Strategic analysis methods and their influence on stability and development of small and medium-sized enterprises in the Czech Republic

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Abstract

Strategic analysis of business environment influences the growing efficiency, stability, and sustainability of enterprises. The entry is aimed at analyzing internal and external strategic methods between profit-making and non-profit-making enterprises from the perspective of their sector differentiation and size categorization focusing on small and medium-sized enterprises. The entry highlights the managers' knowledge of the individual methods and their usability in business practice. The research was conducted based on a sample of 456 enterprises from the entire Czech Republic using a Student's T-test of the differences of two percentages and the Fisher's exact test. The conclusion of the entry is dedicated to the results of the tests, as well as new trends that are used in the area of strategic analysis and which have been indicated as a part of the set of tested enterprises.

Key words

Strategic analysis, internal analysis, external analysis, business environment, enterprise efficiency, small and medium-sized enterprises, Czech Republic

Introduction

Small and medium-sized enterprises (hereinafter „SMEs") play a significant role in the national economy of the Czech Republic not only from the perspective of stability but from the perspective of developing the national economy as well. This is the case not only in the Czech Republic and other EU countries but in other parts of the world featuring a developed economic system as well. In the Czech Republic, in total 1.139.330 natural or legal persons are active in business; the number of active business subjects consists of more than 99 percent of SMEs; they produce more than 54 percent of the value added; they employ 59 percent of the employees in the business sector in the Czech Republic (MPO 2016). Since the beginning of the 21st century, questions of efficiency, stability, and growth of SMEs and their relation to the business environment have been crucial. A number of domestic and foreign authors are interested in this issue, such as Havlíček, Kašík (2005); Šebestová (2007); Vojík (2009); Hamplová, Provazníková (2015); Hribik (2010); Helfat et al. (2007); Miles, Snow and Meyer (2008).

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Enterprises are currently interconnected within a network of various relations with other organizations, partners or individuals. These are the relations and their recognition that help create the strategy of enterprises and define their position and competitiveness or rather a sustainable competitive advantage (Clegg, Carter, Kornberger, Schweitzer 2011). Business environment is not stationary; it changes and develop dynamically. Domestic and foreign authors rightfully call it highly turbulent and discontinuous, see Drucker (1994), Mintzberg (2007), Kotler and Caslione (2009), Zuzák (2011), etc. These changes require constant and repeating examining of theories of enterprise growth (Dagnino, King, Tienari 2017). Globalization, competition, continuous rise of new technologies, and rapid changes are all characteristics of the modern business environment, as well as high expectations and demands of users for high value added of products and services and their constant innovation (Loukis, Kyriakou, Pazalos, Popa 2017). If enterprises want to survive the highly competitive environment then they have to react to these changes. However, approaches and methods that they employ do not always suit their needs; often, they do not reflect the changes that are actually happening. At the same time, it is necessary to realize that the impact of changes and their character do not affect all business branches equally. Mallya (2007) describes strategic management in the business environment in the Czech Republic and concludes that it remains a relatively new area. This conclusion is also supported by the results of the author of this entry aimed at strategic enterprises management in the setting of the Czech Republic. Although the term itself is widely known, only some of its fundamental methods and general characteristics are known. Special methods, approaches, research, and solutions used in various competitive areas of strategic management that are applied in highly developed countries are still relatively little known and their accessibility is limited (Mallya 2007).

The strategic situation analysis is used to understand and analyze the business environment. Generally, the academic sector agrees on its definition. It is primarily based on assessing individual components and characteristics of the internal and external environments of enterprises by using methods analyzing external and internal environments, so-called strategic analyses. Šulák, Vacík (2005) categorize business environment as the external environment whose parts are the macro environment and the meso environment of the enterprise and the internal environment including the enterprise analysis and the micro environment meaning the internal sources of the enterprise. The authors Frynas and Mellahi (2011) classify business environment in the same way. Mallya (2007) distinguishes between an internal, branch, and general business environments. Veber et al. (1998) additionally divide the macro environment into the local environment, the national environment, and the environment of integration grouping. Jakubíková (2008), Dedouchová (2001) distinguish the macro environment, micro environment, and the enterprise, similarly to Gomes (2011); Nigel, Campbella (2002); Ginter, Duncan and Swayn (2013). Barney (1991); Barney, Ketchen, Wright (2011) and his successors Augier, Teece (2006); Teece, Pisano, Shuen (1997); Ambrosini, Bowman (2009) all focus on internal enterprise sources and their importance. The dynamics of internal sources supports the growth of enterprises and helps create their sustainable competitive advantage. The importance of the key factors of the meso environment and macro environment are analyzed in the works of Kirchhoff (1994), Storey (1994), Porter (2012, 2015), Slávik and Romanová (2005), Lundström and Stevenson (2005). Porter (2012, 2015) introduces a different view of the methods of the situation analysis and states that the strategy of enterprises does not depend on the ability to predict changes

