

MANAGEMENT

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INDIVIDUAL TASK

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1. EXAMPLE

- We have a company engaged in fitness and strength training.
- We are successful, so we want to expand abroad.
- Let's compare the markets of two countries, namely Poland (Krakow) and Spain (Barcelona). This means that we will analyze the external environment of these two countries.

1. EXAMPLE

- **Technique:**
 1. **To analyze the external environment, we must first perform a PESTLE analysis and a Porter's analysis of five competing forces;**
 2. **The achieved results will be subsequently evaluated by means of SWOT analysis;**
 3. **We will compare the results of the SWOT analysis and select the country to which we will expand.**

1. EXAMPLE

- **Poland – PESTLE Analysis:**

- **P - Political Factors:**

- **Poland is a member of the EU, NATO OECD, WTO and Visegrad Group. It is a democratic state, whose president is Andrzej Duda. The Prime Minister of the Republic of Poland is Mateusz Morawiecki, a member of the ruling Law and Justice Party (right-wing party).**

1. EXAMPLE

- **Poland – PESTLE Analysis:**

- **E - Economic Factors:**

- GDP in Poland has been growing in recent years (at a rate of 5.1% in 2018), reaching PLN 2,115.7 million in 2018, but a crisis is expected. It has a permanent deficit (PLN 28.5 million by 2019). The minimum wage is PLN 2,250 (CZK 13,500). Exports amount to EUR 221,000 million and imports to EUR 226,100 million.

1. EXAMPLE

- **Poland – PESTLE Analysis:**

- **S - Social Factors:**

- Poland has about 38.5 million inhabitants. Our business activities focus primarily on the productive age group from 18 to 59 years, which makes up 60.6% of the total population in Poland. This percentage has been declining in recent years. In Poland, unemployment is now 5.3%. We will need local staff for our branch due to the language barrier. According to the SEDA index (quality of life index), Poland is in 32nd place.

1. EXAMPLE

- **Poland – PESTLE Analysis:**
- **T - Technological Factors:**
 - Poland is also trying to cooperate on research projects with the Czech Republic. New research projects are now being announced for the years 2020-2021. It is possible that research will influence exercises using virtual reality (This is very significant because of the Korona virus).

1. EXAMPLE

- **Poland – PESTLE Analysis:**

- **L - legislative factors:**

- The establishment of Ltd. in Poland is conditioned by the Act on the Rights of Economic Activity (Dz. Ustaw No. 101). The legal entity is registered in the KRS-Polish Commercial Register. There is a registration fee of PLN 1 000 and publication in the Official Gazette costs PLN 50 000. This form of business is most widespread in Poland mainly due to tax benefits, ease of establishment, lower liability and lower reporting obligations. Corporate income tax is 19% the same as in the Czech Republic. There is an agreement between the Czech Republic and Poland on the avoidance of double taxation.

1. EXAMPLE

- **Poland – PESTLE Analysis:**

- **E - Environmental Factors:**

- Poland produces 11.8 tons of waste per year. Of this, 10.4 tons are unseparated. In Poland, approx. CZK 750 per person. Furthermore, we are not very affected by environmental factors, as we are not a manufacturing company that has a significant impact on the environment.

1. EXAMPLE

- **Poland – Porter Analysis:**
- **The power of suppliers:**
 - **As we are a company providing mainly services, we include energy providers (water, gas) and telecommunication services (telephone services, internet) among our suppliers. If prices for energy and telecommunications services are higher in a given country, we will have to respect that. We will deliver goods to our new facility in Poland directly from our warehouse in the Czech Republic in Olomouc, because finding new and quality products would be very challenging. At our discretion, we will import these products from the Czech Republic, as it is cheaper (volume discounts).**

1. EXAMPLE

- **Poland – Porter Analysis:**
- **The power of customers:**
 - **Due to the fact that our fitness center tries to maintain similar prices with the competition, the customer does not have the opportunity to determine the price of the services we provide. What we try to attract customers is the Bodybody exercise, which is less well known in Poland than in the Czech Republic. Furthermore, we try to differentiate between the language skills and skills of our instructors, so that customers come to us. We therefore use language courses that are available at the place of business. Prices in Poland are lower than in the Czech market, so we must maintain the prices set by the competition.**

1. EXAMPLE

- **Poland – Porter Analysis:**

- **The threat of substitutes:**

- **We perceive the threat of substitutes with the ever-increasing emergence and dissemination of videos with the exercise of zumba, pilates and more. People resort to exercising at home and do not have to pay for the service. However, there are exercises that you can't do without a home gym and equipment. Such as Fit box, jumping or Bodybody. Other variants of the substitute can be fitness centers, of which there are a large number in the vicinity of Krakow (Saturn fitness, Lemon fitness, Fit by step Krakow), and we can also take swimming pools as a substitute, because you can train every muscle in your body while swimming.**

