



PROJECT IDENTIFICATION

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Projects are described as the “cutting edge of development” or as “building blocks of development.”

by Ernesto Franco



PROJECT MANAGEMENT DEFINITATION

“PROJECT MANAGEMENT” is:

- the application of knowledge, skills, tools and techniques to project activities in order to meet stakeholders’ need and expectation.
- refers to the series of methods and tools that are used to plan and implement a changer or project from its inception to its completion.



PROJECT IDENTIFICATION DEFINITATION

“PROJECT IDENTIFICATION” is:

- a process to assess each project idea and select the project with the highest priority.
- concerned with collection, compilation and analysis of economic data for the eventual purpose of locating possible opportunities for investment.



Some tools used in project identification:

- Situational and Environmental Analysis
- SWOT Analysis
- Problem and Opportunity Studies
- Resource Analysis



SITUATIONAL AND ENVIRONMENTAL ANALYSIS



SITUATION ANALYSIS

If we talk about “*Situation Analysis*” we also talk about “*market audits*”.

Basically “*Situation analysis*” is same meaning with “*market audits*”



SITUATION ANALYSIS

An *audit* is the means by which a company can:
(a) understand how it relates to the environment in which it operates.

(b) identify its own strengths and weaknesses as they relate to external opportunities and threats.

Thus, it is a way of helping management to select a position in that environment based on known factors.



SITUATION ANALYSIS

A *market analysis* will be made up of a range of factors relevant to the particular situation under review, but would normally include the following areas:

- i. Actual and potential market size
- ii. Trends
- iii. Costumer
- iv. Costumer segment
- v. Distribution channel



ENVIRONMENTAL ANALYSIS

Environmental analysis refers to the monitoring, evaluating and disseminating of information from the external environment with the objective of identifying threats and opportunities and assessing their impact given the company's internal strengths and weaknesses.

According to *Business Environment: Managing in a Strategic Context*, An ***environment*** is defined as: “anything outside an organization which may affect an organization's present or future activities. Thus, the environment is situational – it is unique to each organization” (*Kew and Stredwick 2005*).



ENVIRONMENTAL VARIABLES

A. Industry Environment

- * Customers
- * Suppliers
- * Labor unions
- * Creditors
- * Competitors
- * Government
- * Community