but on the broad idea about what groups of customers there are and which needs will be significant in the next three to five years. On the other hand, he admits that a well-prepared analysis can be of significant importance (Magretta 2012).

It is not possible to achieve a sustainable competitive advantage without understanding the business environment. However, it is necessary to examine the structure and content of the individual analyses since some do not have a universal character and therefore cannot be used in a unified manner especially when considering the sector differentiation of enterprises and their size categorization. This statement is partially documented in this entry as well. It is probable that the future development of enterprises will be dictated by new trends in the area of strategic planning cycle, strategic methods and tools of strategic management, as well as techniques of implementing set strategies in enterprise practice. Their difficulty and complexity will depend on the size and character of enterprises, the extent of their area of effect, and a number of other factors as well.

1   Methodology

The research was carried out by a group of 456 companies from all the Czech Republic through an extensive questionnaire survey focused on corporate strategy. The research is carried out under the responsibility of the ITB in České Budějovice, a special team was created and trained to provide a questionnaire survey. The first part of the research will be completed by the end of 2017. The change in the economic cycle is expected to be repeated, supplemented in both cases by direct personal interviews with selected managers in the Czech Republic. The testing sample of enterprises was categorized from the perspective of sector differentiation (201 production and industrial enterprises, 255 service enterprises) and size categorization (109 microenterprises – 10 or less employees, 140 small enterprises – 50 or less employees, 124 medium-sized enterprises – 250 or less employees, and 83 large enterprises – more than 250 employees). Small and medium-sized enterprises dominate the testing sample, which is in accordance with the structure of economic subjects in the Czech Republic which are features a very large number of small and medium-sized enterprises similarly to the entire European Union. Large enterprises are not taken into consideration in this entry due to the extent of their achieved results.

The aim of the paper is to analyze selected strategic analyzes for assessing the internal and external business environment between profit and non-profit enterprises, depending on their sectoral differentiation (production and industry sector and service sector) and size categorization (micro, small and medium-sized enterprises). In order to assess whether the differences of percentages between both groups of enterprises are statistically significant, differences between profit-making and non-profit-making enterprises for the tested internal and external strategic analyses were defined. Only those analyses that had shown to have a difference of more than 10 % were statistically examined and this principle was applied in all size categories and relevant sectors. In these cases, a statistical test was conducted to determine if this empirically gained difference is statistically significant. A Student's t-test of the differences of two percentages and

the Fisher's exact test were used. Fisher's test makes it possible to determine dependencies even in the case of lower numbers (Hendl 2012). Based on the Student's t-test, a value of testing statistics was determined as well as the p-value including 95 percent reciprocal interval estimate for the difference of conditions and the p-value for the Fischer's exact test. The tests were conducted on the standard level of significance 0.05, meaning the reliability of 95 percent. The author of the entry thinks that it is appropriate to state the numbers and differences of enterprises that stated in their questionnaires that they are not using any methods since these results also play a significant role when assessing research.

2   Results and Discussion

2.1 Results and discussion – production and industry sectors

The results stated bellow are significantly influenced by the fact that from the overall number of microenterprises and SMEs in the production, industry, and service sectors, only 40 % of enterprises showed elementary knowledge of methods of strategic situation analysis. This is a crucial and deciding knowledge and can be generally seen as a limiting factor of the development of SMEs in the Czech Republic.

- **Microenterprises and small enterprises**

Due to the small representation of enterprises categorized as microenterprises, they were included in the same group as small enterprises.

