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Business analysis for scaling-up

- A small enterprise case study



Bachelor's Thesis | Abstract

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Business analysis for scaling-up

- A small company case study

The purpose of the thesis was to do background research throughout business analysis for a small case company to support a possible growth plan from small local business operations to a nationwide company. The research objective was to find a clear approach and analyze frameworks to figure out possibilities for growth before spending much time on more detailed business development plans or analyses and testing the approach and frameworks with a case company.

Research and analysis focus on the foundations of the case company's internal strengths and the outside factors and forces that affect the company's operations, creates sustainable foundations for business operations, and create an actionable list to support future, more detailed growth plans. The approach for analysis is based on a five-step strategy cycle, and the used frameworks for analyzing phase are PESTEL, Five Forces, VRIO, and TOWS. The research shows that it is important to keep the desired vision and goal in mind, use several frameworks, and adapt the analysis to fit the company's current situation. The analysis of the case company shows that the company has good foundations for growth even though more in-depth research is recommended.

Keywords:

Business growth, business development, framework, analysis, corporation strategy

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Liiketoiminnan analyysi skaalaamista varten

- Pienyrityksen tapaustutkimus

Lopputyön tarkoitus oli tehdä taustatutkimus ja analyysi pienelle yritykselle tukemaan yrityksen mahdollista kasvusuunnitelmaa pienestä, paikallisesta yrityksestä maanlaajuiseksi liiketoimintaketjuksi. Tutkimuksen tarkoitus oli löytää selkeä lähestymistapa ja analysointityökalut selvittämään, onko mahdolliselle kasvulle realistinen pohja, ennen turhaa ajankäyttöä muuhun analysointiin ja tarkempiin kehityssuunnitelmiin ja testata lähestymistapaa ja työkaluja esimerkkiyrityksen kanssa. Tutkimus keskittyy selvittämään yrityksen vahvuuksia ja ympäröivää toimintaympäristöä, jotka luovat kestävä perustan kasvulle. Lisäksi käytetty lähestymistapa muodostaa toiminnallisen listan tukemaan mahdollista, myöhemmin tehtävää tarkempaa kasvusuunnitelmaa varten. Lähestymistapa pohjautuu viisikohtaiseen strategiaprosessiin ja analyysissä käytetyt työkalut ovat PESTEL, Five Forces, VRIO ja TOWS.

Tutkimus osoittaa, että on tärkeää pitää haluttu visio ja päämäärä mielessä, käyttää useaa työkalua analysointiin ja mukauttaa analysointi sopimaan tilanteeseen ja yritykseen. Esimerkkiyrityksen analysointi paljasti, että yrityksellä on hyvä perusta kasvulle, vaikkakin syventävää tutkimusta suositellaan.

Asiasanat:

Liiketoiminnan kasvu, liiketoiminnan kehitys, viitekehys, analyysi, yritysstrategia

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List of abbreviations (or) symbols

Five Forces	Framework to analyze the Bargaining power of buyers, Bargaining power of suppliers, Rivalry among existing competitors, Threat of New Entrants, Threat of substitutes (Hollensen 2016, 113-116).
PESTEL	Framework to analyze external factors: Political, Economic, Social, Technological, Legal (Vuorinen 2021, 220-227).
TOWS	Framework to analyze a company's Threats, Opportunities, Weaknesses, Strengths, and develop action plans for later strategy work (Vuorinen 2021, 90).
VRIO	Framework to find resources that give a competitive edge: Valuable, Rare, Inimitability, Organization (Vuorinen 2021, 149-157).

1 Introduction

1.1 Research needs and motivation

The thesis purpose is to do background research throughout business analysis for a small company to support a possible growth plan. The thesis focuses on finding suitable frameworks to analyze the foundations of the case company's strengths and operations from the inside of the company and the outside factors that affect the company's operations from the growth point of view. The thesis focuses on the phase after getting the idea for growth but before spending more time and money for more detailed internal development, growth plans, and execution.

The need for the research occurred in the middle of the COVID-19 time when the writer discussed with a small business owner about COVID-19 effects on the business, especially regarding funding and financial opportunities available for the development. Throughout the discussion raised, the idea of growing a small local business into a nationwide corporation. The entrepreneur was interested in the thought, but for the time, the idea of expanding did not get forward for several reasons.

However, the idea of growth created a need to research the topic more to support small business owner with future business development decisions. The purpose is to study what would be needed to transform a small local business into a nationwide corporation; what should happen after getting the idea for growth before any further plans or execution.

The research focused on finding a viable approach for the development and finding a clear and structured way to analyze the company's existing situation through general business analysis frameworks with the idea of growth in mind.

The purpose was to find out what frameworks are needed in the development project, how they are related to broader strategy work, and provide analysis to a

case corporation entrepreneur, which would help develop the growth idea forward.

1.2 Research questions, objectives, and approach

Research questions and objectives are:

1. How are different frameworks related to a corporate strategy work in the case of growth planning?
2. When analyzing the phase between the idea of the growth and before making any future plans and executions, what frameworks are applicable and why?
3. Test the approach and frameworks with a case company; create a value-adding analysis for a case company's possible future growth plans.

To get a proper outcome from framework analysis, it is also mandatory to understand the basic level of strategy work. The outcome from using the frameworks at the early stage is needed in later strategy work, and the basic strategy process explains the need for using frameworks. Therefore, it is essential to understand how the outcome from the framework analysis is related to a future need for growth plans and execution.

The approach for the research is from an outsider, a third-party consultant's point of view, because of the limited time from the entrepreneur. The goal is to understand the company's existing situation from the growth point of view, which will create a foundation for further discussion with the entrepreneur regarding the growth plans.

1.3 Thesis structure

The first chapter introduces the need and motivation for the research and the research questions, objectives, and approach for the research and the thesis. The second chapter is the literature review.

The third chapter focuses on finding the applicable frameworks for analyzing the case company's resources and situation from the inside of the company and analyzing external factors and forces that affect the company's operations from the growth point of view. Moreover, the chapter covers the research of the basic level of the corporate strategy, as it is mandatory to understand how the outcome of the frameworks is connected to a broader strategy to develop the growth idea further. The fourth chapter explains the research methodology.

The fifth chapter adapts the selected frameworks to practical use and analyses the case company's internal and external factors. The sixth chapter summarizes the analyses and gives recommendations for the case company based on the research. Finally, the seventh chapter is reserved for open thinking and thoughts around the topic and the thesis.

2 Literature review

The studied literature is related to a corporate strategy to find a suitable approach to the thesis topic, find suitable frameworks to adapt and use in the case adaptation phase, analyze, and find answers to research questions one and two. The more descriptive content of the research and findings are in chapter three, framework research. The approach of the research for the strategy and frameworks is very simplified, and the goal is to understand the bigger picture and relationships of different factors. Therefore, only the basics of the topics cover enough information to adapt them for the case company's needs.

2.1 Corporate strategy and approach

Corporate strategy, strategic work, and strategic management are complex topics. The topic is not clear even to most corporate leaders, and persons that are familiar with the topic might perceive the literature challenging and unclear. Therefore it is hard to summarise what strategic management means, how strategy work is done, and where to find clear frameworks and tools for strategy work. (Vuorinen 2012, 11.) The issue was validated to be true during the research. There are a lot of literature, journals, and studies around strategy work, but the challenging part was to find the sources that would combine and present the strategy work and usage of frameworks in a clear and logical way.

