

An Application of SWOT Analysis for Management Decision-making: Case Study on Russian Company Entering the International Market

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In modern conditions of economic development, it is increasingly difficult for organizations to be sufficiently competitive in the international arena. The key to maintaining competitiveness in international trade is the ability to reach the world level. This issue demonstrate that successful entering the international market is inconceivable without sound, timely and effective management decisions in a field of stable, sustainable and strategic development of management apparatus activities [2]. For these purposes, we consider it expedient to take advantage of SWOT-analysis techniques, well-known and commonly used in international practice[1].

The article considers the problems of an application of SWOT analysis for management decision-making in the case of Russian company Stilsoft. Special attention is given to possible benefits, threats and risks associated with entering international market.

Stilsoft is a Russian developer and manufacturer of integrated security systems headquartered in Stavropol, with a 15-years-lasting presence in the Russian market. Stilsoft is operating in 14 cities in Russia, and it produces both hardware and software of security systems, also providing additional service, like mounting, commissioning and maintenance of the items. The company employs in all such activities over 400 high-skilled professionals. Stilsoft production concerns a wide range of items in the field of security systems: video management, video analytics and registration devices, public addressing systems and unmanned aerial vehicles[4].

So far, the company has been focused on the Russian market and the main buyers of its products are Russian public institutions. In addition, Stilsoft also supplies some of the major oil and gas enterprises: Gazprom, Lukoil and Rosneft.

The company is now planning to expand its business abroad, to search new opportunities outside the Russian market, which have always been the environment in which the company have operated. The foreign market where the company has focused its attention to find new opportunities is Latin America.

Mexico has been found as the most suitable for Stilsoft's entry in Latin America. The good prospects for the economy, which is the second largest in Latin America, the greater advantages for foreign companies in terms of ease of doing business, labor cost, and skilled workforce availability and the absence of significative trade barriers make the country's framework particularly favorable.

The SWOT analysis is a fundamental component for the achievement of the final aim of the work. Indeed, the detailed knowledge of Stilsoft's strengths and weaknesses and the examination of the main opportunities and threats in the Mexican market are the basis for the identification of the entry strategy and for the definition of the marketing plan, provided the information about the industry collected in the previous part. Stilsoft has built quite a successful position in the domestic market but the entry into a foreign market requires to enforce its strengths also in the Mexican environment. The company has shown a strong commitment in research and development, as proved by the investments in the realization of technologically advanced products, the wide number of patents on technologies and the collaboration with the local

university. The broad range of security devices the firm can sell with a good quality-price ratio is another relevant strength. The dynamism of Stilsoft in the field of research and development has made the company's supply very suitable for the demanding requirements of home public customers, which are the main buyers of its products. However, at the same time, the strong traditional focus towards Russian public authorities, may make the company little prepared to meet the domestic private demand, which has different specificities, and which offers great opportunities in Mexico. The lack of experience in an international context may sharpen the difficulties in addressing a foreign market. The outsourcing of systems installation service, the poor commitment in communication and promotion and the absence of e-commerce section on the website may be further problematic points for the company.

Mexico still requires important structural reforms, in particular in the fields of judicial system, in crime and drug cartels fighting and in facing the still spread poverty and income differences[3,4]. However, despite some attempts, reform initiatives have been poorly effective, and this surely has impact on the quality of country environment for foreign investors and companies that want to produce or export here.

Thus, summing up the above, we can say that the SWOT analysis allows us to determine the key points of the company's growth, market development prospects and threats. For any company entering new markets, and especially foreign ones, it is simply necessary.

Analysis of the Mexican market showed that for Stilsoft it is very promising. Such opportunities set a task for the company in a short time to enter this market.

Источники и литература

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