

ČESKÉ VYSOKÉ UČENÍ TECHNICKÉ V PRAZE

FAKULTA STAVEBNÍ

Katedra ekonomiky a řízení ve stavebnictví

DIPLOMOVÁ PRÁCE

Prohlašuji, že jsem svou diplomovou práci vypracoval samostatně a použil jsem pouze podklady uvedené v seznamu použitých zdrojů.

Nemám závažný důvod proti užití tohoto školního díla ve smyslu § 60 zákona č.121/2000 Sb., o právu autorském, o právech souvisejících s právem autorským a o změně některých zákonů (autorský zákon).

Datum

Petr Andres

**STRATEGIC PLANNING AND ANALYSIS OF A
SMALL CONSTRUCTION COMPANY**

**STRATEGICKÝ PLÁN A ANALÝZA MALÉ
STAVEBNÍ FIRMY**

Contents

1	Introduction	7
2	Theoretical Part.....	9
2.1	Strategic Management – Strategic Analysis.....	9
2.1.1	Strategy	9
2.1.2	SWOT Analysis	11
2.1.3	SWOT Analysis in Strategic Analysis	12
2.1.4	PEST Analysis.....	13
3	Practical Part.....	15
3.1	Identification of the subjects - Andres a Vild s.r.o.....	15
3.1.1	Scope of the company.....	15
3.1.2	Company's location	16
3.1.3	Capital structure	17
3.1.4	Owners	17
3.1.5	Organizational structure.....	17
3.1.6	Software	18
3.1.7	Strategic vision, mission	18
3.1.8	Support from the European Union and Czech Republic	19
3.2	Strategic Audit of Andres a Vild s.r.o. - External Environment	20
3.2.1	Natural Physical Environment.....	20
3.2.2	Social Environment.....	20
3.2.3	PEST Analysis.....	20
3.2.4	Task Environment.....	22
3.2.5	Summary of External Factors – EFAS table	31
3.3	Analysis of Stakeholders.....	33
3.4	Internal Environment.....	36
3.4.1	Current situation – Financial Analysis.....	36
3.4.2	Top management	46
3.4.3	Corporate Structure	47
3.4.4	Corporate Culture	48
3.4.5	Corporate resources.....	48
3.4.6	Research and Development	50
3.4.7	Operations and logistics	50
3.4.8	Human Resources Management.....	51

3.4.9	Information Technology	51
3.5	Summary of Internal Factors – IFAS table	53
3.6	Analysis of strategic Factors	54
3.7	Strategic proposal	56
3.7.1	Company’s own gas station for inner-company use	56
3.7.2	Hydro insulation.....	58
3.7.3	Marketing.....	59
3.8	Identification of the subjects – Basico Arquitectura s.a. de c.v.....	60
3.8.1	Scope of the company.....	60
3.8.2	Company’s location	60
3.8.3	Capital structure	61
3.8.4	Owners	61
3.8.5	Organizational structure.....	61
3.8.6	Software	62
3.8.7	Strategic plan.....	63
3.8.8	Support from the government.....	64
3.9	Strategic Audit of Basico Arquitectura s.a. de c.v. - External Environment	65
3.9.1	Natural Physical Environment.....	65
3.9.2	Social Environment.....	65
3.9.3	PEST Analysis.....	65
3.9.4	Task Environment.....	68
3.9.5	Summary of External Factors – EFAS table	76
3.10	Analysis of Stakeholders.....	78
3.11	Internal Environment (Strengths and Weaknesses SWOT)	81
3.11.1	Current situation	81
3.11.2	Top management	81
3.11.3	Corporate Structure.....	83
3.11.4	Corporate Culture	83
3.11.5	Corporate resources.....	84
3.11.6	Research and Development.....	85
3.11.7	Operations and logistics	86
3.11.8	Human Resources Management.....	86
3.11.9	Information Technology	87
3.12	Summary of Internal Factors – IFAS table	89

3.13	Analysis of strategic Factors	90
3.14	Strategic proposal	92
3.14.1	Leaving out furniture acquisition from project completion.....	92
3.14.2	Incorporating BIM processes.....	93
3.14.3	Marketing	94
4	Summary.....	95

Annotation

This diploma thesis has the objective of analyzing strategically two companies from very different environments, two different continents. The purpose of the work is analyzing their current strategies, policy, position on the market, strengths and weaknesses, assess them and, if viable, drawing conclusions about their current strategy. The objective is to determine what is the strategy applied by the small companies and identify what might be their strengths and weaknesses. The thesis is divided into logical parts corresponding to different analyses and approaches in the process. After the theoretical part, where the concept of strategic analysis is explained, comes the actual analysis. The companies will be analyzed both internally and externally.

Key words

Strategic analysis, strategy, analysis, company, PEST, SWOT, financial statement, construction company, business, indicator, stakeholder, internal analysis, external analysis, environment

Anotace

Tato diplomová práce si klade za cíl provést strategickou analýzu dvou podniků ze dvou různých prostředí, ze dvou různých kontinentů. Cílem práce je analyzovat jejich aktuální strategie, politiku, pozici na trhu a silné a slabé stránky, vyhodnotit je a, pokud to bude možné, vyvodit z nich adekvátní závěry. Záměrem je zjistit jaké jsou aktuální strategie volené malými podniky a identifikovat jejich výhody a nevýhody. Diplomová práce je dělena do logických celků věnovaným jednotlivým částem analýzy a plánování. Po teoretické části, kde bude vysvětlen koncept strategické analýzy, bude provedena vlastní analýza. Stavební firmy budou analyzovány jak zevnitř, tak zvenčí.

Klíčová slova

Strategická analýza, strategie, analýza, společnost, PEST, SWOT, finanční ukazatele, stavební firma, podnik, vnitřní a vnější analýza

1 Introduction

The reason for this diploma thesis is that regardless of the area or even the continent, the small companies seem to undergo the same one particular struggle throughout their existence.

It seems like after some time, and that time may be years apart, depending on the company and maybe the location, companies go through a phase of stagnation. The proposal of this diploma thesis is to analyze the internal and external factors that form the company and draw conclusions of the initial idea. If there are areas or activities in which there is room for improvement, proposal will be made.

The work itself will be divided into logical wholes, as the strategic analysis demands it.

The first part will be theoretical, focusing on what parts does an actual strategic analysis have, what data is there to recollect, how to process it and last but not least, how to interpret it. In order to not repeat the same theoretical parts for the two companies, the logical frame for the work will be described and then carried out separately for each company.

The second part, practical, will then provide the base data for carryout of this thesis – the identification of the two companies.

The third part will then start with the actual strategic analysis. Current performance of the company will be analyzed and its position at the market assessed. Financial analysis will be carried out (where possible) to determine company's financial strength. This information will later be used in the external analysis of the company – determining its position at market and its competitiveness against others in the region.

The next part will focus on the company's management. Starting from the organizational structure of the firm, an analysis of the management itself will take place, as to how and where the company is lead.

The fifth part of the thesis will incorporate the company's external environment. The industry environment will be analyzed and compared to what the company can offer

within the established market. This part will focus on the opportunities and threats that poses the current establishment.

Moving on from the external analysis, the next part of the thesis will focus on the internal aspects of the company. It will incorporate aspects such as the company's culture, its internal resources, how does it approaches research, how is the company's logistics, the internal operational system, what are the capabilities regarding the information technology. All this information will then serve as a reference on the company's interior health.

The continuing part will focus on aggregating the obtained information into one whole and concluding with a comprehensive model of the company. Analysis of the strategic factors will be carried out.

In conclusion, if feasible and viable, a proposal will be offered to improve the current state as to strategic management and strategy of the company on concrete examples.

2 Theoretical Part

2.1 Strategic Management – Strategic Analysis

2.1.1 Strategy

It is believed that much of what we now know about strategy comes directly from the military concept of strategy. The word itself comes from the Greek word “strategos”, referring to the art of the General.

As opposed to the common academic belief, in the military, strategy and tactics have little difference – perhaps the scale. Strategy meaning big and tactics small scale of activity. The similarity is undeniable as business strategists often speak in military vocabulary and similarities in strategic and tactical concept can be found in the business world.¹

Although military strategy is in general quite similar regarding implementation, business strategy is less defined and every company in need of a strategy has to proceed differently, as their objectives vary significantly. As Spender (2014) says, “The academic approach to the strategic management may not be of much use to the strategy practitioners”² as a company that focuses on organizing rock concerts is likely to have a completely different set of objectives and, more importantly, tactics how to obtain them to a company that focuses on production of office accessories.

While tactics, strategies and goals differ, some parts of strategic management remain the same – all the subjects have to undergo the initial phase. This phase is referred to as strategic audit or strategic analysis of a company. Regardless of the type and size of the company, there are certain parts of the analysis that apply to all. According to Wheleen and Hunger (2010) applied strategic management consist of three stages –

¹ AMBROSINI, Véronique, Mark JENKINS and Nardine COLLIER. *Advanced strategic management: a multi-perspective approach*. 2nd. ed. New York: Palgrave Macmillan, 2007,xx, p31, 275 p. ISBN 978-140-3985-927.

² SPENDER, J. *Business strategy: managing uncertainty, opportunity, and enterprise*. 1st ed. Oxford: Oxford University Press, 2014, xxiv,p19, 314 s. ISBN 978-0-19-968654-4.

environmental scanning, strategy implementation and evaluation and control. ³ As this thesis is mainly practical – focused on specific construction companies – it doesn't need a long theoretical part, let us focus on the overall process and refine the details in along the practical part.

According to Wheleen and Hunger, there are four main stages as of how to conduct strategic management. This thesis concerns the first part, environmental scanning, also known as strategic analysis mostly and partly the second step – Strategy formulation. Strategy formulation will be needed where lack of proper strategy is found.

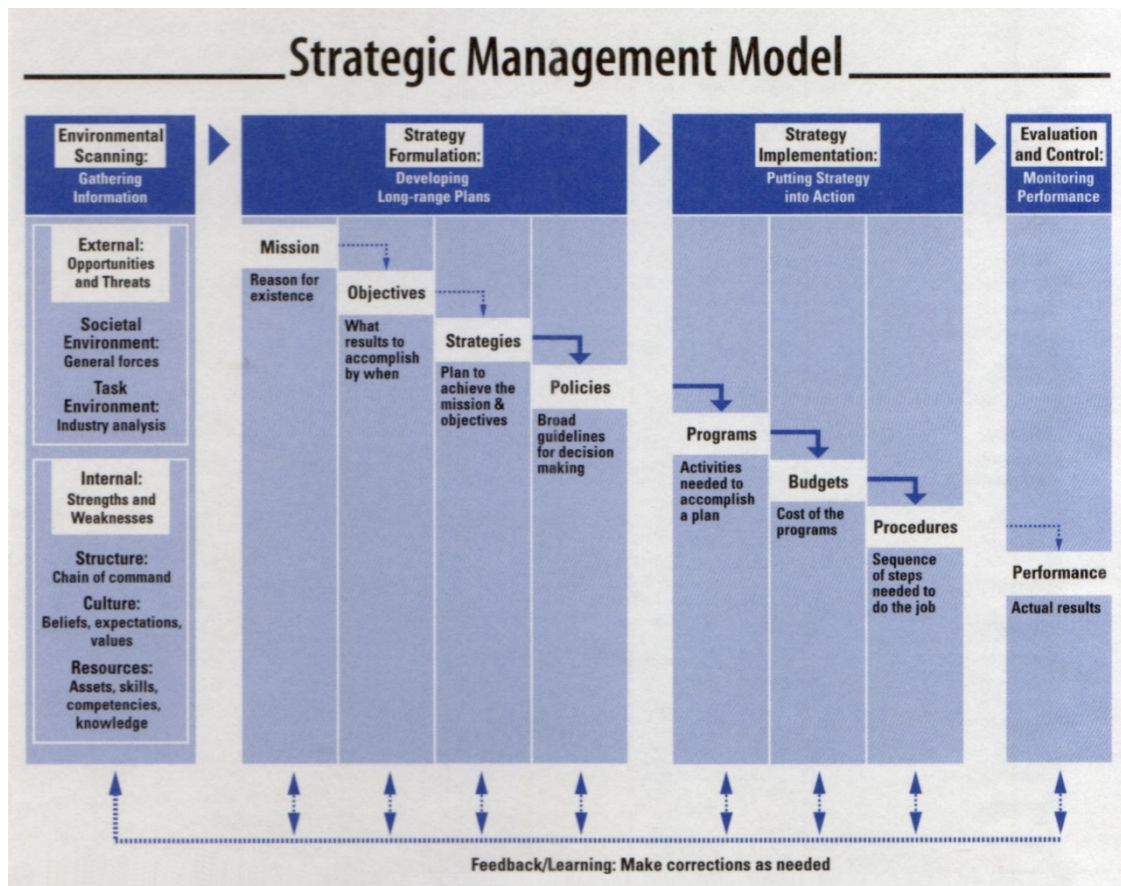


Figure 1: Parts of Strategic management. Source: WHEELEN, Thomas L a J HUNGER. *Concepts in strategic management and business policy: achieving sustainability*. 12th ed. Upper Saddle River, N.J.: Prentice Hall, c2010, xxiv, p15, 391 p., [22] p. ISBN 01-360-9735-9.