Strategic management is actions that make a corporate long time success possible. It is generally believed that the better a corporate can observe its position (environment, competitors, stakeholders, internal factors), the better choices it can make and execute the selected choices into practice more effectively. (Vuorinen 2012, 16.) The simplest way to divide a strategy process is a traditional, time-based linear way. First, planning a strategy, and second, executing a strategy. This way, the presumption is that phase one happens first, and only after this is it possible to move on to phase two. There are a lot of

different strategy processes in the literature, but the content is usually more or less the same. (Vuorinen 2012, 39-41.) Because the need for research is in the early phase of the strategy work, the research focuses only on the beginning and the first strategy work phases.

Based on the Warners strategy cycle, the process is divided into five phases as well. The first phase is to define the vision: what do we want to do and be, and the second phase is the analysis phase that focuses on finding out the opportunities and threats and how to take advantage of them. (Warner 2010, 10.) The first and second phases are relevant for the research, and Warner's approach to the strategy is similar to what Vuorinen presented.

According to Viitala and Jylhä (2019), David (1989) presents that the strategy starts with defining the vision. The second phase analyzes the company's internal operations and the external environment, and the third phase sets the long-term goals.

All the sources support each other, and the content is more or less the same. The differences are mainly in the naming, what is defined to happen in each phase and the topic's approach. All the sources stated that defining the vision is the first step, and the next step is the analysis phase for analyzing the company's internal factors and external environment. The next phases after these are not relevant for the research. However, it is important to understand how the first steps are connected to the rest of the strategy process and that the outcome of the analysis phase is useful and executable in the next strategy phases.

Based on the strategy work literature, different frameworks are needed for the analysis phase. According to Vuorinen (2021, 44) the need is to analyze the external environment, competitors, internal resources, and purpose. According to Warner (2010, 10) the need for analysis is for the external environment, industry, and company's internal resources.

According to Vuorinen (2010, 39) the strategy process is not the same for every company and situation. Moreover, there are many different frameworks for

different kinds of situations and purposes, and it is important to use and adapt several different frameworks to use at the same time to avoid giving a too simple picture of the complex reality (2021, 31-37).

The approach for the strategy and reasoning for selecting the frameworks are based on the literature's similar content. Warner's strategy cycle (Warner 2010, 10) approach was very clear, informative, and suited for the research and the case company needs the best way. However, even though the Warners strategy cycle approach suited the purpose quite well, it needed minor adaptation (Figure 2). According to Vuorinen (2021, 31-39), framework adaptation to the existing purpose and need is important.

2.2 Frameworks

Based on Warner's strategy cycle (Figure 1) approach for the analysis and Warner's competitive analysis (Figure 2), the used frameworks are PESTEL, Five Forces, VRIO, and TOWS. Because the purpose is to analyze the foundations of the business environment, surrounding factors that are affecting the business operations, and the company's internal strengths, Warner's approach is suited well for the research purpose with minor adaptations.

PESTEL analyses Political, Economic, Social, Technological, Environmental, and Legal factors (Vuorinen 2021, 220). The same explanation for the PESTEL is given, for example, McManners (McManners 2014, 62-71). Moreover, the analyzed factors are the same according to Issa, Chang and Issa (2010). However, the industry and purpose differ from the thesis research. Issa, Chang, and Issa's (2010) approach deepen the idea that the analyzed factors are the same but adaptation is always needed based on the context. This is in line with the strategy work foundations.

Porter's Five Forces model identifies and analyzes five competitive forces (the bargaining power of suppliers, the bargaining power of buyers, the threat of new entrants, threats of substitutes, and competition among existing competitors) in

the industry that affect every industry (Hollensen 2016, 113-116). According to Vuorinen (2021, 228-236) the purpose of the analysis is the same.

VRIO analysis focuses on finding and recognizing a company's valuable resources that create a competitive edge (Vuorinen 2021, 151). According to Hollensen (2016, 126) the purpose of the framework is the same. Resources are considered valuable if the resources lead a company to create a strategy that improves efficiency and effectiveness (Grimm et al., 2021).

TOWS, also known as an extended 8-field SWOT analysis, the purpose is to highlight how to consider weaknesses and strengths related to threads and opportunities and analyze the outcome of the other frameworks creating actionable operation plans for future, more in-depth strategy work. The other frameworks only list findings through analysis, but the analysis becomes a useful, actionable list for later strategy work after TOWS analysis. Commonly used, traditional SWOT analysis gives only an analysis of the strengths and weaknesses, but the outcome is only a list of factors that are not useful in later strategy work. (Vuorinen 2021, 80-95). SWOT is a good tool in some situations, but it would not serve the purpose in the thesis research context. TOWS helps to make better and more strategic decisions and proceed further with project preparation, appraisal, and resourcing (Kulshrestha & Puri 2017).

More detailed information about the strategy, reasoning, and framework selection is in chapter 3.

All the literature and other sources used in the research supported each other and the purpose of the research. The most foundation level thought that was raised was that there is not only one right way or approach to strategy work or to use the frameworks.

3 Framework research

The chapter covers the selection of different frameworks and the theory behind the frameworks. Why and what frameworks are needed, and how the outcome of frameworks are connected to the further development phases.

3.1 Strategy, frameworks, and approach

The basic, foundational level question is what should happen and what needs to be done after a company gets the idea for growth, before spending much time and money to further, more in-depth plans and growth execution. Poor management, lack of direction, unsuitable business models, and many other factors in the background can lead to failure (Newth 2012, 50).

According to Alfred G. Warner (2010, 10), between the idea of growth and more in-depth strategy work is the "Analysis of" phase (Figure 1), which focuses on analyzing the company's internal factors and external factors and forces that affect the company's operations throughout different analysis frameworks. The analysis phase is part of the strategy cycle (Figure 1). Therefore it is one part of the broader strategy work. However, it is possible to detach the analysis phase from the strategy work and use it in the situation when a company gets an idea for growth.

Even though the thesis focuses on the analysis, not the strategy, it is important to understand the basics of the strategy cycle (Figure 1). The outcome of the analysis phase creates a foundation for further strategy work.

A proper analysis of the company's existing situation is like a GPS function behind the navigation software; it is unlikely to reach the destination if the navigation software does not know where the starting point is. Therefore, the analysis phase is mandatory before any further plans or execution.

According to Vuorinen (2021, 39-41), there are a lot of different traditional strategy work processes available, and even though they have some

differences, the content is more or less the same, and it is important to adapt the strategy work process based on the needs, not to follow literally. Alfred G. Warner's strategy cycle (Warner 2010, 10) approach applies to the thesis and case company's needs, and according to Vuorinen (2021, 41), it follows the idea of the general strategy work process. The Thesis topic, what should happen after the idea of the growth is the "Analysis of" phase of the strategy cycle (Figure 1), and the "Vision" phase was the idea of the growth that came throughout the discussion with the entrepreneur when discussed the COVID-19 effects on the business, and the funding possibilities related to business development. Further steps of the strategy cycle (Figure 1) are not covered in the thesis.