ENVIRONMENTAL VARIABLES

B. Organizational Environment

– Macro Environment

- * Demographic
- * Social
- * Economic
- * Technological
- * Political/Legal



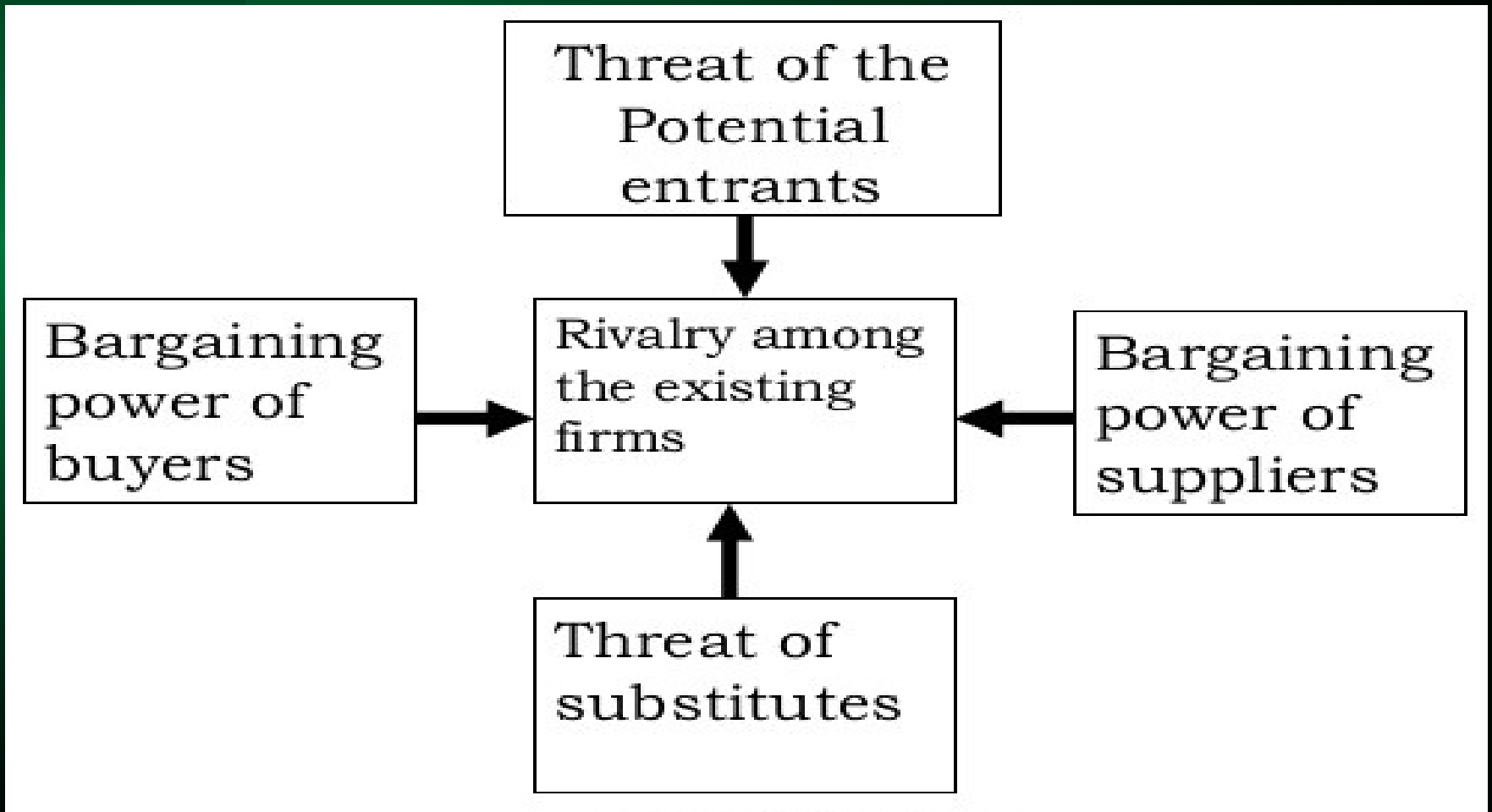
INDUSTRY/TASK /OPERATING ENVIRONMENT

This includes those elements or groups in the immediate environment of a company that directly affect the corporation and in turn are affected by it.

According to Michael Porter the nature and the degree of competition in an industry hinge on five forces that drive competition in the industry.