Table 1 Dividing microenterprises and small enterprises based on their economic results

Economic results of the enterprises	Number
Non-profit-making	22
Profit-making	53

Source: own research.

Table 2 The difference in the percentages (in relative numbers) of microenterprises and small enterprises according to their business results of internal strategic analyses

Used internal strategic analyses	Non-profit-making enterprises	Profit-making enterprises	Difference (between profit-making and non-profit-making)
SWOT analysis	31.8%	54.7%	**22.9%**
Portfolio analysis	13.6%	15.1%	1.5%
BCG-matrix	4.5%	11.3%	6.8%
GE Model	4.5%	1.9%	-2.7%

Value chain analysis	9.1%	9.4%	0.3%
Strategic alternatives	4.5%	7.5%	3.0%
SPACE analysis	0.0%	7.5%	7.5%
Analysis of internal sources of the enterprise	9.1%	20.8%	**11.7%**
Critical Success Factors	13.6%	22.6%	9.0%
Analysis of the enterprise's economic exposure	9.1%	3.8%	-5.3%
Analysis of internal competitiveness	0.0%	11.3%	**11.3%**
No internal analyses	59.1%	41.5%	**-17.6%**

Source: own research.

Table 3 Results of statistical tests of internal strategic analyses with a difference of more than 10% in the percentages of profit-making and non-profit-making micro and small enterprises

	SWOT analysis	Analysis of internal sources of the enterprise	No internal analyses
Testing statistic	1.899	1.408	-1.409
P-value	0.058	0.159	0.159
Interval estimate of the difference of percentages	(-0.007; 0.465)	(-0.046; 0.279)	(-0.420; 0.069)

Source: own research.

When analyzing the internal competitiveness, no Student's t-test was carried out because the number of non-profit-making enterprises is zero. To fill in the results, the Fischer's exact test was used; its p-value was measured at 0.1714. In this group, statistical tests did not discover any statistically significant differences between the percentages. All p-values are higher than the level of significance. Only the p-value of the SWOT analysis came close to this level.

The achieved results of this size group of enterprises can be seen as expected; they definitely prove the lack of knowledge of internal strategic analyses by the management of microenterprises and small enterprises. At the same time, these and other subsequent analyses document that the enterprises are managed without fundamental strategic tools such as defining the enterprise's development vision or creating a set of goals to fulfill it. The analyses also completely proved the undesirable state of the area of managerial literacy of strategic management and decision-making in this size category of enterprises.

Table 4 The difference of percentages (in relative numbers) of microenterprises and small enterprises according to their business results in external strategic analyses

Used external strategic analyses	Non-profit-making enterprises	Profit-making enterprises	Difference (between profit-making and non-profit-making)
STEP analysis	9.1%	22.6%	**13.6%**
Scenario analysis	13.6%	9.4%	-4.2%
Competitor analysis	31.8%	37.7%	5.9%
Porter's five forces analysis	0.0%	24.5%	**24.5%**
Strategic map	4.5%	9.4%	4.9%
Sector attractiveness analysis	0.0%	11.3%	**11.3%**
Strategic hours	0.0%	3.8%	3.8%
Life-cycle assessment	9.1%	7.5%	-1.5%
Interest group analysis	13.6%	7.5%	-6.1%
Analysis of economic characteristics of sectors	4.5%	20.8%	**16.2%**
Sector driver analysis	9.1%	13.2%	4.1%
No external analyses	54.5%	37.7%	**-16.8%**

Source: own research.

Table 5 Results of statistical tests of external strategic analyses with a difference of more than 10% in the percentages of profit-making and non-profit-making micro and small enterprises

	STEP analysis	Analysis of economic characteristics of sectors	No external analyses
Testing statistic	1.613	**2.275**	-1.341
P-value	0.107	**0.023**	0.179
Interval estimate of the difference of percentages	(-0.029; 0.300)	**(0.022; 0.302)**	(-0.414; 0.078)

Source: own research.

In the case of Porter's five forces analysis and the sector attractiveness analysis, no Student's t-test was conducted because the number of non-profit-making enterprises was zero. The Fischer's exact test was conducted for these analyses; the p-value was **0.008** for the Porter's five forces analysis and 0.1714 for the sector attractiveness analysis.