³ WHEELEN, Thomas L a J HUNGER. *Concepts in strategic management and business policy: achieving sustainability*. 12th ed. Upper Saddle River, N.J.: Prentice Hall, c2010, xxiv,p5, 391 p., [22] p. ISBN 01-360-9735-9.

2.1.2 SWOT Analysis

The whole strategical audit of the company can be taken as a SWOT analysis, which in this diploma thesis will be. We can separate the procedure into wholes, like the figure 1 suggests. Apart from the Current situation, to start from a valid point, the analysis will be conducted as one SWOT analysis, incorporating smaller analyses along the way.

The acronym SWOT stands for Strengths, Weaknesses, Opportunities and Threats, that, according to Pearce and Robinson, is an analysis to, in a reasonably short period of time, find the sound “fit” between the internal part of the company (the strengths and weaknesses) and the external environment that the company is facing (the Opportunities and Threats present).

It is more of a long time analyzing and is of more traditional approaches that offer a generalized view of the company's internal and external environment, being used for a long period of time by most companies all over the world.⁴

Strengths

Company's strength is the competitive advantage over its rivals in the market that give the incentive to the buyers to buy from it, instead of from the competition.

Weaknesses

As opposed to strengths, weakness is the company's inability to maintain the same pace as its competitors, or simply the lack of a certain skill or resource which interfere with the company's ability to satisfy customers' needs.

⁴ PEARCE, John A and Richard B ROBINSON. Strategic management: formulation, implementation, and control. 12th ed. New York: McGraw-Hill/Irwin, c2011, p145, ISBN 00-781-3716-0.

Opportunities

An opportunity is a major favorable market situation. Opportunities present themselves as a change in the market trends, identifying the previously overlooked market segments of change in the governmental policy. It is a critical factor of shaping the company's strategic planning.

Threats

Directly opposite to opportunities, threats present a major unfavorable market situation. Entrance of a new competitor, unfavorable change in government posture, slow market growth, new technologies, all these present a threat to the current situation of the company. ⁵

2.1.3 SWOT Analysis in Strategic Analysis

SWOT analysis often serves as a logical framework for a deeper understanding the current situation of a company, usually happening in a broader discussion within the company's management, according to Pearce and Robinson. ⁶

Limitations of SWOT analysis

Although being very useful, SWOT analysis has its limitations. Some say that what may be an opportunity to one, might be a threat to other, strengths and weaknesses likewise. Apart from different points of view on those, there are some limitations that weaken the strategic weight of the analysis.

SWOT analysis can put too much emphasis on the strengths and downplay the weaknesses of the company, focusing its strategy around the strengths, not considering the entire environment. It can also be static in a dynamic environment, not taking into account the changes that are inevitably coming in short term. Thus, the company's

⁵ PEARCE, John A and Richard B ROBINSON. Strategic management: formulation, implementation, and control. 12th ed. New York: McGraw-Hill/Irwin, c2011, p141, ISBN 00-781-3716-0.

⁶ PEARCE, John A and Richard B ROBINSON. Strategic management: formulation, implementation, and control. 12th ed. New York: McGraw-Hill/Irwin, c2011, p142, ISBN 00-781-3716-0.

management should always bear in mind that it is a one-time analysis that needs to be updated if worked in the future.

It is also stated, that in the process of determining the strengths one can be overemphasized and taken into account more than it deserves, leading the company into pursue of goals that are not necessarily strategically important.

Last but not least, even though a strength can be a competitive advantage, it is not always necessarily true. A company should not base its endeavors around its strengths unless it is absolutely sure those are advantages as it may not be enough to be sustainable in the market.⁷

2.1.4 PEST Analysis

Mentioned above, SWOT analysis takes into account the overall picture of the internal and external factors of a company in order to make strategically significant conclusions. It is necessary, however, to consider the environment of the company that does not immediately impact the company, but is omnipresent in all its activities. Analyzing a broader area gives the important perspective that is vital for long time strategy. For that we have a tool called PEST, or sometimes called PESTLE Analysis. PEST analysis can be referred to as the macro-economic point of view analyzing the subject.⁸ The acronym PEST (LE) stands for Political, Economic, Social, Technological, Legal and Environmental agents that influence the company's environment.

There are many variables when taking a look at the macro-economic horizon, so the analysis needs to be done with whether the ones most prone to impact the company upon change or those with the highest probability of happening within the considered time span.

As this thesis takes into account two different companies from two different countries, it may be interesting to consider what the factors that impact look like. Also,

⁷ PEARCE, John A and Richard B ROBINSON. Strategic management: formulation, implementation, and control. 12th ed. New York: McGraw-Hill/Irwin, c2011, p145, ISBN 00-781-3716-0.

⁸ TOVSTIGA, George. Strategy in practice: a practitioner's guide to strategic thinking. 2nd ed. Hoboken: Wiley, 2013, xv, 270 p. ISBN 978-1-11-851925-7

some of the data necessary to carry out the analysis may simply be inaccessible, like in the case of employment and average salary. Vast majority of Mexican workers are not registered in any government-held database, thus making it nearly impossible to conclude what the regional or national data look like.

3 Practical Part

3.1 Identification of the subjects - Andres a Vild s.r.o.

Andres a Vild s.r.o. is a construction company operating within the limits of Czech Republic and at this moment focuses on concrete structures built with the modular formwork of PERI. It is a small company with 15 employees.

The company was founded in the year 1991 by two colleagues Ing. Petr Andres and Ing. Josef Vild, who had been working together for the same construction company (Průmstav a.s.) in Germany.

At first, the company focused its aims on very small scale projects, such as family housing, but soon enough found out that it was not profitable enough and changed its focus on corporate clients and medium sized projects, housing as well as offices, industrial construction and infrastructure.

3.1.1 Scope of the company

According to ARES (Administrativní registr ekonomických subjektů⁹), the company focuses on the following activities:

- Transportation of material and goods for own necessity,
- procurement of business activities and services and foreign activity relevant to above mentioned areas of activity,
- construction work, activity, supply of construction work of parts of construction and construction in the area of building structures, industrial engineering, reconstruction,
- fabrication of construction materials, structures and parts and parts for complimentary construction and transportation concrete,

⁹ 2015. Veřejný rejstřík a sbírka listin. *Justice.cz*. [Online] september 18, 2015. <https://or.justice.cz/ias/ui/rejstrik-firma.vysledky?subjektId=428919&typ=UPLNY>.

- construction and completion of silicate, steel and wooden structures.

Due to changes in law and policy of the Czech government, the scope had to be adjusted in late 94'. As a result the company's scope diminished to the following:

- Sales and resell of goods,
- engineering construction,
- building structures and civil engineering.

To diversify, the company also runs a guesthouse for anyone who wants to stay, mostly for the construction workers working in the nearby area and a parking lot in the Beroun's city centre.

3.1.2 Company's location

Andres a Vild s.r.o. has moved its whereabouts when it no longer suited its needs to stay at a simple office. Now the company resides in its own premises in Králův dvůr, next to the city of Beroun.

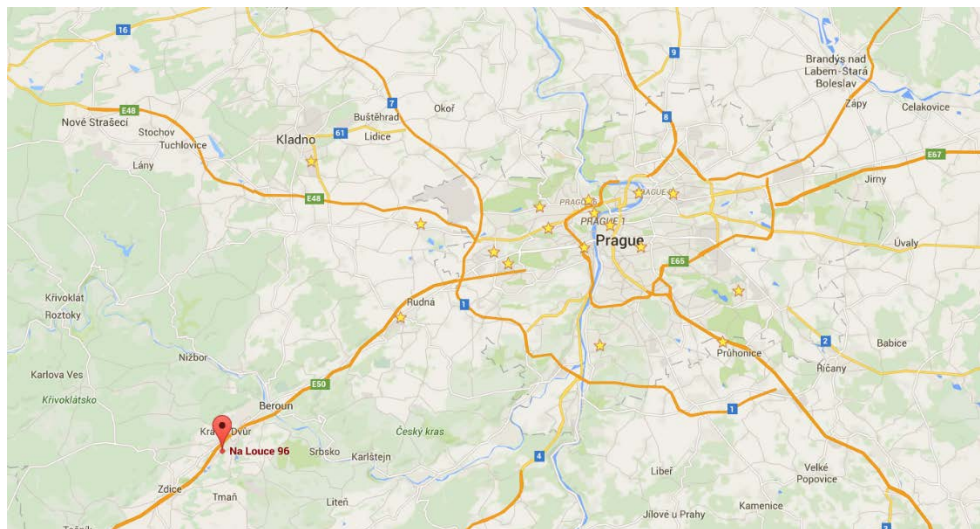


Figure 2: Location of Andres a Vild s.r.o. company. Source: www.maps.google.com (2015)

Even though the company resides in central Bohemia, it builds all over the Czech Republic, as far as in eastern Moravia. However, its construction is limited within the borders of the country.

3.1.3 Capital structure

Company's capital is of 6 000 000 CZK that have been equally deposited by the owners Ing. Petr Andres and Ing. Josef Vild. The capital has risen from the original 100 000 CZK through 2 000 000 CZK during time to ensure credibility and sustainability of the company.¹⁰

3.1.4 Owners

The company is owned and managed by its original co-founders, Ing. Petr Andres and Ing. Josef Vild, with equal power over the company and equal rights to represent it.

3.1.5 Organizational structure

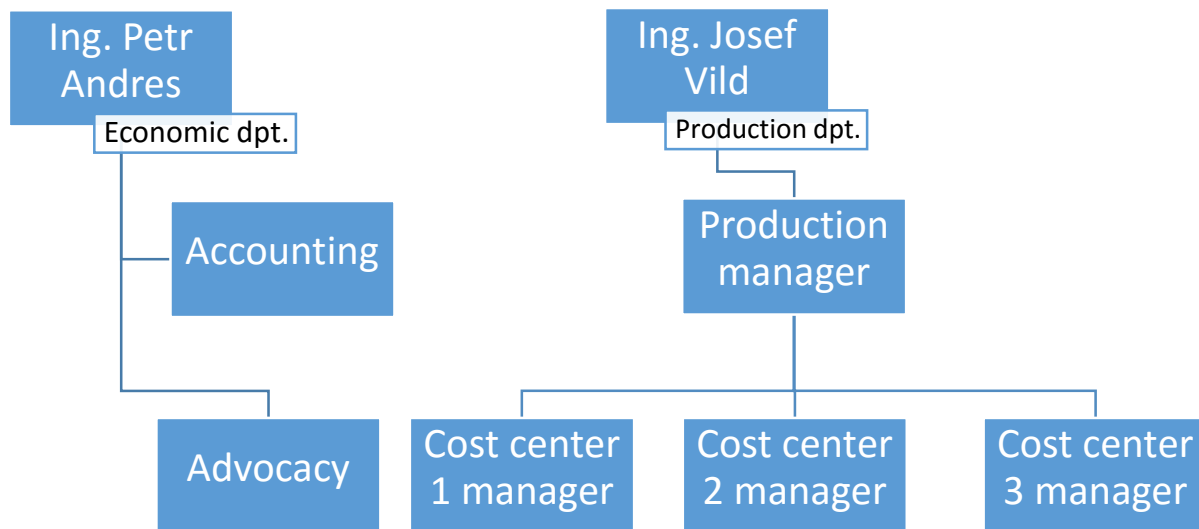


Figure 3: Organizational structure (source: my own)

¹⁰ 2015. Veřejný rejstřík a sbírka listin. Justice.cz. [Online] september 18, 2015. <https://or.justice.cz/ias/ui/rejstrik-firma.vysledky?subjektId=428919&typ=UPLNY>.

It is a very simple linear structure with two company owners leading the company itself. Also, it is as well probably the best one in this case, as not many people are involved, this provides with the most agility and ease of communication.

The financial and economic part of the company is led by Ing. Andres, who works closely with the accounting department. In the recent times, as is has become more and more important to deal with legal side of the contracts, attorney is more and more involved in the company's activity.

On the other hand, the production is centered in hands of the other owner, Ing. Vild, in charge of the construction itself. As it is a linear structure, there is a directly subordinate chief-of-staff responsible for the run of the company's warehouse and production and so on.

Top management of the company includes the two owners and one head of the construction department. All the construction workers are contracted separately for the work needed.

3.1.6 Software

The base of the firm's information technology lies within its own intranet. Every computer in the company is connected to a shared network where all the important data is. Other than that the company uses costing and estimating software URS KROSS which suffices for most of company's work.

3.1.7 Strategic vision, mission

The company so far does not have any strategic plan elaborated so far. With no marketing it depend on its owners' skill of achieving new work and on demand in the region.

3.1.8 Support from the European Union and Czech Republic

Although there has been plans to obtain some money to capacitate current staff, the plan has vanished into thin air and company has not taken any support from the European Union.

A possible advantage presents to capacitate the employees freely at the cost of education funds regarding cost-estimating software from Callida, a BIM-ready software unifying accounting, estimation and quantifying sources into one whole.

