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SME surviving the global recession

SEK Oy

Pradhan, Seejan

2012 Hyvinkää

Laurea University of Applied Sciences
Hyvinkää

SME surviving the global recession
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Seejan Pradhan
Degree Programme in
Bachelor's Thesis
February, 2012

Seejan Pradhan

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Year	2012	Pages	38
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Abstract

The global recession which triggered during the late 2007 until end of 2009 resulted many established business to turn into bankruptcy and foreclosures. So the firm had to apply special kind strategy to cope with the crisis. The thesis will have a closer look at the same situation.

The purpose of this study is to find the changes in business strategy that SEK Oy made during the recession period and how did they overcome the situation. A qualitative study was conducted to find the changes in the business strategy that was made. I had a direct interview with Mr. Marco Mäkinen, CEO of the company, and all my questions were replied by face to face interview.

The result shows that changes that were made during the recession period were a very wise decision. Their changes in the strategy were the one and only reason that was supporting the growth of their company. And finally the thesis is concluded with the conclusion of the thesis and recommendation for SEK OY.

Table of Contents

1	Introduction.....	5
1.1	Objectives and research question.....	5
1.2	Research Problem.....	6
1.3	Structure Of The Study.....	7
2	Case Study Of SEK.....	7
3	Theory.....	8
3.1	Small and medium size enterprise.....	8
3.2	Understanding business strategy process.....	10
3.3	SWOT analysis.....	26
4	Methodology.....	29
5	Empirical Research.....	30
6	Conclusion.....	35
	References.....	37

1 Introduction

Following the global crisis, Finnish market was also left in chaos and fragile financial situation. Many companies filed bankruptcy seeing sharp decrease in the business. By the end of 2009, it was reported that more than 3000 companies filed bankruptcy seeing the failure of their business and it is presumed more than 13600 employees were affected because of the bankruptcy. (yle.fi, accessed 2009-11-20) The other firms who was sustaining despite of crisis had decrease their number of staffs. This resulted to increase number of unemployment all over Finland. In several companies people names were put in waiting list to lay off in case the situation goes worst. The environment was in chaos. Following the international crisis, Finland was severely hit because many business firms were relied on foreign trade. As a result, overall production was down by 4% by November 2008 compare to November 2007 (hs.fi, accessed 09.09.2009). During the period of recession, GDP of Finland decreased by record low level. The growth of GDP in 2008 was 0.9% and in 2009 it was -8.2% (cia.gov, accessed 02-11-2011). The lowest unemployment rate was recorded as 9.5 % in February 2010 (yle.fi, accessed 2010-2-24). Finnish people were very worried about the devaluation of their housing price although it did not affect much. In awake of the housing situation, housing Minister Jan Vapaavuori and tried to reassure house owners. It was becoming difficult for the people and business firms to obtain loan from the banks and the financial market because of the international financial breakdown. In an international market because of the crisis, central bank had to lend billions of euros who were unwilling to lend money to each other. Though Finland did not face this situation. The crisis also feared to the stock market. The OMX Helsinki index plummeted along with the rest of the world markets. (hs.fi, accessed, 2008 - 3 - 10) During this recession period, one of the most hit areas is the SME's of Finland. SME is considered as the backbone of European Union's economy. Because 80% of the income is generated from the SME. The transactions of SME are unknown to the outer world because their volumes of business are comparatively less than large industries. Many SME had to stop hiring their extra staff and some SME had to lay off their permanent staff as well. For many the business was at the record low resulting for closure of their business. It was obvious for many SME to reduce their operating expenses by means of delaying the renovation activities, cutting benefits etc. The thesis will make a closure look at the business operation and the strategy that most SME took during the recession period by means of SWOT analysis method.

1.1 Objectives and research question

The overall purpose of this study is to review the business strategy process of the SME SEK Oy in Finland during the recession period and during the non-recession period. As the changes in strategy made in SME are not known to the people easily, the study will make a closer look at the changes in the business strategy in the SME's during the recession period. It will analyze

what kind of business strategy is important for the Finnish SME SEK oy and what kind of business strategies has it taken and how successful have they been. The study will further analyze the SME by SWOT analysis method and describe their strength, weakness, opportunities and threat during the recession period and non-recession period.

Furthermore the purpose of this study is to set an example for other SME. It will give other SME a direction as to how they should have changed their business strategy and how they should not have changed their business strategy. One SME will be able to know the key factor of their success and failure during the recession period. It will also know the strength, weakness, opportunity and threat of the SME. From this one SME can be prepared if they ever come across similar threat. the study will overlook as how:

- what business strategy has SME SEK OY taken and how successful has it been?
- What business strategy is important for an SME SEK OY to take during the current global recession?

1.2 Research Problem

During the global recession, along with the large enterprise, SME was also severely hit. Their transactions were unknown to the outer world compared to LSE but the extent of financial breakdown was up to the same level as it was in LSE. The crisis was affecting every kind of business firms who were unable to take necessary preventive steps in the management. And to some firm it affected although it had applied preventive measures. In Finland SME occupies a share of 99.7%. So, the economy is entirely dependent on the SME sector. It plays a vital role to sustain the economy of the country. SME had a great contribution in providing employment opportunities for the people as well. SME contributes 59.7% employment to the total workforce of the country. Ever since 2000, in European countries, SME has been growing at greater speed than LSE. And it applies the same in Finland as well. From 2002 to 2008, SME has grown by 16% in Finland. And similarly there has been 9% growth in the employment. In all the developed economies including Finland, SME has taken over LSE in terms of economic contribution and employment contribution. (europa.eu, accessed 22 March 2011)

So, when the recession hit and spread in the SME's of Finland, there were negative effects in various aspects of the business organization. There were reduction in the production growth, labor productivity and employment, and reduction the confidence of the business firms, negative effect on the new business startups and there was a chaos in the financial market. As a result, the SME's had to take necessary steps to change their business strategy and cope with the diminishing financial market.

1.3 Structure Of The Study

The thesis consists of six parts. The first section includes an introduction to the research and research questions. The second section includes case study of SEK. The third section, theory part, includes the description of SME, business strategy theory and SWOT analysis theory. In the fourth section, it explains the methodology of the research and in the fifth, the empirical finding done on the basis of the questionnaires. And finally the conclusion is drawn out of the thesis and then there are few recommendation to SEK OY.

2 Case Study Of SEK

Company profile

SEK is the 360 marketing communication solution agencies with the most lead agency experience in northern Europe. SEK is a partner with deep, long term commitment to increasing its clients brand value and driving sales in all relevant markets. SEK is owned by Salomaa Group, the leading northern Europe Company for marketing communication services. Although SEK is an SME, it is quite large in size. SEK's annual billing in exceeds 25 million euros and it employs 240 people. And it is one of the oldest advertising companies established in the year 1935. SEK as a SME has established them self as a leading example for the Finnish economy. Since its establishment it has grown rapidly and helped various other big enterprises to grow and establish a renown able brand. Few examples of it are, it has helped Nokia to become the 6th most valuable brand in the world. It has also helped various other brands such as Finnair, Paulig, Fazer etc.

