

Investigating the Business Development Strategies of Dena Tire and Rubber Manufacturing Company

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Abstract – Industries owners in today's world, affected by the two elements of the market and demand as important drivers of technology, are increasingly required to focus on their customers and markets along with technology creation and development. Given the rapid technology developments and competitive market conditions in the rubber industry, it is imperative for industry members to adopt the necessary strategies to strengthen their existing position in the domestic and foreign markets, along with enhancing their current position. The present paper uses a strategic model of the SWAT Comprehensive Strategic Model has been used with the aim of providing business development strategies of Dena Tire and Rubber Manufacturing Company. The present study is an analytical-descriptive and library research. In this study, after careful study of the company's external and internal environment and thorough analysis of the information obtained from the relevant strengths, weaknesses, opportunities and threats, the researcher has provided and prioritized appropriate strategies. The results obtained from the study indicates that Dena Tire and Rubber Manufacturing Company should adopt and implement key strategies to retain current customers and develop its markets.

Index Terms – Reviewing Strategies, Business Development, Dena Tire and Rubber.

1. INTRODUCTION

As technology evolves and consumers become more aware of their needs regarding high quality and affordable goods due to the new global developments, industry owners, especially in the unique and competitive industries, seek viable strategies to ensure their survival and growth and increase their market share (Rasekhi, 2008, 26). Accordingly, as a monopolized and progressive industry with highly competitive markets and vigilant consumers, the tire and rubber industry needs to adopt executive strategies such as utilizing cutting-edge technologies, to consider world-class standards and support research and development processes to produce quality products according to market demand (Karimi, 2009, 121). Starting in 1975 under the Bridgestone brand in Shiraz, Dena Rubber Company is now one of the top ten manufacturers in the country with a capacity of 33,000 tons. The present study aimed to develop a comprehensive framework for strategy formulation to investigate business development strategies in Dena Rubber Company. For this purpose, library studies and applied analytical methods have been used to gather information to formulate the strategy.

2. BACKGROUND RESEARCH

Due to the importance of adopting and implementing key strategies for expanding the target market share in rubber companies, a comprehensive study of business development strategies in Dena Rubber Company has not been undertaken so far.

3. RESEARCH METHODOLOGY

In order to achieve the objectives of the research and to achieve business development strategies of Dena Rubber Manufacturing Company, a comprehensive strategy framework approach has been used. The method used in this study is analytical-descriptive and library research. After gathering data, the researcher analyzes the information and accurately identifies the strengths, weaknesses, opportunities and threats to Dena's business development. Following this step, the researcher has extracted the optimal strategies for each area by modifying the mentioned points (S.W.O.T).

weak points (W)	(S) Strengths	SWOT matrix
Strategies WO	Strategies SO	(O) Opportunities
Strategies WT	Strategies ST	(T) threats

Source: Mousavi

Table 1: The SWOT Matrix and How to Define Strategies

External Growth Strategy WO	Internal Growth Strategy SO
Defensive Strategies Recommended WT	Diversity strategies are recommended ST

Source: Mousavi

Table 2: Matrix of Threats, Opportunities, Weaknesses and Strengths



Figure 1 - Factors affecting environmental analysis

4. RESEARCH FINDINGS

4-1. External Evaluation Matrix (EFE)

The purpose of this exploration phase is to study the external environment of the study area and identify opportunities and threats associated with Dena Rubber Company. This matrix, the design paradigm of which is predominantly prescriptive, allows the strategist to evaluate environmental, economic, social, political, technological, legal, and market factors at the desired time. (Ali Ahmadi 2003-2003) The following matrix illustrates the environmental factors that influence the business development of Dena Rubber Company.

External factors	row
Opportunities	
O1 :Continuous growth in demand for corporate products	1
O2 :Potential markets in Africa and Asia for export	2
O3 :Government support for industries	3
O4 :Financial and legal barriers to entry for new entrants to the domestic market	4
O5 :Weakness of technology used by competitors	5
O6 :Population growth and increasing car owners	6
Threats	
T1 :Unlimited import of all kinds of rubber	1
T2 :Production of various products by competitors	2
T3 : Lack of raw materials in the country and its high price	3
T4 :US and EU economic boycott of the country	4
T5 :Instability of the political environment in the region	5
T6 :High cost of shipping raw materials (due to low expiry date) and increased cost	6
T7 :Rapid evolution of technology in industry	7

Table 3: External Factors Evaluation Matrix Affecting Business Development of Dena Rubber Manufacturing Company

4-2. Internal Factors Evaluation Matrix (IFE)

The purpose of this step is to measure the internal environment of the company under study and identify its strengths and weaknesses. That is to say, aspects identified as achieving favorable or deterrent backgrounds in achieving the planned goals and performing their tasks are identified (Ali Ahmadi, 2002).