INDUSTRY/TASK /OPERATING ENVIRONMENT

Porter's five forces model





MACRO/SOCIETAL / EXTERNAL ENVIRONMENT ANALYSIS

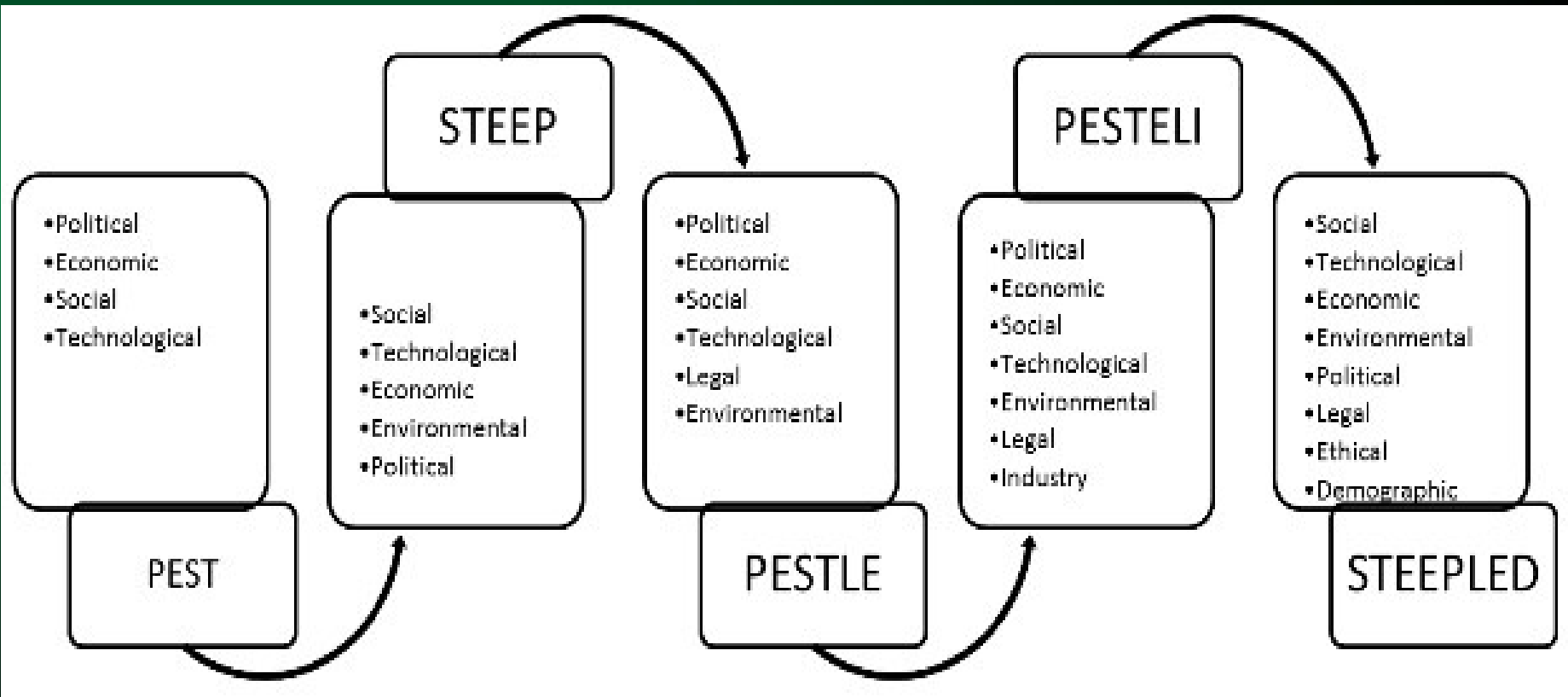
STEEPLED Analysis

is used for identifying attributes of keystone variables that make up an organization's external environment, in terms of current and future operations.

- * Social Factors
- * Technological Factors
- * Economic Factors
- * Environmental (Ecological) Factors
- * Political Factors
- * Legal Factors
- * Ethical Factors
- * Demographic Factors



