

Factors Dominant to Strategic Business Plan for Growth of Construction Organization

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Abstract— For factors leading to strategic business plan for the growth of construction industry in commercial sector, getting an integrated view of business model of commercial region which gives pricing strategy and defines competitive conditions. All this are consistent and properly harmonized for determining financial needs. Strategy is divided into three broad levels like- corporate, business and functional level strategy. So to determine which strategy is applicable for a particular region and to examine competition, a simple portfolio analysis is done using questionnaire. By using coordinates from this, the competitive advantages and market attractiveness will be determined. Hence giving us our sector position in the market which allows to grade our business by matrix of strategies.

Key words: Business plan, Strategy, Property, Portfolio analysis, Competitive advantages, market attractiveness

I. INTRODUCTION

Strategic planning is a process of organization which define its strategic or directions Step by step for making decisions and allowing resource distribution for the company. A business plan is a written description of business of an organization strategic planning can further be extended to control mechanics of the organization for guiding the implementation of their strategies. Employees of the organization play the most important role in the business planning process as they are the ones to fulfill the objectives decided during planning. A strategic business plan is important to explain the business to others in order to inform, motivate and involve clients and investors. Hence to sum up, strategic business plan is a process which is typically focused on available resources as flexibility of alternate strategic in utilizing existing resources.

II. OBJECTIVES

In SBP, a particular path is to be followed to achieve desired goals which can be obtained by setting long term plan or strategies. Most important strategy is to know the vision of construction companies. In SBP, prioritization of strategies is very important for fulfilling desired objectives. Some of the most common areas which should focused for obtaining desired SBP goals action planning innovation, productivity, financial and physical resources and area of market share. Hence when all objectives are met in SBP, a proper way is formed to make an organization successful in all its forms.

III. METHODOLOGY

To perform a basic strategy, a structure is formal making a model which includes the targeted area, its construction companies, etc. Analysis is required to collect information regarding the subject on which a strategy is to be applied. Each and every organization has its own pros and cons and

hence stands differently in the market. Some obtain highest order which doesn't need any strategy and some are startups which are unable to accept any strategy. Every company needs different set of strategies based on their management of work. By this companies can be divided into these sectors.

World class companies, middle level companies and just started organizations. On these companies, different levels of strategies are applies such as corporate, business and functional level strategies. This is the actual mission of SBP model these form the ground realities of statement which represent market condition.

IV. CASE STUDY

Surat is a city in the Indian state of Gujarat. The city center is located 22km south of the Tapti River. Surat is in the south portion of the state. It has a population of nearly 4.6 million hence making it second largest city of the state after Ahmedabad. It is the eight largest city of India. According to recent study, Surat is listed as the 4th fastest developing city. Surat has been selected for the smart city project, under Prime Minister Narendra modi's smart cities mission, which consist of twenty Indian cities.

In Surat, Vesu region of the city is selected for the survey of the project on strategy business plan. The reason for considering this area is the dominance of popular commercial buildings in this area. It is a new developing area in the city of Surat and hence due to open and large area, attracts many business companies.



Fig. 1:

Now during my data collection duration, I divided my data in two types – Primary data and secondary data. My collection method included surveying different construction companies and filling questionnaire through its builders. According to the survey, total 66 commercial projects exist in vesu region, out of which 57 commercial projects are big enough to make an impact on overall commercial sector of vesu region.

Out of all these, 42 projects completed the questionnaire survey. This survey included the responses from various people of these companies such as developers, investors or clients, engineers, consultants, sale executives and managers.

Competitive advantages/ success criteria	<< Competition is stronger we are stronger >>								
1. Market share									
2. Cost structure/cost advantages									
3. Product/service quality									
4. Technological know-how									
5. Marketing know-how									
6. Management									
7. Location distribution advantages									
8. Financial resources									
9. Own brands, patents, etc.									
10. Spare capacity									
Overall evaluation/summary	1	2	3	4	5	6	7	8	9

Table 1: Analysis of Competitive Advantages

Market evaluation criteria	<< Very negative very positive >>								
1. Market size									
2. Market growth									
3. Branch profitability									
4. Innovation potential of the industry									
5. Competition intensity									
6. Recession susceptibility									
7. Substitution danger									
8. Client loyalty									
9. Security of supply (materials/spare parts)									
10. Regulatory/public opinion risks									
Overall evaluation/summary	1	2	3	4	5	6	7	8	9

Table 2: Analysis of Market Attractiveness

This questionnaire consist of 20 questions with some space left for evaluation of these questions and rating given on the basis of these questions divided between 1 to 9, 1 being the strongest and 9 being the weakest. Now for more convenience of the client filling the questionnaire, it is divided into 2 sections, each containing 10 questions one section is "Analysis of competitive advantages" which includes the success criteria of the company and another section is "Analysis of market attractiveness" which includes the market evaluation criteria as how market will affect the company.