SEK as an advertising company covers all form of marketing and advertising services. SEK provides the services in such a way so that their clients do not have to go to different marketing agencies. It provides all kind of marketing services such as brand and marketing strategies, advertising, design, retail marketing, event marketing, customer relationship marketing, digital marketing, corporate communication, tactical advertising etc. Few examples of services that SEK provides in each section are:

Brand and marketing strategies: Under this it helps its clients to develop the brand and suggest the brand portfolio.

Advertising: It comes up with various advertising schemes so that their clients can attract more customers.

Design: under this it provides various services such as product packing design, brand logos, space designing, web page designing etc.

Event marketing: under this the SEK designs fairs, shops, cafes, events etc. in terms of marketing view. One example of this is Finnair travel fair.

Customer relation marketing: under this SEK provides its clients to improve its relation with their customer by various ways such as developing customer's magazines etc.

Digital marketing: Under this SEK helps its clients by internet marketing such as developing their web page, network marketing, mobile marketing etc.

Corporate communication: under this SEK helps its clients by various ways and few examples of it are it designs communication with its customers; it builds a relation with the media etc. Apart from that SEK helps its clients by various other ways and they are management consulting, making up strategy, improving the working method of the organization.

SEK has a unique way of serving its customers. It deals individually with the customers. SEK recommends the kind of advertising needed for its customers to build their brand. And it changes its mission and vision according to their customer's mission and vision. It provides a complete value chain for its customer's progress in their business.

OVERALL STRATEGY OF SEK

SEK was established in the year 1935 as one of the first advertising company. And today it is regarded as the top and preferred company in the Finnish market. Its has established itself as the complete marketing service provider with all kind of different marketing services. It has always moved on with the motto of being as the best brand that builds the brand.

(sek.fi, accessed 01 June 2011)

(As per the company presentation in 21 April 2011)

3 Theory

3.1 Small and medium size enterprise

According to the EU commission, enterprise can be called as small, micro or medium sized if they qualify the following criteria.

Enterprise	Headcount	Turnover	Balance sheet
Small	<10	< €2 million	< €2 million

Micro	<20	<€ 10 million	< €10 million
medium	<250	<€ 50 million	< €43 million

europa.eu, accessed 22 March 2011

Importance Of SME In Finnish Market

SME has started to play a vital role in its economy of Finland likewise in other European nation and other developed nation. The share of SME has been growing rapidly from early 2000 to 2008. There is a great difference in between the shares of SME and LSE in Finland. The statistic shows that SME constitutes 99.7% of the total shares while LSE constitutes 0.3% of the total shares. And the share of employment provided by the SME is also relatively higher. In Finland, SME provides 59.7% of the employment and LSE provides 40.3% of the employment. (europa.eu)

In my opinion the government and the Finnish business society should start progressing their business in SME sector. If Finnish SME develops and increases its output there can a big increase in the GDP of the country. It is because of the very high number of SME compared to LSE (large enterprise).

It would be wise to focus in SME than LSE because of the globalization issue as well. Many LSE such as KoneCranes are moving away to reduce their production costs(as per the company presentation in Laurea). So the amount of tax in the government fund will decrease to some extent. But SME enterprises tax will be centralized in the country.

The number of SME has grown considerably in the past few years. So it shows clearly that SME has been dominating the Finnish market. SME has been growing up with positive energy and it has been given a chance to several people to act as an entrepreneurship. SME has provided a chance to many small entrepreneurs to grow and establish their own business.

(europa.eu, accessed 22 March 2011)

On the other hand the research shows that the Finnish SME are willing to internationalize as well for the development of their business. It has shown that only 2 out of 30 Finnish SME which has chosen to internationalize has withdrawn its strategy. But most of them have ended up saying that they were in need of help to varying the level of need in terms of information, language skills, local culture, local assistant, local actor, acquiring financial knowledge, creating strategies. In all fields, more than 70%of the firm has they were in need of help. (Söderqvist, Holstius, pg 57, 38, 2005).

As we know there has been fair growth rate of Finnish SME in various field and has been advancing its economic growth. So in my opinion if the government or the responsible repre-

sentative would help the Finish SME to keep the track of their growth, Finnish SME has a very bright economy. And the internationalization process that has started within very few SME would also get an enthusiasm.

3.2 Understanding business strategy process

Definition

Business strategy is the plans, choices and decisions used to guide a company to greater profitability and success. (Kourdi, pg 3, 2009)

In the business environment, an inspired and clearly considered strategy leads to a commercial success whereas weak or unclear strategy may lead to failure of the business.

Business strategy 'is one route which is both necessary and sufficient to achieve the business objective. (Fifield, pg 87, 2007)

Few benefits of good business strategy:

- The process of developing and implementing strategy enables managers to understand their customers and competitors.
- The company is able to develop its products and approach in line with its customers changing preference.
- It helps to highlight how profits can be increased through the development of product extensions.
- It helps in the managerial skills as well. It shows to the managers as to where the business skills needed to be added.
- It integrates the employee's motivation to provide the best output needed to provide customers profitability.

The business strategy is process is sub divided into two categories. Firstly the development of business strategy process will be looked and secondly as to how it will be implemented.

DEVELOPING STRATEGY

Forces That Shape Business Strategy:

There are several forces that shapes the business strategy. The business strategy shapes the future customer of the company. The business strategy should be relevant for its customer. So the strategy should match the current situation and future prospect as well (Kourdi, pg 33-49, 2009). As per the author there are several forces that can shape the business strategy such as the past, leadership, globalization etc.

Another reason that shapes the business strategy is the industry type. Michael Porter has developed a framework for classifying and analyzing the characteristics of an industry environ-

ment. His five forces model of competition examines competitive forces that influence the profitability. So the business strategy must be set according to the profit it forecasts based on following forces.