3.2 Strategic Audit of Andres a Vild s.r.o. - External Environment

3.2.1 Natural Physical Environment

The weather in the Czech Republic has gone through some changes over the past few years. As the climate is getting increasingly warmer over the course of the year a positive impact on construction can be observed.

Less and less common are days of extreme temperatures, however, additives and temperature treatment of the concrete is common.

3.2.2 Social Environment

This part of the strategic analysis encompasses a sub analysis often referred to as PEST analysis. In the scope of SWOT analysis, it represents the opportunities and threats composed by Political-legal, Economic, Social and Technological environment of the company. In the below section, a PEST analysis will be carried out.

3.2.3 PEST Analysis

Political-Legal

Czech Republic can be considered a friendly country regarding a regulatory politics of the government and ease of doing business. According to World Bank¹¹ now Czech Republic hold 44th place in the world ranking regarding regulatory and governmental intrusions to business.

Economic Factors

The economic environment in the Czech Republic (Středočeský kraj in particular) is friendly as there is relatively low percentage of unemployment (5.1 with the five year average of 5.04).⁹

¹¹ *World Bank* [online]. [Cit. 2015-10-28]. Accessed from : http://data.worldbank.org/indicator/IC.BUS.EASE.XQ/countries?order=wbapi_data_value_2014+wbapi_data_value+wbapi_data_value-last&sort=asc

The average wage is currently at the amount of 25 001 CZK with annual average increase of 2.46%⁹

Inflation is currently at its historical low since 2003, being at 0.4% annually.¹²

Year	Construction work "S" total	In which									
		in the CR	In which							Repairs and maintenance	Abroad
			New construction, reconstruction and upgrade	In which				Water management works			
				Residential buildings	Non-residential buildings not designed for production	Non-residential buildings designed for production	Civil engineering works				
2003	353,879	349,964	257,185	44,600	41,618	75,751	91,158	4,058	92,780	3,915	
2004	402,410	397,121	292,721	54,551	54,127	65,942	113,684	4,417	104,401	5,289	
2005	431,426	425,463	314,844	58,819	53,606	67,897	129,736	4,786	110,619	5,963	
2006	472,578	462,980	343,648	68,960	64,921	72,728	132,365	4,675	119,331	9,598	
2007	521,487	507,445	378,587	80,631	63,567	91,471	138,348	4,569	128,858	14,042	
2008	547,601	536,013	398,152	80,150	65,037	88,138	160,395	4,432	137,861	11,589	
2009	520,877	507,709	375,917	65,688	66,210	63,625	173,311	7,083	131,792	13,168	
2010	488,690	477,793	356,289	56,711	62,929	54,337	175,911	6,401	121,504	10,897	
2011	464,021	451,853	332,217	61,111	62,364	62,356	140,265	6,121	119,636	12,168	
2012	423,989	413,933	304,788	50,454	61,037	60,698	124,262	8,337	109,145	10,056	
2013	397,472	387,588	283,750	43,690	55,079	58,630	119,423	6,928	103,838	9,884	
2014	428,276	417,013	302,575	46,344	59,811	60,615	130,563	5,242	114,438	11,263	

Table 1: Annual values of construction industry in region (Středočeský kraj) of prevailing activity of the company in Czech Republic. Source: https://www.czso.cz/csu/czso/zak_cr (2015)

After the economic recession in 2008, the construction industry environment has been slowly struggling to get back on the track where it left off. (Table 1) There is no noticeable improvement of the industry of the region the company is in, however, the management of small to medium companies can speak of some improvement regarding quantity and scope of work.

¹² Český statistický úřad [online]. [Cit. 2015-10-28]. Source: <https://www.czso.cz/>

Sociocultural

The number of college/university graduates has risen dramatically over the past few years, leaving Czech Republic with an increasing number of managers and specialized people, decreasing the number of craftsman, such as plumbers and masons. This may influence the industry reflecting in lowering the standard of craftsmanship quality.

Technological

The construction industry is on a very high level, able to compete internationally. The industry is steadily improving, incorporating new technologies every so often.

The companies are implementing new software on the go and automatization of various processes is a must. In order to stay competitive, the companies invest in development of its employees as much as in development of new technologies.

The latest evolution of the industry may be implementation of BIM in the new construction contracts. This will be a core point in the strategy of the company as it is seen as the major opportunity in the current environment.

Environmental

More and more are the companies concerned about their carbon footprint. Partly because it helps the environment, partly because it is a good marketing strategy to advertise being environmentally friendly.

As part of its competitive edge, the company has a strict pro-environmental policy – production must go hand in hand with sustainability and environmental awareness, which is demonstrated by the ISO 14001, certification of environmentally aware company.

3.2.4 Task Environment

Analysis of the task environment gives us the knowledge of what drives the industry competition, what are the forces that move the competition and what actions are necessary to stay competitive.

This analysis is also sometimes referred to as the Porters model of five forces as it focuses around the main aspects of the competitive environment: ¹³



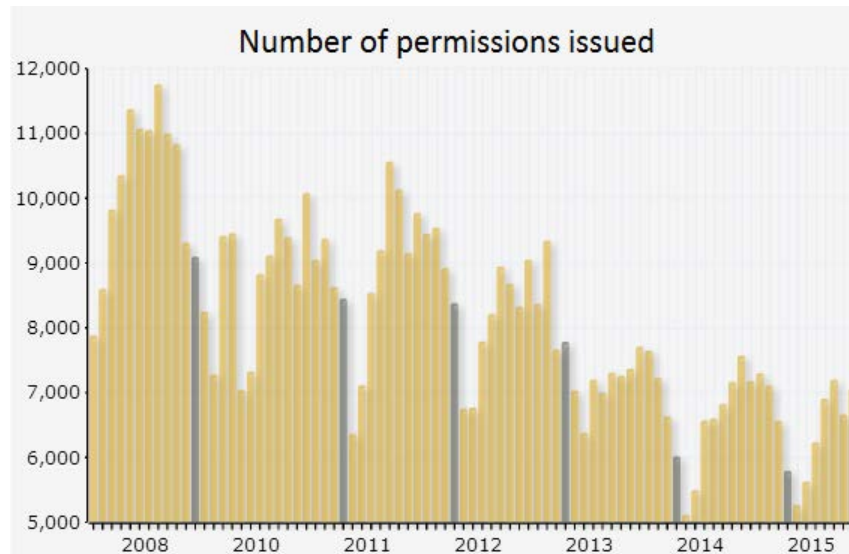
Figure 4: Porters model of five forces Source: PORTER, Michael E. *Competitive strategy: techniques for analyzing industries and competitors: with a new introduction*. 1st Free Press ed. New York: Free Press, 1998, xxviii, 396 p. ISBN 0684841487

Threat of new entrants

Fortunately for the companies that have already been in the Czech construction industry for some time is that as it is extremely hard to enter an environment of high competition and high demand of capital and knowledge, very few newcomers arrive every year.

¹³ PORTER, Michael E. *Competitive strategy: techniques for analyzing industries and competitors: with a new introduction*. 1st Free Press ed. New York: Free Press, 1998, xxviii, 396 p. ISBN 0684841487

Unfortunately, there is less and less issued permissions annually with more value of work constructed (total increment of work by value is 4,7% this year, with 1,6% less of permissions issued) which means there is more large-size projects and the small to mid-sized companies are pressured by the big ones that can lower the prices because of quantity of production.¹⁴



Graph 1: Construction permissions issued while increasing the value of projects. Source: www.kurzy.cz/cnb/ekonomika/vseobecna-ekonomicka-statistika/zakazky-a-stavebni-povoleni/

The guesthouse the company operates in its own premises appears to be a successful errand. It operates at nearly full capacity since its inauguration and the prices go steadily up as the building gets more and more upgrades in time.

The parking lot in the center is also quite successful, although it may not be reaching its full potential. It varies its price depending on the hour and the day, keeping its prices always lower than those of its direct competition, but not necessarily reasonably, as the city's center usually is full. A foreseeable problem might be the upcoming finish of the construction of a new parking house in the city center, just two hundred meters from

¹⁴ Stavebnictví - vývoj tržeb ve stavebnictví v ČR, 2015. Kurzycz [online]. 2015 [cit. 2015-11-06]. Source: <http://www.kurzy.cz/makroekonomika/stavebnictvi/A=8>

the parking of Andres a Vild s.r.o. With capacity of 186 parking spots it will be a direct threat to the company's interests, as it will double the city's center parking capacity.

External factor	Impact	Comment
Very difficult to enter the market	+	Few new entrants that survive
Less projects, increasing price of projects	-	Difficult to keep pace with big competitors in industry
Next to none offer in guesthouses, good price	+	There is almost no tourism in this part of Czech Rep, and if there are, price is higher
New parking house being open in the closest future	-	Prices may drop down or prevent the current parking from raising

Bargaining power of buyers

In construction, the bargaining power of buyers is enormous. Especially in the Czech Republic, the buyers (in small to mid-sized projects especially) are sophisticated enough to request different parts of a project from different suppliers, which makes it particularly difficult to front-load the work and leaves the contractor with little or no space to maneuver in terms of estimation. Another particularity in the Czech Republic is that there is no front payment, everything is paid after the finished work, or part of a whole. That puts the contractors in an unpleasant position of creditor every time a work is contracted, jeopardizing his liquidity and leaving him vulnerable to competition with more liquid capital than him.

It is usual that the margin of work is not higher than of 4%, exactly because the bargaining power of buyers. As opposed to Mexico, the contracts in the majority of the cases are fix-priced and not cost-plus-fee, which also means a risk for the contractor in terms of making a mistake and having to finance the work himself later.

In terms of the guesthouse the company operates, the guests don't really have any power to pressure the price down. Only for the complaints about the lack of televisions

the break-even point got a little further, as it was necessary, due to raising number of complaints, to buy flat screen TVs to the rooms. It had, however, a positive effect on the revenue, as prices rose with TVs equipped to the rooms.

Also, majority of the construction workforce of Andres a Vild s.r.o. is composed by foreigners from the EU working in the Czech Republic. As they are well paid and return to their families every two months or so, they need a place to live relatively together. That makes the company's guesthouse perfect choice.

The parking lot the company operates is completely liberated from the bargaining power of buyers, as the city center parking is usually crowded and the parking fines are quite high, leaving the buyers with no choice than to use the company's offer at the current price. That may change with the upcoming finish of the construction of the city's new parking house near the company's parking.

External factor	Impact	Comment
Contractor basically builds lending finances	-	Work is paid after completion, long waiting time to get paid, retention
Buyers have good knowledge of the prices in the industry, capable of doing part of the work on their own	-	Contracting for only parts of the project, no front end loading
Guesthouse full all the time	+	Low maintenance, easy money
No influence of the buyers over the parking lot	+	Not necessary

Threat of substitute products and services

Linked closely to the bargaining power of buyers is the threat of substitute products and services. As Andres a Vild s.r.o. does focus primarily on concrete structures with modular framework PERI, there are other solutions to one's needs regarding method of construction. It is a known fact, that structures meant to personal use are more likely to

be brick-based or wooden, as they don't require excessive technology and those for renting or sale purposes tend to be more often concrete-structured because they offer better rental space/structure ratio. That is an advantage, because rental and sale projects tend to be bigger in scope and they leave out the competition not specialized in concrete.

The buyers in the Czech Republic also tend to show more faithfulness to known contractors and don't have tendency to experiment with new and unknown providers, even though they might be cheaper. That is shown in Andres a Vild s.r.o. statistics, as more and more clients return to cooperate again. The company's goodwill is a powerful competitive edge, perhaps one of the strongest the company has. It is particularly important in times of economic recession, when the company received contracts vital to it, of works that had to be done (water treatment).

In terms of the guesthouse the company operates, there aren't really many other options people who want to stay in that particular area have, so similar to the bargaining power of buyers, the threat of substitute service is next to nonexistent.

On the contrary, the parking lot the company operates in the center of the city of Beroun is now working at nearly full capacity daily. The upcoming finishing of the construction of the new parking house in the city center could be a serious threat to its profitability.

External factor	Impact	Comment
Clients are likely to stay with the same contractor after having a good experience	+	Company has excellent goodwill
Price many times determines the used technology and concrete is not the cheapest one	-	In terms of construction, high specialization may pose a problem in times of little work
There are very little other choices for guests to stay at in the area, gives good room for pricing	+	Own workers living in the guesthouse

New city center parking house may diminish the parking lot profitability	-	In such a low capacity it would be really hard to introduce membership parking, prices will probably drop after completion of the new parking
--	---	---

Bargaining power of suppliers

In the construction industry, prices of materials vary quite frequently. Since 2008's economic recession, prices of construction materials and services related to their processing have dropped significantly. That, however, didn't work in construction contractors favor, as the prices of work also went down.

The bargaining power of suppliers does have some power to change the price of the final product, though. As some of the suppliers offer significant discounts when buying in large amounts (an example could be SHOCK thermal and Sound insulation of cantilevers – up to 65% of the retail price) that may give the company a price advantage when estimating the cost of construction. It does, nevertheless favor bigger contractors over smaller ones as they always buy larger amounts of materials. Clients are, however, aware of the fact and often demand higher discounts than the company can deliver.

There is no bargaining power of suppliers in case of the guesthouse as it is its only provider in the value chain.