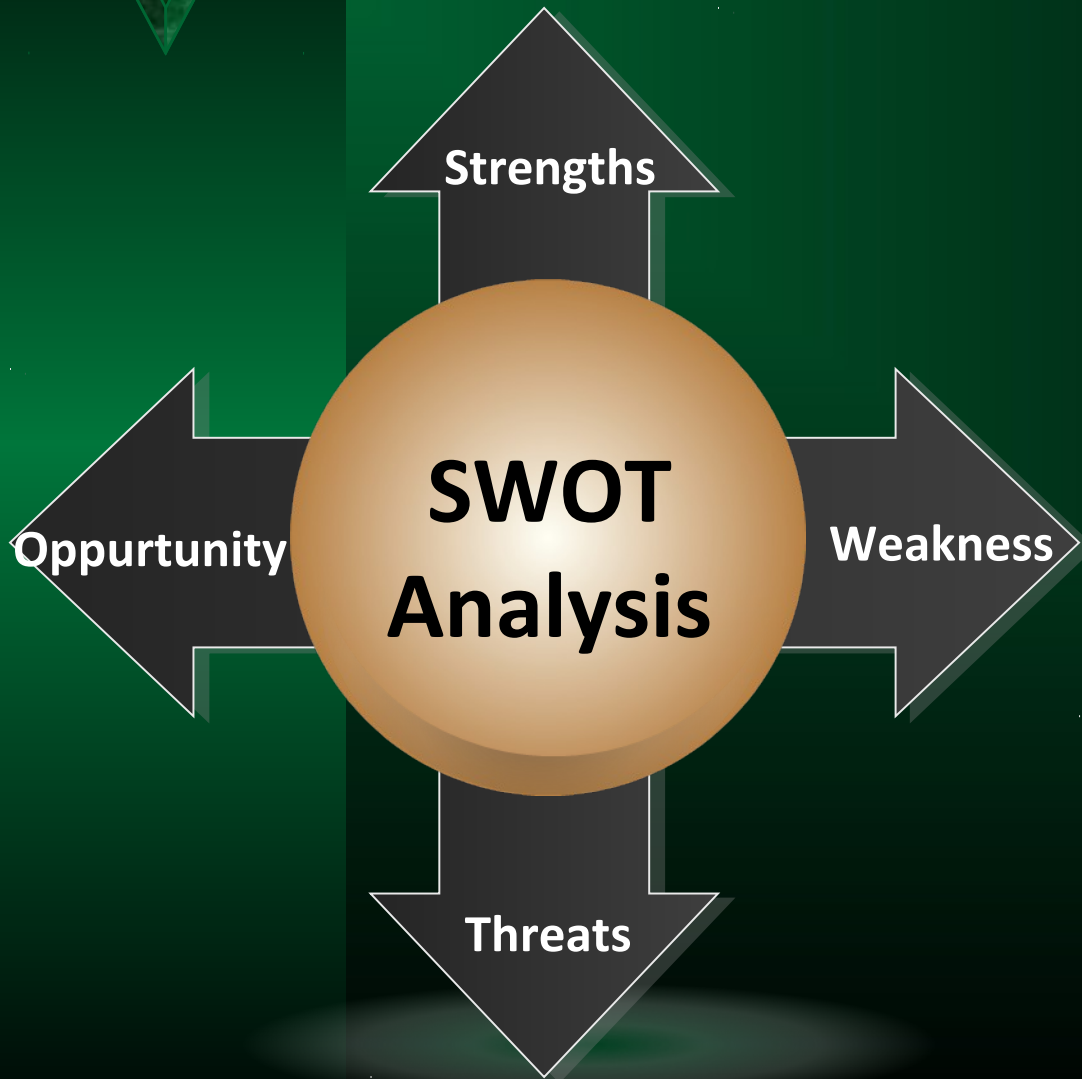
The Evolution of STEEPLLED Analysis





SWOT ANALYSIS

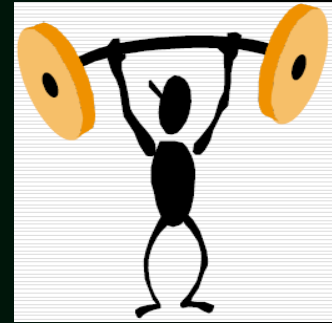
What is SWOT Analysis?



- ❑ **Planning tool** used to understand Strengths, Weaknesses, Opportunities, & Threats involved in a project / business.
- ❑ Used as **framework for organizing** and using data and information gained from **situation analysis** of internal and external environment.



Strengths



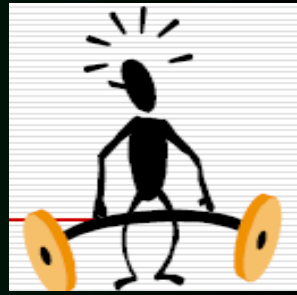
- * What advantages (for example, skills, education or personal industry connections) do they have that others don't have?
- * What makes company stand out from its competitors?
- * What positive aspects does the company enjoy in the current environment ?

A strength can be a competitive advantage like...

- Superior product quality
- Lowest price
- Best expertise
- Location



Weaknesses



- * Which areas are causing concerns?
- * Which issues can be avoided?
- * Company's reputation among its customers.

A weakness can be a disadvantage such as...

- A tired brand
- Inferior location
- High overheads
- A lack of R&D

Opportunities

Opportunities



- * How can the company be more innovative ?
- * Which are the new markets or consumers that can be tapped ?
- * Which area has the company not ventured ?
- * What are the upcoming trends that are catching up in the market ?

An opportunity can be...

- A regulatory or tax change
- A high-profile event (marketing opportunity)
- An untapped market
- A gap left by a failed competitor



Threats



- * Are there any new competitors emerging in the industry ?
- * What are the issues that threatens the company's position ?
- * Is there any significant change(s) in the industry of operation ?

A threat can be...

- Unfavourable regulation changes
- A new entrant into the market
- Problems with the economy
- Market shrinkage



Creative Use of SWOTs

- * How can we Use each Strength?
- * How can we Stop each Weakness?
- * How can we use each Opportunity?
- * How can we Defend against each Threat?