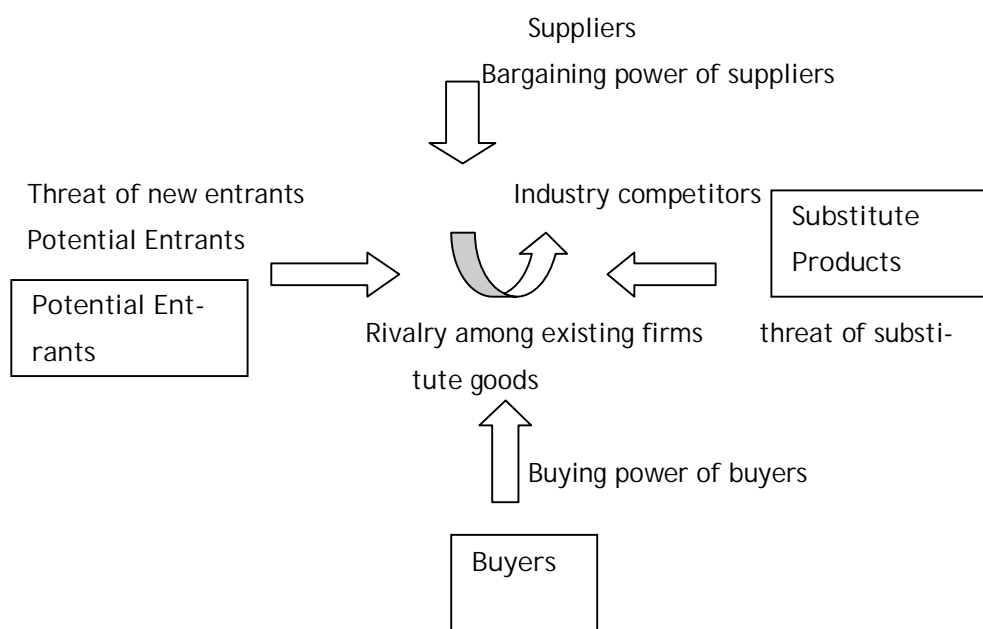


Figure: Hoskisson, pg 50, 2008 (Competitive Advantage: creating and sustaining superior performance by Michael E. Porter.)

To summarize, it can be said that in a firm there are several day to day activities going on in the company in terms of internal environment and external environment. The business strategy has to be set in relevance to it. Such as there might be new substitute product in the market so all the issues of porter's forces have to be kept in mind to overcome that situation. Based on the internal and external environment, the firm might have to focus on certain strategy such as leadership, globalization, technology that suits the nature.

SEK has always shaped its business strategy based on the leadership of team building and becoming the market leader which they have been successful in it. SEK has always tried to become the market leader among its competitors with its wide variety of advertising services. They not only try to emphasize on its own market leadership but also customer's market leadership. SEK has always had its target customer as the top businesses in Finland.

Scenario

The scenarios show how to connect an understanding of the future with plans and decisions being made today. The author describes a company should always understand the outer situation of the business environment. The business should change with the change business envi-

ronment. And it furthermore describes that the managers should avoid thinking business as usual process. Managers should not put in mind that the repeated success that they achieved during the past will necessarily lead success now. (Kourdi, pg 49, 2009)

To summarize it can be said that it is the transit point of implementing the strategy and the decision made today. It emphasizes that one should always keep an eye on the changes that has happened and at the same time it emphasizes that it is not necessarily possible that the repeated success will work this time. So, one has to make the decision by understanding the current business environment. One example is the company KONE once has to set its business strategy to move its plant to china because of the globalization and cutting expenses. (As per the presentation given by company representative in Laurea)

Resource And Strategy

The organization should plan their resource and strategy (tangible and intangible) and analyze according to the category, specify and performance.

Analysis by category:

When analyzing the resources by category it can be analyzed qualitatively and quantitatively. Under quantitative various things can be kept in mind such as building and machinery. And for qualitative, various things can be kept in mind such as the quality of the resources, availability, delivery time etc.

Analysis by specificity:

Resources can be analyzed according to their specificity. Resources can be specific to achieve certain kind of advantage. One such example is the skilled workers tend to have specialized knowledge on certain industry.

Analysis by performance:

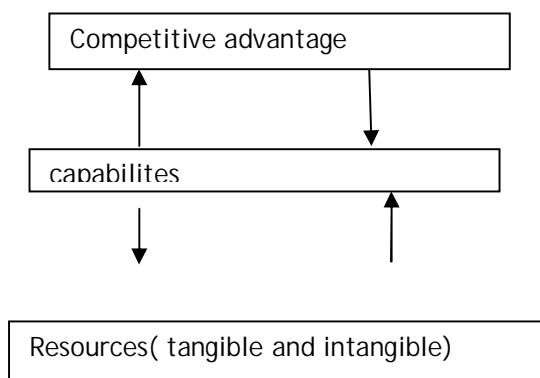
The resources can be evaluated on the basis of the contribution the resource provide to help improve the performance. Few examples of analyzing the resources can be evaluating financial performance, comparison with the competitors etc.

(Campbell, pg 37, 2004)

In this the author tries to explain that to the resources can be analyzed in three different ways. As we all know that the resources are limited in business organization. They always have to make choices to meet up with the business goal. So while applying the business strategy, the company has to focus on certain resources that they value the most. The managers might change their perception towards adding up their resources. One such example is the

manager might value cash and machinery the most in certain circumstances in substitution of quality and human resources.

By proper use of the resources, it can be further benefitted and it is shown in the diagram (fig: Sadler, Pg 166, 2003).



SEK as a advertising company has always focused in the intangible assts. So they were moreover focused in brand and the quality. As taking an advantage of being the oldest company, it has always hired the best manpower to deliver the best quality products and services to its customers. And it has always been successful to known as the preferred advertising company because of its successful branding. It has always been focusing on to be the best brand that builds the brand. And until today, SEK has been as the most competitive in the advertising industry.

Strategies For Growth

The writer emphasizes, that the repeated success in the past will not necessarily work in the present term. So it directs there are several ways for the growth and they are

- Organic growth
- Merger and acquisition
- Integration
- Diversification
- Specialization

(Kourdi, pg 75, 2009)

All these are different type of growth strategy that the firm applies. The type of growth strategy that the firm applies might vary from one to another. Likewise we can see in the normal business world airlines companies usually chooses merger for their customer convenience. A small firm usually applies organic growth by using its existing resources.

According to the book Harvard Review ON Strategies For Growth, 'If managers think like customers, they will be able to find and exploit compromises for faster growth and improved profitability.

All companies are searching for growth. So it is emphasized that the managers should think like the customers. And they will be able to find ways for faster growth and improved profitability. Often several companies adopt the diversification strategy for the growth. The managers keep must various things in mind to diversify. The managers not only should keep in mind about what they do but also how they will be better than their competitors, the company must have all the strategic assets not just few of them, managers need to ask weather their strategic assets are transportable to the industry they have targeted. (Kim, Copeland, Markides , pg 25, 55, 81-88, 1998.)

The author tries to explain that there are certain things that have to be kept on mind while growing their business. The managers must not only expand their business but also keep a close eye on the competitor's growth. Managers often have to divert their growth strategy opposite to their competitors to get the proper customer segmentation. And the mangers have to keep an eye on their resources as well for the proper growth. For instance the company might be forecasting the increase in their sales, so the manager must keep in mind about the available staffs they have for the customer service.

SEK has always been growing its market share ever since its establishment since 1935. They have always implemented different growth strategies during their operation. The company has always been growing its market share by growing its customers. All the credit of its expansion has been given to its skilled manpower. And it has always believed to diversify in all the advertising sector business by providing the complete advertising services. And the company is pretty much against the policy of mergers and partnership with the competitors because of its industry type.

Developing A Business Strategy And Thinking Strategically

It helps managers see where and how change is needed to make the business successful.