The parking lot in the city center did go through some trouble in the initial phase as the price of the parking gates equipment was too high and it was breaking regularly. In long term that might pose a possible threat to profitability of the project.

The most consumed supply is of course concrete and modular framework PERI. Framework is supplied by PERI itself, and Andres a Vild s.r.o. has little power over its price. On the other hand, concrete is often supplied by Heidelberg cement group and with it, the company has very good relations. Prices of the concrete can lower as much as 10% compared to the catalogue and that is a competitive advantage worth mentioning.

External factor	Impact	Comment
Good relations with concrete suppliers	+	Prices competitive
Client aware of the prices and demand higher discounts	-	Unreachable costing
Guesthouse	+	No suppliers mean higher control
Parking lot	-	Problems with supplier of gates and latches meant higher costs

Rivalry among competing Companies

There is cutthroat rivalry between the competing subjects in the Czech construction industry. Being that the reason for little amount of subjects entering the market these days, it is also a reason for the company to never stop improving its services, diversifying and strengthening its position in the market by getting more market share.

The direct competitors to Andres a Vild s.r.o. in terms of size and area of employment would be:

- Skanska a.s.
- Hochtief CZ a.s.
- Metrostav a.s.
- Central Group a.s.
- Swietelsky Stavební s.r.o.
- Jěž s.r.o.

Only some of the competitors were selected, as these are the ones most similar to Andres a Vild s.r.o. with the size (up to certain point) of the projects realized. The size of the companies listed is drastically bigger, but they are a direct competition as most of the bidding Andres a Vild s.r.o. does is against these rivals.

Skanska a.s.

In size the company definitely isn't a direct competitor of Andres a Vild s.r.o. It is the largest construction company in the Czech Republic and fourth largest in the world. Skanska has been in the Czech market since 90' and represents a substantial threat to all the competitors.

Hochtief CZ a.s.

Same as in the case of Skanska a.s. Hochtief CZ a.s. is huge in comparison with the analyzed company, but is directly competing for the projects Andres a Vild s.r.o. is bidding. In fact, many times, Andres a Vild s.r.o. is a subcontractor for the said company.

Metrostav a.s.

Partly publicly owned company has had a great impact on Andres a Vild s.r.o. performance, as it regularly outbid its contracts. Andres a Vild s.r.o. no longer works as a subcontractor for said company, due to bureaucracy and difficulties in the past.

Central Group a.s.

Developer mainly focusing on residential housing is a direct competitor in most of the concrete-based projects and often is a general contractor in Andres a Vild s.r.o. work. Also substantially bigger than the company.

Swietelsky Stavební s.r.o.

A relatively new entrant to the Czech construction market, but with support of its mother company in Austria has quickly established itself in the industry. Frequently general contractor of contracts bid by Andres a Vild s.r.o.

Jež s.r.o.

A company that is a direct competitor in projects, size and focus, does construction work of any type, which leaves it in a disadvantage of not being specialized in neither. The advantage of Jež s.r.o. is that it does turnkey projects and also has a stone processing division.

3.2.5 Summary of External Factors – EFAS table

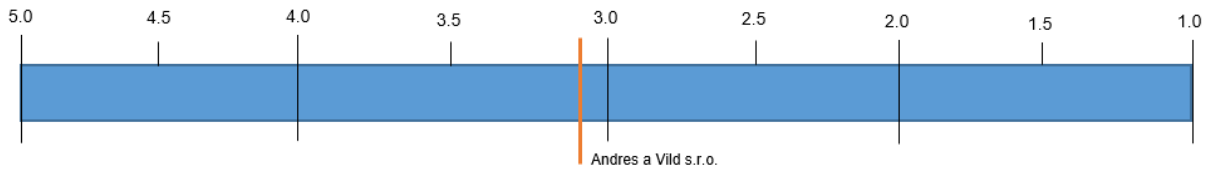
Upon completion of the analysis of the task environment, a summary is given concentrating the opportunities and threats in order to determine the responsiveness of the company to its external factors. Four key factors were selected from both threats and opportunities and they were assigned significance for the company and company's responsiveness to given factor. Those combined then determine the current company's rating.

External Factors	Weight	Rating	Weighted Score	Comments
Opportunities				
Difficult to enter for new participants	0.05	5	0.25	Good market position, possible expansion
Market getting better after recession	0.15	3	0.45	New opportunities, prices getting better
Clients likely to stay with contractor with strong goodwill	0.2	5	1	Strong goodwill
Concrete is the material of future	0.1	2.5	0.25	Excellent performance, top quality of work
Threats				
Less projects, increasing price of projects	0.15	1	0.15	Harder to obtain contracts, 10% success in contracting
Building at contractor's expenses, retention	0.1	3	0.3	Building reserves
Cutthroat competition in the industry	0.15	3.2	0.48	New technologies necessary
Clients have good knowledge of prices in the industry, pushing them low.	0.1	3	0.3	Prices may now go up
Total score	1		3.18	

Table 2: EFAS table for Andres a Vild s.r.o. Source: My own

The company's responsiveness can be graded from 1.0 as a very irresponsible company, to 5.0 meaning the company's responsiveness is on excellent level. As Wheleen and Hunger say, score for an average company in the industry is 3.0. It tells us how responsive the company is to its external environment and how well it reacts to its surroundings¹⁵.

A total score 3.18 means that in terms of responsiveness to its surroundings Andres a Vild s.r.o. does near above average job and there may be room for improvements.



¹⁵ WHEELLEN, Thomas L a J HUNGER. *Concepts in strategic management and business policy: achieving sustainability*. 12th ed. Upper Saddle River, N.J.: Prentice Hall, c2010, xxiv,p5, 391 p., [22] p. ISBN 01-360-9735-9

3.3 Analysis of Stakeholders

In order to analyze and propose a viable strategy, motives and wishes of all the immediate stakeholders must be taken into account. If not, the company is in risk of not implementing strategies successfully, or not implementing them at all.

As the most important stakeholders for Andres a Vild s.r.o. were chosen its owners, its employees and management, buyers and competitors. All of which have influence on the company's endeavors. It is vital to know their motivation and aims in the industry.

According to Keřkovský and Vykypěl in order to succeed with a strategy formulation, it is necessary to meet the requirements of the key stakeholders, following questions are considered the factors that matter the most: What are the expectations, what are the objectives, what are the strengths and reasons for those strengths according to the key stakeholders?

Answers to those questions by the respective parties were summarized in the tables below:

Stakeholder	Expectations	Objectives	Strengths	Reasons
Owners	Give work to people	Perfection of work	Satisfied clients	Years of experience
	Stable company		Strong goodwill	
	Legacy	Impeccable goodwill	Know-how	Drive to build a legacy
	Profits			

Table 3: Employees - stakeholder. Source: My Own

Judging from the answers of the owners of the company, instead of expansion, they are looking for a stable company that brings work to families and build their own legacy that will outlive them. A more passive-defensive strategy might be suitable for them. They seem very satisfied with quality work delivered to their clients as well as the profits it represents.

Stakeholder	Expectations	Objectives	Strengths	Reasons
Employees	Maintain current job	Work for money	No one better qualified for the job	Experience in the company
	Company's environment	Raise		
	Keep the company running	Respect of the owner		

Table 4: Employees - stakeholder. Source: My Own

Unfortunately for the employees of the company, in the current organizational scheme it is impossible to be promoted, as the owners who are working in the company are the top it represents. Their only expectations regarding raise are financial.

The employees have, over the time, developed a particular fondness for the company and they themselves want it to see grow, which is the drive that motivates them to deliver better results.

It is important for the employees to be working in a stable and friendly environment. Team-building events are welcome by all the members, employees themselves like to be respected in between each other.

Stakeholder	Expectations	Objectives	Strengths	Reasons
Buyers	Quality for their money	Time and quality of delivery	Finances	"Client is the boss"
	Low prices	Low prices	Power of choice	
	Broader range of offer			

Table 5: Buyers - stakeholder. Source: My Own

Buyers have a completely different point of view at things around the company. In the Czech environment, most of what is considered in a contract is its price. That is the most important part for majority of the clients. If the company is able to compete with the price, then all the other qualities come to play. Company's goodwill is an important factor, the ability to deliver on time and in desirable quality as well.

Stakeholder	Expectations	Objectives	Strengths	Reasons
Competitors	Better performance than the company	Outbidding	Better position in the market	International company
	Better market share	Subcontracting	Bigger capital	Better financing
			Better prices	Large financial and material turnover

Table 6: Competitors - stakeholder. Source: My Own

Competition, as expected, sees the company as rival in obtaining the same contracts it bids for, as well as a market share needed to overcome. There is a long time rivalry between Jež s.r.o. and Andres a Vild s.r.o. and they usually compete for the same contracts, for the bigger companies, however, the situation is not the same. Subcontracting the company is a good way of disposing of the competition while still maintaining the contract “in possession of both sides” as both rivals profit.

Stakeholder	Expectations	Objectives	Strengths	Reasons
Management	Improvement of the company	Reputation	Knowledge of the company	Experience
	Higher salary	Better market share	Respect of others	Good leadership skills
	More responsibility			

Table 7: Management - stakeholder. Source: My Own

Though management cannot be promoted due to being capped by the owners of the company, they seek other compensation for their efforts. Financial compensation side to side with being respected both by the internal company members and the outside competing company employees for leading well known, experienced company, much of which is shown at team-building events organized for all the construction companies in the Czech Republic.

3.4 Internal Environment

3.4.1 Current situation – Financial Analysis

In order to understand the current company's strategy, it is important to understand what the current position of the firm is in the market and how it stands against its competition. What is the financial health of the company is also a strategically important information – financial analysis will be carried out.

Most important indicators for the financial analysis were put into a comprehensive table for further explanation, with values in whole thousands of CZK:

Year	2009	2010	2011	2012	2013	2014
Total profits	52648	55421	35545	41950	64101	42377
Total costs	42837	54678	38241	40886	63977	42275
Sales	9811	743	-2696	1064	124	102
Revenues from own products and services	52277	52472	34986	42847	61507	45587
Added value	9721	6349	2612	5904	5800	4886
Working capital	16976	23290	21892	19433	19559	11810
Current liquidity	1.559	2.028	1.623	1.785	1.630	2.112
Quick liquidity	1.056	0.960	0.800	0.866	0.597	1.012
Debt ratio	52.7%	39.6%	51.3%	47.0%	49.1%	33.1%
EBIT	726	743	-2696	1064	124	462
EBITDA	1104	2055	-1574	2249	1255	1248
ROA	2.71%	3.58%	-5.90%	4.52%	1.70%	1.66%
ROCE	3.77%	3.76%	-15.81%	5.87%	0.68%	2.49%

Table 8: Financial indicators of Andres a Vild s.r.o. Source: My own Numbers in thousands of Czech Crowns if not stated otherwise.

The economic recession, apparently hasn't hit the company as well as many others and did not make it that significantly difficult for it to prosper in the post 2008 period. As work had already been contracted before the economic recession, the data shows little or no change in the company's development regarding immediate period after 2008. A change is noticeable in the structure of the company's financial indicator. After 2011 a period of financial struggle followed. Being mostly noticeable in 2011 and after, the company underwent some serious difficulties in terms of maintaining the same financial health. All the indicators show a complete stagnation if not even recession.

It was expected the company would profit from the expected lack of competition after the recession, as many of its competitors disappeared after struggling in the recession, but judging from the overall statistics, it didn't happen. It may have been a poor cost management, lack of new contracts or struggling with difficult clients, since before of 2009, the company hasn't experienced a significant overall progress.

Total Profits

After the period of recession and the period of finishing the contracts already signed came an inevitable drop in the overall performance of the company. The total profits drop of 34% in the annual change means a significant back step in company's progress. However, judging from the long term perspective, the company now undergoes the same struggle as after the economic recession. Steps should be taken to increase the amount of work contracted, in order not to shrink the company and diminish in time.



Figure 5: A & V s.r.o. Total profits. (Whole thousands/years) Source: My own

Total Costs

As expected, Total costs follow more or less the curve of total profits. There is the same drop in 2011 meaning the lack of workload at that period and last year in 2014, the costs followed the drop of the profits. Remarkably, in neither of the analyzed years except for 2011, the costs have exceeded the profits thus leaving the company in profit.

However it may seem positive that costs are following the same tendency as profits, their relation is not so bright. Since 2011, the only year of negative outcome for the company, the ratio of profits to cost has slowly been worsening. Excluding the negative 2011, the ratio is decreasing from initial 81.36% in 2009 through 97.46% in 2012 and finally leaving the company with 99.76% of cost to profits ratio.



Figure 6: A & V s.r.o. Total Costs. (Whole thousands/years) Source: My own

Sales

A natural indicator of profits stripped of the costs of production, sales have changed accordingly throughout the years. A positive indicator is that there has been only one year of loss in 2011, but sales have slowly diminished terminating at 0.24% of the total profits of the company.