The strategy cycle (Figure 1) gives a clear structure for what to do and why. Using clear frameworks and following a clear process prevents analysis paralysis (Productive Club n.d.). Without a clear approach to development, all the details and different factors that need to be considered can be overwhelming, and the idea might not evolve further from the idea stage.

Because of the clear structure and adequacy, Warner's strategy cycle (Warner 2010, 10) approach is used for a strategy foundation in the thesis with minor adaptations.

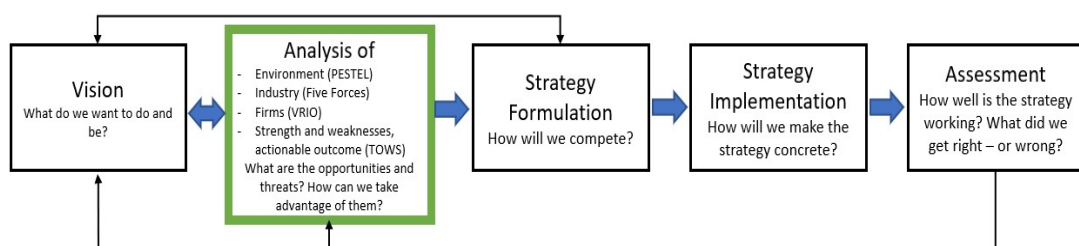


Figure 1. The strategy cycle (adapted from Warner 2010, 10)

The analysis phase of the strategy cycle focuses on resolving the questions; what are the opportunities and threats, and how can we take advantage of them. It is mandatory to analyze different factors throughout different

frameworks to get the answers to questions that can be used later in the strategy word.

There are several different frameworks for analyzing the factors that are affecting the company's operations from the inside or outside of the company. Different frameworks are planned for analyzing a certain function or situation, and it is essential to use more than one framework to have an appropriate and valuable outcome. Different frameworks are good tools, but they do not remove the need for case-by-case consideration, and it is recommended not to follow frameworks literally. (Vuorinen 2021, 31-37.)

Selecting the right frameworks can be challenging because there is no general, universal model that suits every company and situation. Based on Warner's competitive analysis (Warner 2010, 3) approach, the need is to analyze the environment, industry, and the company's internal factors.

When selecting the frameworks in this phase, it is necessary to observe all the factors that are connected to a company's operations from the inside and outside. Therefore, the observation needs to be objective and based on the facts, not the entrepreneur's personal opinion.

The common factor that applies to all the frameworks is that there needs to be a specific point of view, approach, goal, and vision when adapting the frameworks in use (Vuorinen 2021, 39-47). The thesis approach and vision are growing through scaling the existing business into a nationwide company.

Framework selection for the thesis to support the case company's analysis is based on Warner's competitive analysis (Warner 2013, 3). Used frameworks are adapted with a minor change to fit better into the case company situation.

Selected frameworks for the analysis are PESTEL to analyze the external environment surrounding the company's operation, Five Forces to analyze the industry, and VRIO to find the company's valuable internal resources and operations that create a competitive edge compared to their competitors. One critical framework was missing from the original competitive analysis (Figure 2)

from the thesis approach. The outcome from PESTEL, Five Forces, and VRIO is only a list of factors based on the analysis. The outcome of the analysis must always be useful and executable in the next, more strategic phase after the "Analysis of" phase (Figure 1). For this reason, the TOWS framework was added to the analysis phase. TOWS analyses the findings from the other frameworks and develops the factors into actionable outcomes for later use. (Figure 2.)

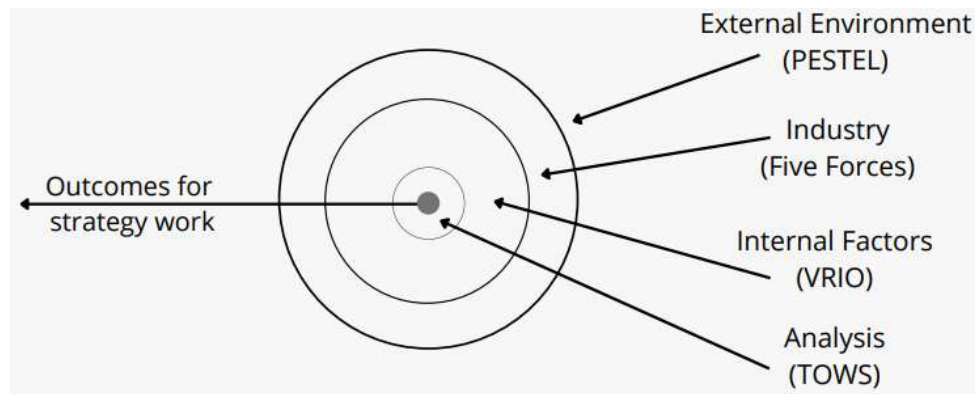


Figure 2. Competitive analysis (adapted from Warner 2010, 3).

The analysis process starts by analyzing different factors from the outside of the company, from the most abstractive level and proceeds step by step closer to the center of the company's internal factors, and ends with analyzing the findings from the other frameworks with the TOWS analysis to get the actionable outcome for the further use.

It is also necessary to clarify the difference and the relationship between growth and scaling up the business.

Scaling up means that the existing business model and operations are copied to grow the business, doing more of what is already done. Scaling is a replication process that will grow the company. (Hess 2012, 103.) However, not all growth comes through scaling, but it can be executed with several different strategies. For example, a case company in the thesis has a good business model; therefore, the idea of growth is planned through scaling.

3.2 PESTEL

PESTEL analysis observes external factors that affect a company's operations. Depending on the company's size and operations at the geographical level, all the factors do not affect the same way for every company.

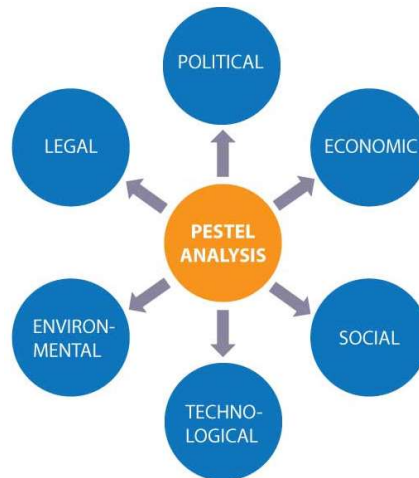


Figure 3. PESTEL (Planium Pro)

PESTEL analysis observes factors: Political, Economic, Social, Technological, Environmental, and Legal (Figure 3).

PESTEL framework is a very simple tool to list different factors, and proper execution of PESTEL gives a good foundation for the strategy work. The framework focuses on the environmental factors the organization can't impact with its actions. Even though the organizations can't affect the external factors, it is important to be aware of the factors and consider those. PESTEL used alone does not provide much value, and it is recommended to use it together with other analyzing frameworks. (Vuorinen 2021, 220-227.)

Even though some of the factors seem irrelevant for a small company, there are several reasons why PESTEL is useful and selected for the analysis. For example, if a company gets an idea to grow abroad, PESTEL gives some comprehension of the factors upfront that needs more research. In addition,

changes might always come, for example, in political and legal factors that affect small business operations or create new possibilities.