This chapter explains:

- The essence of successful strategies
- How to develop a business strategy

The essence of successful strategies:

Successful strategy is essence for the successful business. Strategy decisions are the key to the future. They provide reassurance, they reduce sources of stress, they turn problem into opportunities and create benefit with little resources.

How To Develop a business strategy

The development of business strategy involves three different phases:

- analysis
- planning
- implementation

Analysis:

When developing a business strategy, there are no constantly right answers but there are constantly right questions. The right answers changes with the changing business environment. The best way of analysis is to make a summary of strength, opportunities, weakness and threat.

Planning:

There are several stages in the strategy planning process.

- Define your purpose:
Under this the organization has to summarize where you are now, where you want to be and how will you change.
- Explain your advantage:
Under this the organization has to be explain why would the customers would buy from you rather from competitors.
- Set the strategy's boundary:
Under this the organization will have to explain as to which product the organization will deal with and which product the organization will not deal with.
- Priorities:
Under this the organization should emphasize the most important product and market you will deal with.
- Budget:
Under this the organization should estimate costs, revenues and the cash implications and prepare a budget to meet the strategic objectives.

Implementation:

The processes of implementation are

- Integrating the strategy:

The strategy needs to take account of the realities of the business. To succeed, it must be consistent with the work of other department, the capabilities of employees.

- Communicating:

Clear communication is important in developing and implementing a strategy. Communication skill in terms of body language, understanding other people and making one understand to other people.

(Kourdi, pg 89- 95, 2009.)

To summarize the idea for developing the business strategy it consists of three steps and they are analysis, planning and implementation. Firstly analysis of the company's resources must be done by evaluating their strength, weakness, opportunities and threats. This gives a clear view of the company's situation in the business environment. Then with the output and evaluation of the analysis, planning must be done according the analysis result because they provide reassurance, they reduce sources of stress, they turn problem into opportunities and create benefit with little resources. And after planning according to the analysis result it will easy to make plans for the CEO to make decision to prioritize, budget, make vision etc. And finally the strategy should be implemented with consistent communication with other department of the organization.

The company has always developed its business strategy thinking from customer's perception. They have always maintained the image of the good brand of their and they are renown for building the brand. They have always delivered the best quality product to its customers and have always tried to assure to its customer that if they invest 100euro, the return will be 150 euro and help customer to change their problem into opportunities. They have always maintained the good relationship with several biggest company of Finland such as Nokia, Kone, Paulig, Fazer and others. This has added them advantage to attract more customers.

Vision

The organization has to make a clear vision as a first stage for implementing the strategy. Vision provides a clear direction and aspiration for the business. It provides clear focus for action in specific area and for a particular task. There are examples in the financial market, that one can become a market leader in a very short span of time with a good vision. People respond very well when they understand what they are doing and why they are doing. It excites and inspires customers and workers. Then the vision should be developed by deciding oneself as to what will be important in the future, trust the organization, and test the assumption. Then the vision should be communicated, used as per the plan and get committed to the vision. (Kourdi, pg 103-109, 2009)

Implementing Business Strategy

- Leading change

A business strategy is dynamic. It involves choices, change and ability to move the business from where they are now and where they want to be in the future. The leader should remember when leading people through change are: vision, communication, planning, steady progress, realism and practicality, participation, motivation, training and support. (Kourdi, pg 109, 2009.)

- Achieving employee engagement

Achieving employee engagement in the organization increases the output. There are several techniques for increasing employee engagement. The employee customer profit chain can be implemented. Under this, the job provides financial, professional benefits. The job should provide equity, security, satisfaction and security. (Kourdi, pg 112-113, 2009)

- Avoiding pitfalls:

There are several ways to avoid pitfalls. Few examples are communicate and influence, help people to embrace change, provide training, check the organization development, confront problem early. (Kourdi, pg 119, 2009)

This chapter explains how the business strategy should be implemented. After defining a clear vision and keeping in mind about the result of the analysis, the company should move on to implement the business strategy. The organization should apply the choices and changes that they had decided earlier and go on to the direction where they want to be in the future. The leader plays an important role in this process because they have to lead the changes and make everyone go towards the same direction by means of communication, steady progress, motivation and many other unpredicted circumstances.

The company has always developed its business strategy thinking from customer's perception. They have always maintained the image of the good brand of their and they are renown for building the brand. They have always made a steady growth of the firm by delivering the best quality product to its customers and have always tried to assure to its customer that if they invest 100euro, the return will be 150 euro. They have always maintained the good relationship with several biggest company of Finland such as Nokia, Kone, Paulig, Fazer and others. This has added them advantage to attract more customers.

Strategic Innovation

Strategic innovation plays an important role in the strategies of the business. The innovation may be in terms of manpower, technology, market leader, core business. The author explains several fields of innovation for the business and they are:

- Understanding innovation
- Building a culture of innovation
- Bottom up and top down innovation
- Deep dive prototyping
- Value innovation

And among all these innovations, SEK has mostly used Bottom up and top down innovation. Under this the organization should keep on updating with the new innovation in the software development, new machinery. This prevents them from unpredictable and unimaginable innovation.

(Kourdi, pg 123- 133, 2009)

Bottom up and top down innovation is very important for the company like SEK. The updates in the software and machinery in the digital world are one of the crucial innovations. It keeps the track of the change of the outer environment. One might be able to know about the convenient machines and new programming to deliver the marketing process.

Business model innovation

A business model consists of 4 interlocking elements that taken together can create and deliver value. The established business companies operate according to the 4 elements and they are:

- Customer value proposition that fulfills an important job for the customer in a better way than the competitors. One good example of this is the TATA motors that made the world cheapest car to act as a substitute for the motor bike in the Indian road.
- A profit formula that lays out how the company makes money delivering the value proposition. One such example is the TATA motors who took the challenge to manufacture the world's cheapest car. So it had to sell the those cars in mass amount to get the profit margin and cover the expenses which was possible because it was touching the growing demand of the worlds second largest population.
- And the key resources and key processes needed to deliver that proposition. Key resources can be considered as people, technology, equipments, etc. and key processes can be considered as design, products, marketing, hiring etc.

(Johnson, Christensen, Kagermann, 2010, pg 55)

In this the author tries to explain the business model that the firm should apply. It says that the firm should introduce the products and services that can satisfy the customers and beat the competitor, then price its product accordingly which will benefit both the customers and the firm. And finally fulfill all the key resources that are needed to deliver the products or services.

SEK as being one of the oldest companies has always been the market leader in all the advertising service that they provide. SEK has innovated from printing media to digital as becoming one of the oldest and first advertising companies in Finland. And all the innovation they focus is on their manpower. They try to hire the best staff for the best quality and increase their value. And they are as well renowned for their expensive service but in return they provide their customer the innovative final service and products. They emphasize on being innovative output of their products. SEK satisfies its customers by providing the better business model innovation than their competitors. They provide overall advertising service that they will not get from any other advertising agency. In other word they can find the whole advertising package in one house. And to fulfill the demand of best quality in Finland, SEK has the top and experienced professionals.

