengths, weaknesses opportunities, threats (SWOT), strategic position and action evaluation matrix (SPACE), the matrix of internal and external factors (IE) and the matrix of original strategy.

Decision Stage: At this stage only a unique approach, i.e. quantitative strategic matrix (QSPM) is used. In using all methods in this framework, it should be necessary to consider the integration of intuitive judgment and reasonable analysis [13].

Implementation of David Strategic Planning Model
Input Stage: In this stage, at first external factors (opportunities and threats) and also internal factors (strengths and weaknesses) are specified according to the Table 2-3-8 after determination of coefficient importance and ranking through normalization, the final grade of each of them is calculated. (Table2).

In the compilation of external factors evaluation matrix to calculate the coefficient importance of external strategic factors through normalization method, the total score of each of external strategic factors (opportunities and threats), which obtained from received questionnaire, is divided to the total score of external strategic factors. As a result, the coefficient importance of each factor is determined.

In order to determine the rank of external strategic factors the following formula should be used:

X = The point of each strategic opportunity.
Y = The point of each strategic threat.

Given the high importance of all factors into account and that the received points are higher than the average number 96, the number 130 was determined as an index based on the expert's view.

In the compilation of internal factors evaluation matrix, the calculation of coefficient method and rank of internal factors are done like the calculation method for external factors (Table 3).

Matching Stage: At this stage, SWOT matrix and the matrix of external / internal factors for IE and also evaluation strategic position matrix (SPACE), are compiled and its table is available in following.

SWOT Analysis Matrix (SWOT): In the analysis of SWOT, external and internal factors are studied in order to specify the organization strengths, weaknesses,

Table 2: External factors evaluation matrix (EFE)

Row	Opportunities	Coefficient important (0-1)	Rank (3-4)	Final grade (coefficient* Rank)
O1	The existence of exporting areas &growing markets in target counties	0.05772	4	0.231
O2	Government support of exports	0.04802	3	0.1441
O3	A change in the consumers taste & increase the culture of dairy consumption	0.04841	3	0.1452
O4	Substantial market share in comparison with competitors	0.05695	4	0.2278
O5	Positive community attitudes toward products.	0.05267	4	0.2107
O6	Ability to use Pegah reputable brand	0.0577	4	0.231
O7	Supportive government policies to increase production of raw milk	0.0442	3	0.1324
O8	Lack of substitute goods in the consumption basket of household.	0.055	4	0.22
O9	The cooperation of reputable suppliers of row milk	0.05075	4	0.203
Row	Threat	Coefficient importance (0-1)	Rank (1-2)	Grade (coefficient* rank)
T1	Inflation increase followed by subsides removal policies	0.05228	1	0.05228
T2	The reduction of purchasing power of the middle classes of society	0.05422	1	0.05422
T3	Country sanctiori & occurrence of the problems in providing of equipments, parts &technology transfer	0.04608	2	0.09216
T4	Rapidly changing technology in the dairy industry in the world & Iran	0.05035	1	0.05035
T5	Improper allocation of subsides by the government in milk& livestock industry of the country	0.03912	2	0.07824
T6	Low profit margins of the retailers in comparison	0.04376	2	0.08752
T7	Production of new & variegated products by competitors (variety in products type & packaging)	0.05732	1	0.05732
T8	The emergence of new competitors	0.05422	1	0.05422
T9	Limitation of supplier of raw milk	0.04066	2	0.08132
T10	Changes in the amount, quality, &price of the row milk provided by livestock, in different time of year	0.04763	2	0.09526
T11	The reduction of world price of dairy & important of some of the dairy products with low price	0.04299	2	0.086
Total external factor	1	----------	2.53	

Table 3: Organization internal factors evaluation matrix (IFE)

