

ANALYSIS OF COMPANY SUCCESS POTENTIAL FROM THE POINT OF VIEW OF SUCCESS-ABILITY CONCEPTION

R. Zich

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Abstract

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The success-ability conception represents a specific approach to company competitive strategy creation. Because of a different philosophy especially as regards the concept of competitive advantages, it requires a specific approach to evaluation of a company's market position from the point of view of its competitiveness. Basic evaluation includes four perspectives evaluating the profile of company competitiveness, suitability of the adopted approach, ability to develop the adopted approach and evaluation from the point of view of the benefit for the customer together with the ability of the competition to imitate the company's approach. This method has application not only in the area of company strategy creation but it can also be used when investigating the competitiveness of companies.

strategy, competitiveness, competitive advantage, competition, success-ability, strategic analysis

Analysis can generally be regarded as a fundamental part of the strategic management process. Naturally opinions as to its significance may vary as well as the preference of specific analytical tools. A certain parallel can be seen between the approach to strategy formulation and implementation and the adopted analytical approach. A simple conclusion could be the argument that traditional strategy concepts are linked with traditionally viewed strategic analysis. Owing to its somewhat different nature and philosophy the success-ability conception requires a corresponding approach to analysis. Because for the purposes of this approach the usual concepts insufficiently analyze the different nature of various types of advantages and the specifics of some atypical market manifestations and their combinations.

THEORETICAL BASES

If we look at the definition of the term strategy as it is defined by different authors we find a definite parallel in linking the strategy to goals, method of their achievement and the corresponding development of competitiveness in a specific competitive environ-

ment. Similarly we can also find common characteristics in the definition of the strategic management process. The effort to achieve certain formalization and methodological elaboration of strategic management lead to a schematic and to a considerable extent simplifying approach to the definition of this process. On the one hand this approach may tempt us into using a somewhat mechanical procedure when formulating strategy but on the other hand it provides rather clear guidance. However, what is becoming more and more the centre of attention is Mintzberg's principle emphasizing the influence of the "strategy being developed" which together with the "planned strategy" forms the strategy actually implemented [Mintzberg, 1998]. Besides the fact that it is a reaction to the current dynamics of the competitive environment which also includes, for example, the principles of creative economics [Kloudová, 2009] there is considerable justification for this approach resulting from the requirement to interconnect strategy formulation and implementation. Because viewing the strategic management process as a procedure which needs to be carried out "step by step" may tempt us into separat-

ing implementation from analyses and strategy formulation. Therefore, in the current strategy process definitions more and more room is dedicated specifically to implementation and investigation of managers' role in the process of implementation. The shift in the area of analyses can be regarded just as significant when the element of competition becomes more and more reflected in the analyses of external factors and in the analyses of internal factors then the search for resources forming the basis of competitive advantages and competitiveness. The analytical tools of strategic management which evaluate the characteristics of external and internal business environment are in principle outlined as universal. The majority of approaches put emphasis on the need to analyze in the case of external factors not only the general surroundings of the company (wider social impacts influencing the industry in which the company conducts business) but also the surroundings of the branch of business (factors which directly influence the company, its competitors and their competitive behaviour). The process of analysis itself represents a fundamental element of the traditional approach to strategy formulation. Understandably there are contradictory attitudes to the importance and purpose of analyses. In this regard Grant argues that – "Despite the criticism of rational and analytical approaches to strategy formulation ... systematic analysis is the principal input of the strategic process. The role of analysis is to create a framework for discussion, information processing and opinions. The basis of strategic analysis is not in generating problem solutions. The purpose is to understand the problem." [Grant, 2008]. This concept can surely be termed correct. However, the fact is that on the contrary both the theory and mainly the practice of strategic management has currently a certain tendency towards a stereotyped approach to strategic analysis which includes the SLEPT triangle – Porter's model of competitive forces – internal factors analyzed on the basis of the functional approach. From the point of view of the content of analyses we may say that the basic approaches based mostly on Porter's concept of strategy are in principle always directed towards evaluation of opportunities, threats, strong and weak points. The content and focus of a company competitive strategy is then derived from the conclusions of analysis viewed in this way [Porter, 2004]. The relevance of defined conclusions of "SWOT" character is naturally dependent on the quality and focus of partial analyses. The basic fact from the point of view of strategy formulation is that classical approaches are mostly directed towards the traditionally viewed strategy in the hierarchy of vision, mission, company, business and functional strategy [e.g. Hitt, 2004; Porter, 2004]. The competitive basis is then usually based on the concept of Porter's generic competitive strategies [Porter, 2004].