Making Strategic decision

A view popularized by Minzberg et al. (1976) is that strategic decision are large expensive, and high level of ambiguity(uncertainty) often.

(McGee, Pg: 390, 2010).

One most essential part of the decision is the existence of alternatives. That means one there must be choices available. For a a manager to take some strategic decision, there are five steps that one must follow:

- Specify alternatives and scales that potentially might achieve the objectives.
- Develop alternatives that might achieve the objectives.
- Determine how well each alternative achieve each objective.
- Consider tradeoffs(balance) among the objectives.

Select the alternative that, on balance, best achieves the objectives, taking into account uncertainties. (Kirkwood, pg 3, 1997)

There are several approaches to take the strategic decision that affect the direction and performance of an organization or team.

- Operational business decisions:
successful operational decisions can be achieved by managing knowledge and information; getting the corporate culture right by means of defining the vision, leading by example, treating other as you would like to be treated; fostering creativity and innovation; focusing on continuous improvement; empowering and mobilizing people; fitting operational decisions with overall strategy.

- Decisions involving legal issues:
- Problem solving:
(Kourdi, Pg 136- 153, 2009)

Among several decision options, SEK chose the operational decision for their day to day business operation. Under operational decision, the managers have to create an environment for the decisions to suit the overall business strategy. In an operational decision the author points out that the decisions have to make an overall development of an organization. While making decisions the organization should view about the information about the past matter so it can act as guidance in the future and develop the mission and vision. The leader has to act as a symbol of motivation for their staff and demand the same kind of motivation from them. Because staffs are the real people who can create an innovative idea for the firm. If the manager is able to make decision in such way the company can grow and develop prosperously. The company always believes in the continuous improvement of their business by growing the market share and improving the profitability by various means. The company always redefines its mission and vision coping with the customers. Their customers have different mission and vision with the changes. Different customers have different mission and vision, so they change theirs as well according to their customers. So to achieve their different objective with different kind of customer they always try different alternative of resources.

Competitiveness And Customer Focus

According to the porter's generic forces, he has described four strategy and they are cost leadership, differentiation, cost focus and differentiation focus.

Cost leadership strategy: It is an action plan to the firm to produce goods and services at the lowest cost. It could be done to reduce the stocks, increase the sales etc. so the company should be well prepared with their minimum cost price to cope with the future uncertainty or to maintain the constant level of their selling price.

Differentiation: A differentiation strategy is an action plan firm develops to produce goods and services that customers perceive as being unique and are suitable to customers taste.

In this the author is trying to explain that the company must try to be different than their competitors and attract the customers to gain the market share. It should be able to feel the changing market demand and understand their customers.

Focus strategy (cost and differentiation): A focus strategy is an action plan the firm develops to produce goods or services that serve the needs of a specific market segment.

In this the author is trying to explain that the company should understand their own product or make some visionary about their product and make the target market. For example if the company is targeting income group customers then it should go ahead to build the brand according to the need. One example of cost focus strategy is the IKEA because it is focusing on certain type of market and established them as the cost leadership. And one example of cost differentiation strategy is LVMH (Louis Vuitton) which has its own cost and own market segment.

(Hoskisson, pg 90-99, 2008)

The benefit from competitiveness is as follows:

- The company will be constantly stretching to its maximum limit.
- Doing things differently than customers.
- Being customer oriented.
- Collaborating with other business and customers. Developing clear strategies according to the need.
- Building knowledge based core competences and distinctive capabilities.

(Campbell, pg, 156, 2004)

And the sustainability of the competitive advantage can be dependent on three major characteristics and they are durability, transferability and reliability. (Sadler, Pg 175, 2003).

SEK as being an advertising company has its own type of competitiveness in the market. And it is not the same that it used to be in the beginning phase where there were very few advertising companies. In the day to day operation the most dangerous threat they possess are the industry type. The whole business has transformed from printing to digital. So, the company must keep up with the changes in the technology. Failure to do so means they are out of the business and the company is under serious threat resulting closure. So SEK had to continuously develop its product from printing to digital and applied the differentiation strategy approach for their competitive strategy. So for SEK, the change in technology that they have to transform from time to time is the most competitive task. And they have to keep in track about their competitors' technology as well.

Sales, Marketing and Brand Management

There are several companies who were unable to make proper decision about sales, marketing and brand and as a result their customer went to the competitors. It will overlook on several factor such as:

- Pricing

Several factors affect pricing. They include antitrust legislation, supply, and demand and price elasticity. Various things can be considered to make sure that the pricing of the particular product suits the market and they are: take customer perception, response of the competitors, and sustainability of the pricing, verifying how it has affected to the brands of the products. (Kourdi, pg 173, 2009)

- Selling:

Sales decisions must be based on the understanding of the customer, commitment to service and focus on profitability. One should always highlight the product's benefit, build customer loyalty, develop uniqueness, manage and update information. (Jeremy Kourdi, pg 175, 2009)

- Brand management

The first step to build the brand strategy is to understand exactly what your customers want from you and giving it to them. The brand strategy is always based on the brand core (e.g. Passion), its values (e.g. innovation, quality) and brand association (e.g. proven, unique, dynamic). (Kotler, pg 169, 2006)

- Customer royalty

There are four basic steps in customer relationship management:

1. Identify your customers in depth as much as possible, including demographic, preferences etc.
2. Differentiate among them (for example most and least profitable.)
3. Interact with your customers.
4. Customize your offerings to fit each customer's needs through mass customization or individual tailoring.

The purpose of CRM is to identify, retain, and please the right kind of customer and to foster their repeat usage. Most of the firms develop the CRM for the following reasons:

- To increase customer retention and customer royalty.
- To stay even with their competition.
- To differentiate themselves from the competitors by their outstanding customer service.
- (Baran, Galka, Strunk, Pg34,13, 2008)

In this the author tries to point out the process to build up and improve the customer relationship management by improving the pricing, selling, branding and customer royalty. The writer tries to point that the pricing of the particular product should not be decided by the company. But it should be given to be decided by the market. And while selling the product

the firm should always put in mind that along with benefitting oneself, the firm should also benefit the customer and overlook customer's convenience so that one can maintain long term relationship with the customers. Similarly with the branding strategy the firm should always fulfill the customer's expectation that has been expected by the customers in terms of quality, innovation, uniqueness. And finally, customer royalty should be maintained by the firm to their customers. The firm should try to learn about the progressive demand in terms of their product that customer expects from them. For example the company Apple has moved on from ipod to iphone and finally to Macbook.

SEK is very much focused in the brand management of the company. The company has always gone hand in hand from the customer's perception. SEK has always priced its product according to their quality and the cost of their products. They have always made sure that whenever they sell their product, it adds the value added to the customers product. And the most important that they have emphasized is the branding of their product. So they are moreover focused on the quality of the products than the cost when dealing with pricing. It has always maintained its brand and the top preferred brand for the advertising company. It is renowned as a good brand in the advertising company that builds the brand for its customers. And viewing the customer's convenience, SEK provides all kind of advertising services for its customers and have been diversifying its services and updating its services in the digital media.

