

## WHAT IS CASE STUDY ANALYSIS?

A case study presents an account of what happened to a business or industry over a number of years. It chronicles the events that managers had to deal with, such as changes in the competitive environment, and charts the managers' response, which usually involved changing the business- or corporate-level strategy.

Cases prove valuable in a course for several reasons. First, cases provide you, the student, with experience of organizational problems that you probably have not had the opportunity to experience firsthand. In a relatively short period of time, you will have the chance to appreciate and analyze the problems faced by many different companies and to understand how managers tried to deal with them.

Second, cases illustrate what you have learned. The meaning and implication of this information are made clearer when they are applied to case studies. The theory and concepts help reveal what is going on in the companies studied and allow you to evaluate the solutions that specify companies adopted to deal with their problems. Consequently, when you analyze cases, you will be like a detective who, with a set of conceptual tools, probes what happened and what or who was responsible and then marshals the evidence that provides the solution. Top managers enjoy the thrill of testing their problem-solving abilities in the real world. It is important to remember, after all, that no one knows what the right answer is. All that managers can do is to make the best guess. In fact, managers say repeatedly that they are happy if they are right only half the time in solving strategic problems. Management is an uncertain game, and using cases to see how theory can be put into practice is one way of improving your skills of diagnostic investigation.

Third, case studies provide you with the opportunity to participate in class and to gain experience in presenting your ideas to others. Instructors may sometimes call on students as a group to identify what is going on in a case, and through classroom discussion the issues in and solutions to the case problem will reveal themselves. In such a situation, you will have to organize your views and conclusions so that you can present them to the class. Your classmates may have analyzed the issues differently from you, and they will want you to argue your points before they will accept your conclusions; so be prepared for debate. This is how decisions are made in the actual business world.

Instructors also may assign an individual, but more commonly a group, to analyze the case before the whole class. The individual or group probably will be responsible for a thirty- to forty-minute presentation of the case to the class. That presentation must cover the issues involved, the problems facing the company, and a series of recommendations for resolving the problems. The discussion then will be thrown open to the class, and you will have to defend your ideas. Through such discussions and presentations, you will experience how to convey your ideas effectively to others. Remember that a great deal of managers' time is spent in these kinds of situations, presenting their ideas and engaging in discussion with other managers, who have their own views about what is going on. Thus, you will experience in the classroom the actual process of what goes on in a business setting, and this will serve you well in your future career.

If you work in groups to analyze case studies, you also will learn about the group process involved in working as a team. When people work in groups, it is often difficult to schedule time and allocate responsibility for the case analysis. There are always group members who shirk their responsibilities and group members who are so sure of their own ideas that they try to dominate the group's analysis. Most business negotiations take place in groups, however, and it is best if you learn about these problems now.

## ANALYZING A CASE STUDY

As just mentioned, the purpose of the case study is to let you apply the concepts you've learned when you analyze the issues facing a specific company. To analyze a case study, therefore, you must examine closely the issues with which the company is confronted. Most often you will need to read the case several times - once to grasp the overall picture of what is happening to the company and then several times more to discover and grasp the specific problems.

Generally, detailed analysis of a case study should include eight areas:

1. The history, development, and growth of the company over time
2. The identification of the company's internal strengths and weaknesses
3. The nature of the external environment surrounding the company
4. A SWOT analysis
5. The kind of corporate-level strategy pursued by the company
6. The nature of the company's business-level strategy
7. The company's structure and control systems and how they match its strategy
8. Recommendations

To analyze a case, you need to apply what you've learned to each of these areas. We offer a summary of the steps you can take to analyze the case material for each of the eight points we just noted.