The reality of the current business environment as well as the development of modern approaches to strategic management and companies' competi-

tiveness shows that it is necessary to look for other theoretical concepts explaining behaviour of companies which would at the same time enable more cogent evaluation of company's competitive position. The success-ability conception as an alternative to the understanding of competitiveness and strategy represents an approach which puts major emphasis on the target orientation, development of resources as the basis for competitive advantage and the need to define company's position within the surroundings in which it conducts business and that is also in the sense of its further development. This conception is based on and develops some elements from approaches of Coates, Collis, Hamel, Hitt, Keřkovský, Mintzberg, Penrose, Porter and Vykypěl. Competitive strategy is understood in the sense of obtaining, utilizing and developing competitive advantages which form company's competitiveness. Competitiveness itself is, however, perceived on several levels. The success-ability conception develops the generally adopted Porter's assumption "competitiveness is the basis of company success" [Porter, 2004] in one fundamental aspect. Competitiveness has different levels which from a company's point of view mean different possibility of the level of succeeding in the market. We can simply say that significantly greater competitiveness is necessary in order to achieve success within the competitive fight then for mere involvement in the competition. There must be harmony between company goals, external influences and the competitiveness itself. Then a company is able to achieve the determined goals which means that it is able to succeed. Success-ability is defined as the ability to achieve success, i.e. to achieve under specific conditions the pre-determined goals at the required level with the required degree of development. In connection with the definition of the term success-ability the success-ability strategy can be defined as expression of success-achievement strategy which takes into account specifically the competitiveness, goals, competitive environment and company development. This definition may be similar in form to the usual definition of the term strategy but it differs in the philosophy, structure and above all the factors which it includes. This is particularly evident in the conception of competitiveness and in the understanding of competitive environment as such. Success-ability strategy has a hierarchic structure which includes goals, definition of the competitive space, competitive base, method of advantages development and the implementation level. The connection between the individual levels is more parallel than sequential. Analyses prepared for the purpose of success-ability strategy creation can naturally be based to some extent on traditional approaches. On the other hand, owing to the somewhat different understanding of competitiveness factors it is necessary to apply a specific approach to the company position evaluation precisely from the point of view of those factors on which the company wishes to build its success.

Analysis for the purpose of success-ability strategy definition

Analysis based on the success-ability concept can be defined as an approach evaluating factors on which a company intends to build its success. The aim is to evaluate thoroughly the portfolio of such advantages. This analysis is primarily based on differentiation of various factors which in different ways lead to a company's success and on differentiation of various types of competitive advantages. It respects the definition of different levels of competitiveness in relation to the market situation and the goals pursued by a company and the evaluation of the appropriateness of the adopted approach in the sense of the developed advantages in relation to specific market conditions. It also applies the factor of possibility to influence or develop the adopted approach and takes into account the factor of ability to imitate the adopted approach by the competitors together with the value generated for the customer.

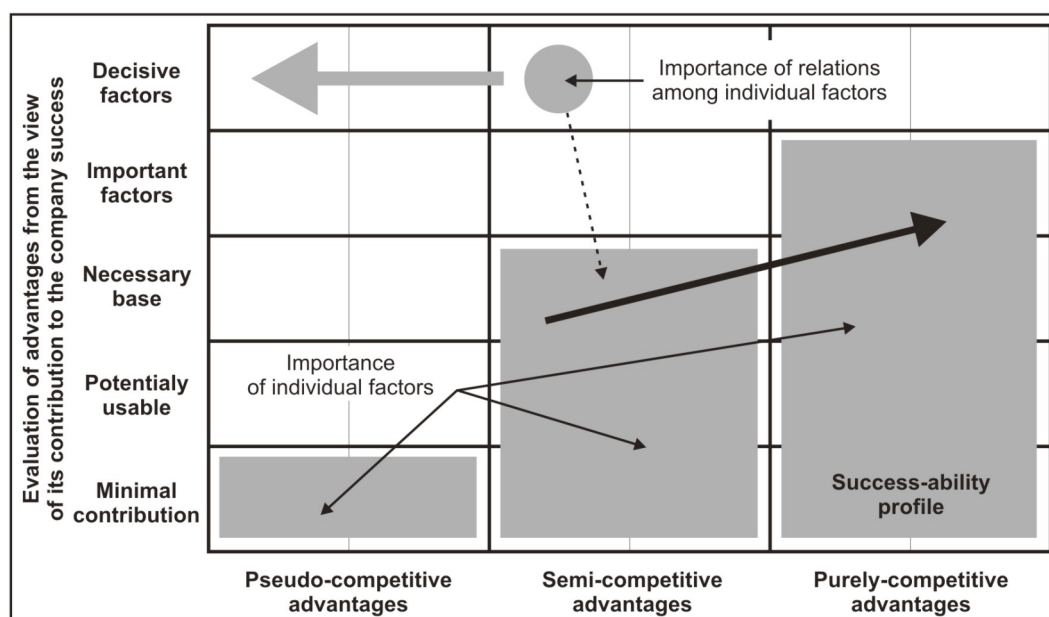
Basic application of this analysis includes four steps, each of which is prepared in the form of a summary matrix:

1. determination of company success-ability profile – matrix of success-ability
2. evaluation of suitability of the adopted approach – matrix of suitability
3. evaluation of the possibility to develop the utilized advantages – matrix of manageability
4. evaluation of the factor which can be characterized as customer satisfaction resulting from the utilized advantage in the conception of value for the customer combined with the ability of the competitors to react to the competitive advantages of the given company – matrix CR/CV – competitors and their ability to react / value generated for customers

Success-ability profile – Matrix of success-ability

The basis of this part of the analysis is clarification as to which advantages will form the base of company's competitiveness and what their expected contribution is from the point of view of the achieved success, that is success-ability – see figure 1. If the analysis is carried out for an already defined competitive base, the crucial thing is the subsequent evaluation of the individual advantages from the point of view of achieved success. When creating a new competitive base it is necessary firstly to define the individual advantages and to evaluate them afterwards. As it results from the nature of competitive advantage creation within the success-ability conception, in addition to evaluating the individual factors themselves it is also necessary to assess potential interrelations between the individual advantages. It is precisely these relations which can be the key factor on which a company's competitiveness and success-ability will be built.

In any case the aim is to find optimum composition of advantages and determine their correct role in achieving company goals which can be understood as a certain profile of company success-ability. Because of the specific role and weight of purely-competitive advantages it is desirable to prepare for them a separate detailed profile of success-ability. A basic survey can be prepared using the concept of structural and functional advantages [Coates, 1997; Zich, 2002]. Nevertheless, for more detailed definition and clearer specification of the factors forming a competitive advantage, it is more suitable to use the approach based on the concept of resources (tangible resources, intangible resources, human resources and abilities) and basic competences.