Managing Knowledge And Information

Knowledge and information are essential for making effective decisions. Knowledge and information can affect the way people act, their responsibilities and the work they do, training needs, accountability, manage time and communicate. The process of managing knowledge and information are:

- The strategic value of knowledge and information

Knowledge and information has to be collected, protected, and effectively managed if they are to guide and inform every stage of decision making. There are several significant ways in which knowledge and information can benefit a business strategy. Greater flexibility and faster response times can be achieved, product and services can be improves by monitoring customer's view and monitoring product failure, customer service can be improved, greater teamwork will be enhanced.

- Techniques for managing knowledge and information:

There are several techniques for effectively managing knowledge. They are increasing knowledge by means of forming alliance or hiring consultant, maintaining knowledge from time to tie, protecting knowledge by means of copyright and other informal means, managing flow of information, establishing in-

formation system, acquiring the right data and storing and retrieving the data.
(Kourdi, pg 187- 192, 2009)

In this the author tries to point that the knowledge and information should be managed for achieving the business goal. It points that protecting knowledge and information acts as a evidence of the past and provides the guidance for the future. So because of past knowledge and information, the firm does not have to waste its time in research which will result faster decision and effective decision will result.

SEK was managing knowledge and information about its customers. They were keeping a data about all the improvement and unsuccessful matters about its customers. Apart from data, SEK was also keeping an update about inner demand of the company as to how far would they like to progress and what's their goal do that they can develop the strategy in the same way to fulfill their demand.

Managing Finance and Risks

The writer says that money is central to the strategic development of all organization. It is the key input resource in any business. It is the one and only thing that can determine the position of market share. And the result of financial analysis is the most important thing that can measure the success of the company. So the writer says to improve the finance of the company, it must constantly increase market share, enhance reputation, stock price improvement, reductions in complaints, ability to attract a key resource input such as human resource etc.

(Campbell, pg 64- 70, 2004)

In this the author tries to emphasis that ways that a firm can manage their finance and risks. It emphasizes finance as the most important resource in any company that will determine the market position. The financial statement should be able to generate enough cash. If the company is strong enough to generate cash in the financial statement, the company will be strong in other sources of corporate funding as well such as share capital, loan capital, right issue capital, retained profit as a source of capital.

And ultimately, the company risk management strategy needs to be integrated with the over-all corporate strategy. The risk management strategy should touch the model of three basic premises:

- The key to creating the corporate value is making good investments.
- The key to make good investments is by generating enough cash internally to fund them.

- Cash flow often can be disrupted by movements in the external factors, potentially compromising a company's ability to invest. Therefore, a risk management program should have one overarching goal and that is to ensure the company has the cash available to make value enhancing investments.
(Froot, Scharfstein and Stein, pg 66, 2009)

Under this it says that the finance of the company is secured by securing the investment made by them. So the firm always has to have enough cash in order to do so. If the company runs out of cash then the result will be the firm will be investing lesser than their competitors. So the main goal of managing risks would be to have enough cash.

SEK as considered as one of the most stable advertising company Finland They have their own way of managing their finance and risks. They moreover focused towards the profitability of the company. Their way of improving the profitability is to improve the quality of their service and increase the sales of their customers and market share. When the sale will be influenced because of them, they can have a fair right to increase the price for their hard work. Their main strategy in investment was to make investment in all kind of advertising services.

Leadership



Fig: strategic leadership action (Hoskisson, Pg: 25, 2008)

The figure explains the tasks that a manager should fulfill during his leadership period. Fulfilling all these tasks, one can plan the future of the company and imply proper business strategy that is suitable for the firm. It integrates everybody in an organization and develops a sense of motivation.

SEK has always applied the fair leadership styles with its employees. The leaders have always set its mission and vision to grow and tried to make SEK as the most preferred and recognizable company in Finland. The leader even tried to expand its business during the recession period and keep the job stable for all its employees. The management always tries to lead the company with the best work force for achieving the organizational goal.

3.3 SWOT analysis

SWOT stands for strength, weakness, opportunities and threat. The SWOT analysis is a summary of the marketing audit, and contains an explanation of the key factors affecting organizations marketing activities at a specific time. (Brennan, pg 94, 2003). It can be divided into two factors and they are:

Internal factors: strength and weakness

External factor: opportunities and threat.

Strength and weakness are the outcome of an analysis of the organization's resources compared with the resource of key competitive rivals. The resources could be market resources, human resources etc. whereas opportunities and threats are the comparison of the external environment in the specific area in terms of opportunities and threat. The components of SWOT can be evaluated below:

- Strength: Relative to key competitors, what differential strength does the organization have?
- Weakness: Relative to key competitors, what differential weakness does the organization have?
- Opportunities: on the basis of an analysis of the organization's external business environment, what are perceived to be the key opportunities open to the organization during the plan period.?
- Threats: On the basis of an analysis of the organization's external business environment, what are perceived to be the key threats facing the organization during the plan period?

Most of all the SWOT analysis should give a way to these questions:

- How can we exploit the strength?
- How can we eliminate this weakness?
- How can we exploit this opportunities?
- How can we avoid or minimize this threat?

(Brennan, pg 94-95, 2003)

SWOT analysis is the key factor that can determine the business strategy of the company. It acts as the mirror for the company's ongoing activities. It provides the exact situation of one's business environment in terms of the competitors by determining strength, weakness, opportunities and threat. It can point out various things such as market position, budget, new market and licensing etc. compare to the competitors. SWOT analysis acts a tool to explore the strength and turn that into opportunities and at the same time overcome weaknesses and threat with he helps of strength and opportunities that they have. It shows the real situation of the company's strength, weakness, opportunities and threat and helps them in term of various marketing activities such as pricing ,selling, advertising etc. and act accordingly to achieve their business goal.

Interaction Of SWOT Analysis

S/O interaction

It means in turns, compare each strength with each opportunity. Does strength facilitate the organization in its effort to exploit that opportunity? For example there is a growing pressure from the customers to produce more vehicle which produces low emission. So this is a valuable opportunity for the car manufacturer who has a specific strength about the company.

(Brennan, pg 96, 2003)

S/T interaction

It means it turns; compare each strength with each threat. Does the strength facilitate the organization effort to cope with that threat? (Brennan, pg96, 2003)

W/O interaction

It means in turn, compare each weakness with each opportunity. Does the diminish because of the organization in pursuing that opportunity? (Ross Brennan, 2003, pg 96)

W/T interaction

It means in turn, compare each weakness with each threats. Does the weakness will diminish the organization's ability to cope with that threat? (Brennan, pg 96, 2003)

After the SWOT analysis process, Kotler has suggested that the company should proceed to goal formulation. And while goal formulation it must meet 4 criteria:

- They must be arranged hierarchically, from the most important to least.
- Objectives should be quantitative whenever possible
- Goals should be realistic.
- Objectives must be consistent.