1. **Analyze the company's history, development, and growth.** A convenient way to investigate how a company's past strategy and structure affect it in the present is to chart the critical incidents in its history - that is, the events that were the most unusual or the most essential for its development into the company it is today. Some of the events have to do with its founding, its initial products, how it makes new-product market decisions, and how it developed and chose functional competencies to pursue. Its entry into new businesses and shifts in its main lines of business are also important milestones to consider.
2. **Identify the company's internal strengths and weaknesses.** Once the historical profile is completed, you can begin the SWOT analysis. Use all the incidents you have charted to develop an account of the company's strengths and weaknesses as they have emerged historically. Examine each of the value creation functions of the company, and identify the functions in which the company is currently strong and currently weak. Some companies might be weak in marketing; some might be strong in research and development. Make lists of these strengths and weaknesses.
3. **Analyze the external environment.** The next step is to identify environmental opportunities and threats. Here you should apply all information you have learned on industry and macroenvironments, to analyze the environment the company is confronting. Of particular importance at the industry level is Porter's five forces model and the stage of the life cycle model. Which factors in the macroenvironment will appear salient depends on the specific company being analyzed. However, use each factor in turn (for instance, demographic factors) to see whether it is relevant for the company in question.
4. **Evaluate the SWOT analysis.** Having identified the company's external opportunities and threats as well as its internal strengths and weaknesses, you need to consider what your findings mean. That is, you need to balance strengths and weaknesses against opportunities and threats. Is the company in an overall strong competitive position? Can it continue to pursue its current business- or corporate-level strategy profitably? What can the company do to turn weaknesses into strengths and threats into opportunities? Can it develop new functional, business, or corporate strategies to accomplish this change? Never merely generate the SWOT analysis and then put it aside. Because it

provides a succinct summary of the company's condition, a good SWOT analysis is the key to all the analyses that follow.

5. **Analyze corporate-level strategy.** To analyze a company's corporate-level strategy, you first need to define the company's mission and goals. Sometimes the mission and goals are stated explicitly in the case; at other times you will have to infer them from available information. The information you need to collect to find out the company's corporate strategy includes such factors as its line(s) of business and the nature of its subsidiaries and acquisitions. It is important to analyze the relationship among the company's businesses. Do they trade or exchange resources? Are there gains to be achieved from synergy? Alternatively, is the company just running a portfolio of investments? This analysis should enable you to define the corporate strategy that the company is pursuing (for example, related or unrelated diversification, or a combination of both) and to conclude whether the company operates in just one core business. Then, using your SWOT analysis, debate the merits of this strategy. Is it appropriate, given the environment the company is in? Could a change in corporate strategy provide the company with new opportunities or transform a weakness into a strength? For example, should the company diversify from its core business into new businesses?

Other issues should be considered as well. How and why has the company's strategy changed over time? What is the claimed rationale for any changes? Often it is a good idea to analyze the company's businesses or products to assess its situation and identify which divisions contribute the most to or detract from its competitive advantage. It is also useful to explore how the company has built its portfolio over time. Did it acquire new businesses, or did it internally venture its own? All these factors provide clues about the company and indicate ways of improving its future performance.

6. **Analyze business-level strategy.** Once you know the company's corporate-level strategy and have done the SWOT analysis, the next step is to identify the company's business-level strategy. If the company is a single-business company, its business-level strategy is identical to its corporate-level strategy. If the company is in many businesses, each business will have its own business-level strategy. You will need to identify the company's generic competitive strategy - differentiation, low cost, or focus - and its investment strategy, given the company's relative competitive position and the stage of the life cycle. The company also may market different products using different business-level strategies. For example, it may offer a low-cost product range and a line of differentiated products. Be sure to give a full account of a company's business-level strategy to show how it competes. Identifying the functional strategies that a company pursues to build competitive advantage through superior efficiency, quality, innovation, and customer responsiveness and to achieve its business-level strategy is very important. The SWOT analysis will have provided you with information on the company's functional competencies. You should further investigate its production, marketing, or research and development strategy to gain a picture of where the company is going. For example, pursuing a low-cost or a differentiation strategy successfully requires a very different set of competencies. Has the company developed the right ones? If it has, how can it exploit them further? Can it pursue both a low-cost and a differentiation strategy simultaneously? The SWOT analysis is especially important at this point if the industry analysis, particularly Porter's model, has revealed the threats to the company from the environment. Can the company deal with these threats? How should it change its business-level strategy to counter them? To evaluate the potential of a company's business-level strategy, you must first perform a thorough SWOT analysis that captures the essence of its problems. Once you complete this analysis, you will have a full picture of the way the company is operating and be in a position to evaluate the potential of its strategy. Thus, you will be able to make recommendations concerning the pattern of its future actions. However, first you need to consider strategy implementation, or the way the company tries to achieve its strategy.