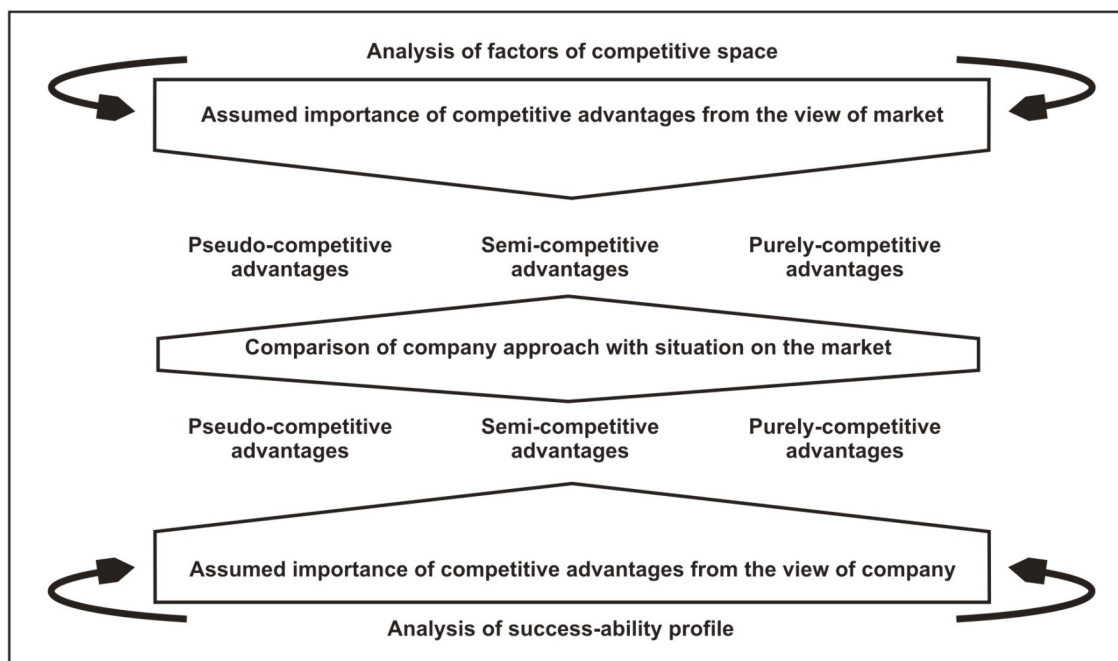


1: Company success-ability profile from the point of view of all competitive advantages – matrix of success-ability

Suitability of the adopted approach – Matrix of suitability

When assessing suitability the key question is how the adopted approach, that is the developed competitiveness, corresponds with the market situation – see figure 2. Technically it is evaluation of how the competitive base complies with the requirements resulting from the competitive space parameters. This part of the analysis may be viewed as difficult especially in the fact that mapping out of the competitive space needs to be summarized into such factors which can be meaningfully compared with the competitive base. In an ideal case it could be definition of what significance the market attaches to factors constituting the competitive base and comparison of this evaluation with the significance attached to them by the management.

tage and competitiveness is to what extent a company or its management is able to ensure and most importantly influence their development – that is manage their development. It is actually evaluation of how much the factors contributing to a company's success are under its control. From the nature of the individual types of competitive advantages it follows that the realistic possibility to manage development of advantages is significantly greater for purely-competitive advantages. On the contrary pseudo-competitive advantages then show very problematic "manageability" and as regards semi-competitive advantages it will depend to a very large extent on a specific case. This results mainly from the fact whether the individual advantages are tied more to internal or on the contrary external factors.



2: Principle of evaluation of the adopted approach suitability – matrix of suitability

The problematic thing about this approach is especially the risk of substantially subjective evaluation of the market situation in the sense of over-estimation or underestimation of the individual factors. An approach which has more realistic application is, therefore, the one where based on the competitive space analysis the expected significance of the individual types of competitive advantages is evaluated comprehensively. This evaluation is then confronted with the defined profile of success-ability.

Possibility to manage and influence the development of advantages – Matrix of manageability

The key question from the point of view of development and sustainability of a competitive advan-

Possibility of the competitors to react and the degree of generating value for the customer – Matrix CR/CV

From the nature of the competitive advantage it follows that it is the market which decides what its level and its significance is. If we move in the space defined by the product competitive triangle, then it is clear that the evaluation of the developed advantages needs to take into account the perspective of the customer and last but not least also of the competitors. From the point of view of the customer it is evaluation of what value the given advantage or set of advantages generates for him. When compared with the competitors it is primarily the possibility to be different from them. In other words it means the ability of the competitors to react to the situation

Value for customers	Very high					
	High					
	Average					
	Low					
	Very low					
		Very low	Low	Average	High	Very high
Ability to imitate						
Value for customers	Very high					
	High					
	Average					
	Low					
	Very high					
		Very low	Low	Average	High	Very high
Ability to substitute						

3: Possibility of the competitors to react and the degree of generating value for the customer – CR/CV matrix

when companies select a certain competitive advantage with which they will want to succeed in the market – see figure 3.

Basically there can be two types of reaction – of imitation and substitution character. In the first case it is imitation of the given advantage in the sense of utilizing a similarly based advantage and striving to achieve at least its comparable level. A substitution reaction is then offering of another competitive advantage which either represents similar value for the customer or it is a basis of different value potentially at least of no less importance. The advantages which are key for a company's success are then those which generate great value for the customer and the competitors are not able either to imitate them or to substitute them with another factor. However, it is important to stress that sustainability of the situation when an advantage is not substituted by the competitors is in general becoming shorter. It is actually the equivalent of sustainability of a com-

petitive advantage in markets with slow, quick or medium cycle [Hitt, 2004].

