

Strategic management and business policy – guajilote cooperativo forestal essay s...

[Business](#), [Strategy](#)



Guajilote was founded in 1991 as a component of a USAID (United States Agency for International Development) project. The project attempted to develop La Muralla National park as an administrative and socioeconomic model that COHDEFOR (the Honduran forestry development service) could transfer to Honduras' other national parks. The Guajilote Cooperativo Forestal was given the right to exploit naturally fallen (not chopped down) mahogany trees in La Muralla's buffer zone. A buffer zone was the designated area within a park's boundaries, but outside its core protected zone. People were allowed to live and engage in economically sustainable activities within this buffer zone. Guajilote in 1998 was facing some important issues and concerns which could effect not only its future growth, but also its very survival. Careful planning is essential for any successful business venture.

The centerpiece is a well thought out business plan. A solid business plan describes who you are, how you will do it, your capacity to do it, and the financial resources necessary to carry it out. A well written plan will serve as a guide through the start up phase of the business. It can also measure benchmarks to measure the performance of your business venture in comparison to expectations and industry standards. A good business plan will assist in attracting necessary financing. Guajilote Cooperativo Forestal a cooperative in Honduran provinces started out unprofessionally as a business venture. The lack of education by the leaders of the organization and the worker's has gotten their business off to a slow start. The poor community which is lacking in resources and knowledge of the quality of their product hasn't made for a solid business plan. They are unable to make

benchmarks to measure the performance over the years. No one has offered to assist in any necessary financing for equipment to help in the transportation of the trees.

The country needs to realize the value of their land and not let them cut the trees down for burning and house building. A key tool in the strategic planning process can also be applied to career planning. This tool is a marketing analysis using SWOT technique. A SWOT analysis focuses on the internal and external environments, examining strengths and weaknesses in the internal environment and opportunities and threats in the external environment. A scan of the internal and external environment is an important part of the strategic planning process. Environmental factors internal to the firm usually can be classified as strengths or weaknesses, and those external to the firm can be classified as opportunities, or threats. Such an analysis of the strategic environment is referred to as a SWOT analysis. The SWOT analysis provides information that is helpful in matching the firm's resources and capabilities to the competitive environment in which it operates.

The forest's strengths are its resources and capabilities that can be used as a basis for developing a competitive advantage, any internal asset which will help to meet demands and to fight off threats. In assessing their weaknesses, you would need to evaluate the internal issues that is hindering the forest from meeting their demands on time. A useful approach to looking at opportunities is to look at your strengths and ask yourself whether these open up any opportunities. Alternatively, look at your weaknesses and ask

yourself whether you could open up opportunities by eliminating them. The threats are any external circumstance or trend which decreases the demand for the forest's competence. The Forest should not necessarily pursue the more lucrative opportunities. It may have a better chance at developing a competitive advantage by identifying a fit between the firm's strengths and upcoming opportunities.

The forest may overcome a weakness in order to prepare itself to pursue a compelling opportunity. To develop strategies that take into account the SWOT profile, a matrix of these factors can be constructed. * S-O Strategies pursue opportunities that are a good fit to the business's strengths. * W-O Strategies overcome weaknesses to pursue opportunities. * S-T Strategies identify ways that the company can use its strengths to reduce its vulnerability to external threats. * W-T Strategies establish a defensive plan to prevent the firm's weaknesses from making it highly susceptible to external threats. Strengths Weaknesses Opportunities S-O Strategies W-O strategies Threats S-T strategies W-T Strategies SWOT ANALYSIS Definition Typical Examples Strengths Any internal asset (know – how motivation, technology, finance, business links) which will help to meet demands and to fight off threats Key questions: * What advantages do we have?

* What do we do well? * What relevant resources do we have access to? * Naturally rare Mahogany wood. * Truck transportation for sale of wood * Guajilote's leaders' energetic, intelligent, skillful politician. Weaknesses Internal issues hindering the forest from meeting demands. * What are the restrictions? * What could you improve? * What are they doing badly? *

Amount of Mahogany wood was limited. * Legally restricted to downed trees.

* Steep and treacherous terrain Opportunities Any external circumstance or trend that favors the demand for the forest and take a look at there weaknesses and can they correct them? * What changes of demand is expected to be seen over the next few years? * Where are the good opportunities facing you? * Purchase trucks and hire drivers * Overcome problems with transportation * Utilize the talents of its members. * Upgrade administrative competence Threats Any external circumstance or trend which will decrease the demand for the forest's competence. * What obstacles do you face?

* What future changes will affect the forest? * Threat of forest fire * Illegal logging * Slash & burn agriculture * Poaching of mahogany wood. Developing Strategic alternatives for Guajilote Cooperativo Forestal could be accomplished by using the SWOT analysis to assess its situation. It can also be used to generate a number of possible alternative strategies. Santos Munguia should keep formal records of the revenues. Develop capital improvements purchases to help with the transportation of the wood. The need to further educate the administration in the company or hire some one new that was educated and skilled was a top priority in order to establish the company's security. When a business sustains profits that exceed the average for its industry, the firm is said to possess a competitive advantage over its rivals. The goal of much of business strategy is to achieve a sustainable competitive advantage.

The competitive advantage for Guajilote Cooperativo Forestal is the fact that they have mass quantities of the Mahogany trees that have become extinct in most parts of the country. According to the resource based view, in order to develop a competitive advantage the business must have resources and capabilities that are superior to those of its competitors. Resources are the businesses assets useful for creating a cost or differentiation advantage and that few competitors can acquire easily. Business Economics and Competitive Advantage examines the economics of a company's business focusing primarily on its competitive advantage. A company's competitive advantage largely determines its ability to generate excess returns on capital and links the business strategy with fundamental finance and capital markets. I feel that Guajilote Cooperativo Forestal is lacking in the knowledge of the competitive advantage and without it the corporation has limited economic reason to exist – its competitive advantage is its staff of life.

Without it, the corporation will wither away. Creating a sustainable competitive advantage may be the single most important goal of any corporation and may be the most important single attribute on which each corporation must place its most focus. The value chain is a systematic approach to examining the development of competitive advantage. The chain consists of a series of activities that create and build value. They culminate in the total value delivered by the organization. The organization is split into “ primary activities” and “ support activities”. * Inbound Logistics: is the Mahogany wood that is taken out of the forest that is needed for

production/assembly line. * Operations: the Mahogany wood is sold to the distributors and shipped off to their main warehouse. * Outbound Logistics: The wood is sold and furniture is made from it. * Marketing and sales: In true customer oriented fashion, at this stage the organization prepares to meet the demands of the targeted customers.

This area focuses on strong communication on the volume needs of the Mahogany wood. * Service: This includes all areas of service such as finding the fallen trees, cutting them up so they can be shipped out, getting them to the customers. Across the country many non-profits are exploring new ways to revitalize and build successful businesses. Creating and operating such a business venture is an option that Guajilote should be considering, as a means to generate revenue, creates employment opportunities, and strengthens and revitalizes the community economies. Careful planning is essential for any successful business venture. The centerpiece is a well thought out Business Plan. A solid business plan describes who you are, what you do, how you will do it, your capacity to do it, and the financial resources necessary to carry it out. Guajilote needs to establish benchmarks to measure the performance of their business venture in comparison to expectations and industry standards.

References:

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