1. EXAMPLE

- **Poland – Porter Analysis:**
- **Threat of new competitors:**
 - **At present, more and more companies focused on sports activities are increasing. Therefore, we would like to significantly differentiate our product from others. Our business is not demanding on expensive technological machines, software or on the qualification of instructors and other employees, therefore almost everyone in this industry can realize it or adapt to changing conditions of trends. The demand for sports activities is growing in Krakow, so we think it is appropriate to expand into the local market.**

1. EXAMPLE

- **Poland – Porter Analysis:**
- **The power of competition within the industry:**
 - **As we have already mentioned in the threat of new competitors, a healthy lifestyle is becoming more and more popular among the people of Krakow. We are aware that there is a wide range of companies focusing on sports activities. In the Polish branch, we would like to build outdoor spaces for lessons, which would make us different from the competition.**

1. EXAMPLE

- Spain – PESTLE:

- P - Political Factors:

- Spain is a member of the EU and NATO. It is a parliamentary constitutional monarchy, where the head of state is King Philip VI. The Prime Minister is Meritxell Batet, a member of the ruling PSOE (Socialist Party).

1. EXAMPLE

- Spain – PESTLE:

- E - Economic Factors:

- GDP in Spain has been growing in recent years, standing at € 1,208 billion in 2018. However, growth is slowing down (2.6% in 2018). In 2018, Spain had a surplus of EUR 148,882 million. The minimum wage is 900 EUR (23,040 CZK). Exports amount to EUR 285 billion and imports of EUR 318.8 billion.

1. EXAMPLE

- Spain – PESTLE:

- S - Social Factors:

- Spain has about 48.5 million inhabitants. The productive age group on which our business activity focuses (16 - 59 years) makes up 65% of the total population in Spain.

Unemployment in Spain is 15.3%. We will need local staff for our branch due to the language barrier. According to the SEDA (Quality of Life Index), Spain is in 23rd place.

1. EXAMPLE

- **Spain – PESTLE:**
- **T – Technical Factors:**
 - **The Ministry of Education, Youth and Sports and the CDTI (Center for the Development of Industrial Technologies) in Spain have announced a call for proposals for projects related to the development of innovative products and the application of technological and market sectors.**

1. EXAMPLE

- Spain – PESTLE:
- L - Legislative Factors:
 - The establishment of a Ltd in Spain is conditioned by obtaining a trade license and registration with the Aliens Police. As a company, we will have to pay EUR 400 per month as a fixed tax. The establishment of a company is otherwise similar to that in the Czech Republic. However, one of the responsible representatives must be resident in Spain. The requirement for the establishment of a s. R. O. is the composition of a minimum share capital of EUR 3,000. After verification of the deed of incorporation by a notary, an entry is made in the Commercial Register. There is a fee of EUR 1,000 when setting up a business. Corporate income tax is 25%. However, there is a tax relief for start-ups (15%). Spain has a double taxation treaty.

1. EXAMPLE

- **Spain – PESTLE:**

- **E - Environmental Factors:**

- Spain has approved a climate and energy package. They want to reduce all use of oil, natural gas and coal in their territory by 2050. From 2021, the first restrictions come into force.

1. EXAMPLE

- **Spain – Porter Analysis:**

- **The power of suppliers:**

- **As in Poland, there will be a need for energy supply and telecommunications services in Spain. E.g. electricity in Spain costs about a third more than in our country, but we must respect this fact here as well. Due to the excessive distance, the import of nutritional supplements would be complicated and would not pay off financially. Therefore, we will buy these accessories from local retailers such as ROBIS or Holland and Barret etc., while we will try to compare and select them according to the quality-price ratio.**

1. EXAMPLE

- **Spain – Porter Analysis:**
- **The power of customers:**
 - **Prices in Spain are generally higher than in the Czech Republic. In order to gain customers, we will keep prices below the level of our competitors, at least from the beginning of the operation of the new branch. They could also be attracted to us by the qualification of instructors, on which we will place great emphasis when selecting instructors. Some customers could be discouraged by our Czech instructors' ignorance of Spanish. Therefore, our instructors will attend a language course.**

1. EXAMPLE

- **Spain – Porter Analysis:**

- **The threat of substitutes:**

- Here, too, there is a possibility that people will prefer certain types of exercise in the home environment. But even here, there is no widespread Bodybody exercise that could help us attract customers to the gym. The people of Spain have the opportunity to use the local centers such as Pilates Balanced Body, Yogabody, Body Lab, etc., also, due to the fact that it is a seaside area, they can swim in the sea. The Spaniards are known for their energetic and spirited nature, so we believe that they will want to try our new center and types of lessons.