DISCUSSION AND APPLICATION POSSIBILITIES OF THE DEFINED ANALYTICAL APPROACH

The scope of application of the described analysis is very wide. Naturally it has the greatest potential when evaluating the competitiveness of a specific company or any organization. The method is applicable not only for formulation of the success-ability strategy but also for a traditionally viewed competitive strategy. The same as the whole concept of success-ability, this analytical tool also puts emphasis on interconnection of different perspectives and relations between factors influencing a company's success. In addition to that the logic of the evaluation has a significant link to the implementation of the created competitive strategy. It requires that the relations between the developed factors and the company's management activities are clearly defined. Its application is very important especially at the time when there are changes in the market in the character of competition, when a company tries to penetrate into different markets with different characteristics or when there is an effort to achieve specific strategic company goals.

Besides its application in company practice the philosophy of this method can be applied very successfully when investigating strategic behaviour of companies with the emphasis on development of their competitiveness [e.g. Zich, 2004]. Pieces of research utilizing this approach can focus primarily on the hypotheses evaluating the type of the developed advantages, the relation between the developed advantages and the market conditions, the method and possibilities of development of different types of advantages, the relation between the developed advantages from the point of view of competitive comparison and the benefit for the customer, change in companies' approach when there is a change in the market conditions, company's adopted approach to competitiveness development in relation to the determined goals, appropriateness of the developed advantages, possibilities of their development and the adopted competitive strategies, the relation between the developed resources and significance of the resulting benefits in the context of a specific market environment, factors influencing the competitive environment, the competitive environment development from the point of view of companies, approaches of different companies under the given circumstances etc.

SUMMARY

The concept of success-ability represents a specific approach to company competitive strategy creation. To a certain extent it can be understood as an antipole to the traditional approach to formulation and implementation of a company strategy. On the other hand, despite the different philosophy especially as regards the concept of competitive advantages at least some of its outputs can be

incorporated into the traditional concepts. This is mainly the evaluation of a company's market position from the point of its competitiveness for evaluation of the portfolio of competitive advantages in the context of a given competitive environment. This can be a basis for more specific definition of a suitable generic competitive strategy. Basic evaluation includes four independent matrices – the matrix of success-ability, matrix of suitability, matrix of manageability and CR/CV matrix – competitors and their ability to react/value generated for customers. The matrix of success-ability evaluates which advantages will form the basis of a company's competitiveness and what their expected contribution is from the point of view of the achieved success, that is success-ability. The key question when making an evaluation based on the matrix of suitability is how the adopted approach, that is the developed competitiveness, corresponds with the market situation. Technically it is evaluation of how the competitive base complies with the requirements resulting from the competitive space parameters. The principal question when applying the matrix of manageability is, from the point of view of development and sustainability of a competitive advantage and competitiveness, to what extent a company or its management is able to ensure and most importantly influence their development – that is manage their development. It is actually an evaluation of how much the factors contributing to a company's success are under its control. From the nature of the individual types of competitive advantages it follows that the realistic possibility to manage their development significantly differs for the individual types of competitive advantages with which the conception of success-ability works. This in itself represents a rather complex overview of a company. Matrix CR/CV – competitors and their ability to react/value generated for customers – evaluates a company's approach from two key perspectives. From the point of view of the customer it is evaluation of what value the given advantage or set of advantages generates for him. When compared with the competitors it is primarily the possibility to be different from them. This is what in a crucial way determines the significance of advantages and its sustainability.

However, what is very important especially from the point of view of the success-ability strategy definition is in particular the simultaneous application of all four matrixes and evaluation of their interrelations. Because for the purposes of this approach the usual analytical concepts insufficiently analyze the different nature of various types of advantages and the specifics of some atypical market manifestations and their combinations.

This method has application not only in the area of company strategy creation but it can also be used when investigating the competitiveness of companies. Pieces of research utilizing this approach can focus primarily on the hypotheses evaluating the type of the developed advantages, the relation between the developed advantages and the market conditions, the method and possibilities of development of different types of advantages, the relation between the developed advantages from the point of view of competitive comparison and the benefit for the customer, change in companies' approach when there is a change in the market conditions, company's adopted approach to competitiveness development in relation to the determined goals, appropriateness of the developed advantages, possibilities of their development and the adopted competitive strategies, the relation between the developed resources and significance of the resulting benefits in the context of a specific market environment, factors influencing the competitive environment, the competitive environment development from the point of view of companies, approaches of different companies under the given circumstances etc.