Statistical tests uncovered two statistically significant differences of percentages in this group – namely for the Porter's five forces analysis and the analysis of economic characteristics of sectors. In both cases, the profit-making enterprises predominate over

the non-profit-making enterprises. As it was previously stated, the level of using strategic analysis methods, especially in microenterprises and small enterprises, is objectively very low and there is no difference in the case of external analyses. The difference of relative numbers between the profit-making and non-profit-making enterprises in the Porter's five forces analysis and the analysis of economic characteristics of sectors can be seen as a favorable result. Especially the first method shows increasing importance in the decision-making processes of managers in the continuously tougher competitive environment. The second method documents the sector dependency of this enterprise category on the final financial results – the profitability. Enterprise stability cannot be ensured without a continuous sector analysis primarily from the perspective of its driving forces (innovation process).

- **Medium-sized enterprises**

Table 6 Dividing medium-sized enterprises based on their economic results

Economic results of the enterprises	Number
Non-profit-making	23
Profit-making	54

Source: own research.

Table 7 The difference in the percentages (in relative numbers) of medium-sized enterprises according to their business results of internal strategic analyses

Used internal strategic analyses	Non-profit-making enterprises	Profit-making enterprises	Difference (between profit-making and non-profit-making)
SWOT analysis	43.5%	46.3%	2.8%
Portfolio analysis	26.1%	24.1%	-2.0%
BCG-matrix	8.7%	9.3%	0.6%
GE Model	0.0%	0.0%	0.0%
Value chain analysis	13.0%	3.7%	-9.3%
Strategic alternatives	4.3%	5.6%	1.2%
SPACE analysis	0.0%	1.9%	1.9%
Analysis of internal sources of the enterprise	43.5%	27.8%	**-15.7%**
Critical Success Factors	21.7%	14.8%	-6.9%
Analysis of the enterprise's economic exposure	0.0%	9.3%	9.3%
Analysis of internal competitiveness	13.0%	14.8%	1.8%
No internal analyses	26.1%	33.3%	7.2%

Source: own research.

Table 8 Results of statistical tests of internal strategic analyses with a difference of more than 10% in the percentages of profit-making and non-profit-making medium-sized enterprises

	Analysis of internal sources of the enterprise
Testing statistic	-1.308
P-value	0.191
Interval estimate of the difference of percentages	(-0.392; 0.078)

Source: own research.

The size category of medium-sized enterprises can only register one difference of more than 10 % in the percentages of one method – the analysis of internal sources of the enterprise. However, statistical tests did not prove this difference statistically significant. Identically to the previous size category of enterprises, the lack of knowledge of internal methods and their usability in business practice can be pointed out. Although the statistical tests did not prove a significant difference in the percentages of profit-making and non-profit-making enterprises, the analysis of internal sources of the enterprise shows higher usability in this category. The internal sources need to be focused on more by the enterprise's management because their structure and usability are prerequisites for creating a competitive and unique value potential of an enterprise. More frequent usage or the complete absence of some methods is alarming for the further development of this category of enterprises. These methods are primarily the value chain analysis, analysis of internal sources of the enterprise, and the portfolio analysis. These should become a crucial part of managerial competences of all managers of enterprises of this size category.

Table 9 The difference of percentages (in relative numbers) of medium-sized enterprises according to their business results in external strategic analyses

Used external strategic analyses	Non-profit-making enterprises	Profit-making enterprises	Difference (between profit-making and non-profit-making)
STEP analysis	13.0 %	13.0 %	-0.1 %
Scenario analysis	26.1 %	22.2 %	-3.9 %
Competitor analysis	47.8 %	33.3 %	**-14.5 %**
Porter's five forces analysis	13.0 %	25.9 %	**12.9 %**
Strategic map	21.7 %	9.3 %	**-12.5 %**
Sector attractiveness analysis	8.7 %	16.7 %	8.0 %
Strategic hours	0.0 %	1.9 %	1.9 %
Life-cycle assessment	8.7 %	11.1 %	2.4 %
Interest group analysis	13.0 %	3.7 %	-9.3 %

Analysis of economic characteristics of sectors	26.1 %	14.8 %	**-11.3 %**
Sector driver analysis	8.7 %	7.4 %	-1.3 %
No external analyses	34.8 %	37.0 %	2.3 %

Source: own research.