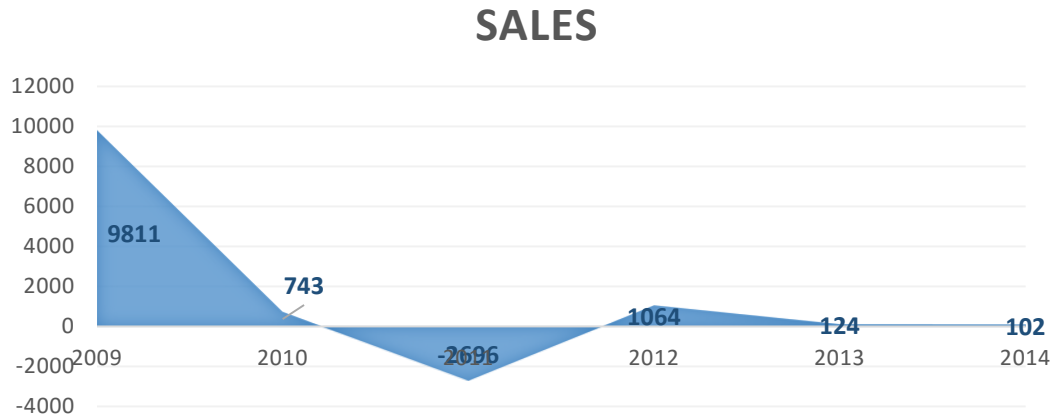


Figure 7: A & V s.r.o. Sales. (Whole thousands/years) Source: My own

Revenues from own Products and Services

Since the company focuses primarily on services and mainly offers construction work related to concrete and modular framework PERI, its revenues come primarily from that area. The difference between the Total Profits and Revenues from Own Products and services comes from that in Total Profits changes in the company's inventory are taken into account and as they were in the past years diminishing, the actual Total Profits are less than the revenues from own products and services.

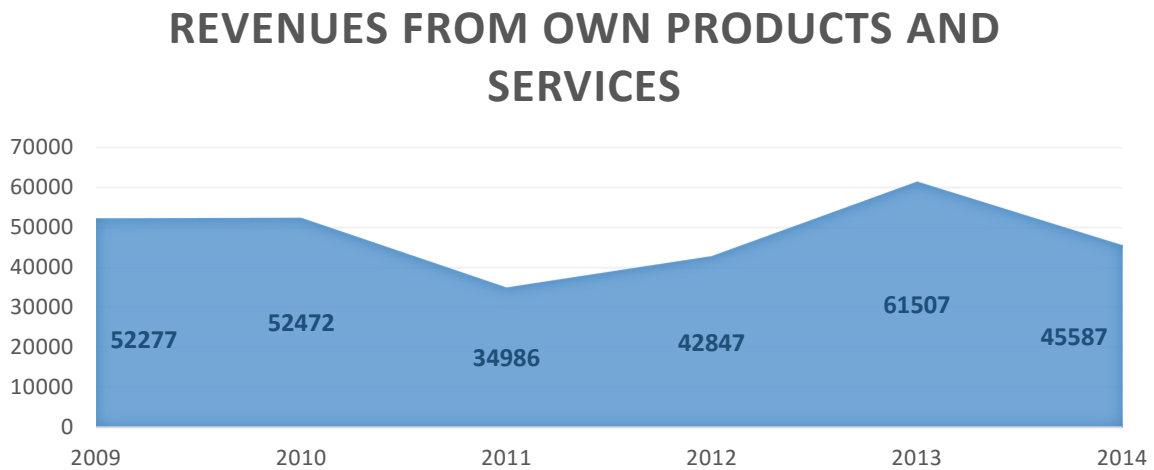


Figure 8: A & V s.r.o. Revenues from own products and services (Whole thousands/years) Source: My own.

Added Value

The amount of added value is constantly decreasing, due to sharper competition and will of clients to pay less than it is contracted. Unfortunately, as owners of Andres & Vild s.r.o. comment: “It is not unusual for a client to ask for a percentage discount during full construction phase in order to pay us, that makes it especially difficult for us in terms of budgeting, as we are not able to forecast with certainty the profit/cost of the construction and cannot project to the future accordingly.”

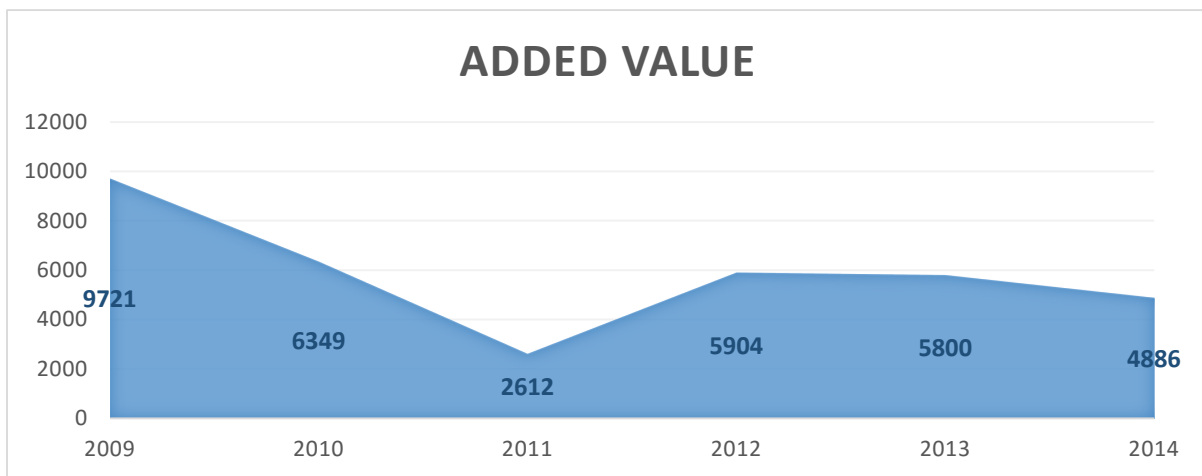


Figure 9: A & V s.r.o. Added Value. (Whole thousands/years) Source: My own.

Working Capital

Working capital tells if the company is able to cover the short term liabilities with its current assets. The amount of current capital indicates more passive strategy, as it is maintained at a high amount. Judging from the overall financial strategy of the company, the current annual drop of 40% in the 2013/2014 is more likely caused by financial struggling, but may be actually a shift towards a more efficient aggressive strategy, where no excessive amounts of current capital are held and the company operates at its economic limits.

WORKING CAPITAL

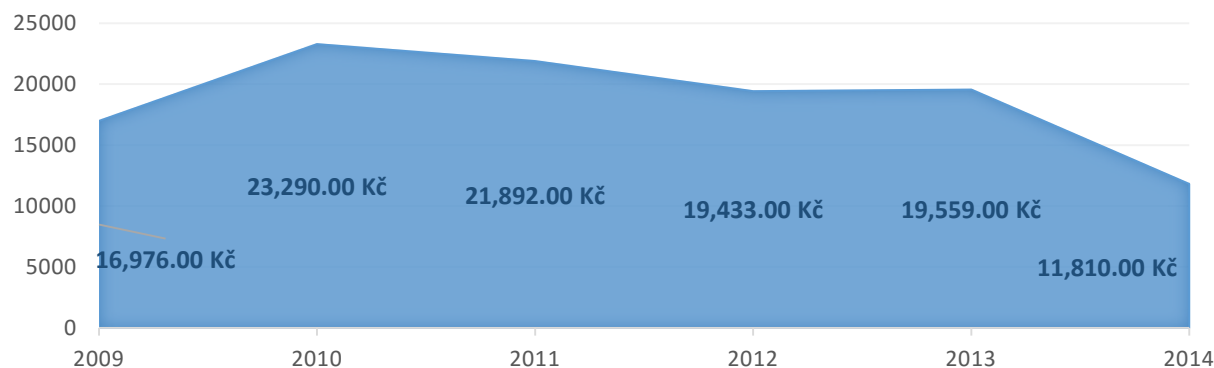


Figure 10: A & V s.r.o. Working capital. (Whole thousands/years) Source: My own.

Current Liquidity

Along with the amount of capital held inside the company goes its ability to pay the short term liabilities. Historically, it was believed that Current liquidity should be around 2, as creditors trusted company that could pay its debts if selling its merchandise with 50% discount. In today's financial world, amount around 1.5 is preferable.¹⁶

This shows a certain below-average performance of the company, as it maintains its current liquidity at around 1 since the struggle in 2011. The tendency, however shows that it is only temporary and it is aiming to reestablish its financial health.

CURRENT LIQUIDITY

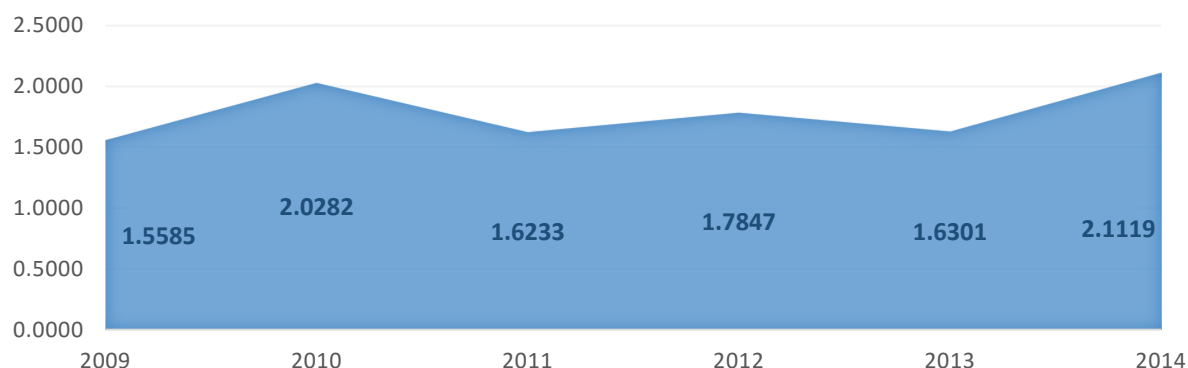


Figure 11: A & V s.r.o. Current liquidity. Source: My own.

¹⁶ GRÜNWARD, Rolf a Jaroslava HOLEČKOVÁ. *Finanční analýza a plánování podniku*. Vyd. 1. Praha: Ekopress, 2007, 318 s. ISBN 9788086929262

Quick Liquidity

The company’s ability to cover the debts with assets easily converted into cash should stay at around 1. In those terms the company has maintained a certain stability to be able to cover its short term debts.

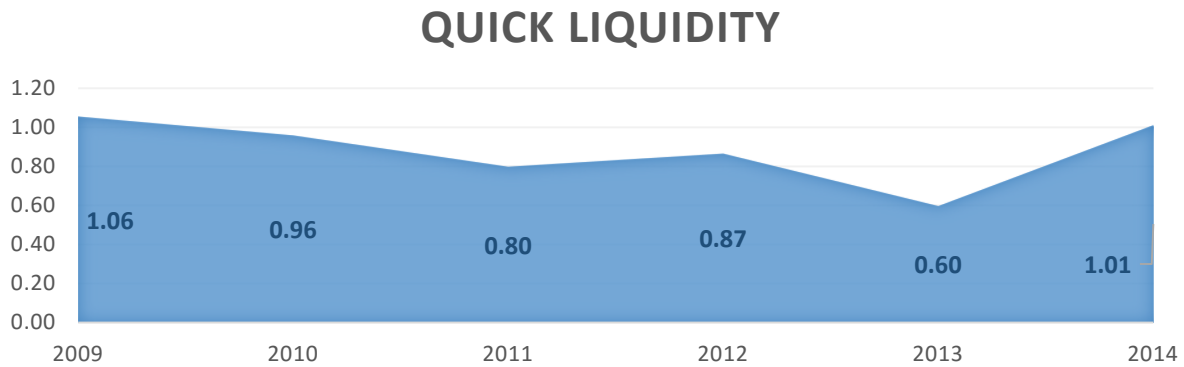


Figure 12: A & V s.r.o. Quick liquidity. Source: My own.

Debt Ratio

Debt ratio determined as total debts over company’s assets should stay as low as possible to ensure a healthy financial status of the company. In the annual change the company successfully lowered the Debt Ratio by 32.6% from 49.1% do 33.1% and has maintained a healthy status throughout its history.

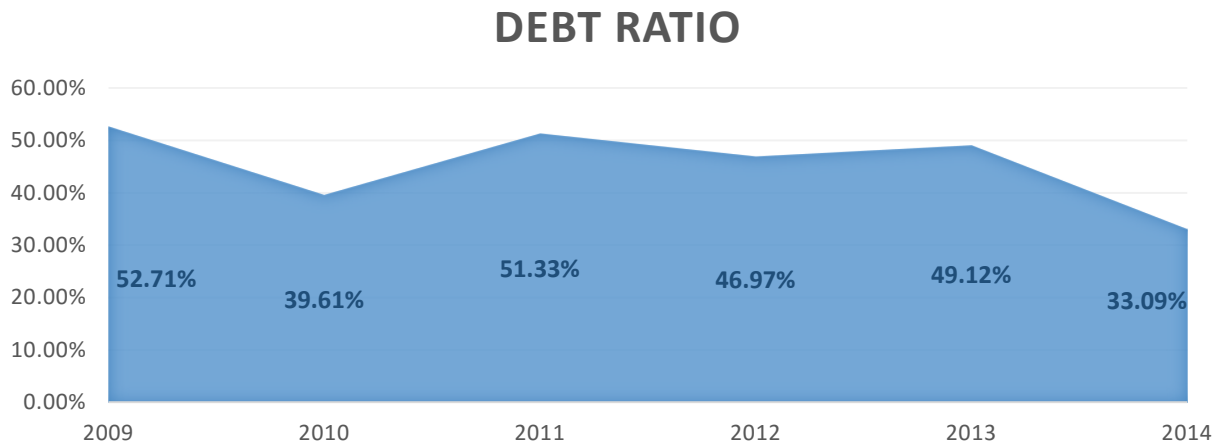


Figure 13: A & V s.r.o. Debt ratio. Source: My own.