7. **Analyze structure and control systems.** The aim of this analysis is to identify what structure and control systems the company is using to implement its strategy and to evaluate whether that structure is the appropriate one for the company. Different corporate and business strategies require different structures. For example, does the company have the right level of vertical differentiation (for instance, does it have the appropriate number of levels in the hierarchy or decentralized control?) or horizontal differentiation (does it use a functional structure when it should be using a product structure?)? Similarly, is the company using the right integration or control systems to manage its operations? Are managers being appropriately rewarded? Are the right rewards in place for encouraging cooperation among divisions? These are all issues that should be considered. In some cases there will be little information on these issues, whereas in others there will be a lot. Obviously, in analyzing each case you should gear the analysis toward its most salient issues. For example, organizational conflict, power, and politics will be important issues for some companies. Try to analyze why problems in these areas are occurring. Do they occur because of bad strategy formulation or because of bad strategy implementation? Organizational change is an issue in many cases because the companies are attempting to alter their strategies or structures to solve strategic problems. Thus, as a part of the analysis, you might suggest an action plan that the company in question could use to achieve its goals. For example, you might list in a logical sequence the steps the company would need to follow to alter its business-level strategy from differentiation to focus.
8. **Make recommendations.** The last part of the case analysis process involves making recommendations based on your analysis. Obviously, the quality of your recommendations is a direct result of the thoroughness with which you prepared the case analysis. The work you put into the case analysis will be obvious to the professor from the nature of your recommendations. Recommendations are directed at solving whatever strategic problem the company is facing and at increasing its future profitability. Your recommendations should be in line with your analysis; that is, they should follow logically from the previous discussion. For example, your recommendation generally will center on the specific ways of changing functional, business, and corporate strategy and organizational structure and control to improve business performance. The set of recommendations will be specific to each case, and so it is difficult to discuss these recommendations here. Such recommendations might include an increase in spending on specific research and development projects, the divesting of certain businesses, a change from a strategy of unrelated to related diversification, an increase in the level of integration among divisions by using task forces and teams, or a move to a different kind of structure to implement a new business-level strategy. Again, make sure your recommendations are mutually consistent and are written in the form of an action plan. The plan might contain a timetable that sequences the actions for changing the company's strategy and a description of how changes at the corporate level will necessitate changes at the business level and subsequently at the functional level.

After following all these stages, you will have performed a thorough analysis of the case and will be in a position to join in class discussion or present your ideas to the class, depending on the format used by your professor. Remember that you must tailor your analysis to suit the specific issue discussed in your case. In some cases, you might completely omit one of the steps in the analysis because it is not relevant to the situation you are considering. You must be sensitive to the needs of the case and not apply the framework we have discussed in this section blindly. The framework is meant only as a guide and not as an outline that you must use to do a successful analysis.

## WRITING A CASE STUDY ANALYSIS

Often, as part of your course requirements, you will need to present your instructor with a written case analysis. This may be an individual or a group report. Whatever the situation, there are certain guidelines to follow in writing a case analysis that will improve the evaluation your work will receive from your instructor. Before we discuss these guidelines and before you use them, make sure that they do not conflict with any directions your instructor has given you.

The structure of your written report is critical. Generally, if you follow the steps for analysis discussed in the previous section, *you already will have a good structure for your written discussion*. All reports begin with an *introduction* to the case. In it you outline briefly what the company does, how it developed historically, what problems it is experiencing, and how you are going to approach the issues in the case write-up. Do this sequentially by writing, for example, "First, we discuss the environment of Company X...Third, we discuss Company X's business-level strategy... Last, we provide recommendations for turning around Company X's business."

In the second part of the case write-up, the strategic-analysis section, do the SWOT analysis, analyze and discuss the nature and problems of the company's business-level and corporate strategy, and then analyze its structure and control systems. Make sure you use plenty of headings and subheadings to structure your analysis. For example, have separate sections on any important conceptual tool you use. Thus, you might have a section on Porter's five forces model as part of your analysis of the environment. You might offer a separate section on portfolio techniques when analyzing a company's corporate strategy. Tailor the sections and subsections to the specific issues of importance in the case.

In the third part of the case write-up, present your solutions and recommendations. Be comprehensive, and make sure they are in line with the previous analysis so that the recommendations fit together and move logically from one to the next. The recommendations section is very revealing because, as mentioned earlier, your instructor will have a good idea of how much work you put into the case from the quality of your recommendations.

