MABENA Strategic Management Model for Local Companies

Kaveh Mohammad Cyrus, Shadi Sanagoo

Abstract—MABENA model is a complementary model in comparison with traditional models such as HCMS, CMS and etc. New factors, which have effects on preparation of strategic plans and their sequential order in MABENA model is the platform of presented road map in this paper. Study review shows, factors such as emerging new critical success factors for strategic planning, improvement of international strategic models, increasing the maturity of companies and emerging new needs leading to design a new model which can be responsible for new critical factors and solve the limitations of previous strategic management models. Preparation of strategic planning need more factors than introduced in traditional models. The needed factors includes determining future Critical Success Factors and competencies, defining key processes, determining the maturity of the processes, considering all aspects of the external environment etc. Description of aforementioned requirements, the outcomes and their order is developing and presenting the MABENA model’s road map in this paper. This study presents a road map for strategic planning of the Iranian organizations.

Keywords—Competitive Advantage, Process Maturity, Strategic Planning, Strategic potential

I. INTRODUCTION

This paper is a template for an appropriate model for strategic planning. It has firstly presented by the time of the entrance of Iran to the world trade organization (WTO). With response to this request some efforts had done to recognize and apply the world strategic management models. By surveying the new models and some researches, some of the strategic management models were used. Every model had technical weaknesses and on the other hand deploying them needed special infrastructures and appropriate conditions. So, by the combination of the classic models such as BCG, SPACE, Porter, Portfolio, Freeman, Ronald Rosen, Philips, ADL and Pro, CMS model has been improved [1]. This model has been developed, presented and evaluated on 1997 and used for developing strategies for several Iranian organizations. Regarding to the existence of the newer key success factors for strategic models, increase in the maturity of the organization and new development on Iranian and international trade evolutions, CMS model improved to HCMS and finally MABENA model.

Our try is designing a comprehensive model which consider the success factors of the strategic management models. In this paper first a comprehensive survey has been accomplished about all the models and the process of getting to the MABENA model is described by analyzing the industrial circumstances of Iran and at last this model is designed for the Iranian companies.

A. History of the subject

Improvement of the CMS model has been the basis of this research. CMS model has been designed based on the analysis of some strategic models [1], considering the environmental aspects of industrial companies of Iran, in 1376. The results of the implementation of this model in industry has been presented in various reports. The CMS model needed doing 25 operational steps.

1) Studying the mission of the organization
2) Identification of goals and setting objectives
3) Study and analysis of the external environment, using the PEST analysis
4) Identification of opportunities and threats
5) Strategic group analysis in order to to evaluate the position of the organization comparing to competitors.
6) Study and analysis of the internal environment
7) Obtaining the strengths and weaknesses of the organization
8) Vulnerability analysis
9) Forming the evaluation matrix (IEFE)
10) Study of the internal strategic position
11) Study of the external strategic position
12) Formation of the SPACE diagram
13) Measurement and analysis of the productivity indicators
14) Determination of the position of the organization in the lifecycle diagram.
15) Determination of the position of the organization in the portfolio lifecycle.
16) Making strategies and action plans using the ADL matrix.
17) Strategy formulation using the SWOT matrix.
18) Gathering premiere strategies resulted from the ADL matrix.
19) Making ETOP table, in order to predict the future trend of external factors

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20) Study of the effects of environmental trends on the selected strategies
21) Making SAP table, in order to predict the future trend of internal factors.
22) Evaluation of the selected strategies, considering the future trends of internal factors
23) Prioritization of the strategies using the QSPM method.
24) Presenting the final strategies.
25) Developing action plans for executing strategies

By considering the researches which has been done regarding the models and the trend of globalization of national companies, is the need of the CMS model for improving the current components of adding new ones. Fulfilling this need is done by identifying components, factors, stages and new formulations. Consequently, a new model has been developed as a result of this improvement, which is called the HCMS model.

B. CMS model improvement

In order to improve CMS model, the success factor of the nowadays strategic management were studied. Some of them presented below:

- Recognizing right bottlenecks in achieving the goals.
- Considering all excellence aspects in setting strategies.
- Reflection of believes, thoughts and senior managers values in setting strategies.
- Considering life cycle of the organization in setting competitive strategies
- Notifying the ability of the performance appraisal (implementation aspect) in strategic model
- Considering all stakeholders in setting strategies
- Economical and scientific society infrastructures

After considering the strengths and weaknesses of strategic management models, CMS model improved to HCMS model.