SOUHRN

Analýza potenciálu úspěchu firmy z pohledu koncepce schopnosti úspěchu

Koncepce schopnosti úspěchu představuje specifický přístup k tvorbě konkurenční strategie firmy. Lze ji do určité míry chápat jako protipól tradičního přístupu k formulaci a implementaci strategie firmy. Na druhé straně přes odlišnou filozofii zejména v pojetí konkurenčních výhod, alespoň některá její východiska mohou být do tradičních konceptů zahrnuta. Jde zejména o hodnocení pozice firmy na trhu z pohledu její konkurenceschopnosti, pro zhodnocení portfolia konkurenčních výhod v kontextu daného konkurenčního prostředí. To může být základem pro konkrétnější vymezení vhodné generické konkurenční strategie. Základní zhodnocení zahrnuje čtyři samostatné matice – matice schopnosti úspěchu, matice vhodnosti, matice ovlivnitelnosti a matice reakce schopnosti ze strany konkurence a hodnoty pro zákazníka. Matice schopnosti úspěchu hodnotí to, které výhody budou tvořit základ konkurenceschopnosti firmy, a jaký je jejich předpokládaný přínos z hlediska dosahovaného úspěchu, tedy schopnosti úspěchu. Klíčovou otázkou při hodnocení na základě matice vhodnosti je to, jak zvolený přístup, tedy rozvíjená konkurenceschopnost, odpovídá situaci na trhu. Prakticky jde o zhodnocení toho, jak konkurenční základna odpovídá požadavkům vyplývajícím z parametrů konkurenčního prostoru. Zásadní otázkou při využití matice ovlivnitelnosti je z pohledu rozvoje a udržitelnosti konkurenční výhody a konkurenceschopnosti to, nakolik je firma, respektive její management, schopen jejich rozvoj zajistit a zejména ovlivnit – tedy řídit. Jde vlastně

o zhodnocení toho, nakolik jsou faktory přispívající k úspěchu firmy pod její kontrolou. Z podstaty jednotlivých typů konkurenčních výhod vyplývá, že reálná možnost řídit jejich rozvoj je u jednotlivých typů konkurenčních výhod, se kterými koncepce schopnosti úspěchu pracuje, značně odlišná. To samo o sobě představuje poměrně komplexní pohled na firmu. Matice reakce schopnosti ze strany konkurence a hodnoty pro zákazníka hodnotí přístup firmy ze dvou klíčových hledisek. Z pohledu zákazníka jde o hodnocení toho, jakou hodnotu mu daná výhoda nebo soubor výhod přináší. Při srovnání s konkurencí jde zejména o možnost odlišit se od ní. To zásadním způsobem určuje význam výhod a její udržitelnost. Zásadní význam zejména z pohledu definování strategie schopnosti úspěchu má však zejména současné využití všech čtyř matic a zhodnocení vzájemných provázaností. Obvyklé analytické koncepty totiž pro účely tohoto přístupu nedostatečně rozebírají odlišnou podstatu různých typů výhod a specifika některých atypických tržních projevů a jejich kombinací.

Aplikace této metody není pouze v oblasti tvorby strategie firmy, ale lze ji využít také při výzkumu konkurenceschopnosti firem. Výzkumy využívající tento přístup se mohou zaměřit především na hypotézy hodnotící typ rozvíjených výhod, vztah rozvíjených výhod k podmínkám trhu, způsob a možnosti rozvoje různých typů výhod, vztah rozvíjených výhod z pohledu konkurenčního srovnání a přínosu pro zákazníka, změnu přístupu firem při změnách podmínek na trhu, zvolený přístup firmy k rozvoji konkurenceschopnosti ve vztahu ke stanoveným cílům, relevantnost rozvíjených výhod, možnosti jejich rozvoje a zvolené konkurenční strategie, vztah rozvíjených zdrojů a významu výhod z nich plynoucích v kontextu určitého tržního prostředí, faktory ovlivňující konkurenční prostředí, vývoj konkurenčního prostředí z pohledu firem, přístupy různých firem za daných podmínek atd.

strategie, konkurenceschopnost, konkurenční výhoda, konkurence, schopnost úspěchu, strategická analýza

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Address

Ing. Robert Zich, Ph.D., Ústav managementu, Fakulta podnikatelská, Vysoké učení technické v Brně, Kolejní 2906/4, 612 00 Brno, Česká republika, e-mail: zich@fbm.vutbr.cz