1. EXAMPLE

- Spain – Porter Analysis:
- Threat of new competitors:
 - Even in Spain, the number of sports and similar centers with similar conditions as our company is increasing. We could be endangered here by companies with types of lessons that would be similar to ours, but noticeably improved, or with those that would be diametrically different and difficult to implement in our country. We assume this mainly due to significantly different world influences than in our country and in Poland.

1. EXAMPLE

- **Spain – Porter Analysis:**
- **The power of competitors within the industry:**
 - Thus, the trend towards health in connection with exercise and diet is spreading at a high rate throughout Europe and in Spain. We rely on the success of the innovative Bodybody exercise, which will set us apart from other local companies. We would also like to differentiate ourselves with the possibility of conducting lessons in an outdoor environment, which could be successful here mainly due to the higher temperatures all year round.

1. EXAMPLE

- Poland – SWOT Analysis:

Strengths	Weight	Value (degree)	Weaknesses	Weight	Value (degree)
<ul style="list-style-type: none"> Prices balanced with the competition 	0,4	3	<ul style="list-style-type: none"> Ignorance of Polish 	0,5	4
<ul style="list-style-type: none"> Adapting to innovation in fitness and exercise 	0,3	5	<ul style="list-style-type: none"> Foreign company from abroad (from the point of view of Poles) 	0,2	2
<ul style="list-style-type: none"> Outdoor spaces 	0,3	3	<ul style="list-style-type: none"> Incompatibility of our system with the Polish system 	0,3	2
Opportunities	Weight	Value (degree)	Threats	Weight	Value (degree)
<ul style="list-style-type: none"> Economic growth (5.1%) 	0,2	4	<ul style="list-style-type: none"> Lower number of potential customers 	0,4	2
<ul style="list-style-type: none"> New technologies arising from research 	0,3	3	<ul style="list-style-type: none"> Lack of manpower 	0,3	3
<ul style="list-style-type: none"> Unexpanded Bodybody Exercises 	0,5	5	<ul style="list-style-type: none"> The looming global crisis 	0,2	4

1. EXAMPLE

- Poland – SWOT Analysis:

- The results:

- Strengths = 3.6

- Weaknesses = 3

- Opportunities = 4.2

- Threats = 2.5

- **Total = 2.3**

1. EXAMPLE

- Spain – SWOT Analysis:

Strengths	Weight	Value (degree)	Weaknesses	Weight	Value (degree)
<ul style="list-style-type: none"> Lower prices than the competition 	0,4	5	<ul style="list-style-type: none"> Ignorance of Spanish 	0,35	5
<ul style="list-style-type: none"> Outdoor spaces 	0,3	3	<ul style="list-style-type: none"> Distance 	0,35	5
<ul style="list-style-type: none"> Education 	0,2	2	<ul style="list-style-type: none"> Expensive accessories 	0,3	4
Opportunities	Weight	Value (degree)	Threats	Weight	Value (degree)
<ul style="list-style-type: none"> Sufficient manpower 	0,25	3	<ul style="list-style-type: none"> More complicated branch establishment 	0,4	4
<ul style="list-style-type: none"> Corporate income tax 	0,25	3	<ul style="list-style-type: none"> Restrictions on the use of oil, land. pl. and coal 	0,35	4
<ul style="list-style-type: none"> New type of lessons - Body point 	0,5	5	<ul style="list-style-type: none"> New currents that we cannot catch up with 	0,25	4

1. EXAMPLE

- Spain– SWOT Analysis:

- The results:

- Strengths = 3.3

- Weaknesses = 4.7

- Opportunities = 4

- Threats = 4

- **Total = 1.4**

1. EXAMPLE

- The main results:

Poland is winner!!!

2. SUBMISSION OF YOUR TASK

- 1. Choose a considerable company from your country (if you do not want to choose from your country, then choose any other considerable company).
- 2. Select two countries to which you could expand (they may be adjacent to your country, but they may be completely remote).
- 3. Realize the survey of these two potential foreign markets. Therefore, define the external environment of two selected foreign markets using strategic analysis tools (ie perform SLEPTE analysis and Porter's analysis of five competing forces).
- 4. Realize the SWOT analysis for each country. So compare the most important factors you found in PESTLE and Porter.
- 5. Based on the evaluation of the two resulting SWOT analyzes, select the winning country for your expansion.

3. SOLVING THE TASK

The image features a solid blue background. In the top-left corner, the text '3. SOLVING THE TASK' is written in a white, sans-serif font. On the right side of the image, there are several white, parallel diagonal lines that create a sense of motion and depth, extending from the top-right towards the bottom-left.

THANK YOU FOR YOUR ATTENTION

The image features a solid blue background. In the center, the text "THANK YOU FOR YOUR ATTENTION" is written in a white, uppercase, sans-serif font. In the bottom right corner, there are several white, diagonal lines of varying lengths and thicknesses, creating a dynamic, abstract graphic element.