Row	Strengths & weaknesses	Coefficient importance (0-1)	Rank (1-4)	Grade (coefficient* rank)
S1	Having qualified & experienced human re source at all levels	0.0507	4	0.2028
S2	Ability to export(country superior exporter in the dairy industry	0.0521	4	0.2084
S3	Possibility to use operational & production free capacity	0.0485	4	0.194
S4	Having the capacity to obtain high market share	0.0506	4	0.2024
S5	Ability to produce side food production	0.0442	3	0.1326
S6	Competitive price	0.0435	3	0.1305
S7	Using updates equipment & technology	0.0499	4	0.1996
S8	Implementation & made practical the policies for cutting costs (energy)	0.0449	3	0.1348
S9	High quality of the products	0.0514	4	0.2054
S10	Large variety of products in comparison with any competitors	0.0435	3	0.1305
S11	Implementation & made practical the new planes of research & development unit	0.0435	3	0.1305
S12	Effective internal information system (NET)	0.478	4	0.191
S13	Having adequate financial resources	0.0525	4	0.2097
W1	Organizational chart & processes	0.0474	2	0.0949
W2	Weakness in the advertising, marketing & market research	0.051	1	0.051
W3	The weakness of dealing system	0.0549	1	0.0549
W4	The weakness of storage system	0.0446	2	0.0892
W5	The limitation of pricing system	0.0514	1	0.0514
W6	Lack of planning for ongoing training to update staff knowledge	0.0435	2	0.087
W7	Low labor productivity	0.428	2	0.0856
W8	Reduction in staff motivation & satisfaction	0.0414	2	0.0827
Total internal factors	1	-----	2.87	

Table 4: Organization strength, weaknesses, opportunities & threats matrix (SWOT)

Opportunities & threats matrix SWOT	Strengths:	Weaknesses:
	S1- having qualified & experienced human resources at all levels	W1- Organizational chart & processes
	S2- ability to export(country superior exporter in the dairy industry)	W2- Weakness in the advertising, marketing & market research
	S3- possibility to use operational & production free capacity	W3- The weakness of dealing system
	S4- Having the capacity to obtain high market share	W4- The weakness of storage system
	S5- ability to produce side food production	W5- The limitation of pricing system
	S6- competitive price	W6- lack of planning for ongoing training to update staff knowledge
	S7- using updates equipment & technology	W7- low labor productivity
	S8- implementation & mad practical the policies for cutting costs(energy)	W8- reduction in staff motivation & satisfaction
	S9- high quality of the products	
	S10- large variety of product in comparison with any competitors	
	S11- implementation & made practical the new planes of resource & development unit	
	S12- effective internal information system(NET)	
	S13- Having adequate financial resource	
Opportunities:	**So strategy (Aggressive):**	**WO strategy (conservative):**
O1- The existence of exporting areas & growing markets in target countries.	1-market penetration	1-implementating appropriate program to improve organization efficiency
O2-government support of exports	2- greater of diversion of products	3- considering appropriate educational program to enhance staff knowledge
O3- a change in the consumers taste & increase the culture of dairy consumption	3- expansion of target markets	4- Development of advertising & marketing activities
O4- substantial market share in comparison with competitors		
O5- positive community attitudes toward products		
O6- Ability to use Pegah reputable brand		
O7- supportive government policies to increase production of raw milk		
O8- lake of substitute goods in the consumption basket of house holds		
3O9- the cooperation of reputable supplier of raw milk		
	ST strategy (competitive):	**WT strategy (defensive):**
	1-market penetration	1-focuse on the products that have higher profit
	2- greater diversification of products	2-production of new products according to the spcific market needs
	3- creating a chain of strong partnerships with dairy companies	3- merge with other companies of Iran milk industries
	4- purchase of rival firms that have specific benefits	
Threat:		
T1- inflation increase followed by subsides removal policies		
T2- The reduction of the purchasing power of the middle classes of society		
T3- country sanction & occurrence of the problem in providing of equipments, part & technology transfer		
T4- rapidly changing technology in the dairy industry in the world & Iran		
T5- improper allocation of subside by the government in milk & livestock industry of the country		
T6- low profit margins of the retailers in comparison with competitors		
T7- production of new &variegated products by competitors (variety in products type & packaging)		
T8- The emergence of new competitors		
T9- limitation of suppliers of raw milk		
T10- changes in the amount, quality & price of the row milk provided by livestock, in different time of year		
T11- the reduction of world price of dairy & import of some of the dairy products with low price		

Table 5: Organization strategic position evaluation table (SPACE)