Table 10 The difference of percentages (in relative numbers) of medium-sized enterprises according to their business results in external strategic analyses

	Competitor analysis	Porter's five forces analysis	Strategic map	Analysis of economic characteristics of sectors
Testing statistic	-1.185	1.398	-1.318	-1.088
P-value	0.236	0.162	0.187	0.276
Interval estimate of the difference of percentages	(-0.385; 0.095)	(-0.052; 0.309)	(-0.310; 0.061)	(-0.316; 0.090)

Source: own research.

The results highlight four external analyses that surpassed the 10 % difference of percentages. These are very significant methods for formulating competitive strategies, namely the competitor analysis, the Porter's five forces analysis, the strategic map, and the analysis of economic characteristics of sectors. Similarly to the internal analyses of this category of enterprises, the statistical tests did not prove any significant differences. It is necessary to point out that the usage frequency of these methods needs to increase significantly in the future if this size category of enterprise is to secure its stability, development, and sustainability. Once again, this can be associated with the general insufficient amount of knowledge of these methods by managements of the enterprises of this size category. Despite this negative fact, the result – the analyzed methods – can be seen as a promise of a future trend of their usage. The featured methods are the crucial core of external methods from the perspective of their importance in strategic management and decision-making.

2.2 Results and discussion – service sector

- **Microenterprises**

Table 11 Dividing microenterprises based on their economic results

Economic results of the enterprises	Number
Non-profit-making	24
Profit-making	63

Source: own research.

Table 12 The difference in the percentages (in relative numbers) of microenterprises according to their business results of internal strategic analyses

Used internal strategic analyses	Non-profit-making enterprises	Profit-making enterprises	Difference (between profit-making and non-profit-making)
SWOT analysis	37.5%	55.6%	**18.1%**
Portfolio analysis	12.5%	17.5%	5.0%
BCG-matrix	4.2%	17.5%	**13.3%**
GE Model	0.0%	4.8%	4.8%
Value chain analysis	4.2%	11.1%	6.9%
Strategic alternatives	4.2%	3.2%	-1.0%
SPACE analysis	0.0%	22.2%	**22.2%**
Analysis of internal sources of the enterprise	8.3%	9.5%	1.2%
Critical Success Factors	25.0%	14.3%	**-10.7%**
Analysis of the enterprise's economic exposure	0.0%	1.6%	1.6%
Analysis of internal competitiveness	29.2%	20.6%	-8.5%
No internal analyses	29.2%	28.6%	-0.6%

Source: own research.

Table 13 Results of statistical tests of internal strategic analyses with a difference of more than 10% in the percentages of profit-making and non-profit-making microenterprises

	SWOT analysis	BCG-matrix	Critical Success Factors
Testing statistic	1.543	**2.114**	-1.084
P-value	0.123	**0.034**	0.278
Interval estimate of the difference of percentages	(-0.049; 0.4099)	**(0.010; 0.256)**	(-0.301; 0.086)

Source: own research.

The SPACE analysis was tested only by the Fisher's exact test (p-value 0.0089) because there were zero non-profit-making enterprises using it.

The results show the importance of the BCG-matrix and the SPACE analysis, which may seem surprising due to the fact that the group in question is microenterprises. The service sector enterprises in comparison to the production and industry sectors (does not apply to large enterprises) generally operate in a more complex and more dynamic market environment with existing strong competitive pressure towards their management. Gradually, managers have been realizing this and are looking for tools that can help facing and subsequently eliminate these threats. The results may have also been

influenced by the age structure of these enterprises. According to preliminary analyses, generally a larger number of younger employees work in these enterprises. However, his statement does need to be analyzed more closely.