(Kotler,pg 92, 2009)

Once the SWOT analysis of the business strategy has been performed, one can move on to start to formulate the goals for the company on the basis of strength, weakness, opportuni-

ties and threat that the company has come up with. And the author has laid few criteria to formulate the goals above. And to achieve these goals the business strategy is designed. SWOT analysis as a part of strategic planning process

The author says that every company is confronted with variety of internal and external forces. On one hand it can speed up the effectiveness of the business and on the other hand it can compromise weakness. So the first step in the development of the strategic planning system is to identify and evaluate the strategic factors which assist or delay the company in reaching its full potentials. To operate successfully, the company must concentrate its future objectives on strength, weakness, opportunities and threat.

There is a specific place for SWOT analysis in the strategic management cycle. Strategic management cycle can be considered as the collection of decisions and actions taken by the business management. Strategic management cycle includes three basic elements and they are

- Formulation of the strategy
- The implementation of the strategy
- The control and evaluation of the strategy.

Before proceeding to these stages a thorough analysis of the companies' internal and external environment must first take place. The investigation of the internal environment will accordingly result in an overview of all weakness and strength of the company, while the investigation of the external environment will result in an overview of all opportunities and threat.

The formulation of the strategy is the process for development of long term plans to effectively respond to environment opportunities and threats in the light of the strength and weakness. And Implementation is a program which can be considered as a action and stages which are necessary for the execution of the plans. And Evaluation and Control is the process of following up company activities and execution results so that actual executions can be compared with the desired results.

(G. Houben, K. Leine, K . Vanhoof, 1999)

In this the writer tries to point out that SWOT analysis is the first step that should be done to analyze the company during the strategic management cycle. As I have already mentioned earlier that SWOT analysis acts as a mirror for the company's ongoing activities. SWOT analysis shows the true picture of strength, weakness, opportunities and threat from the past and there will be series of record about the company's business environment. Then the manger can formulate the strategy on the basis of SWOT analysis results because various facts about the organization will show up. Such as market position, financial position, competitors etc. so one can plan various thing in formulation in strategy such as pricing, selling etc. Let suppose for example if the company has a very strong market position then they can increase their

price but at the same time if they have a weak market position they have to decrease the price. SWOT analysis gives a actual information about the resources of the company, so one can analyze if the formulated strategy can be

4 Methodology

The company SEK OY was chosen as the SME for the thesis. The questionnaire was sent in advance for Marco Mäkinen (CEO) to prepare them self. Then the face to face to interview was done which went for around half hour. SEK has fulfilled all the criteria laid by European Commission and the questionnaires were set in the format of business strategy process referred to the book 'Business Strategy' by Jeremy Kourdi.

The process of the research will be qualitative and the will examine the result of SME's by SWOT analysis method. The research will compare the strength, weakness, opportunities and threat during the recession period and non-recession period.

The final research will give a clear diagram about the all the business strategies that the SME SEK OY took during the recession period compare to non-recession period.

4.1 Qualitative Research Method

Qualitative research method is conducted when the research strategy emphasizes on word rather than quantity. It requires few other qualities as well. The subject of the research should be introductory approach between the theories and the research. The subject should be comprised with the social reality. (Brymann, pg 28, 2007)

4.1 Validity and Reliability

To clarify the validity and reliability of a measurement, the writer has introduced one equation. $X(o) = X(t) + X(s) + X(R)$. Where o is the observed score, t is the true score, s is the systematic bias and r is the random error.

According to the writer, for the measurement to be valid the observed score should be equal or close to the true score. So in equation it can be said $X(o) = X(t)$. (Ghauri, pg 80, 2005)

It means that the research result should be effective. For example if the height of a person is measured by a rubber band then the results cannot be considered as valid because it is not the correct measuring instrument. Reliability of the research refers to the stability of the measurement. In equation it can be put as $X(o) = X(t) + X(s)$. (Ghauri, pg 80, 2005)

It means that the result of the research result should be repeatedly the same in each measurement. For example if a weight of a guy is shown different in every single measurement, it cannot be considered as valid. But it can still be considered as reliable.

In this research the method used is both valid and but it cannot be considered as reliable. It is because when making another empirical research the changes in the business strategy will not remain the same because of the change in time. Every time the changes in the strategy will be made that suits the changing business environment.

5 Empirical Research

1. During the recession period and after the recession period, what did you prioritize the most to cope with it?
 - Leadership attitude
 - Technology
 - Competition

As said by Mr. Mäkinen during the recession period, they moreover changed their business strategy. As it was a known fact in the market that the stability of SEK was very much possible because of its long term existence and the most stable company in its market. Most other advertising companies were losing its market share in the market. But SEK was in the business in spite of the recession. And this easily made them to defeat the competitors. So they were doing more seminars about the current need of advertising and making them more competitive.

2. During the recession period and after the recession period, what resources did you focus the most?
 - Direct resources (staff, cash, property)
 - Indirect resources (quality, strength)
 - Tangible resources (cash, stocks)
 - Intangible resources (quality, brand)

As said by Mr. Mäkinen during the recession period, because of its stability and sound company it gained a lot of market share in terms of brand and quality. Before they were considered to be the fifth best in the market but during the recession they were considered to be first in the brand and quality. It was because their competitors were not able to maintain the same quality and brand during the recession period.

3. What growth strategy did you implement for your organization, after the recession and during the recession period?
 - Using existing resources

- Competition
- Merger
- Diversification
- Specialization in specific product.

As said by Mr. Mäkinen the Company has always been growing its market share by growing its customers. All the credit of its expansion has been given to its skilled manpower. And it has always believed to expand its business by providing the complete advertising services. And the company is pretty much against the policy of mergers and partnership with the competitors because of its industry type.

4. How did you satisfy the customers during the recession period and after the recession period?
 - Quality
 - Pricing
 - Relationship

As said by Mr. Mäkinen during the recession period, they were known as the most stable company. And the most efficient company in the advertising business. They were ranked in the top position in the advertising market. So they were able to gain the market by gaining more customers during the recession period. To cope with the external they did have to lower their price keeping customer's perception.

5. How did you lead the changing business environment during the recession period and after the recession period?
 - Steady progress of the firm
 - Careful Planning adjusting with the external environment
 - Motivation
 - Training and support

As said by Mr. Mäkinen during the recession period, the company saw some changes in the vision. They were not progressing as much as before. But they were progressing comparatively than their customers. So they were moreover of focusing on their current customers. And because of the recession, they were able to gain the top market share and establish themselves as the best advertising company in terms of pricing and quality. So to keep up with the title they did many seminars to encourage their customers to maintain their current status. So they were moreover making careful planning adjusting with the external environment.

6. Where did you focus the most for the strategic innovation during the recession period and after the recession period?

- Market leader (area where sales are generated the most)
- Innovative management
- Core business (from where the most revenue is generated)
- Skills and talent of workers
- Market research

As said by Mr. Mäkinen during the recession period, the company focused in the core business. As they were not growing as they used to, they were focusing on the current customers. They were maintaining a very good relationship with their customers. They were always keeping a hold on their best staff members so that they could keep up with their quality.