Evaluation of market attractiveness	9									
	8									
	7									
	6									
	5									
	4									
	3									
	2									
	1									
			1	2	3	4	5	6	7	8
		Evaluation of competitive advantages								

Table 3: Position in the Market

For all over evaluation, a graph is formed based on these two sections, putting them on x-axis and y-axis and forming a matrix based on their ratings whether good or bad, strong or weak, positive or negative. By doing all this, combining all the questionnaires, forming the graph and calculating the ratings given by companies, a matrix is

formed called as "Matrix of Strategies". This matrix evaluates the companies based on ratings and decides the position of the company in the competitive market. This position shows where does this company stand in market on the basis of consumer services.

Market attractiveness	High	Concentrate Concentrate your activities on niches. Specialize in the few products/services that you can do best.	Selective investment and growth Consider in particular building up strengths (management improvements, cost reduction, quality upgrading, new technologies, etc.).	Maximize investment and grow
	Medium	Partnership Consider joining forces with a partner, perhaps with a strong company interested in entering your type of business market or you type of clients.	Gradual development Strengthen your competitiveness through incremental improvements (as you earn) and shift emphasis to the most attractive market segments of the business.	Selective investment and growth Identify the most attractive growth segments of your market and invest in them (intensity marketing / promotion, expand geographically etc.).
	Low	Divest	Partnership Consider joining forces with a partner, perhaps with a company interested in some of the strong features of your company (infrastructure, networks, location, human resources, etc.).	Harvest/diversify Maintain your position and get as much as you can from the market. Consider diversifying and entering new markets, possibly through the development of new products.
		Low	Medium	High
Relative competitive advantages				

Table 4: Matrix of Strategies

This will make it easy for the company to see its actual position in the region and the city. Also it will help the builder to understand the type of strategies to include in his company to overcome the problems which are keeping its company down. Hence proper and understandable use of strategies can be done, which is the overall mission of the project strategic business plan.

V. DISCUSSIONS

Now based on the survey, we have divided certain strategies for some companies depending on their rating in the questionnaire. Also, two methods are used for calculating the sample size which is "Hogg and Tanis 2009" and "Sawtooth software: sample size calculator".

-A company S on the basis of survey occupies "High category" on the graph then it is suitable for "Maximum investment and growth" strategy which will directly target the company's weak points for their improvement.

Now the company having maximum investment and growth doesn't need any new strategic planning as it is already using the best strategies and hence is successful. Similarly, if a company occupies "Low category" it is kept in "Divest" section and this category describes the company which are on their start-up stage and are unable to use any strategies.

A company R occupies high order and the section selective "investment and growth". According to this section a company needs particular strength to build up such as management improvements, cost reduction, quality up-gradation, new technology etc.

Company GG occupies high order and section is "concentrate". According to this section a company needs to concentrate its activities on niches. Also it is necessary to do specialization in few products/services that they can do best. Company HH occupies "medium order" having a section "Partnership" where it needs to consider joining forces with

a partner or with a strong company interested in entering their type of business/market or their type of clients.

The medium order includes two more sections - "Gradual development" which includes companies that need strengthening their competitiveness through incremental improvements as they earn and shift emphasis to the most attractive market segments of the business

Another section is "selective investment and growth" which tells the company to identify the most attractive growth segments of their market and invest in them (intensify marketing/promotion, expand geographically, etc).

Company SD achieves "low order" and gets the section "partnership" which suggests the company to join with a partner or a company which is interested in some of the strong features of their company such as infrastructure, networks, location, human resources, etc.

Company HP achieves "Low order" and gets the sections "harvest/ diversify" which suggests the company to maintain their position and get as much as they can from the market. They should consider diversifying and entering new markets, possibly through the development of new products. This strategy advises this company to join new markets because it has high strength in relative competitive advantages but gets a low state in market attractiveness.

VI. CONCLUSION

After all the survey and strategy building we have reached a point with result of this process. The result says that data analysis help to identify the issue or lack in infrastructure services which are most important for construction industry as the least indicator value indicates the level of infrastructure service. Hence we can prepare questionnaire for alternative solutions in our future work. So that we can recommend to high indicator values for infrastructure services on the basis of our questionnaire.

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