Table 14 The difference of percentages (in relative numbers) of microenterprises according to their business results in external strategic analyses

Used external strategic analyses	Non-profit-making enterprises	Profit-making enterprises	Difference (between profit-making and non-profit-making)
STEP	4.2 %	30.2 %	**26.0 %**
Scenario analysis	4.2 %	6.3 %	2,2 %
Competitor analysis	37.5 %	36.5 %	-1.0 %
Porter's five forces analysis	20.8 %	22.2 %	1.4 %
Strategic map	4.2 %	17.5 %	**13.3 %**
Sector attractiveness analysis	4.2 %	28.6 %	**24.4 %**
Strategic hours	4.2 %	3.2 %	-1.0 %
Life-cycle assessment	0.0 %	1.6 %	1.6 %
Interest group analysis	8.3 %	14.3 %	6.0 %
Analysis of economic characteristics of sectors	4.2 %	4.8 %	0.6 %
Sector driver analysis	4.2 %	3.2 %	-1.0 %
No external analyses	45.8 %	30.2 %	**-15.7 %**

Source: own research.

Table 15 Results of statistical tests of external strategic analyses with a difference of more than 10% in the percentages of profit-making and non-profit-making microenterprises

	STEP analysis	Strategic map	Sector attractiveness analysis	No external analyses
Testing statistic	**3.673**	**2.115**	**3.485**	-1.339
P-value	**0.0002**	**0.034**	**0.0005**	0.180
Interval estimate of the difference of percentages	**(0.121; 0.399)**	**(0.010; 0.256)**	**(0.107; 0.381)**	(-0.386; 0.073)

Source: own research.

Some external methods also showed significant differences between profit-making and non-profit-making enterprises, namely when using the STEP analysis, strategic maps, and the sector attractiveness analysis. These are once again analyses of the competitive environment. Its understanding is a crucial prerequisite for all enterprises particularly in the service sector to secure their current and future successes. Similarly

to the internal analyses, the results from the perspective of used external analyses can be explained and connected to the complexity of the market environment. If the number of tested enterprises with positive knowledge of the featured methods was significantly higher than the result would be a very positive finding from the point of view of the structure of used methods.

- **Small enterprises**

Table 16 Dividing small enterprises based on their economic results

Economic results of the enterprises	Number
Non-profit-making	21
Profit-making	66

Source: own research.

Table 17 The difference in the percentages (in relative numbers) of small enterprises according to their business results of internal strategic analyses

Used internal strategic analyses	Non-profit-making enterprises	Profit-making enterprises	Difference (between profit-making and non-profit-making)
SWOT analysis	52.4%	21.2%	**-31.2%**
Portfolio analysis	19.0%	18.2%	-0.9%
BCG-matrix	0.0%	1.5%	1.5%
GE Model	0.0%	7.6%	7.6%
Value chain analysis	0.0%	7.6%	7.6%
Strategic alternatives	0.0%	18.2%	**18.2%**
SPACE analysis	4.8%	15.2%	**10.4%**
Analysis of internal sources of the enterprise	14.3%	22.7%	8.4%
Critical Success Factors	4.8%	7.6%	2.8%
Analysis of the enterprise's economic exposure	0.0%	16.7%	**16.7%**
Analysis of internal competitiveness	14.3%	31.8%	**17.5%**
No internal analyses	42.9%	10.6%	**-32.3%**

Source: own research.

Table 18 Results of statistical tests of internal strategic analyses with a difference of more than 10% in the percentages of profit-making and non-profit-making small enterprises

	SWOT analysis	SPACE analysis	Analysis of internal competitiveness	No internal analyses
Testing statistic	**-2.597**	1.621	1.836	**-2.817**
P-value	**0.009**	0.105	0.066	**0.0048**
Interval estimate of the difference of percentages	**(-0.547; -0.076)**	(-0.022; 0.229)	(-0.012; 0.362)	**(-0.547; -0.098)**

Source: own research.

The Fisher's exact test was once again used to determine the p-values for the methods of strategic alternatives and the analysis of the enterprise's economic exposure. The p-value of the strategic alternatives method is 0.035 – it is statistically significant. The p-value of the analysis of the enterprise's economic exposure is 0.059.