In Finland, the political environment, economics, and legal issues have been very stable for a long time. However, the stable situation can change very fast. Just at the moment, while writing the thesis, the crisis between Ukraine and Russia affects all of Europe, including Finland. Even though the ongoing situation has been impossible to predict and consider from the Finnish small company entrepreneur's point of view, it is good to recognize how it might affect a company's operations, especially before making growth plans.

The importance of using PESTEL is not the Ukraine crisis per se but the fact that something might always happen that will affect the company's operations. For example, because of the ongoing crisis, some of the materials used in the business operation are harder to get than before, prices are higher, and the inflation rate is growing, affecting the negative way to customers purchasing power. The change in the external environment reflects business operations and pricing. The change itself does not necessarily mean any catastrophe to a business. However, it is important to recognize the changes and the reason in the background to understand the crisis's possible future consequences and how to adapt the business to thrive even through difficult times.

3.3 FIVE FORCES

Porter's Five Forces model identifies and analyzes five competitive forces that affect every industry (Hollensen 2016, 113-116).

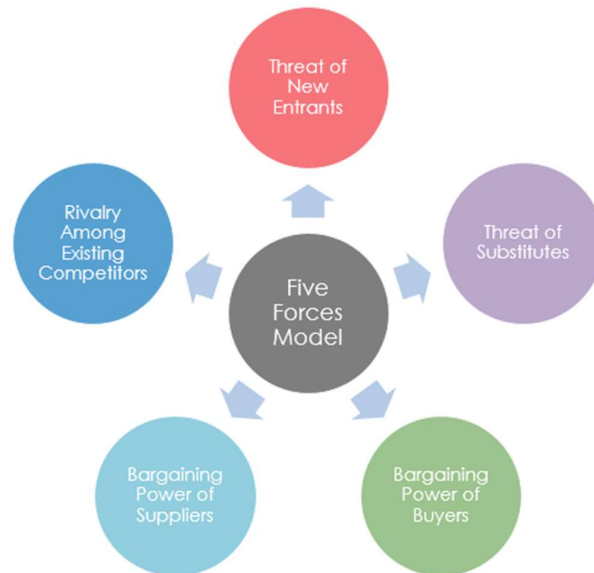


Figure 4. Five Forces (Visual Paradigm)

The bargaining power of suppliers, the bargaining power of buyers, the threat of new entrants, threats of substitutes, and competition among existing competitors in the industry are important to recognize, and analyzing these is the foundation for sustainable business (Figure 4).

Competitive forces analysis aims to show a company's position in the industry and find a position where the company can best defend itself against five forces. Analysis helps recognize the company's strengths and weaknesses, making enhancing its strategy and long-term profitability easier. An analysis is fundamental for formulating a competitive strategy. (Hollensen 2016, 114.)

According to Vuorinen, Five Forces gives an answer to a company for the following questions:

1. In what industries should we expand?
2. Form what industries we should leave?
3. How can we protect our existing position in the industry? (2021, 232.)

The most important reason to use the Five Forces framework in the case example is the framework's approach: the vision of growth. It is important to be aware of the Five Forces if the idea for the growth of the case company proceeds further. It is mandatory to understand competitors, the industry where

the company is currently operating, and factors affecting the company's operations, resources, demand, and pricing. Moreover, the analysis gives insights into the industry's internal competition and different customer segments.

In addition to the Five Forces analysis, it is suggested to do a Strategic group analysis. A strategic group is a group of companies inside the industry that compete for the same customers and have similar strategies. Different strategic groups have different customer segments, and therefore they are not competing. Strategic group analysis shows the company's position in the market and identifies its direct competition. (Hollensen, 116.) The analysis gives a more in-depth understanding of competition and helps the company select the right customer segment and operation model. However, strategic group analysis was not included in the thesis because of the limited time from the case company entrepreneur. Excluding strategic group analysis does not affect on quality or usefulness of the thesis outcome.

3.4 VRIO

VRIO analysis focuses on recognizing a company's valuable resources that create a competitive edge. Resources can be either valuable(V), rare(R), hard to copy or replace, inimitability(I), and efficiency of the organization(O). The corporation's job is to find the most efficient resources, develop those further, and capitalize resources as efficiently as possible in strategy. (Vuorinen 2021, 151.) Resources are considered valuable if the resources lead a company to create a strategy that improves efficiency and effectiveness (Grimm et al., 2021).

VRIO considers everything as a resource, and it is based on two assumptions of competitiveness between the companies. First, not every company has equal strength resources, and second, it is impossible to transfer resources entirely to another company. (Vuorinen 2021, 157.)

According to Vuorinen, VRIO-model requires organizations' ability to examine broad the resources that make operations possible. Resources can be divided, for example:

1. Physical resources. Such as machines, raw materials, production capacity, and business premises.
2. Financial resources. Such as capital, liquidity, ability to take a risk, and get liabilities.
3. Organizational resources. Such as the structure of the organization, operational processes, patents, contracts, IT systems, organization culture, and reputation.
4. Human resources. Such as employees' know-how, motivation, and learning abilities. (2021, 151.)

The first phase of a VRIO analysis is to recognize different recourses, physical, financial, organizational, or human resources, through a simple question pattern (Vuorinen 2021, 154). Question pattern starts from the customer and profitability point of view and comes backward in the operation chain to research what operational modes make the customer buy from the company and how a company can make money. After this, questions lead to thinking about the resources that make successful operation modes and ways possible.

According to Vuorinen, the question pattern can be formed, for example:

1. Where are we good/better than competitors?
 - a) from a customers point of view(why customers buy from us)
 - b) profitability point of view(how we can make money)
2. What operational modes and ways make point 1 good performance possible?
3. What recourses do we have that make point 2 successful operational modes and ways possible? This includes all the resources, tangible and intangible, that make operations possible, such as know-how, machines, and devices, business premises, contacts, IT systems, market share, etc. (2021, 151.)

The next step is placing resources found through the question pattern into the analysis grid. VRIO model can also reveal moderate resources, which can

develop into valuable resources or find bad ones that are better to get rid of. (Figure 5.)

Resources can be either valuable(V), rare(R), hard to copy or replace, inimitability(I), and efficiency of the organization(O). The purpose of finding valuable resources is not to find absolute, theoretical perfection but the reflection on the existing industry and competitors. (Vuorinen, 151-152.)

If the resource is not valuable, rare, hard to copy, and not utilized in the organization, the resource only disturbs competition. However, if the resource is valuable, rare, hard to copy, and utilized in the organization, the resource creates a constant competitive edge, and its impact on economics is over normal. (Figure 5.) It is considered a strength if the resources and capabilities allow the company to either neutralize an external threat or exploit an external opportunity (Grimm et al., 2021).


