

Navis swot analysis

[Business](#), [Marketing](#)



Navis SWOT and VRIO Analysis of Navis SWOT and VRIO Analysis External analysis About a decade ago, the shipping industry was one of the most coveted and performing sectors of several economies throughout the world. However, since the last economic recession that rocked the world in 2007-2008, the industry has been highly unprofitable (PWC 2011).

Despite a considerable improvement of other economic sectors, the industry is yet to recover, and its profitability remains in the balance. However, economic analysts state that in the near future, the sector is likely to improve its profitability because the market today is saturated, and companies are in the race to acquire their share markets.

Several forces control the performance of the shipping industry. One of them is the seasonal nature of the business, whereby some times of the year have more goods for transport than other seasons (Boyd, 2007). The industry is also dependent on the weather whereby poor weather conditions may affect the navigation of ships. The strengths of these forces are that they may positively increase the quantity of goods for transport and because of a higher demand, push up the prices. However, they also result in other weaknesses, such that firms are always found unable to foresee an unsustainable rise in demand, which makes it difficult to control the sector during high seasons. Additionally, instead of companies focusing on the provision of new services through innovation, it only considers increasing the size of its fleet, which at times is unsustainable, considering the fact that the industry is sometimes seasonal (Boyd, 2007).

Other than the weather, inflicted cause, over the years, the nature of the forces has been dependent on the performance of the economy. Since the

recovery from the economic recession, the industry has significantly experienced a positive improvement with the companies sharpening their strategies to gain significant controls of the market share in the industry (PWC, 2011).

From the analysis, companies that will be able to use data mining tools to foresee rising demands of services at different times of the year will have a competitive edge over others. Consequently, those who consider implementing innovative solutions to their services are also likely to record a positive performance over those that do not.

Internal analysis and VRIO

Firm's resources and capabilities

Navis as a firm tends to have various resources and skills that tend to relish value and quality. The instance implies that the company is capable of giving peculiar services to customers that tend to hold a real return. The firm thus does not only handle products but also handles value and products that weigh emotions of the consumer. The resources include;

Links

The institution tends to have crucial links that help in carrying out the delicate activities. The instance includes the use of famous shipping companies such as the Yellow, FedEx, and the United Parcel Service.

Franchise

The licenses for other smaller institutions to operate under Navis are another crucial resource. The instance ensures that the firm has a bigger market share that is widespread. The revenues thus increase with the rise in the number of franchises (Boyd, 2007).

Form of business

The company deals with delicate [products as well as items that are relevant to the consumer. The firm is thus capable of ensuring trust to its consumers. The instance means that the firm delivers products that in the eyes of the consumer no other company is capable of performing.

Appraisal

The resources and the capabilities tend to be unique. The firm thus has a success in providing quality services that the consumer is sure about from the statement of all the activities of the company. The ability to be reliable makes the firm top of its class in the industry.

A competency map and agenda

The instances of the company possessing resources that are not the norm of other companies tend to be a favor to the enterprise. However, the freight industry tends to have companies who also offer such services. The only difference is the charge for the typical products that are to undergo carriage from the valuable ones.

In order to accomplish the mark of quality, the institution needs to have more capital investment such that it bars any other new company from creating competition in the market. Also, there is the need to establish relations with other MNCs in the same category in order to gain monopolistic powers to control the market.

VRIO Analysis

Valuable Resources

Navis shipping company engages in the transportation of goods overseas. As result, the company engages in the transportation sector despite the

challenges that it meets while in the sea such as the pirates. Pirates at present are at the forefront of hijacking long international travelling ships such as the Navis types. However, for the Navis case, it is not such a problem since the ship has the armed securities that are about in twenty in number. The officers are well trained to avert such situations whenever they come on the ships way while in the sea. For this reason, the business opportunity of the Navis Shipping Company of transportation of commodities is a valuable resource since the company can overcome all the threats that it meets on its way (Hurley, 2003).

Rare Resources

Shipping may not fall under the classes of rare resources since there are many companies that participate in the business activity. For this reason, Navis Shipping Company engages in unlimited or abundant area of availability of many resources such as the ships to do the business opportunity. In addition, the company does not benefit from any competitive advantage because of the many shipping companies in the sector. Navis Shipping Company being that it does not enjoy any competitive advantage (PWC Inc. 2011). In this situation, it should go for the option of adopting the use similar resources for the purposes of implementation of the same strategies where no any competitor may be able to achieve. The instance may help it reach extremely excellent performance in the market structure.

Imitable Resources

In most of the occasions, resources may fall in the class of cost imitable types or categories when other competitors can produce the same resources that the company does. In the case of the Navis Shipping Company, the

instance looks possible simply because, the business entails the modelling that can carry the same tasks of the ships of the Navis Shipping Company. Consequently, such cases may lead to the excess and unfair or unhealthy competition that may even in the future lead to the collapse of the company due to the drop in the number of clients to serve. However, construction of complete functional ship requires a lot of capital and time to finish. For this reason, the resource may be costly to imitate. In addition, the long time required for the construction of a new company will enable the Navis shipping company to operate for a long before the completion of the expected competing ships from the prospecting competing firms (Occhipinti, 2006).

Ownership Secure

Navis Shipping Company knows the value of its ships. For this reason, the company offers twenty armed officers to offers security for the ships while in the sea. The instance for the provision of the security guard is because of the presence of the pirates in the ocean who mostly hijack ships in demand for ransom payments (Boyd, 2007).

Conclusion

VRIO defines the elements that a firm may enjoy in relation to its value of resources, their scarcity, capability to imitate them and their ownership. For this reason, it will assist the Navis Shipping Company in achieving sustainable competitive advantage in the shipping industry.

References

Boyd, J. D. (2007). Shipping toward recession? Traffic World, pp. 1.

Hurley, B. (2003). Specialized packing company offers customized TLC. The

Colorado Springs Business Journal, pp. 23-45.

Occhipinti, C. (2006). New arrivals: Navis Pack & ship center; from building boxes to shipping boxes. Westchester County Business Journal, 45(29), 9.

PWC Inc. (2011). Insights Into The Performance Of The Global Shipping Industry. Retrieved 20 March 2015 from <http://www.pwc.co.uk/transport-logistics/publications/insights-into-the-performance-of-the-global-shipping-industry.jhtml>

APPENDIX: SWOT

Strengths

Weaknesses

Efficiency and reliability

High freight costs

-

Wide distribution network

Lack of investing in research and development

Popular franchises

Poor utilization of innovation

Loyal customers

High loan and tax rates

Opportunities

Threats

Introduce new products and services

Increasing operation costs

Device methods to benefit from increasing market share and capacity

Unpredictable global economy

Use technology to innovate operation services

Rising cost of ship construction materials

Competitions