This group of enterprises showed a statistically significant difference in the SWOT analysis (there are more non-profit-making enterprises than profit-making enterprises in the percentage). Other methods did not feature any statistically significant difference (however, very closely). The tests also revealed that this group features a statistically significantly higher number of non-profit-making enterprises that do not use any methods in comparison to the profit-making enterprises. Therefore, it can be assumed that the statistically significant difference in the SWOT analyses is partially caused by the fact that using this method has become a sort of practice without understanding its essence. This method is used in areas where its implementation is severely problematic (health care, environmental science, history etc.). The higher number of non-profit-making enterprises can be associated with the previously mentioned aspects. It can also be suggested that instable enterprises, enterprises in bankruptcy or operating on the edge of their existence look for „salvation" in this overrated method. In the end this method is looked upon by managers in a negative way, which is again a negative trend.

Table 19 The difference of percentages (in relative numbers) of small enterprises according to their business results in external strategic analyses

Used external strategic analyses	Non-profit-making enterprises	Profit-making enterprises	Difference (between profit-making and non-profit-making)
STEP analysis	4.8%	27.3%	**22.5%**
Scenario analysis	14.3%	13.6%	-0.6%
Competitor analysis	42.9%	45.5%	2.6%
Porter's five forces analysis	23.8%	18.2%	-5.6%

Strategic map	4.8%	30.3%	**25.5%**
Sector attractiveness analysis	0.0%	13.6%	**13.6%**
Strategic hours	4.8%	7.6%	2.8%
Life-cycle assessment	0.0%	9.1%	9.1%
Interest group analysis	9.5%	13.6%	4.1%
Analysis of economic characteristics of sectors	4.8%	4.5%	-0.2%
Sector drivers analysis	0.0%	4.5%	4.5%
No external analyses	38.1%	31.8%	-6.3%

Source: own research.

Table 20 Results of statistical tests of external strategic analyses with a difference of more than 10% in the percentages of profit-making and non-profit-making small enterprises

	STEP analysis	Strategic maps
Testing statistic	**3.132**	**3.489**
P-value	**0.002**	**0.0005**
Interval estimate of the difference of percentages	**(0.084; 0.366)**	**(0.112; 0.399)**

Source: own research.

The Fisher's exact test determined the p-value of the sector attractiveness analysis as 0.106.

The results are similar to the category of microenterprises; a statistically significant difference was defined for the STEP analysis and strategic maps. The statement about growing competitive environment and the need to use the methods to analyze it is valid here as well.

- **Medium-sized enterprises**

Table 21 Dividing medium-sized enterprises based on their economic results

Economic results of the enterprises	Number
Non-profit-making	12
Profit-making	35

Source: own research.

Table 22 The difference in the percentages (in relative numbers) of medium-sized enterprises according to their business results of internal strategic analyses

Used internal strategic analyses	Non-profit-making enterprises	Profit-making enterprises	Difference (between profit-making and non-profit-making)
SWOT analysis	50.0%	68.6%	**18.6%**
Portfolio analysis	33.3%	42.9%	9.5%
BCG-matrix	0.0%	17.1%	**17.1%**
GE Model	0.0%	2.9%	2.9%
Value chain analysis	25.0%	5.7%	**-19.3%**
Strategic alternatives	25.0%	17.1%	-7.9%
SPACE analysis	0.0%	2.9%	2.9%
Analysis of internal sources of the enterprise	50.0%	34.3%	**-15.7%**
Critical Success Factors	41.7%	31.4%	**-10.2%**
Analysis of the enterprise's economic exposure	16.7%	8.6%	-8.1%
Analysis of internal competitiveness	33.3%	51.4%	**18.1%**
No internal analyses	16.7%	20.0%	3.3%

Source: own research.

Table 23 Results of statistical tests of internal strategic analyses with a difference of more than 10% in the percentages of profit-making and non-profit-making medium-sized enterprises

	SWOT analysis	BCG-matrix	Value chain analysis	Analysis of internal sources of the enterprise	Analysis of internal competitiveness	Critical Success Factors
P-value	0.306	0.315	0.097	0.493	0.331	0.725

Source: own research.

Due to the small sample of the non-profit-making enterprises, only the results of the Fisher's exact test are featured here, including in the case of external analyses. This size group does not show any statistically significant differences. This is a surprising result for this category since it can be expected that the management of this size category should pay more attention to both internal and external environments of the enterprises. It is a very negative result of the analyses especially for the size category of service enterprises; it also stresses that it is crucial to focus on this issue systematically and purposefully. Using methods such as the value chain analysis, the analysis of internal sources of the enterprise, the portfolio analysis, and others can become a common task

of managers in the near future. Without this significant change, a high-quality shift in the development of such service sector enterprises cannot be expected.