A SWOT Matrix

separates and compares internal and external influencers.

Internal: strengths, weaknesses

External: opportunities, threats

SWOT Analysis

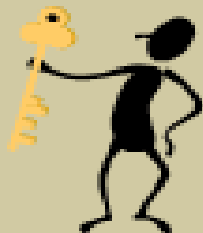
Strengths



Weaknesses



Opportunities



Threats



Internal



External



A SWOT Matrix

Current conditions

	<u>Strengths</u>	<u>Weaknesses</u>
<u>Opportunities</u>	<i><u>S-O Strategies</u></i>	<i><u>W-O Strategies</u></i>
<u>Threats</u>	<i><u>S-T Strategies</u></i>	<i><u>W-T Strategies</u></i>

The Plan for the future



STRATEGY FORMULATION

Strategies that can come from SWOT Analysis

SO Strategies: Use strengths to take advantage of opportunities

(Maxi – Maxi Strategy)

WO Strategies: Overcome weaknesses to take advantage of opportunities

(Mini – Maxi Strategy)

ST Strategies: Use strengths to avoid threats


(Maxi – Mini Strategy)

WT Strategies: Minimize weaknesses and avoid threats

(Mini – Mini Strategy)



PROBLEM AND OPPORTUNITY STUDIES



Opportunity Identification – identify the technologies that could be successfully turned into commercial products.

Opportunity – favourable position or a range for advancement



Opportunity Study *Generate Ideas*

Answer the question:

“What can be brought to the market?”

“How can it be brought to the market?”

Scan & Understand the needs & wants of people



Identifying Opportunities & Threats in the Environment

- * Socio-Cultural
- * Technological & Technical
- * Economic
- * Natural
- * Political
- * Peace & Order
- * Population Trends
- * Government Program
- * Global Environment



SOCIO-CULTURAL

Opportunity

People have develop the habit of eating in fast- food restaurants. Many of these establishments serve ham & bacon and other processed meat.

Threats

People have develop the habit of eating in fast- food restaurants. Many of these establishments serve ham & bacon and other processed meat.



TECHNOLOGICAL & TECHNICAL

Opportunity

The new technology
can cure ham in
three days

Threats



ECONOMIC

Opportunity

Threats

The purchasing power of population has lowered because of the peso devaluation and high cost of oil, thus reducing the number of people who buy ham and bacon.



NATURAL

Opportunity

Threats

Hoof and mouth disease can threaten the supply of raw materials.



POLITICAL

Opportunity

Threats

Political instability
can affect the
economy.



PEACE & ORDER

Opportunity

In general, there is peace and order in the place of business.

Threats



POPULATION TRENDS

Opportunity

The population is increasing. More people mean more consumers who need food.

Threats



GOVERNMENT PROGRAM

Opportunity

The government is providing assistance to MSMEs. The company may be able to avail of this assistance in the form of financing, technical & marketing.

Threats



GLOBAL ENVIRONMENT

Opportunity

If there is a shortage of local pork, it is possible to import raw materials from other countries.

Threats



RESOURCE ANALYSIS



Resource Analysis

- where strengths and weaknesses are identified, indicates what the firm is capable of doing at the start of the business.
- views the firm as a collection of resources comprised of tangible and intangible assets as well as core capabilities.
- the strengths identify distinctive competencies of the company which can work to its advantage.



The **Resource Base View (RBS)** theory integrates the components of internal scrutiny with external competitive analysis by placing them through the value, rareness, inimitability, and organization framework, thus determining their competitive value.

The ***RBV theory*** defines four broad categories of resources as potential sources of competitive advantage:

- *tangible assets*
- *intangible assets*
- *capabilities, and*
- *core competencies.*



- * **Tangible Assets**

Physical factors that directly aid in the delivery of customer value. Can usually be found on financial statements.

- * **Intangible Assets**

Factors of production that cannot be seen or touched that contribute to the delivery of customer value. Examples include brand names, customer goodwill, corporate reputation, and copyrights.



- * **Organizational Capabilities**

Processes and activities that transform tangible and intangible assets into goods and services.

- * **Core competencies**

Human skill and talent, collective organizational capacity, and learning that allow a company to transform their tangible and intangible assets into competitively superior customer value.