Financial strength(FS)	Score	Mean
Pricing system	3	3.71
Take advantage of financial resource	1	
Having adequate financial recourse	4	
Policies to reduce costs	5	
The operational capabilities that are not used	4	
Financial leverage	5	
Cash flows	4	
Environmental stability	**Score**	**Mean**
Rapidly changing technology in the dairy industry	-4	-3.44
Appropriate export markets	-3	
Government support of exports	-3	
The high rate of inflation	-4	
The emergence of new competitors	-4	
Supportive government policies to increase production of row milk	-4	
Country sanction & problems in providing equipment & technology transfer	-5	
Demand elasticity of price	-3	
Changes in demand (improvement of consumption culture)	-1	
Total score for financial strength & stability of the environment	**0.27**	
Industry strength(IS)	**Score**	**Mean**
Financial stability	4	4.43
Necessary skills in technology	5	
Efficient use of capacity	4	
The profitability	4	
Ability to export(Country superior export)	5	
Ease of market entry	4	
Capital accumulation	5	
Competitive advantage (CA)	**Score**	**Mean**
	-3	-3.11
Quality of the product	-2	
The difficulty of switching suppliers	-4	
Low profit margins of the retailers	-4	
Advertisement	-3	
High levels of exports	-3	
Large variety of product	-2	
Having capillary distribution system	-3	
The cooperation of reputable suppliers of raw milk	-4	
Total score of IS & CA	**1.32**	

opportunities and threats in future and compiling better strategy to have confrontation with them [14] (Table4).

Internal and External Matrix (IE): Internal and external matrix is a simple analytical framework that is based on the final summary of internal and external factors (IFE, EFE) evaluation table and can specify appropriate strategy for the organization [15]. Based on the result of the analysis and evaluation of internal factors (IFE) and external factors (EFE) of the organization, the following results were obtained:

- Final grade of internal factors evaluation matrix (IFE): 2.87
- Final grade of external factors evaluation matrix (EFE): 2.53

Figure 1 shows the scores for each of the IFE and EFE matrixes. Our connected dot is located in weal attack toward competition (Figure1).

Strategic Position and Action Evaluation Matrix (SPACE): In compilation of this matrix, at first factors related to the financial strength, environmental stability, industry strength and competitive advantage of the organization were designated in the way that they have paramount importance in determining the overall status of the organization in the strategic sense and then the designated factors were scored professionally by relevant experts using brainstorming method [16]. After that, their score were identified with average score of each of the four factors (Table5, Figure 2).
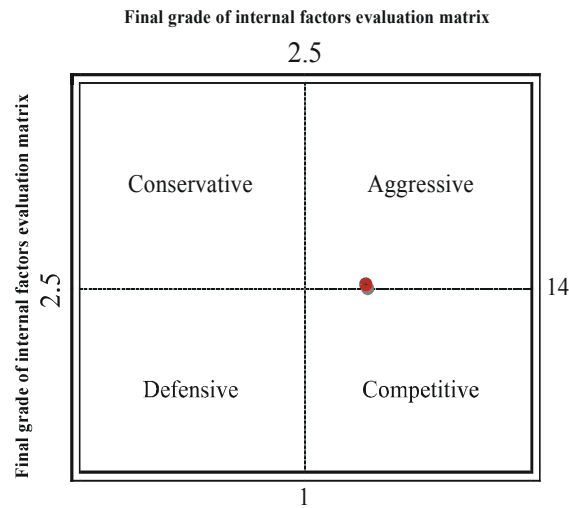
Final grade of internal factors evaluation matrix

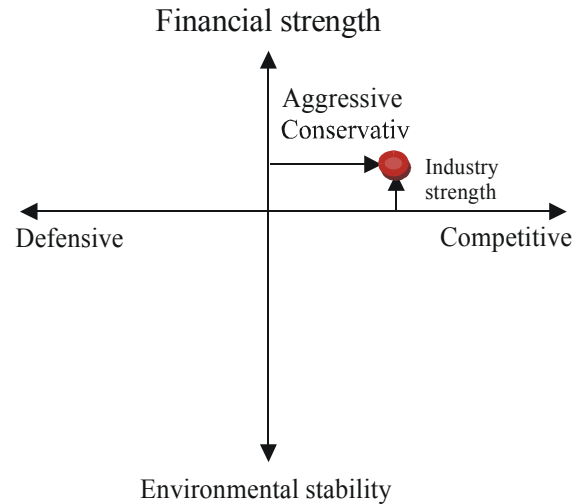Fig. 1: Internal & external factors evaluation matrix of the organization