EBIT

Earnings before Interest and Tax have been varying greatly, but maintained positive, with the exception of year 2011. The oscillation may predict inconsistency in the financial strategy of the company.

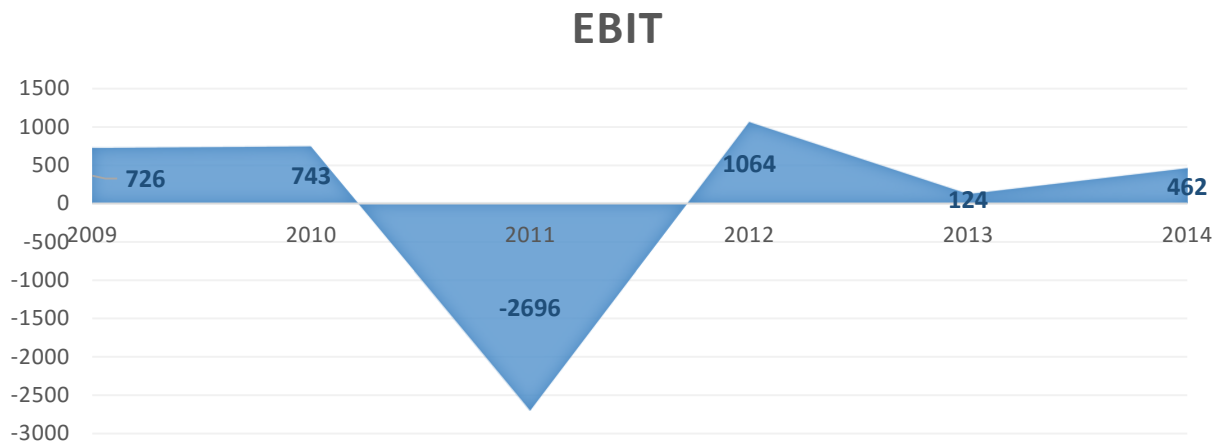


Figure 14: A & V s.r.o. EBIT. (Whole thousands/years) Source: My own.

EBITDA

Earnings before Interest, Tax, Depreciation and Amortization is much steadier than EBIT and has stayed at the 1200 thousands of Czech Crowns for two consecutive years.

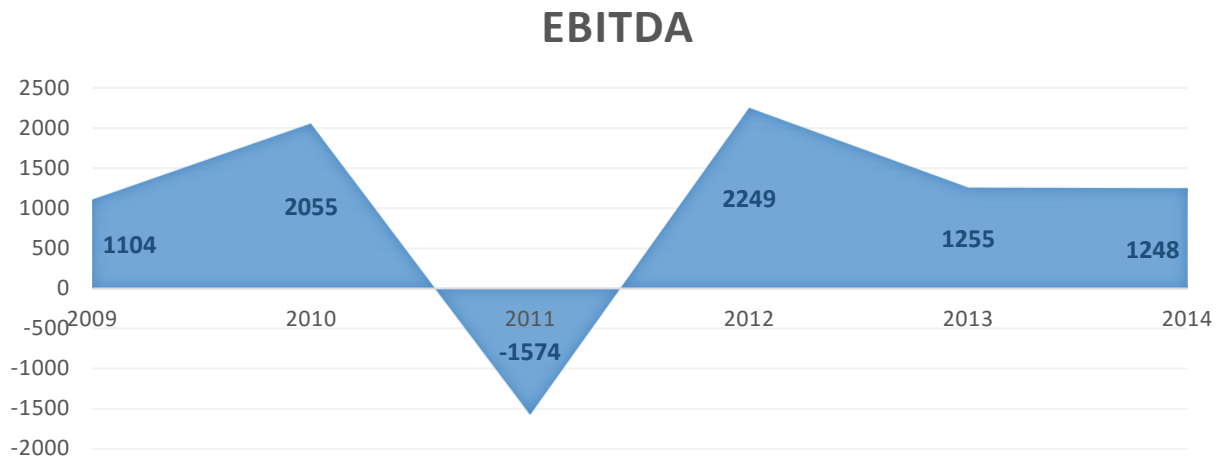


Figure 15: A & V s.r.o. EBITDA. (Whole thousands/years) Source: My own.

ROA

Indicator expressing the company’s ability to create profits from its assets has not changed significantly in the annual change and has maintained the company in positive numbers. However, 1.66% is not very optimistic.

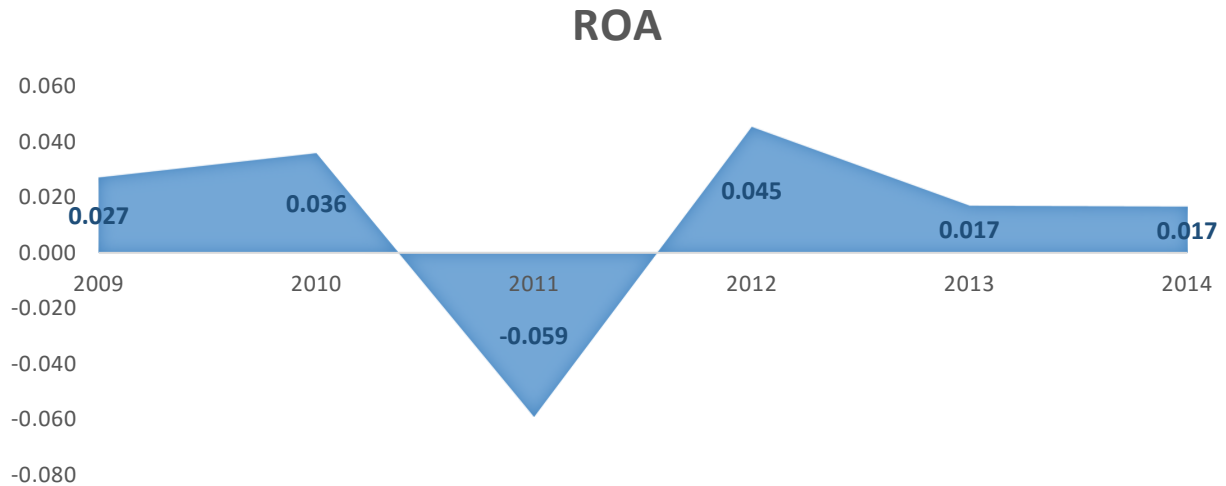


Figure 16: A & V s.r.o. ROA. Source: My own.

ROCE

Effectivity of the capital employed has picked up significantly in the annual change and is now at 2.49%, still indicating financial struggle on behalf of the company.

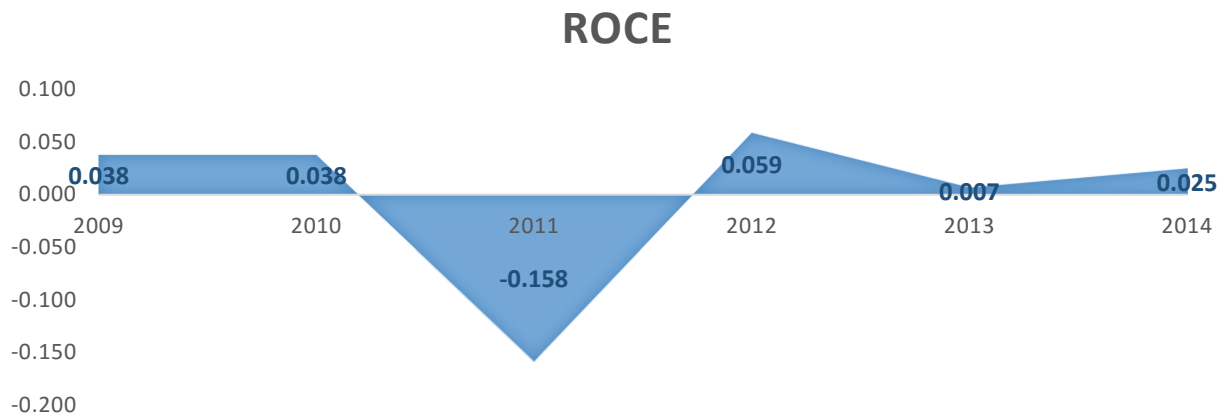


Figure 17: A & V s.r.o. ROCE. Source: My own.

Summary of Financial Analysis

From the annual financial analysis there seems to be no particular pattern the company is following (see the graphs in the appendix) as it is struggling to regain the stability it once had.

Judging from the analysis, the company is taking a rather defensive posture in terms of its behavior in the market and should focus on stabilizing itself to a steady growth, cutting on the expenses and regaining the market share.

Also taking into account the company's performance compared to its direct competitor in projects and size, Jež s.r.o. from the same region, its performance and overall financial state is similar, for example in terms of EBIT (462 000 Kč against 595 000 Kč in 2014) and ROA (2.71% against 2.45% in 2014).

Internal factor	Impact	Comment
The company has been financially struggling to maintain stability	-	Market being struck by the recession and new work was hard to obtain
The financial indicators are comparable to the competition	+	The company is being competitive and is expected to be.
Current and quick liquidity at a good level	+	Company is able to pay its debts and is trustworthy
The profit/cost ratio is getting worse every year	-	Measures have to be taken in order to stay profitable

3.4.2 Top management

Top management in the company is currently composed by three important persons. Ing. Josef Vild is the production manager, who oversees the construction side of the company's activity. He is the one travelling all parts of the country to control and manage the construction. Ing. Petr Andres is the CFO of the company. All the financial movements and investing goes through this one person and he is in charge of keeping the company financially healthy and stable. Ing. Martin Hák is the second tier regarding to managerial power in the company. He is in charge of the lower tier employees and their progress over the construction.

In terms of skills and experience, top management of the company has excellent skills in their area of expertise, however not in every case acquired by studies. The whole top management of the company is engineers specialized in building structures, so some lack of advanced academic in financial area, strategy, or marketing may be possible. Top management has, however international experience by working for several years in Germany. Any lack in experience is overcome by more than ten years of experience in the same company, in case of Ing. Hák, seven.

The top management of the company has not, yet, established any noticeable systematic approach to the strategic management. Apparently the decisions regarding the day to day functioning of the company are more of a reactive nature, leading the company and its strategy to the chance. There are, nevertheless, strategic decisions made by top management, primarily focused on survival, as construction has been a struggling branch for the past few years.

The relationships between the top management and lower to low level management and workers is very healthy and supported by many team building activities provided by the company and its partners.

The decisions in the company reflect its environmentally friendly approach as the company currently is counting with ISO14001 and, according to the company's mission, ISO9001 to ensure the highest standards for the quality of work.

Top management in the company is sufficiently skilled to cope with any likely future challenges, as well with possible future growth.

Internal factor	Impact	Comment
Skilled management	+	Likely to compete with the cutthroat competition
Good relationships within the company	+	Strong base for doing business from within
ISO 9001 and 14001	+	Proactive competitive solutions
Owners are managing the company	-	Sentiment may be involved in top management decisions

3.4.3 Corporate Structure

As stated above in the identification of subjects, Andres a Vild s.r.o., being a small company it is sufficient to count with a simple organizational structure that allows for flexible communication and avoidance of extensive bureaucracy. The decision-making power lies in the hands of the owners that represent the company legally and the production manager capable of represent the company on various occasions.

The company runs on project basis where all necessary personnel is assigned to the construction at the time of need. Most of the construction workers are hired as freelancers, although most of them basically reside in the guesthouse within the company's premises.

Everyone in the company is aware of how the structure and competencies are designated, all know what the company is doing at any moment.

Internal factor	Impact	Comment
Small company structure	+	Good communication in the company
Small company structure	-	Difficult to substitute possible losses in the staff

3.4.4 Corporate Culture

The corporate culture covers the attitude of all the members of the company regarding the aim and operation, shared beliefs expectations and values.

As there are not many members in the company, it is relatively easy to keep track of their beliefs and aims. Luckily, all the members share the same enthusiasm for quality of work, the need of satisfaction of the clients, everyone is well aware that only with a satisfied customer they will profit as well.

The company has really high standards regarding environmental policies, work is done safely and with care for the nature. Cultures are held in high regard as workers often come from different parts of the world.

Teambuilding is necessary and variety of teambuilding events are held at different times of the year.

Internal factor	Impact	Comment
Good relationships in the company	+	Tight bonds and content people
Environmental awareness	+	In all company

3.4.5 Corporate resources

Marketing

One of the areas where the company falls short is definitely marketing. So far in the words of one of the owners of the company it was: "Sufficient with the strength of our word and goodwill that we already have" to maintain the company's market share, but that might not be enough in a long term. What would happen if big companies like Metrostav a.s., Skanska a.s. or other decided to dominate the market of mid to small sized projects? They have the credibility of a successful company and the prices of companies with a higher grade turnover. Better marketing may lead to better consciousness of the clients and to bigger turnover – thus better competitiveness.