Resource properties				Impacts		
Valuable?	Rare?	Hard to copy/replace?	Monetized in the organization?	Impact on competition	Impact on economics	
No			No	Diturbs competition	Below normal	
Yes	No			Equal competitiveness	Normal	
Yes	Yes	No		Momentarily competitive edge	Over normal (temporarily)	
Yes	Yes	Yes		Yes	Constant competitive edge	Over normal

Figure 5. VRIO analysis grid (translated from Vuorinen 2021, 153)

Because VRIO focuses on the company's resources and processes, it needs to be done with the person(s) who has an in-depth and thorough knowledge of the company's internal operations, processes, and resources. Therefore, VRIO analysis cannot be done only by observing the company from the outside, from a third-party consultant's point of view.

The analysis outcome is a list of recourses that can be analyzed further in the next step with the TOWS framework that analyses threats(T), opportunities(O), weaknesses(W), and strengths(S). VRIO framework concentrates on finding a

corporation's internal strengths and weaknesses. It covers S and W from the TOWS framework and suits very well used with the TOWS analysis (Vuorinen 2021, 157.)

3.5 TOWS

The idea of TOWS analysis, also known as an extended 8-field SWOT, is to highlight how to consider weaknesses and strengths related to threads and opportunities and make future operating plans (Vuorinen, 90). TOWS is a systematic and comprehensive analysis for assess the internal and external factors (Kulshrestha & Puri 2017).

TOWS analyses threats(T), opportunities(O), weaknesses(W), and strengths(S) and separates the factors so they can be either internal or external and the operating plan for the future includes one of both factors (Figure 6).

Internal strengths(S) and external opportunities(O) create SO plan; exploit success factors. Internal weaknesses(W) and external opportunities(O) create WO plan; weaknesses to strengths. Internal strength(S) and external threats(T) create ST plan; manage threats. Internal weaknesses(W) and external threats(T) create WT plan; possible crisis. (Figure 6.)

Internal External	Strengths(S)	Weaknesses(W)
	-	-
Opportunities(O)	Exploit success factors -> SO plan	Weaknesses to strengths -> WO plan
Threats(T)	Manage threats -> ST plan	Possibe crisis -> WT plan

Figure 6. TOWS analysis grid (translated from Vuorinen 2021, 90)

The outcome of TOWS builds the foundation for further strategy work and execution. Without proper groundwork with other frameworks and only listing

factors and ideas that come to mind, the outcome will be shallow and does not help an organization. The objective should always be making strategic decisions and executing plans. (Vuorinen 2021, 90-93.) For example, listing employees as a good resource without VRIO analysis might not be anything other than the entrepreneur's subjective thought, and it is not based on facts. Even if the entrepreneur thinks that employees are good, the fact might not be true from a profitability and process point of view.

The challenge of TOWS is to recognize the exact factors that need to be analyzed. This is the reason why the other frameworks must be done before TOWS. Other frameworks focus on finding different factors, and TOWS focuses on analyzing the other framework's findings and developing those into an actionable list for further use. According to Vuorinen (2021, 94) it is important to use other analysis frameworks before the TOWS analysis, as the TOWS is a summarizing analysis based on the finding of the other frameworks.

TOWS analysis differs from the traditional SWOT analysis because besides only listing the strengths(S), weaknesses(W), opportunities(O), and threats(T), it also considers the actions for every point instead of only making a list of factors. (Vuorinen 2021, 88-95).

SWOT alone is a useless exercise for listing factors without using extended TOWS analysis. Strengths need to capitalize on opportunities and counter threats. In addition, weaknesses need to be minimized using opportunities, and threats and weaknesses need to be avoided. (Ravanavar & Charantimath, 2012.) However, SWOT alone is not useless, and it is a very common analysis framework, but the situation where it is used and the need for the analysis outcome defines whether SWOT is the right tool for the situation or not. According to Vuorinen (2021, 259) one framework does not fit every situation, and therefore it is important to adapt the strategy and select the frameworks based on the existing situation, needs, and vision. For the thesis topic and the need for case company analysis, traditional SWOT analysis would be useless.

However, in some other contexts and situations, SWOT might be the best analysis framework to use.

For example, Five Forces and VRIO analysis might have revealed that the company's operation mode is very effective and profitable compared to competitors, and some geographical areas seem to have demand for the services, but there is no proper service offering. Throughout TOWS analysis, the situation creates a plan for exploiting success factors. A plan might be, for example, to make market research to find the need for the services at the domestic level and a strategic group analysis for more in-depth information on the company's position and offering compared to competitors. Combining the internal strengths of the company and the external opportunities might create a possibility for profitable growth. In this situation, TOWS does not make the market research or strategic group analysis but recognizes the need for those and gives an action plan for the next phase in the strategy work.

Without creating action plans for the future, the outcome of the analysis would only say that the company's operation mode is effective and profitable, and there might be demand for services in some other geographical areas. This would be obvious for the case company entrepreneur and would not help with possible future growth plans. Therefore, it is important to use TOWS to get a proper, actionable analysis outcome for further growth plans and strategy work.

4 Methodology

4.1 Research strategy

The research is a case study, meaning that it is an in-depth inquiry into a topic or phenomenon within its real-life setting. The interaction between a phenomenon in its context is best understood through in-depth case studies. (Saunders 2019, 196-197.) In this research, the word "case" refers to the case company. The benefit of a case study is that it has the capacity to generate insights from intensive and in-depth research into the study of a phenomenon in its real-life context, leading to detailed, empirical descriptions and the development of the theory (Saunders 2019, 197).

The nature of this case study strategy structure is a single case, holistic strategy. A single case is often used to represent a critical case or alternatively, an extreme or unique one. Conversely, a single case may be selected purposively because it is typical or because it provides an opportunity to observe and analyze a phenomenon that few have considered before. Inevitably, an important aspect of using a single case is defining the actual case. If research is concerned only with the organization as a whole, the organization is treated as a holistic study. (Saunders 2019, 198-199.)

4.2 Data collection method

Data for the research is collected primarily through in-depth, non-standardized, one-to-one, face-to-face interviews and secondary from literature, journals, and organization websites, such as Statista (Statista 2022i) and Business Finland (Business Finland). Literature and journals are used for searching theoretical and studied information about the strategy and frameworks and organization websites for data to support analysis. The most important data is collected from

the case company interview to make it possible to adapt the theory into a real-life case analysis for the case company.

In-depth, unstructured interviews are informal and used to explore in-depth a general area of interest, and they do not use predetermined and written down themes and questions to structure or guide the course of the interview. Instead of commencing with predetermined themes or questions, the purpose is to find out which themes emerge from the data collected from participants. Even though there are no predetermined themes or questions to ask in an in-depth interview, there must be at least some idea about the topic, event, experience, or aspect explored with the participant. Where necessary, it is needed to ask questions and use prompts during the course of an in-depth interview, but these should emerge from what the interviewee tells rather than be determined beforehand. It is important that any questions or prompts only emerge from what the interviewee tells, in order to clarify, probe, and explore meanings, not from the interviewer's pre-conceived ideas. (Saunders 2019, 438-439.)

5 Frameworks adaptation into case example

5.1 Adaptation and case

This chapter adapts the frameworks into use with a case company. The research was done through Statista (Statista) and other relevant sources. As getting absolute facts, certainty, and predicting the future is impossible, some of the outcomes are based on the author's logical thinking throughout the framework analysis.