Fig. 2: Strategic position & action evaluation matrix of the organization(SPACE)

Table 6: Quantitative strategies planning matrix (QSPM)

				Market penetration		Greater diversification of product		Expansion of target market	
	The main factor factors for success	Coefficient	attractiveness	Attractiveness score (coefficient *of interest)	attractiveness	Attractiveness score (coefficient *of interest)	Attractiveness	Attractiveness score (coefficient *of interest)	
strengths	Having qualified & experienced human resource at all levels	0.0507	4	0.2028	4	0.2028	3	0.1521	
	Ability to export (country superior in the dairy industry)	0.0521	3	0.1563	2	1042	4	0.2084	
	Possibility to use operational & production free capacity	0.0485	4	0.194	4	0.194	4	0.194	
	Having the capacity to obtain high market share	0.0506	4	0.2024	3	0.1518	4	0.2024	
	Ability to produce side food production	0.0442	3	0.1326	4	0.8768	3	0.1326	
	Competitive price	0.0435	4	0.174	1	0.087	4	0.174	
	Using update equipments & technology	0.0499	3	0.1497	4	0.1996	2	0.0998	
	Implementation & made practical the policies for cutting costs (energy)	0.0449	2	0.0998	1	0.0998	2	0.0998	
	High quality of the products	0.0514	4	0.2056	3	0.1542	4	0.2056	
	Large variety of the products in comparison with any competitors	0.0435	4	0.174	2	0.087	3	0.1305	
	Implementation & made practical the new planes of research & development units	0.0435	3	0.1305	4	0.174	2	0.087	
	Effective internal information system	0.0478	3	0.1434	2	0.956	2	0.0956	
	Having adequate financial resources	0.525	4	0.21	4	0.21	3	0.1575	
weaknesses	Organization chart & processes	0.0507	4	0.2028	3	0.1521	4	0.1014	
	Weakness in the advertising ,marketing & research	0.521	4	0.2084	4	0.2084	4	0.2084	
	The weakness of dealing system	0.485	4	0.194	4	0.194	4	0.194	
	The weakness of storage system	0.0506	4	0.2024	2	0.1012	3	0.1518	
	The limitation of pricing system	0.0442	4	0.1768	4	0.1768	3	0.1326	
	Lack of planning for on going training to update staff knowledge	0.0435	4	0.174	2	0.1305	2	0.087	
	Low labor productivity	0.0499	3	0.1497	2	0.0998	2	0.0998	
	Reduction in staff motivation & satisfaction	0.0449	3	0.1347	2	0.0898	2	0.0898	
	Total scores of internal factors	1	-------	3.6079		3.8457	-----	2.9941	

- in determination of attractiveness : 1=without attractiveness. 2=some what attractive. 3= having reasonable attractiveness. 4= very attractive

Table 7: Quantitative strategies planning matrix (QSPM)