Internal factors	row
Strengths	
S1 :Implementation of the final product quality control system	1
S2 :Having a well-known brand in the domestic market	2
S3 :Customer orientation and respect for consumer rights	3
S4 :The financial power and power to carry out widespread advertising	4
S5 :Having a variety of standards such as ISO, DIN ASTM, KES and PSA for the production of products	5
S6 :The importance of maintaining and developing domestic and foreign markets	6
S7 :Capacity utilization of manufacturing machines optimally and efficiently	7
weaknesses	
W1 :Lack of diversity in manufacturing products	1
W2 :High price of products due to high cost of finished goods made	2
W3 :Lack of access to computer software to simulate tire production process and performance	3
W4: Lack of efficient and powerful marketing system	4
W5 :Low presence in foreign markets	5
W6 :Lack of access to modern technology	6

Table 4: Evaluation Matrix of Internal Factors Affecting Business Development of Dena Rubber Manufacturing Company

4-3. Strategic Factor Analysis

This model summarizes the most important strategic factors of the system by summarizing the tables of internal and external factors and combining them. In the Summary of Strategic Factors Analysis, Planning that makes strategic decisions, there are strategies to limit these strengths, weaknesses, threats, and opportunities to a number of factors. This is done by re-examining the weights of each of the factors in the internal and external factor analysis tables. The heaviest factors in these two

tables by weight should be transferred to the strategic factor analysis table. (Hanger & Wilen, 2002).

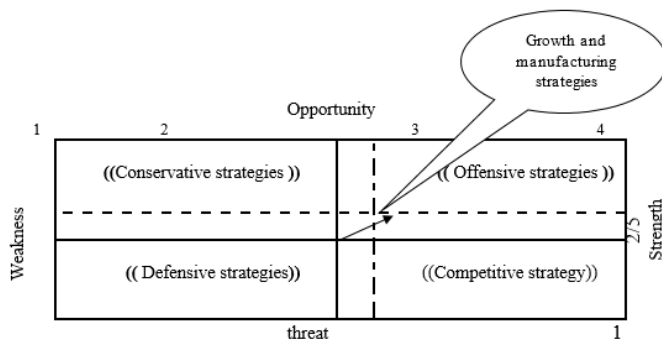


Fig. 2 - Internal and External Matrix (IE)

4-4. Matching and Comparison Steps:

Analysis of findings using SWOT model a look at the charts above illustrates 7 strengths and 6 opportunities versus 6 weaknesses and 7 threat points. Is. The results of the analysis of these points indicate that Dena Manufacturing Company should use the following strategies to develop its business.

A) Strategies SO (max - maxi)

In implementing SO strategies of an organization using internal strengths, it seeks to maximize external opportunities so that managers in this situation can take advantage of effective management conditions by exploiting their strengths and opportunities. Here are some of the strategy tips for this section:

- Focus on manufacturing diverse products in accordance with world standards
- Applying up-to-date technologies and using specialist workforce
- Export Promotion of Company Products

B) ST (max - mini) strategies

In implementing ST strategies, the organization strives to address or eliminate threats by using its internal strengths to prevent the negative impact of external threats on the organization. Diversification strategies that focus on internal points and external threats provide the following strategies to meet some of the needs and threats.

- Optimizing the production process and reducing the cost of finished products
- Conduct market studies and identify customer needs

C) WO strategies: (mini - max)

The purpose of WO strategies is for the organization to take advantage of the opportunities that lie in the opportunities.

These strategies, while emphasizing Dena's vulnerability, provide the following strategies.

- Adopt appropriate strategies to maintain existing markets
- Implement proper marketing system

D) WT strategies: (min - mini)

In implementing WT strategies, the organization should address its internal weaknesses and avoid external threats.

- Extensive and targeted marketing campaigns
- Pay attention to the environment and improve all sections of the production line.

5. CONCLUSION AND SUGGESTIONS

The results of studies on the strengths, weaknesses, opportunities and threats to the business development of Dena Rubber Manufacturing Co. indicate that due to rapid technological developments, high investment risk in industry and increasing import of foreign similar goods into the country. By adopting and implementing key strategies, the company deserves to retain current customers and expand its markets. In addition to these strategies, the researcher proposes the following strategies:

- ✓ Conduct detailed market studies and identify new developments
- ✓ Extensive marketing advertising
- ✓ Expanding the business brand of the company
- ✓ Improving the quality of R&D activities
- ✓ Improving the quality of manufactured products
- ✓ Reduced prices of manufactured products
- ✓ Enjoy the technical knowledge of the day
- ✓ Utilizing unused production capacity optimally and efficiently
- ✓ Promote the culture of domestic consumption in the Consumer Awareness List and select domestic products

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