The case company is a small local company in Finland with a clear and straightforward business; cleaning and maintaining roofs of houses. The company's annual turnover is under 1 million euros, and the company has less than ten employees. VRIO analysis is done together with the entrepreneur. The rest of the analysis and all of the conclusions were done from a third-party consultant's point of view.

At the end of each framework, the analysis has listed the outcome of the analysis. Listing shows findings only with a few words. Findings and reasonings are analyzed more with the TOWS framework at the end of the chapter.

The purpose is to point out through the research that the case company's foundation for growth is realistic and gets a useful outcome for the entrepreneur. In addition, strategic approach and frameworks adaptation to real-life use gives a clear and structured way for the company's development, even if the growth plan would not proceed any further.

There is no decision for growth, and the entrepreneur does not have time for basic research and analysis to find the foundation-level factors that are needed for growth planning. However, the entrepreneur is interested in the idea of growth. Therefore, the analysis is done mostly from the third-party consultant's point of view, and the outcome of the analysis should provide a clear summary of the company's existing situation and future suggestions to support the entrepreneur's future decisions for growth. Moreover, using a third-party

consultant in the analysis phase is recommended to avoid the entrepreneur's confirmation bias (LSA Global). Some frameworks, for example, VRIO, needs deep knowledge of the company's internal functions and cannot be done only from the third-party consultant's point of view. Therefore, it is important to use a third-party consultant to facilitate the data gathering and analysis to get a more neutral and fact-based outcome. Sometimes entrepreneurs' analyses are too subjective and do not base on facts but on personal opinions.

5.2 PESTEL

The basic level research of the external environment is done through generally available sources, such as Statista (Statista) and Business Finland (Business Finland). The basic level research can be done without deeper knowledge of the industry or company, which is adequate for the thesis approach to the topic and the case company. However, some details would need more in-depth discussion with an entrepreneur regarding the industry and regulations if growth plans go further.

Political

The political environment in Finland is and has been very stable for a long time, and there is no mentionable corruption that affects any company that needs to take notice. However, the current crisis in Ukraine destabilized the whole EU political and economic situation, including Finland, so possible growth in eastern Finland and areas next to the Russian border should be analyzed more closely. The EU and global sanctions because of Russian actions might affect the political environment in the future, yet, predicting the future is impossible, and the only thing that can be done is to observe the current situation more closely.

Economic

Finnish GDP has been growing steadily past two decades, from 136 billion € in 2000 to 236 billion € in 2020, and the forecast shows that DGP will grow approximately to 286 billion € in 2025 (Statista, 2022c), despite the COVID-19.

However, the inflation rate indicates growth and affects Finland's overall economy because of the Ukraine crisis, and it is hard to predict the accurate future and the long-term impact on the economy.

The unemployment rate history in Finland shows that despite small fluctuations, the situation has been quite stable in the last decade, and the unemployment rate decreased from 7,9% in 2011 to 7,7% in 2021. Based on the forecast, the rate is expected to decrease to 6,2% in 2025. (Statista, 2022b.) However, even though the statistics look promising, the ongoing crisis and its effect on the economy and unemployment rate must be continuously observed.

Social

Social factors do not affect much in the case company's operations. However, urbanization as a trend has been in public discussion for some time, which could affect the movement of traffic from detached houses to suburban apartments. The share of the urban population in Finland has grown from 83,77% in 2010 to 85,25% in 2020% (Statista, 2022e). The change does not affect possible business growth. The social factors that need more research if the idea of growth proceeds are population growth rate, age distribution, geographical people density, and other factors related to market research.

Technological factors

Technological factors do not affect the company's operations and industry much. For example, all houses have a roof that needs cleaning and maintenance, regardless of technological development. Even so, new products and innovations might occur in the market. For example, cleaning or roof coating products might be more efficient and faster to use than old ones. In this context, important technological factors that have a major impact on business are internal factors, such as digital marketing, IT systems, ERP, CRM, and others related to daily operations, resources, and efficiency.

However, new technologies, such as solar panels on the roof, create a possibility to develop new services, co-working, and partnerships with the

companies that sell and install solar panels. Solar energy consumption increased from 56 terajoules in 2010 to 887 terajoules in 2020 (Statista 2022h). Besides the past growth rate, the projection of solar electric power generation growth is from 103.4 billion kilowatt-hours in 2021 to 926.3 billion kilowatt-hours in 2050 in the U.S. (Statista 2022i). Based on the statistic, collaboration with solar panel companies is potentially a very important development possibility.

Environmental factors

The weather in Finland is very different in winter and summer, which wears out the roof structure and materials heavily, as the temperature fluctuates between -20c and +20c (Statista, 2022f). In a short-term observation, this is normal in Finland, and the temperature fluctuation and its effect on business are not new issues. However, annual average temperatures have grown from 5,5c to 8,7c in southern Finland and from 0,3c to 2,2c in Northern Finland between 1950 and 2020 (Statista, 2022g).

The long-term environmental impact for the business is likely related to new, more climate-friendly product development used in daily operations, new roof materials, laws, and regulations that will affect business in one way or another. However, all of the impacts are impossible to predict, and they will affect the whole industry the same way. Moreover, from a purely business point of view, the issue will only raise the topic of roof maintenance more important than ever. Therefore, the company's core business is even more relevant in the future than today.

Legal Factors

Besides normal labor laws, very few laws or regulations affect operations. For example, permit to do firework and responsibility for possible damage during operation always exist, but they are already well-known issues. In addition, laws and regulations sometimes change, and the most important factor is to follow changes to regulations that might affect operations continuously.

Expanding operations from a local business to a nationwide business requires different levels of knowledge about everything from labor laws to selecting the

right business model, such as a Franchising business that needs contracts, legal documents, etc. Therefore, all legal factors should be researched carefully, and consider a third-party consultant if growth plans proceed forward.

Moreover, political factors combined with other factors might give opportunities to get funding from Business Finland (Business Finland), which needs to be researched thoroughly if the growth plans proceed any further.

Outcome factors for TOWS:

- Ukraine crisis
- New technologies, such as solar panels. Collaboration
- Legal issues
- Funding possibilities

5.3 Five Forces

The basic level research of the industry is done through logical business development thinking based on the Five Forces theory. The basic level research can be done without deeper knowledge of the industry or company, which is adequate for the thesis approach to the topic and the case company. However, if growth plans go further, some details need more in-depth discussion with an entrepreneur regarding the industry, competitors, and regulations.

The bargaining power of suppliers and buyers:

In this study, a supplier is defined as a supplier of cleaning material, such as detergent and other materials and devices needed for daily operations. Even though the definition of supplier could expand to include service providers for internal digital and IT systems and other resources, there are many companies and partners to select from, so suppliers do not have any major bargaining power.

Moreover, if the plan is to grow into a nationwide business, the company will have significantly more bargaining power in every area. As a result, the need for

everything from cleaning materials to IT systems will grow, forcing suppliers and service providers to make different sales and more collaboration based on the case company needs.

Threats of new entrants and existing competition in the industry:

The company's core business or the industry does not have many restrictions and regulations. Moreover, investments to start the business are moderate or low, and operations do not need high education. Therefore, the threat of new entrants is real, or bigger companies in the same industry might expand their operations into this area.