The improvement trend of the CMS model presented below:

1- Identifying the current status of the organization with strategic view and Writing the value principles
2- Identifying and setting goals and strategies
3- Identifying action plans, projects and KPIs
4- Designing action plans for executing strategies
5- Presenting the final strategies.

Examining the article shows that, evaluating the performance of strategies, determining the importance of different competitive alternatives and evaluation of competences, much work hasn’t been done, so it necessitates more research on the subjects mentioned above.

Considering the researches done regarding the models and the trend of globalization of national companies, is the need of the HCMS model for improving the current components of adding new ones. Fulfilling this need is done by identifying components, factors, stages and new formulations, which are presented in the following pages. Consequently, a new model has been developed as a result of this improvement, which is called the MABENA model.

C. HCMS model improvement

By studying and surveying, the HCMS model improved to MABENA model. In MABENA model the sequence of the steps which had been done in HSMS model changed and also some features which appeared necessary were added.
MABENA model consist of 6 areas:
1- Identification and strategic analysis
2- Determining vision and mission
3- Identifying Strategies and goals
4- Analysis and diagnose Key processes
5- Designing the balanced scorecard
6- Creating infrastructure for deployment

Features which have changed in different areas of the MABENA model are:

1-Identifying the mission and vision and valuable principles:
It is necessary to note that in MABENA model regarding to the fact that vision shows the understanding of the organization against the stakeholders (customers, employees, community and shareholders), identifying the vision of the organization will be done after the internal and external analysis. On the other hand, regarding the fact that missions are determined based on the strengths and capabilities of the organization and needed indentifying the future opportunities in order to deciding for the future and also the customers, competitors, geographic area, future market of the company and the future challenges are affected the missions, therefore determining the missions will be done after the internal and external analysis [20].

2-Determining the competencies and critical success factors in current and future situations:Various resources have explained the critical success factors, such as [20]-[24]. Since, by improving the event tree consideration, the role of CSFs has become more important, and in the previous model, identification of the future critical success factors did not exist. The organization should perform well at some key levels to reach its mission. These key levels are exclusively for the industry in which the organization competes. They can be called the critical success factors (CSFs) of the organization. In the traditional models of management and strategic planning, the definition and concept of the future CSFs, strategic potential, competitive advantage and in summary comparing our abilities against competitors are not mentioned directly. On the other hand, Different resources have explained the core competences and their relationship with internal factors, for example [30]- [33], [35]. In HCMS model at the time of indentifying the critical success factors, the core competences are indentified by using the porter model based on the strategies and organization capabilities in order to determine the appropriate strategy for improve, eliminate or retain the abilities and capabilities of the organization regarding to the circumstances of the organization and market. In MABENA model extracting these competencies have done after determining the goals and strategies and also in this model by indentifying the general success factors and their importance level of them, the competencies and bottlenecks of the organization has identified and after comparing them with competitors, the competitive advantages, strategic commitments, strategic potential and strategic weaknesses will extracted.

3-Analyzing the internal factors:
Various references have explained the internal factors such as [11]- [14]. Identifying and analyzing the internal factors of the organization in the strategic planning process done in order to identify the strengths and weaknesses and the ways of improvement. This action prepares the basis for SWOT analysis and gaining the related strategies. Knowledge resulted from the study of internal factors [11]- [14], [35].

Three approaches for internal factors analysis were found:
- functioned analysis
- life cycle analysis
- competency and critical success factors analysis

As mentioned in reference [35], one of the essential construct of internal factor is related to competencies better than competitors, so in MABENA model the temporary critical factors have considered. The result of the studies was the improvement of the functional factors of the both approaches, by adding new parameters, in a way to meet the internal factors by the functional view. The concentration of this study was on the addition of core competencies and critical success
factor analysis for the internal factors analysis. In HCMS model internal factors analysis has done by using EFQM, functional analysis and life cycle. In MABENA model EFQM uses for identifying the current situation of the organization and indentifying the critical success factors is used in recognizing the strengths and weaknesses of the organization.