7. What are the strategic decisions that you focused the most during the recession period and after the after period?

- Gathering information about external factor (market situation etc.)
- Redefining mission and vision
- Innovation
- Continuous improvement

As said by Mr. Mäkinen during the recession period, they were not able to improve continuously as they used to. But more or less they were applying the same rule during the recession and non-recession period.

The company always believes in the continuous improvement of their business by growing the market share and improving the profitability by various means. The company always redefines its mission and vision coping with the customers. Their customers have different mission and vision with the changes. Different customers have different mission and vision, so they change theirs as well according to their customers.

8. What were the most competitive threats during the recession period and after the recession period?

- Industry type
- Market entry
- Substitution
- Supplier behavior
- Consumer buying behavior

As said by Mr. Mäkinen during the recession period, one of the threat they possess is the substitution. The competitors were reducing the price at very low level. And there were several small companies who were very concerned about being cost efficient. So their customer's were changing the advertising company to get the cheaper service. And it focused the customer's focus during the recession period because of their stability in the business. And they were more active by making seminars to attract their customers.

9. How did you price your product to best fit the recession period and how have you been pricing at the moment?

- Calculate cost
- Estimate sales volume
- Customer's perception
- Competitor's response

As said by Mr. Mäkinen during the recession period, their brand played a very important role in their business. As it was the most reliable company, they were always gaining the market share getting new customers. They had to lower their price a bit so that they can cope up with the competitors. And with the selling they were still doing the same thing as previously they used to do during the non-recession period.

10. How did you maintain customer's information for the effective business during the recession period and how have you been doing it now?

- Increasing knowledge about customer behavior
- Maintain knowledge about customer behavior
- Protecting knowledge about customer 's behavior
- Acquiring right data about customer's behavior.

As said by Mr. Mäkinen during the recession period, they were not able to improve continuously as they used to. But more or less they were applying the same rule during the recession and non-recession period.

SEK was managing knowledge and information about its customers. They were keeping a data about all the improvement and unsuccessful matters about its customers. Apart from data, SEK was also keeping an update about inner demand of the company as to how far would they like to progress and what's their goal do that they can develop the strategy in the same way to fulfill their demand.

11. What strategy did you apply to manage the day to day finance of the organization?

As said by Mr. Mäkinen during the recession period, they were being unable to improve the profitability. They were moreover avoiding the financial risks. They were avoiding the bad

contracts agreements with their customers who they think were unable to sustain in the market. For example they might be making an advertisement for some company and they might go bankrupt, so SEK had to be very careful that their work and money will not go wasted.

12. During the recession period and after the recession period, what were your strength, weakness, threat and opportunities?

As said by Mr. Mäkinen:

Strength

Recession period: SEK was the most reliable firm in the market that the customer's could believe.

Non recession period: SEK was regarded as the company who could help their customer to lead in their business environment.

Weakness

Recession period: customer might think that they are too expensive.

Non recession period: customer might have the perception as being old and old fashioned as well.

Opportunities

Recession period: increase the market share as their competitors would be losing them.

Non recession period: build the good branding strategy, high value added for its customers.

Threat

Recession period: price competition with its competitors.

Non recession period: the company might get out of the market if they don't innovate fast enough with the changing digital technology.

Assessment Of The Interview

SEK Oy as an SME had to change their business strategy to cope with the financial instability. Their strength, weakness, opportunities and threat in the business environment changed over the recession period compare to non-recession period. So to achieve their business goals they had to reanalyze their SWOT and change the business strategy.

At this point it was a very wise decision that they have changed their strategy and showed an example to many other SME's. They proved that recession did not act as a threat to their company. Their constant quality and reliability in the market was the sole reason for their stability in the business and growth during the recession period.

Their decision to establish themselves as the most reliable company gained the top market share during the recession. They were constantly gaining new customers and the customers from their competitors. Most of the companies during the recession period were laying off their staffs but SEK was keeping hold on them and maintaining their quality and services. SEK which was renowned for its quality and services was equally expensive as well. So during the recession period, SEK did reduce their price keeping in view about customer's perception. By this move SEK gained more confidence from their customers and proved them worth for long term relationship. SEK was becoming very careful about their customer's financial situation. They were keeping a close eye on it and always tried to analyze if they would be unable to pay their bills. This was a very important move made by the SEK because the unpaid bills would lead to insufficient cash in the balance. And during the recession period cash is considered as the most important tools for the success of the business.

6 Conclusion

Conclusion To Research Problem

The research questionnaires proposed in this paper are

- What business strategy has SME SEK OY taken and how successful has it been during the global recession?
- What business strategy is important for an SME to take during the current global recession?

The first question will answer the change in strategy that SEK made during the recession period and the second question will make a recommendation to the leadership.

To conclude my thesis. I would divide the business strategy into two parts as in the theory part. Developing the strategy and implementing strategy.

Developing Strategy

SEK during the recession did change their business strategy to some extent though there were not affected extensively by the recession. They were gaining moreover of their competitors market share because of their reliability and stability in the business. They were focusing moreover on their quality and strength on to improve their resource capabilities. SEK prioritized their relationship with their customers so that they won't be losing their customers alike their competitors. So they were moreover taking an advantage of their competitor's bad economic situation.

Implementing Strategy

For implementing their strategy, SEK has done various efforts. As they became the undisputed market leader during the recession, they were moreover making seminars and conferences for their current customers and it was aimed to keep in hold of them for the long term development. They were updating their current quality of services by holding their staff and they are the key innovators. SEK keeping in view about the external environment had to reduce its price to some extent and reduce the probability so that their current customers will not go to their competitors. SEK as a company was becoming very careful with their customers. They were keeping a close eye to their customers in term they might go bankrupt and unable to pay their bills.

Recommendation

Although the management team of SEK were easily able to cope with the recession. There are few suggestions that I would like to forward in the format of SWOT interaction.

Increase in investment (S/O):

The company was progressing well enough during the recession period. It was recognized as the most stable company and it was constantly gaining the market share from its competitors. So the company should have extended their investments in other advertising agency for the future development. By this they would have been able to gain more market share from their competitors.

Introduce discounts for new customers (W/O)

SEK was known for its high price. But at the same time they were gaining the market share of their competitors. So to ease dilemma for their new customers, SEK could have introduces some sort of discount for their new customers. And while doing this they should introduce some long term contract so that the loss they made in discount can be recovered from the long term transaction.

Innovation as the first priority (S/T) (W/T)

The company is renowned for its stability and reliability in the Finnish market and at the same time they have the threat that they sometime may not be fast enough to innovate. They should change their business strategy in a way they will be renowned for their innovation as well. It is a proven fact that the best way of customer attraction is to become more innovative. We can make this out from the company Apple. By becoming more innovative they can eliminate their weakness of becoming too expensive as well.

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