Maybe the most underestimated part of the company's strategy is marketing, as it is virtually absent in all areas. The company has excellent goodwill which makes the clients return with potential projects, but a formulated strategy that would attract more customers is nonexistent.

Nevertheless there is a clear understanding of marketing inside the company. As a way of keeping the old clients while acquiring new ones, the quality of work and the approach to the clients are seen as vital to the company's management. It is believed that with these being present in every activity the company does there is no need for additional forms of marketing, being that advertising, sponsored-ads on the internet or other.

Marketing mix

Product

Concrete formwork and work related will no doubt be demanded in the future, making sense specializing in it entirely. Though some diversification may be advisory, the company is producing a fine product that is on high demand these days, expecting to be even more demanded in the recent future, with the effects of the financial recession fading out.

Price

The success rate of 1/10 may seem unfortunate, but it goes hand to hand with the company's strategy of preferring to offer high quality over low price. It has proven useful not to have all the clients, but instead dealing with the clients who share the same ideals regarding the final product, as it is generally easier to do business with them.

Place

As long the costs of constructing allow for it, the company build all over the republic. Clearly, quality over the price pays off, if the company constructs all around the Czech Republic, when local construction companies must be cheaper in terms of transportation and travel costs.

Promotion

As stated above, the only promotion of the company's work is its product. Serves rather well, even though some improvements would be good. The company's webpage is well done professionally, but the company is not actually using any other type of promotion whatsoever.

3.4.6 Research and Development

In terms of development, the company has gone through a deep transformation. Starting as a turnkey contractor, it changed its focus on corporate construction and ultimately focusing solely on concrete shells. Latest development is diversifying its portfolio with a guesthouse and parking lot.

As for research, unfortunately, there is no effort for search of new technologies and approaches that might lead to a competitive advantage of lowering the costs. The company's premises offer convenient place for setting up a research department, or just allocating some of the company's resources (people/finances) to research.

3.4.7 Operations and logistics

The company's operational procedures are project-based deriving from the essence of the construction and require unique approach in every project.

The company's strategy in this field is to keep with the tri-vector of project delivery- always deliver on time, on budget and in the desired quality. So far, it has been able to deliver on time and in the desired quality, but with some variety in terms of budgeting. With a lot of unforeseen events it is still difficult to estimate well the expenses and as majority of the contracts are fixed-price, there is still room for improvement.

The weather in the country is getting increasingly mild over time, having weaker winters and warmer summers, which makes it easier for the construction companies to perform within the contracted time frame. Because of that the company has been able to deliver on time for all of its contracts, avoiding fines and repercussions.

3.4.8 Human Resources Management

One of the company's strong sides is its treat of its employees. Those who left the company in retirement, have their family continue working in it and there seems to be a good environment with satisfied people. Management knows people are its strongest asset, and rewards them well, teambuilding activities not falling behind.

Continuous education is applied and constant strive for perfection is present. Both management and the operative members of the company are improving in their area of expertise as the owners of the company promote education at every level.

3.4.9 Information Technology

The most important software the company uses is the budgeting software KROSplus, which provides for most of the company's operating administration. Cost management, budget estimation, management overview, invoices, cost center management is being run from it, and further applications are considered.

However, I would like to propose a change in the company's software as KROSplus is but a database with no complex usefulness, while there's a much similar option BIM-ready and fully implementable with the company's accounting and managerial application in form of the software Callida. This will be one of the strategy proposals, as it represents a BIM-ready solution to a construction company, offering a competitive advantage and a simplification of the company processes.

Other software that the company is using is the complete Microsoft Office suite, as a marginal help for all the contract preparation, statistics of the company and other managerial tools.

Everything the company has in terms of software is run on a private server in order to have a secure deposit for all the data. It is maintained and serviced by KINET s.r.o. which is a leading professional in the field.

Internal factor	Impact	Comment
Marketing is greatly undervalued	-	A competitive disadvantage
Quality is prioritized over price	+	Strong policy that attracts quality customers
No research currently in motion, nor planned	-	Risk of becoming obsolete
Work always on time	+	Great company advantage
Satisfied employees and good work environment	+	Employees are the most valuable asset
Insufficient software	-	Room for improvements

3.5 Summary of Internal Factors – IFAS table

Upon completion of the analysis of the internal environment, a summary is given concentrating the strengths and weaknesses to determine the responsiveness of the company to the internal factors. Four key factors were selected from both strengths and weaknesses and they were assigned significance for the company and company's responsiveness to given factor. Those combined then determine the current company's rating.

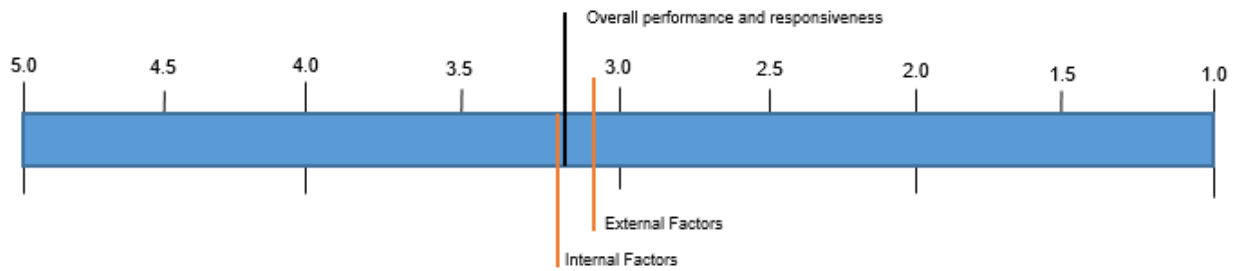
Internal Factors	Weight	Rating	Weighted Score	Comments
Strengths				
Skilled management	0.15	4	0.6	Competitive edge
Small company structure	0.1	3	0.3	Easier to manage, simple communication
Current and quick liquidity at a good level	0.1	3.5	0.35	Enough to pay debts
Satisfied employees and good work environment	0.15	4.5	0.675	Strong asset in employees
Weaknesses				
The profit/cost ratio is getting worse every year	0.1	3.5	0.35	Must improve in the future
Small company structure	0.1	2.5	0.25	Risk of a major loss in only one employee gone
Marketing is greatly undervalued	0.15	2	0.3	Room for improvements
No research currently in motion, nor planned	0.15	2.8	0.42	Room for improvements
Total score	1		3.245	

Table 9: Analysis of Internal Factors table for Andres a Vild s.r.o. Source: My own

3.6 Analysis of strategic Factors

Factors	Weight	Rating	Weighted Score	Short	mediate	Inter-	Long	Comments
Strengths								
Skilled management	0.15	4	0.6				X	Key to success
Satisfied employees and good work environment	0.15	4.5	0.675				X	Strong asset in employees
Weaknesses								
The profit/cost ratio is getting worse every year	0.1	3.5	0.35			X		Must improve in the future
Marketing is greatly undervalued	0.15	2	0.3	X				Room for improvements
Opportunities								
Clients likely to stay with contractor with strong goodwill	0.2	5	1	X				Strong goodwill
Concrete is the material of future	0.1	2.5	0.25			X		Excellent performance, top quality of work
Threats								
Less projects, increasing price of projects	0.15	1	0.15			X		Harder to obtain contracts, 10% success in contracting
Cutthroat competition in the industry	0.15	3.2	0.48	X				New technologies necessary
Total score	1		3.205					

Table 11: Analysis of Strategic Factors table for Andres a Vild s.r.o. Source: My own



The reason for the summary of strategic factors is to put the most important factors of all the SWOT analysis into one place and determine the responsiveness of the company globally for both internal and external environment. As Wheelen and Hunger say, an average company has the overall rating of 3.205, which positions Andres a Vild s.r.o. at a near above – average in the overall strategic rating.¹⁷

In light of the Strategic Analysis, it seems the company is rather slow in recuperating from the staggering period from 2011 until now. It will take time to recuperate but judging from the financial analysis and the Strengths and Opportunities, it is possible to prosper – if the company is aware of its weaknesses as well as the outside threats.

The proposed strategy should go according to the current company's status, as drastic changes might not pay off in the short term.

¹⁷ WHEELLEN, Thomas L a J HUNGER. *Concepts in strategic management and business policy: achieving sustainability*. 12th ed. Upper Saddle River, N.J.: Prentice Hall, c2010, xxiv,p5, 391 p., [22] p. ISBN 01-360-9735-9

3.7 Strategic proposal

In order to suggest a reasonable and fitting strategy in form of something real, it is important to summarize the type of the company. As Miles and Snow say, strategic type of the company is a company with specific structure, culture and processes within certain industry.¹⁸ There are four types of companies, Defenders, Prospectors, Analyzers and Reactors.

Completing the analysis, it becomes clear, Andres a Vild s.r.o. is a company style of a Defender, with a limited product line and focus on improving the efficiency of its own processes, which makes it unlikely to innovate in the next years.

In order not to change the company type and current behavior, a strategic proposal that goes hand in hand with the focus and wishes of the stakeholders will be carried out.

3.7.1 Company's own gas station for inner-company use

In order to cut down the unnecessary expenses, a proposal for a Defender-style company would be to incorporate a company-owned station.

As a company that owns exclusively Diesel fleet it would be less of an initial investment to buy a gas-station dispensing Diesel, not having to worry about keeping two resources available. Also a larger one-liquid tank is more efficient as there is less need for filling.

It is said that based on the current margin of the gas stations, between 1.5 – 2.5 CZK¹⁹ on every liter can be saved up, three propositions of possible scenarios will be presented; 1.5 CZK, 2 CZK, 2.5 CZK to show variation.

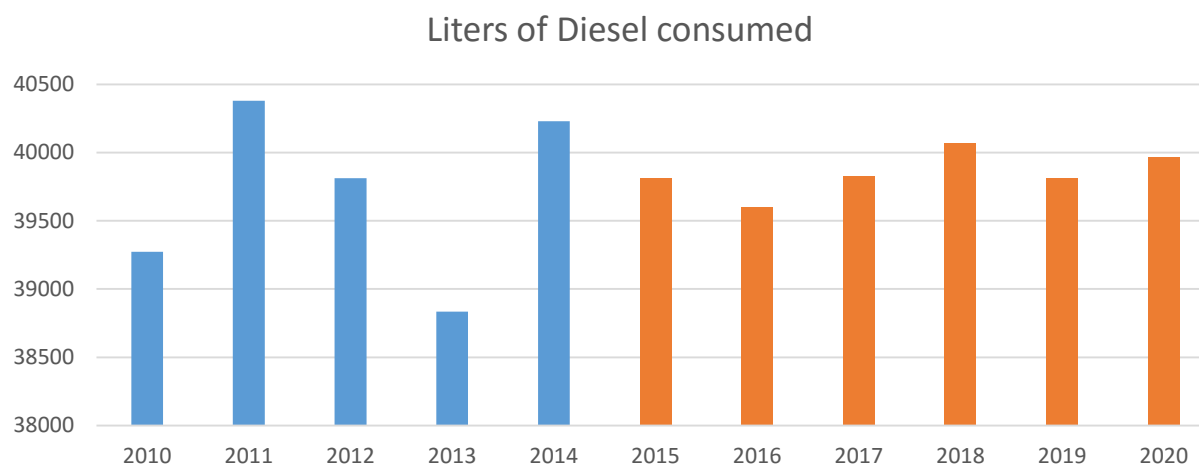
¹⁸ LAWLER, Edward E, Susan Albers MOHRMAN a Gerald E LEDFORD. Creating high performance organizations: practices and results of employee involvement and Total Quality Management in Fortune 1000 companies. 1st ed. San Francisco: Jossey-Bass, c1995, xxii, 186 p. ISBN 0787901717

¹⁹ Křepelka, Zodpovědný. 'Podniková Čerpací Stanice Vydělavá'. Zemedelec.cz. N.p., 2015. Web. 4 Dec. 2015.

Based on the price estimate from company AMP Chomutov in association with provider of fuel G7²⁰ located in Chomutov (that offered better price than its competition, or provided an estimate at all) a price of the inner company gas station would be 256 465 CZK. To this cost a cost of foundations and sewerage system, in order for the station to be environmentally friendly and fit in the necessary norms and laws, of 37 000 CZK as estimated from within the company for the footing, sewerage and path for vehicles to park in front. No further cost are taken into account as the company already has the necessary area for the station in form of the adjacent terrain it uses occasionally as a storage for unused material, mostly formwork.

