

**402-Business Policy**  
**MBA(TA)-IV<sup>th</sup> semester**  
**Organizational Analysis**  
**SOSTTM**

The resources, behavior, strengths and weaknesses, synergy and competencies constitute the internal environment.

All these together determine the organizational capability that leads to strategic advantages.

# Dynamics of Internal Environment



# Synergistic Effect

Synergy is an idea that the whole is greater or lesser than the sum of its parts.

# Competencies

“The ability to do something successfully or efficiently.”

Organizational competencies are special qualities posed by an organization that make them withstand pressure of competition in the market place.

# Organizational Capability

Inherent capacity of an organization to use its strengths and overcome its weaknesses in order to exploit opportunities and face threats in its external environment.

# Organizational Capability Factors

- Financial Capability Factor
- Marketing Capability Factor
- Operations Capability Factor
- Personnel Capability Factor
- Information Capability Factor
- General Capability Factor

# Methods & Techniques

- Internal Analysis
  - Value Chain Analysis
  - Quantative Analysis
    - Financial & Non-Financial
  - Qualitative Analysis
    - (Based on information, opinion, judgment & intuition.)



# Methods & Techniques

## Financial Analysis

- Ratio Analysis
- Economic Value added technique(EVA)
- Activity Based Cost Accounting(ABC)

## Non-Financial

- Employee Turnover
- Absenteeism
- Market Ranking
- Number of patents registered per period
- Inventory units used per period

# Methods & Techniques

- Comparative Analysis
  - Historical Analysis
  - Industry Norms
  - Benchmarking

Performance Benchmarking

Process Benchmarking

Strategic Benchmarking

Generic Benchmarking

Internal Benchmarking

Competitive Benchmarking

Functional Benchmarking

# Methods & Techniques

- Comprehensive Analysis
  - Balanced score card
  - Key Factors rating