Following this framework will provide a good structure for most written reports, though obviously it must be shaped to fit the individual case being considered. Some cases are about excellent companies experiencing no problems. In such instances, it is hard to write recommendations. Instead, you can focus on analyzing why the company is doing so well, using that analysis to structure the discussion. Following are some minor suggestions that can help make a good analysis even better.

1. Do not repeat in summary form large pieces of factual information from the case. The instructor has read the case and knows what is going on. Rather, use the information in the case to illustrate your statements, to defend your arguments, or to make salient points. Beyond the brief introduction to the company, you must avoid being descriptive; instead, you must be analytical.
2. Make sure the sections and subsections of your discussion flow logically and smoothly from one to the next. That is, try to build on what has gone before so that the analysis of the case study moves toward a climax. This is particularly important for group analysis, because there is a tendency for people in a group to split up the work and say, "I'll do the beginning, you take the middle, and I'll do the end." The result is a choppy, stilted analysis because the parts do not flow from one to the next, and it is obvious to the instructor that no real group work has been done.
3. Avoid grammatical and spelling errors. They make the paper sloppy.

**4.** In some instances, cases dealing with well-known companies don't include up-to-date research because it was not available at the time the case was written. If possible, do a search for more information on what has happened to the company in subsequent years. Following are sources of information for performing this search:

The *World Wide Web* is the place to start your research. Very often you can download copies of a company's annual report from its Web site, and many companies also keep lists of press releases and articles that have been written about them. Thoroughly search the company's Web site for information such as the company's history and performance, and download all relevant information at the beginning of your project.

*Compact disk sources such as Lotus One Source and InfoTrac* provide an amazing amount of good information, including summaries of recent articles written on specific companies that you can then access in the library.

*F&S Predicasts* provide a listing on a yearly basis of all the articles written about a particular company. Simply reading the titles gives an indication of what has been happening in the company.

*Annual reports on a Form 10-K* often provide an organization chart.

*Companies themselves provide information* if you write and ask for it.

*Fortune, BusinessWeek, and Forbes* have many articles on companies featured in most cases.

*Standard & Poor's* industry reports provide detailed information about the competitive conditions facing the company's industry. Be sure to look at this journal.

**5.** Sometimes instructors hand out questions for each case to help you in your analysis. Use these as a guide for writing the case analysis. They often illuminate the important issues that have to be covered in the discussion.

If you follow the guidelines in this section, you should be able to write a thorough and effective evaluation.

## THE ROLE OF FINANCIAL ANALYSIS

Another important aspect of analyzing a case study and writing a case study analysis is the role and use of financial information. A careful analysis of the company's financial condition immensely improves a case write-up. After all, financial data represent the concrete results of the company's strategy and structure. Although analyzing financial statements can be quite complex, a general idea of a company's financial position can be determined through the use of ratio analysis. Financial performance ratios can be calculated from the balance sheet and income statement. These ratios can be classified into five different subgroups: profit ratios, liquidity ratios, activity ratios, leverage ratios, and shareholder-return ratios. These ratios should be compared with the industry average or the company's prior years of performance. It should be noted, however, that deviation from the average is not necessarily bad; it simply warrants further investigation. For example, young companies will have purchased assets at a different price and will likely have a different capital structure than older companies. In addition to ratio analysis, a company's cash flow position is of critical importance and should be assessed. Cash flow shows how much actual cash a company possesses.

### Profit Ratios

Profit ratios measure the efficiency with which the company uses its resources. The more efficient the company, the greater is its profitability. It is useful to compare a company's profitability against that of its major competitors in its industry. Such a comparison tells whether the company is operating more or less efficiently than its rivals. In addition, the change in a company's profit ratios over time tells whether its performance is improving or declining. A number of different profit ratios can be used, and each of them measures a different aspect of a company's performance. The most commonly used profit ratios are gross profit margin, net profit margin, return on total assets, and return on stockholders' equity.