The main factor factors for success	Coefficient	Market penetration		Greater diversification of product		Expansion of target market	
		attractiveness	Attractiveness score (coefficient *of interest)	attractiveness	Attractiveness score (coefficient *of interest)	Attractiveness	Attractiveness score (coefficient *of interest)
Opportunities Existence of exporting areas & growing markets in target countries	0.05772	3	0.1732	4	0.2309	4	0.2309
Government support of exports	0.04802	2	0.096	2	0.096	4	0.192
A change in the consumers taste & increase the cultural of dairy consumption	0.04841	4	0.1936	4	0.1936	4	0.1936
Substantial market share in comparison with competitors	0.05695	4	0.2278	2	0.1139	3	0.171
Positive community attitudes toward products	0.05267	4	0.2104	3	0.158	3	0.158
Ability to use Pegah reputable brand	0.0577	4	0.2308	4	0.2308	4	0.2308
Supportive government policies to increase production of raw milk	0.0442	3	0.1326	2	0.0884	2	0.0884
Lack of substitute goods in the consumption basket of house holds	0.055	2	0.11	4	0.22	2	0.11
The cooperation of reputable suppliers of raw milk	0.05075	1	0.0507	2	0.1014	1	0.0507
Inflation increase followed by subsides removal policies	0.05228	4	0.2091	3	0.1568	4	0.2091
The reduction of purchasing power of the middle classes of society	0.05422	4	0.2169	4	0.2169	3	0.1382
Country sanction & occurrence of the problems in providing of equipments, parts & & technology transfer	0.04608	4	0.1843	4	0.1843	4	0.1743
Rapidly changing technology in the dairy industry in the world & Iran	0.05035	4	0.2041	4	0.2014	4	0.2014
Threats Improper all action of subsides by the government in milk &livestock industry of the country	0.03912	2	0.0782	1	0.0391	2	0.0782
Low profit margins of the retailers in comparison with competitors	0.04376	4	0.175	2	0.0875	3	0.1313
Production of new & variegated products by competitors (variety in products type & packaging)	0.05732	4	0.2292	4	0.2292	4	0.2292
The emergence of new competitors	0.05422	4	0.2169	3	0.1626	3	0.1626
Limitation of suppliers of raw milk	0.04066	2	0.0813	1	0.0406	1	0.0406
Changes in the a mount, quality, & price of the raw milk, provided by livestock, in different time of year.	0.04763	1	0.0476	1	0.0476	1	0.0476
The reduction of world price of dairy & import of some of the dairy products with low price	0.04299	4	0.1796	2	0.0898	4	0.1796
Total scores of internal factors	1	-------	3.2446	-----	2.8888	------	3.0175
Total points of strategy		6.0116		6.7345		6.8525	

As it can be seen in Figure 2, the he junction of the number is in aggressive area near competitive area. This is done by plotting this matrix, determining the location of the scores of each axis and finally connecting the dots. It confirms outlined IE matrix. Thus, the strategy of aggressive area and competitive strategy in the SWOT matrix of the organization, such as market penetration, greater product diver signification and expanding of the selected target market are chosen as appropriate strategies to enter to the decision stage.

Decision Stage: In providing quantitative strategic planning matrix (QSPM), one of the most common techniques in the evaluation of the strategic option to determine the relative attractiveness of the strategies used in decision stage, is using quantitative strategic matrix. This technique can identify which of the chosen strategic option is possible and indeed prioritize these strategies [17].

Hence, to determine the appropriate strategy of Isfahan Pegah Co. pasteurized milk in the decision stage, this measurement tool was used objectively (Table 5 and 6).

CONCLUSION

Based on the results of the first questionnaire, the internal and external strategic factors of the organization are identified and then the EFE matrix and IFE matrix were drown using the received data from the second

questionnaire. It is note worthy to mention that at this stage of research the result of IE matrix and SPACE matrix are consistent with each other. In both of these matrices the position of the organization was situated. Within the weak aggressive area and also proper strategies of competitive area matrix (SWOT) are selected and finally with the help of (QSPM) matrix, the main and important strategies of Isfahan Pegah Co. pasteurized milk were prioritized by statistical population as the following:

Strategies	Market penetration (S1)	Greater diversification productions (S2)	Expansion of target Market (S3)
Score	6.8525	6.7345	6.0116

- The preferred strategy, i.e. market penetration, was selected to utilize the strengths of S2, S4, S6, S9, S10 and S13. In order to take advantage of opportunities of O1, O2, O4, O5, O6, O8, the most important and appropriate strategy become operational according to the organization of the present situation.
- The second strategy, i.e. more diversity of products, was selected to use strengths of S7, S11, S13, S3 and S4 in order to take advantage of opportunities of O3, O5, O6.
- The third strategy, i.e 'expansion of target markets', was selected to use the strength of S10, S2, S4, S6, S9, in order to take advantage of opportunities of O1, O2, O3, O5, O6.

Practical Proposals: In order to increase organization productivity (efficiency) the following strategies are recommended:

- Penetration in market
- Diversification of market
- Enhancement of products quality so that the presence in foreign markets became possible.

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