Even though the need for roof maintenance is a periodical necessity, the period between the services is so long that it is hard to create continuous customer relationships. Therefore it is difficult to create any kind of conversion cost for buyers if they decide to change the company when they need services the next time. However, rightly executed customer-centric thinking, service excellence, and other intangible factors can create a competitive edge.

However, existing competition in the industry is an essential factor that needs in-depth research before any further decision to proceed with the growth plan.

Threats of substitutes

There are very few substitutes for the core business. Either renewal of the whole roof or customers might do the cleaning themselves or do nothing. Even if some customers handle the cleaning themselves, there are no real substitutes for the core service. Even though options create a small competition, these should be considered more as a possibility than a substitute threat. For example, if the outcome of sales is that the customer says that he will make this by himself, would it be possible to create a 10x cheaper consultation visit and sell proper products and instructions for a customer instead of trying to force the customer to buy the whole core service.

Outcome factors for TOWS:

- Risk of competitors
- New service development

5.4 VRIO

As VRIO focuses on the company's resources and processes, it needs conversation, in this case, with the entrepreneur who has an in-depth knowledge of the company's internal resources and processes. Findings and the outcome of the analysis are done from the third-party consultant's point of view but based on interviewing the entrepreneur regarding the operations, processes, and the thoughts behind the management to recognize and find valuable resources.

The interview outcome does not include everything from the discussion and does not explain everything at a detailed level because not every detail is public information. The interview was based on the VRIO questions; otherwise, it was an open discussion around the subject. However, the interviewer focused mostly on listening after the open question and occasionally directed the conversation back from off-topic. This way, the interview revealed more information than a straight question pattern.

Recognized resources throughout discussion with the entrepreneur

1. Where are we good/better than competitors?
 - a) from a customers point of view(why customers buy from us)
Good and effective sales. Moreover, services delivered as promised and when promised, and the quality of the work.
 - b) profitability point of view(how we can make money)
Good sales with the right pricing. Operational modes where everyone can focus on their own jobs and strengths.
2. What operational modes and ways make point 1 good performance possible?
Operations are divided mainly into two roles. One role is doing actual maintenance work, and the other is sales and all the support functions for the maintenance workers. People doing maintenance work do not need to worry about anything other than focusing on their core job. Sales handle the customer acquisition and support maintenance workers in every way possible. Moreover, the basic principle; keeping promises made to customers and the quality of the work, creates a good reputation and saves time and money. This way, there is

very little need to fix the outcome later on or handle negative customer feedback. Instead, focusing on the customer, keeping promises, and finishing the job with good quality as scheduled.

3. What resources do we have that make point 2 successful operational modes and ways possible?

Good employees and work ethics, know-how, corporate culture, processes, and good machinery. Because of these, the financial situation makes it possible to buy good machinery and materials that make working more effective and better quality of the outcome. Moreover, knowledge of the industry and competitors.

Placing the resources into the VRIO analysis grid:

After recognizing the different resources, they are placed into the analysis grid to understand which resources are valuable, are there moderate resources that can develop further into valuable resources, or find bad resources that are better to get rid of. The outcome is based on the entrepreneur's knowledge of the operations, industry, and competitors, but the analysis is done from the outside consultant's point of view.

Analyzing findings is difficult because there are no universal meters that reveal the absolute truth about the value of the resource. The company does have a lot of good resources based on the discussion with the entrepreneur. However, researching more in-depth about the industry and companies might reveal a more accurate outcome.

Resources that are valuable, rare, and hard to copy and replace and give a constant competitive edge over normal level and are monetized in the organization:

Employees(all), Know-how, Corporate culture, Operational mode, Machinery, Stable financial situation, and Knowledge of industry and competitors.

The company seems to have an in-depth understanding of how everything is related together and what are the real effects on business processes and outcomes. Moreover, the company's stable and good financial situation

supports the conclusion that based on the VRIO analysis grid (Figure 5), resources give a constant competitive edge, and the impact on economics is over normal.

5.5 TOWS

TOWS analyzes the findings of the other frameworks and gives suggested action plans for the case company's possible future, more in-depth plans. As the thesis purpose was, the actual planning phase is the next step after the analyzing phase in the strategy cycle. (Figure 1.)

Findings from the other frameworks are placed into the TOWS grid, and the suggested action plan for the future is based on the type of the finding and rational, logical thinking.

Every action plan is a combination of the company's one internal factor and one external factor that affects the company's operations. Internal factors are strengths(S) and weaknesses(W), and external factors are opportunities(O) and threats(T). A combination of factors defines the nature of the action plan.

Action plans based on the internal and external factors are: Exploit success factors, SO plan. Weaknesses to strength, WO plan. Manage threats, ST plan. Possible crisis, WT plan. (Figure 6.)

PESTEL

Ukraine crisis: Possible crisis, make WT plan.

Follow the situation and its effects on the general financial situation, logistics, and material availability. Moreover, if growth plans go forward, research eastern Finland's situation near the Russian border more closely when making decisions about future geographical locations. Create a risk management plan.

New technologies, such as solar panels: Exploit success factors, make SO plan.

Follow technological developments and innovations. Research if there would be a possibility, for example, for collaboration with solar panel companies to create new services to clean and maintain solar panels on the roofs and collaboration with the lead for customer acquisition.

Legal issues: Weaknesses to strength, make WO plan.

For the existing business, legal issues are well known and in control. If the growth plan goes forward, more in-depth knowledge of legal issues is needed in many business areas. Before this, business model selection is needed. For example, the Franchising business model and organic growth with hiring all the employees normally to a company have different needs from a contract point of view. In addition, other issues, legal as well, comes a relevant issue with growth. Keep legal issues in mind and get a layer that has experience with the selected business model.

Funding possibilities: Weaknesses to strengths, make WO plan.

Even though the company's financial situation is good, growth will need considerably more money. If the growth plan is realistic and good, there are a lot of funding possibilities available from, for example, Business Finland (Business Finland). Research different funding possibilities. However, business plans need to be done before applying for funding, even though, for example, Business Finland (Business Finland) also provides support services for planning.

Five Forces

Risk of competitors: Manage threats, make ST plan.

Market research and strategic group analysis are needed to better understand domestic markets and competitors. Create a risk management plan for possible upcoming competition situations.

New service development: Exploit success factors, make SO Plan.

Even though there is always competition, the existing business model and operations create a competitive edge. Think about the core business and services, how to sustain existing competitive edge, and create new services, for example, through collaboration with solar panel companies.

VRIO

Employees(all) and know-how: Exploit success factors, make SO plan.
Create a plan for recruiting and internal training on how to transfer existing know-how to new employees.

Corporate culture: Exploit success factors, make SO plan.
Research more about the corporate culture and make plans for how to scale the existing culture.

Operational mode: Exploit success factors, make SO plan.
Write down the existing successful operational model and process. Create plans on how to scale the model to the domestic level, including the need for new digital tools and operating ways.

Machinery: Exploit success factors, make SO plan.
Make sure that the existing machinery level stays the same. Create a funding plan that guarantees that the same level applies domestically. If some more expensive machines are not used often, think if it would be possible to create a process that makes it possible to use the same devices in different business locations.