1. *Gross profit margin*. The gross profit margin simply gives the percentage of sales available to cover general and administrative expenses and other operating costs. It is defined as follows:

$$\text{Gross Profit Margin} = \frac{\text{Sales Revenue} - \text{Cost of Goods Sold}}{\text{Sales Revenue}}$$

2. *Net profit margin*. Net profit margin is the percentage of profit earned on sales. This ratio is important because businesses need to make a profit to survive in the long run. It is defined as follows:

$$\text{Net Profit Margin} = \frac{\text{Net Income}}{\text{Sales Revenue}}$$

3. *Return on total assets*. This ratio measures the profit earned on the employment of assets. It is defined as follows:

$$\text{Return on} = \text{Net Income Available to}$$

$$\text{Total Assets} \quad \frac{\text{Common Stockholders}}{\text{Total Assets}}$$

4. Net income is the profit after preferred dividends (those set by contract) have been paid. Total assets include both current and noncurrent assets.
5. *Return on stockholders' equity.* This ratio measures the percentage of profit earned on common stockholders' investment in the company. In theory, a company attempting to maximize the wealth of its stockholders should be trying to maximize this ratio. It is defined as follows:

$$\text{Return on Stockholders' Equity} = \frac{\text{Net Income Available to Common Stockholders}}{\text{Stockholders' Equity}}$$

### Liquidity Ratios

A company's liquidity is a measure of its ability to meet short-term obligations. An asset is deemed liquid if it can be readily converted into cash. Liquid assets are current assets such as cash, marketable securities, accounts receivable, and so on. Two commonly used liquidity ratios are [current ratio](#) and [quick ratio](#).

1. *Current ratio.* The current ratio measures the extent to which the claims of short-term creditors are covered by assets that can be quickly converted into cash. Most companies should have a ratio of at least 1, because failure to meet these commitments can lead to bankruptcy. The ratio is defined as follows:

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

2. *Quick ratio.* The quick ratio measures a company's ability to pay off the claims of short-term creditors without relying on the sale of its inventories. This is a valuable measure since in practice the sale of inventories is often difficult. It is defined as follows:

$$\text{Quick Ratio} = \frac{\text{Current Assets} - \text{Inventory}}{\text{Current Liabilities}}$$

### Activity Ratios

Activity ratios indicate how effectively a company is managing its assets. [Inventory turnover](#) and [days sales outstanding \(DSO\)](#) are particularly useful:

1. *Inventory turnover.* This measures the number of times inventory is turned over. It is useful in determining whether a firm is carrying excess stock in inventory. It is defined as follows:

$$\text{Inventory Turnover} = \frac{\text{Cost of Goods Sold}}{\text{Inventory}}$$



2. Cost of goods sold is a better measure of turnover than sales, since it is the cost of the inventory items. Inventory is taken at the balance sheet date. Some companies choose to compute an average inventory, beginning inventory, plus ending inventory, but for simplicity use the inventory at the balance sheet date.
3. *Days sales outstanding (DSO), or average collection period.* This ratio is the average time a company has to wait to receive its cash after making a sale. It measures how effective the company's credit, billing, and collection procedures are. It is defined as follows:

$$DSO = \frac{\text{Accounts Receivable}}{\text{Total Sales}/360}$$

4. Accounts receivable is divided by average daily sales. The use of 360 is standard number of days for most financial analysis.

### **Leverage Ratios**

A company is said to be highly leveraged if it uses more debt than equity, including stock and retained earnings. The balance between debt and equity is called the *capital structure*. The optimal capital structure is determined by the individual company. Debt has a lower cost because creditors take less risk; they know they will get their interest and principal. However, debt can be risky to the firm because if enough profit is not made to cover the interest and principal payments, bankruptcy can occur.

Three commonly used leverage ratios are debt-to-assets ratio, debt-to-equity ratio, and times-covered ratio.

1. *Debt-to-assets ratio.* The debt-to-asset ratio is the most direct measure of the extent to which borrowed funds have been used to finance a company's investments. It is defined as follows:

$$\text{Debt-to-Assets Ratio} = \frac{\text{Total Debt}}{\text{Total Assets}}$$

2. Total debt is the sum of a company's current liabilities and its long-term debt, and total assets are the sum of fixed assets and current assets.
3. *Debt-to-equity ratio.* The debt-to-equity ratio indicates the balance between debt and equity in a company's capital structure. This is perhaps the most widely used measure of a company's leverage. It is defined as follows:

$$\text{Debt-to-Equity Ratio} = \frac{\text{Total Debt}}{\text{Total Equity}}$$

4. *Times-covered ratio.* The times-covered ratio measures the extent to which a company's gross profit covers its annual interest payments. If the times-covered ratio declines to less than 1, then the company is unable to meet its interest costs and is technically insolvent. The ratio is defined as follows:

$$\text{Times-Covered Ratio} = \frac{\text{Profit Before Interest and Tax}}{\text{Total Interest Charges}}$$

### **Shareholder-Return Ratios**

Shareholder-return ratios measure the return earned by shareholders from holding stock in the company. Given the goal of maximizing stockholders' wealth, providing

shareholders with an adequate rate of return is a primary objective of most companies. As with profit ratios, it can be helpful to compare a company's shareholder returns against those of similar companies. This provides a yardstick for determining how well the company is satisfying the demands of this particularly important group of organizational constituents. Four commonly used ratios are total shareholder returns, price-earnings ratio, market to book value, and dividend yield.