4.-Analyzing the stakeholders:

Stakeholders are important part of the environment factors. Different references have explained environmental factors [9]-[10]. Also, various references have explained the stakeholders [15]-[19], [34], [35]. “Stakeholders”, are people or groups which for achieving part of their goals or needs, are dependent on the organization, and in a way the organization is also dependent upon them. It is notable that paying attention to managing a specific set of stakeholders will have a powerful effect on achieving strategic goals and long-term viability [8]. An important dual aim of the organization is to both identify and manage those stakeholders who are important for the specific organization’s strategic future. To achieve this, focusing on a series of linked such below are necessary:

1. Identifying who the stakeholders really are in the specific situation (rather than relying on generic stakeholder lists). Recognizing the uniqueness of an organization’s context and its goals allows managers to identify specific stakeholders and be clear about their significance for the future of the organization [8].

2. Exploring the impact of stakeholder dynamics; acknowledging the multiple and interdependent interactions between stakeholders and potential stakeholders [8].

3. Developing stakeholder management strategies; determining how and when it is appropriate to intervene to alter or develop the basis of an individual stakeholder’s significance, which itself is determined through in depth consideration of stakeholder’s power to, and interest in, influence the organization’s direction [8].

By doing researches about the concept of the stakeholders, the need for the more precise and structured stakeholders analysis in the strategic planning process, was revealed. In HCMS model analysis of stakeholders has been done in three stages:

1. Determining key stakeholders.
2. Determining the key expectations.
3. Classifying and determining the method for behaving with them.

In MABENA model after the 3 stages mentioned, stakeholders are classified by power and tendency level. Then some strategies will be presented for managing them.

The model, which used for identifying key stakeholders of the organization, shown in Fig 4:

![Fig. 4 stakeholders’ identification](image)

On the other hand, due to the convenience of this model in the analysis of the remote and close environment, it was decided to use this model for the analysis of the environment as a complementary part for the PEEST and Porter model.

Some parameters for estimating political, economical, social, cultural, analysis were changed and added (to the extent to do more precise estimations). Moreover, cultural, aesthetical, customers and sectored seems necessary to consider in environmental factors. So in the MABENA model, it has tried to act precisely by updating mentioned factors.

After studying and doing researches, levels and expected results of the analysis of the environment of the organization for the MABENA strategic planning factors are presented in in Fig 5:

![Fig. 5 external factors analysis](image)

5.-Designing the balanced score card:

Various references have explained the balanced scorecard [3]- [4], [25], [29], [30], [37]- [39].

The Balanced Scorecard are one of the most important and common systems of performance measurement. As a result, if we want to clarify the position of the criteria for performance measurement in the model, we use it as a tool for quantifying the goals and converting them into objectives, we use the critical success factors and goals setting in the form of the balanced scorecard framework in the strategic planning model.

The BSC proposal applies the goal question (Indicator) measurement methodology to derive quantitative sub-objectives from strategy objectives allocated in the quadrants of the BSC [3].

In HCMS model, determining the balanced scorecard aspects is done through determining the goals and objectives and setting the strategies and tactics.

The most strength point of BSC is its ability to illustrate the cause and effect relations between strategies and processes through four perspectives [34].
In MABENA model, [2] the results of the implementation of BSC included the strategy maps and the KPIs, designing the balanced scorecard will be done after identifying the key performance indicators and strategy map and key processes. Fig 6 shows the BSC aspects:

![Fig. 6 Kaplan and Norton BSC Perspective](image)

**6- Methods for determining the strategies and solution:**

In MABENA model for determining the short term and long term strategies, several methods are used.

![Fig. 7 determining strategies and solution](image)

**7-Analysis and diagnosis of the key processes**

Different references have explained process maturity, that some are mentioned here [3],[5],[6]-[7],[40].

One of the difficulties in formulating the strategy quantitatively is to link the strategic or business objectives with the product and process measurements and the expected values for improvement based on an appropriate analysis of the current situation [3].

One important reason for the failure of measurement program implementation is that the maturity of companies as regards measurement has not been taken into account during the definition phase [5].

The maturity capability level of the organization (N) Suggested measurement goals that the company is ready to implement according to its measurement maturity. The measurement goals which belong to level N+1 should be implemented with care, and the implantation of measurement goals related to higher measurement maturity levels is not recommended [5].
REFERENCES


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