Stable financial situation: Exploit success factors, make SO plan.
Create growth and funding plans the way which makes it possible to keep a stable financial situation. A good financial situation is essential for growth, and it makes it possible to keep a sustainable business model.

Knowledge of industry and competitors: Exploit success factors, make SO plan. Use the knowledge in market research and strategic group analysis. Moreover, create a plan and process that guides local business units to recognize and follow existing and upcoming competition situations and use the outcome to help local offices at a domestic level.

6 Analysis and recommendations

6.1 Limitations of the analysis

The lack of standardization in in-depth interviews can lead to concerns about reliability and dependability. The concern about reliability and dependability in these types of interviews is also related to biases. There are three different types of biases, and the one that might affect the outcome is the third bias, called participation bias. Participation bias is related to the time required for an interview and might reduce the willingness to participate or time to use. (Saunders 2019, 447-478.) Moreover, the risk of subjective thinking always exists, even if the interviewer is experienced in these situations and is familiar with objective thinking.

The analysis was successful despite some limitations. Used approach and frameworks suited well for the case company's situation and purpose; research revealed that the company's foundations and operations are at the appropriate level for the future growth plans, and the industry, external environment, and factors provide a possibility to grow. The time reserved for the interview was enough to have more than enough data for VRIO analysis, which was the purpose of the interview.

All the details and factors from the discussion with the entrepreneur are not included in the thesis because of the NDA. For the same reason, the company's name is not mentioned in the thesis.

The outcome is valid and gives a good foundation for future thinking. The analysis aims to get the overall picture of the company's current situation. The analysis provides sufficient information to support the case company's decisions about growth.

6.2 Analysis

Based on the analysis and discussion with the entrepreneur, the company has very healthy foundations. The entrepreneur has successfully developed a business model, operations, processes, and organizational culture that gives a competitive edge compared to competitors without the need for competing only with prices.

There are no major external threats to the growth at a general level. Only the Ukraine crisis and its effects should be considered; otherwise, there are no real threats. On the contrary, the foundations in the company are at the level which will create possibilities for growth funding, for example, from Business Finland (Business Finland). There is competition in the industry, but the company has created several competition edges compared to competitors. The foundation for this lies in the corporate culture and the entrepreneur who is very competent and understands the importance of continuous development as well.

As the approach for the analysis is growing the business, the company has a very good foundation for growth by scaling the existing operations. However, the growth phase and managing a larger company need different kinds of strategic thinking, planning, operation, processes, skills, digital tools, and funding than the existing business model.

Overall, threats that affect a possible growth are manageable, and there are no foundational level barriers or risks for growth.

Challenges are finding employees in different locations and scaling up corporate culture, employees' ethics, morals, and know-how. However, this issue should not be a problem with good plans and executions.

6.3 Recommendations

If the growth plan goes further from the idea phase, the thesis gives a good foundation for future actions. The approach, outcome, and used frameworks in

the thesis are valid, but it is recommended to do more in-depth research and analysis regarding competitors and internal strengths and weaknesses. This needs time from the entrepreneur, and it is recommended to use outside consultation at this phase as well.

Research and the analysis of the thesis also raised some foundational level needs for the future that are needed to consider more closely if the growth plan goes forward. Market research, strategic group analysis, and a separate business plan for growth are needed. Even though they were not included in the thesis, the need for those was recognized throughout the framework analysis. Making more in-depth analyses throughout the frameworks might reveal new essential factors.

It is recommended to follow the strategy cycle (Figure 1.) This avoids getting into paralysis analysis (Productive Club n.d.) and creates a clear structure for the planning phase. It is also important not to follow different framework guides and instructions without considering the context. Even though frameworks help research and planning, there is not only one right way or approach to use the frameworks. The most important thing is to thoroughly understand the company's existing internal and external factors but keep a clear vision of the desired outcome and growth in mind. The approach should be based on the thought; how do we get from here to there.

From the growth point of view, the recommendation is to make market research and strategic group analysis and research if there is something essential missing from the thesis analysis outcomes. Moreover, it is recommended to analyze financial ratios, as well as examine and analyze current service and product offerings to figure out the need for development. After this, a business plan for growth is needed based on the outcome of the frameworks and analysis.

This should give enough information and good foundations to start thinking about funding possibilities for growth. The first recommended step for the funding phase is to search for more information from Business Finland

(Business Finland) website about the funding requirements. In addition, it is recommended to contact Business Finland (Business Finland) for more information and consultation and find other Finnish public institutes focused on supporting companies to grow and succeed.

After getting information on funding possibilities, it is easier to make the decision about growth. The most important is to decide in this phase is whether to continue with the growth plans or not. No financial risks are included from this phase to the next, but time usage is needed.

7 Thoughts and further studies

The strategy cycle approach and the selected frameworks approved to apply for the need and the case company's analysis quite well. The main purpose of the thesis was to search for appropriate frameworks and examine how to adapt those to practical use to get useful information for the case company throughout the analysis.

However, even though the thesis was not about strategy work, research revealed that it is essential to understand how the frameworks are connected to strategy work. Without understanding the strategy cycle (Figure 1.), and the relationship between the frameworks and the strategy work, it would have been challenging to create any useful and concrete content and action plans for the case company's later use. The strategy cycle (Figure 1.) created a logical structure for the research and execution. Moreover, the appropriate use of TOWS was an important finding. TOWS and SWOT have often been interpreted the wrong way by listing only the arbitrary factors without proper outcomes for further strategic work (Vuorinen 2021, 93).

Single frameworks are suitable in certain situations, but especially when the purpose is to research the background information to support a company's growth plan decisions, using only one framework alone is insufficient.

Selecting and using the frameworks raised some open questions on adapting the frameworks into use. Strategy work is a very complex and broad topic, including the selection and adapting frameworks for use, and there is no universal model or approach which would work for every situation. The approach was sufficient for the thesis needs, but from this point forward, also something else might be useful to use besides traditional strategic tools to support the company's growth plan. For example, a business design and more value-based and customer-centric thinking would probably suit quite well together with the traditional tools. These questions and thoughts should be investigated more if the growth plans proceed.

If a company's vision and the goal are to grow, strategy work and proper use of the frameworks are mandatory. For example, Business Finland and other funding institutes and private investors need thorough research and plan to support the decision for the funding. Without strategy work, doing proper research and planning the plans are quite challenging to do. However, some companies, especially new technology companies with a high-speed and big growth vision, might need a different approach for the strategy work. As a result, their short-term income and cost structure differ from the traditional business models, such as the thesis case company that already has a solid financial foundation and business model.

The topic was quite broad for a thesis, but for the case company's needs, it was mandatory to understand the topic as it was presented in the thesis. If the growth plans proceed further, it is recommended to research separate factors of the research at a more detailed level. However, it is impossible to do in-depth research if there is no understanding of the bigger picture first. In this phase, the most important is to understand how everything is connected to the bigger picture, not to have in-depth knowledge of one area of the research. The thesis created a solid foundation for future research.

Selecting and adapting the right frameworks are tools for winning different battles, as the strategy is how to win a war. However, probably the most important is the vision; why start a war in the first place. What do we want to be and do in the future.

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