Table 24 The difference of percentages (in relative numbers) of medium-sized enterprises according to their business results in external strategic analyses

Used external strategic analyses	Non-profit-making enterprises	Profit-making enterprises	Difference (between profit-making and non-profit-making)
STEP analysis	8.3%	20.0%	**11.7%**
Scenario analysis	25.0%	25.7%	0.7%
Competitor analysis	50.0%	62.9%	**12.9%**
Porter's five forces analysis	50.0%	40.0%	-10.0%
Strategic map	50.0%	8.6%	**-41.4%**
Sector attractiveness analysis	16.7%	22.9%	6.2%
Strategic hours	8.3%	14.3%	6.0%
Life-cycle assessment	16.7%	22.9%	6.2%
Interest group analysis	8.3%	17.1%	8.8%
Analysis of economic characteristics of sectors	41.7%	28.6%	**-13.1%**
Sector drivers analysis	16.7%	8.6%	-8.1%
No external analyses	0.0%	17.1%	**17.1%**

Source: own research.

Table 25 Results of statistical tests of external strategic analyses with a difference of more than 10% in the percentages of profit-making and non-profit-making medium-sized enterprises

	STEP analysis	Competitor analysis	Strategic maps	Analysis of economic characteristics of sectors	No external analyses
P-value	0.659	0.506	**0.005**	0.481	0.315

Source: own research.

Medium-sized enterprises featured one statistically significant difference when examining the external analyses – the strategic maps method (however there are more non-profit-making enterprises than profit-making enterprises). Both with internal analyzes and external analyzes, the lack of use of methods suggests a complete absence of strategic tools in managing these businesses. If the status quo does not change, it can be expected that the next period will also feature negative impacts on stability and sustainability of these enterprises.

Conclusion

The results of the conducted analyses cannot only be observed from the point of view of current level management and decision-making of two fundamental sectors of the national economy – production and industry, and service enterprises, but from the perspective of their future needs as well. From the perspective of the current needs, following conclusions can be made:

- Primarily, it is necessary to point out in the conclusion of this entry that the enterprises were examined during a period of economic growth and it is expected that this growth continues in the next economic stages of economy. This naturally influenced the numbers of profit-making and non-profit-making enterprises as well as presumably the influence of the opinions of the enterprises' managers.
- Significant managerial illiteracy (of internal and external methods in the area of strategic situation analysis) was analyzed in both tested sectors.
- Implementing the methods of strategic situation analysis into enterprise practice of microenterprises and small enterprises primarily in the production and industry sectors and medium-sized enterprises of both sectors is absolutely insufficient and does not correspond with the current needs of the areas of strategic management and decision-making.
- The development in the area of strategic management and decision-making of these enterprises and sectors (personal interviews and experience in business practice) is not based on modern management forms, but they are currently being applied in particular to the strategic management transfer of experience from experienced managers, practical personal insights, intuition and often "copying" or "blind" transfer of other people´s knowledge and experience to your own business.
- Despite the negative assessment, a demand for modern strategic methods can be observed for a number of managers; in some cases due to the fact that the enterprise has fallen into an unfavorable economic situation.

From the perspective of future development of the area of strategic management and decision-making, following conclusion can be drawn:

- Microenterprises and small enterprises (more so in the production and industry sectors) will need to focus primarily on changing the mindsets, opinions, and actions of their managers to be able to achieve uniqueness, originality, and maximal usage of their enterprise potential in their business.
- Managers of medium-sized enterprises (generally, without the sector distinction) will have to increase the quality level of managerial literacy in the areas of strategic management. Internal analyses – primarily the value chain analysis, the analysis of internal sources of the enterprise, portfolio analysis – need to become a common practice of managers of enterprises in the near future. The crucial external analyses are Porter's five forces analysis, competitor analysis, sector drivers analysis, and analysis of economic characteristics of sectors.

The author of the entry wanted to contribute to the opening domestic and foreign debate ons from the point of view of future development of strategic management and

decision-making in business practice and to the ongoing discussion about creating en-
terprise strategies and their implementation.

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