1. *Total shareholder returns.* Total shareholder returns measure the returns earned by time  $t + 1$  on an investment in a company's stock made at time  $t$ . (Time  $t$  is the time at which the initial investment is made.) Total shareholder returns include both dividend payments and appreciation in the value of the stock (adjusted for stock splits) and are defined as follows:

$$\text{Total Shareholder Returns} = \frac{\text{Stock Price } (t + 1) - \text{Stock Price } (t) + \text{Sum of Annual Dividends per Share}}{\text{Stock Price } (t)}$$

2. Thus, if a shareholder invests \$2 at time  $t$ , and at time  $t + 1$  the share is worth \$3, while the sum of annual dividends for the period  $t$  to  $t + 1$  has amounted to \$0.2, total shareholder returns are equal to  $(3 - 2 + 0.2)/2 = 0.6$ , which is a 60 percent return on an initial investment of \$2 made at time  $t$ .
3. *Price-earnings ratio.* The price-earnings ratio measures the amount investors are willing to pay per dollar of profit. It is defined as follows:

$$\text{Price-Earnings Ratio} = \frac{\text{Market Price per Share}}{\text{Earnings per Share}}$$

4. *Market to book value.* Another useful ratio is market to book value. This measures a company's expected future growth prospects. It is defined as follows:

$$\text{Market to Book Value} = \frac{\text{Market Price per Share}}{\text{Earnings per Share}}$$

5. *Dividend yield.* The dividend yield measures the return to shareholders received in the form of dividends. It is defined as follows:

$$\text{Dividend Yield} = \frac{\text{Dividend per Share}}{\text{Market Price per Share}}$$

6. Market price per share can be calculated for the first of the year, in which case the dividend yield refers to the return on an investment made at the beginning of the year. Alternatively, the average share price over the year may be used. A company must decide how much of its profits to pay to stockholders and how much to reinvest in the company. Companies with strong growth prospects should have a lower dividend payout ratio than mature companies. The rationale is that shareholders can invest the money elsewhere if the company is not growing. The optimal ratio depends on the individual firm, but the key decider is whether the company can produce better returns than the investor can earn elsewhere.

## **Cash Flow**

Cash flow position is simply cash received minus cash distributed. The net cash flow can be taken from a company's statement of cash flows. Cash flow is important for what it tells us about a company's financing needs. A strong positive cash flow enables a company to fund future investments without having to borrow money from bankers or investors. This is desirable because the company avoids the need to pay out interest or dividends. A weak or negative cash flow means that a company has to turn to external sources to fund future investments. Generally, companies in strong-growth industries often find themselves in a poor cash flow position (because their investment needs are substantial), whereas successful companies based in mature industries generally find themselves in a strong cash flow position.

A company's internally generated cash flow is calculated by adding back its depreciation provision to profits after interest, taxes, and dividend payments. If this figure is insufficient to cover proposed new-investment expenditures, the company has little choice but to borrow funds to make up the shortfall or to curtail investments. If this figure exceeds proposed new investments, the company can use the excess to build up its liquidity (that is, through investments in financial assets) or to repay existing loans ahead of schedule.

## **Conclusion**

When evaluating a case, it is important to be *systematic*. Analyze the case in a logical fashion, beginning with the identification of operating and financial strengths and weaknesses and environmental opportunities and threats. Move on to assess the value of a company's current strategies only when you are fully conversant with the SWOT analysis of the company. Ask yourself whether the company's current strategies make sense, given its SWOT analysis. If they do not, what changes need to be made? What are your recommendations? Above all, link any strategic recommendations you may make to the SWOT analysis. State explicitly how the strategies you identify take advantage of the company's strengths to exploit environmental opportunities, how they rectify the company's weaknesses, and how they counter environmental threats. Also, do not forget to outline what needs to be done to implement your recommendations.