For the purpose of this thesis, an estimate of the company's fuel consumption (based on what the company consumed in the last years) is prepared. Depending on the consumption of the company a size of the station tank will be selected from the estimation (in the enclosed document)

The consumption of fuel (annual) is represented in the following graph:

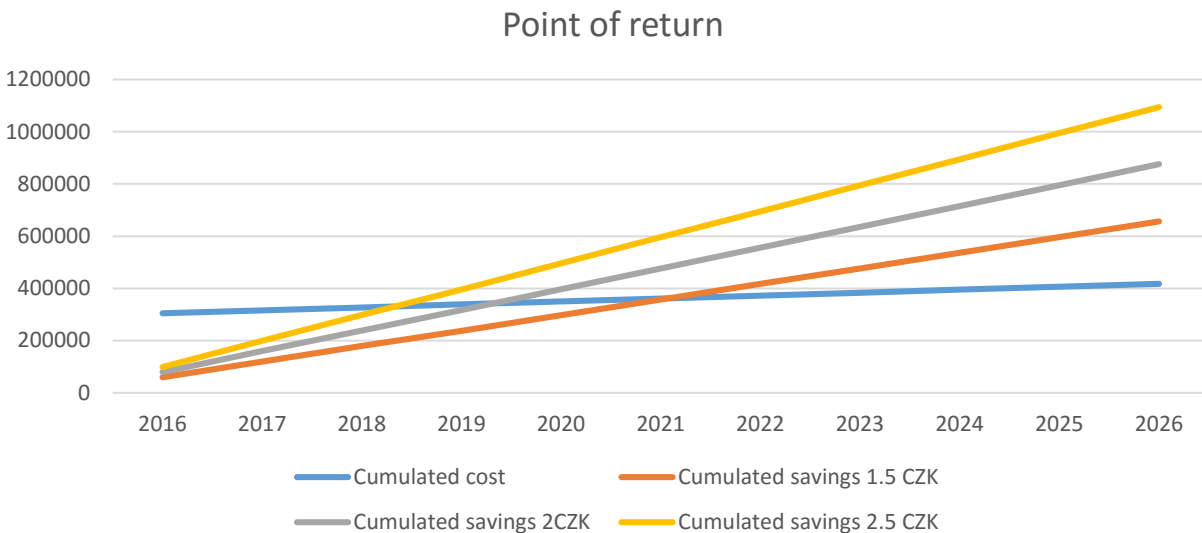


Graph 2: Company annual fuel consumption Source: Company's own.

²⁰ AW-Dev, v.o.s. 'Vnitropodnikové Čerpací Stanice | Společnost G7, A.S. Litvínov'. G7.cz. N.p., 2015. Web. 4 Dec. 2015.

The blue part being the data provided from the company and orange data being the forecast.

With the known Diesel consumption of the company, it is possible to make a proposal of point of return estimate on in how much time will the savings meet the costs:



Graph 3: Point of return on the proposed efficiency strategy.

As the data shows, depending on how optimistic the forecast may turn out to be, the project would recover from its original investment in 2.5 to 5 years of operation. The intermediate forecast, being recovered in 3 years is an acceptable proposition.

With this proposition the company is, also, preparing for the option of selling the final product, even though it requires more paperwork and permissions.

3.7.2 Hydro insulation

Second important part of the proposal is to acquire the technology necessary for insulation of leaking spots. Only in year 2014 the company constructed as many as 9 waste water treatment plants in the central Bohemia, in total price of 6 642 000 CZK. All of those waste water treatment plants were reportedly leaking, causing an ad hoc solution by an external company in total of 219 450 CZK.

With the new technology, trained personnel to do in situ injections of a AV PUR material, this unnecessary cost can be lowered to as much as 63 700 CZK, meaning a total of 59% of savings in the procurement phase of the projects of waste water treatment plants.

The proposal is to train an employee in the domestic technology of Anton Vorek s.r.o. and implementing it into the construction process to minimize the costs incurred on the company.

3.7.3 Marketing

Last but not least, it is necessary to emphasize the importance of marketing of a company that has a success rate in bidding of around 10%. With such a low rate of success, it is essential to promote the company by any means, hiring a professional company included.

With a professional help from a hired company, hopefully the public will have a broader understanding of what the company does.

3.8 Identification of the subjects – Basico Arquitectura s.a. de

C.V.

Basico arquitectura is an architectural studio included in a construction company. It specializes on middle scale projects with some variations to small and big scale. It is originally from the city of Querétaro and has resided there from the creation of the company in 2004.

In 2004, the company was founded by four architects, Rodrigo Covarrubias Proa, Carlos Alberto Camacho Méndez, Miguel Valiñas Otero and José Enríquez Pastrana. It first started as a subcontractor to other construction companies, but soon established itself in the state of Querétaro and counts with projects of high importance, including the tallest building in the city of Querétaro.

3.8.1 Scope of the company

Basico arquitectura, according to the national registry, focuses on these activities:

- Remodeling and restructuring buildings,
- transportation of material and structures,
- building civil, industrial, engineering structures,
- exterior and interior design.

3.8.2 Company's location

Since its foundation, the company has resided at the same address to the present day. The location of the very center of the city of Querétaro gives it sort of a competitive advantage as many clients find it easier to reach it.

The company doesn't only focus on the state of the Queretaro, it has made projects as far as Yucatán peninsula, thousands of kilometers away, although it usually involves architectural projects and subcontracting the construction elsewhere.

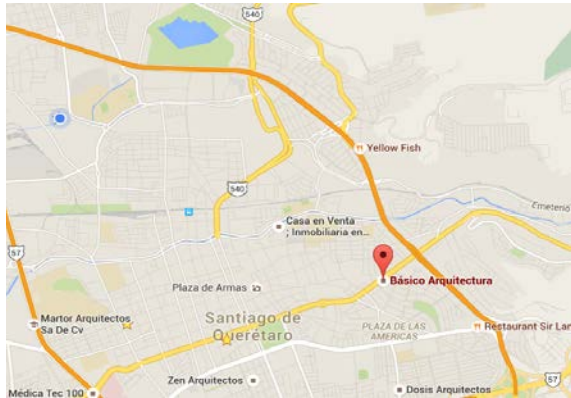


Figure 18: Location of *Basico arquitectura s.a. de c.v.* company. Source: www.maps.google.com (2015)



Figure 19: Orientation map for Querétaro. Source: www.teachmemexico.com (2015)

3.8.3 Capital structure

Basico arquitectura s.a. de c.v. means anonymous society of variable capital. Being that said, the company has no records of its capital structure. A glimpse of what the capital structure has looked like may be obtained from the financial reports, but due to the confidentiality it will not be used in this diploma thesis.

3.8.4 Owners

Identically to its Czech equivalent, the company is managed by its founders, Rodrigo Covarrubias Proa, Carlos Alberto Camacho Méndez, and Miguel Valiñas Otero, with the difference of parting ways with one of the original founders, José Enríquez Pastrana, due to different points of views.

3.8.5 Organizational structure

No member of the company is younger than 40 years which allows it to be much more unformal in its inner communication. The company is led by the three owners, supported by four other architects that distribute the work in between themselves by random order, depending on the current workload of each one.

Since there are not many people in the organization (there are 3 owners and 4 full time employees, with room for 1-2 interns each school semester), the organizational structure needs not to be very complicated.

The organizational structure looks like the following:

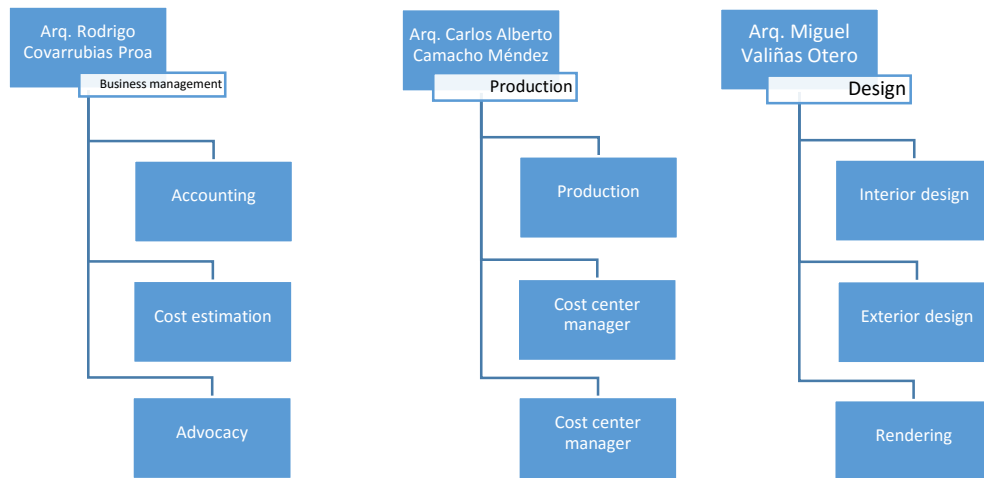


Figure 20: Organizational structure (source: my own)

3.8.6 Software

The company unifies the design and construction and its main tool to do so is SketchUp. First the design is made (mainly by one of the owners – Miguel Valiñas) and then assed to drawings to get the point through. AutoCAD is used for making the plans.

The company, however, doesn't use any other type of software to do its accounting, estimation, costing or planning. Microsoft Excel does all the work.

3.8.7 Strategic plan

At the point of creation, the company created its strategic plan, its mission, vision, and objectives.

A strategic plan was conceived for short and long term with the condition of revising it at the end of each term BA and redesigning it accordingly.

Parts of the plan, mission, vision etc. however, were never updated, the plan itself is vague and does not state clearly what the company stands for, what are the goals, what steps are being taken to achieve its goals, and not all the goals themselves are defined clearly in an achievable (clearly defined) way.

INMEDIATO

- Aplicar y ejecutar Plan de Negocios BÁSCIO.
- Generar Plan de Negocios BA-01.

CORTO PLAZO (6 meses):

- Construir fuertes cimientos para sustentar la empresa.
- Conseguir Recursos para Desarrollar BA-01.
- Finalizar Proyectos Contratados Satisfactoriamente.
- Mantener Sueldos por Socio en \$ 15,000.00 m.n. Mensuales.
- Bonos Semestrales iguales a Un Mes de Sueldo.
- Adentramos en el Sector de la Construcción, Comercialización y Venta.
- Capacitación de los Socios.

MEDIANO PLAZO (1 año):

- Proyección, Construcción, Comercialización y Venta de BA-01.
- Rentabilidad de 35 % de BA-01.
- Ganancias Brutas por 1.8 Mdp.
- Ganancias Netas por Socio de \$ 250,000.00 M.N.
- Bonos Semestrales iguales a Un Mes de Sueldo.
- Ganancia Neta para la Empresa por \$ 1'000,000.00 M.N.
- Inversión en Infraestructura. (Plotter, Sala de Juntas, Proyector, Computadoras.
- Contratación de Personal (Dibujante 3D, Dibujante 2D, Secretaria, Asistente Administrativo).
- Generar Plan de Negocios BA- 02.
- Capacitación de los Socios.
- Rediseñar Objetivos para el siguiente Año.

LARGO PLAZO (5 años):

- Contar con Recursos Propios Suficientes para Desarrollar Proyectos Inmobiliarios de Gran Nivel. Generar Plan de Negocios BA – 05.
- **básico arquitectura** y sus miembros con un alto Reconocimiento Regional y Nacional.
- **básico arquitectura** sinónimo de Alta Calidad Arquitectónica.
- Contratación de Personal Completa.
- Ganancias Netas mínimas por Socio de \$ 1'000,000.00 M.N. (Anual)
- Bonos Semestrales iguales a Un Mes de Sueldo.
- Ganancia Neta para la Empresa por \$ 5'000,000.00 M.N. (Anual)
- Consolidación de Plan de Negocios BÁSCIO 01.
- Rediseñar Plan de Negocios BÁSCIO 02.
- Socios con nivel de Maestría.

básico
arquitectura

Catavida de los Arcos No. 62 Int. 201 Col.
Carreteras, C.P. 76000
Santiago de Querétaro, Querétaro,
MÉXICO

Teléfono: 01 (442) 2-23-34-99
Fax: 01 (442) 2-23-34-99
jose.enriquez@basicoarquitectura.com
www.basicoarquitectura.com

Figure 21: Excerpt from the strategic plan of Basico Arquitectura s.a. de c.v.

3.8.8 Support from the government

There are currently a lot of offers for support from the government, as the government supports national businesses. Due to extensive bureaucracy, however, it is difficult to obtain any, nor is currently any support active regarding Basico arquitectura. With the change of the government and with possible simplifying of the paperwork there is much hope of change.

3.9 Strategic Audit of Basico Arquitectura s.a. de c.v. - External Environment

3.9.1 Natural Physical Environment

One of the biggest advantages of Mexico is that the weather is nearly constant throughout the whole year, with temperatures not exceeding 5° to 35° Celsius. This allows for construction all year long and no weather additives are necessary in the building materials. No care for the concrete in temperatures over 30° Celsius (as should be) is provided. Temperatures less than 10° Celsius happen only during the night, leaving the construction process unaffected.

In some cases, the weather may become extremely hot, interfering with the processes in the area, as no one can work. In the area of Queretaro, where most of the contracts of Basico Arquitectura are, this isn't common.

3.9.2 Social Environment

This part of the strategic analysis encompasses a sub analysis often referred to as PEST analysis. In the scope of SWOT analysis, it represents the opportunities and threats composed by Political-legal, Economic, Social and Technological environment of the company. In the below section, a PEST analysis will be carried out.

3.9.3 PEST Analysis

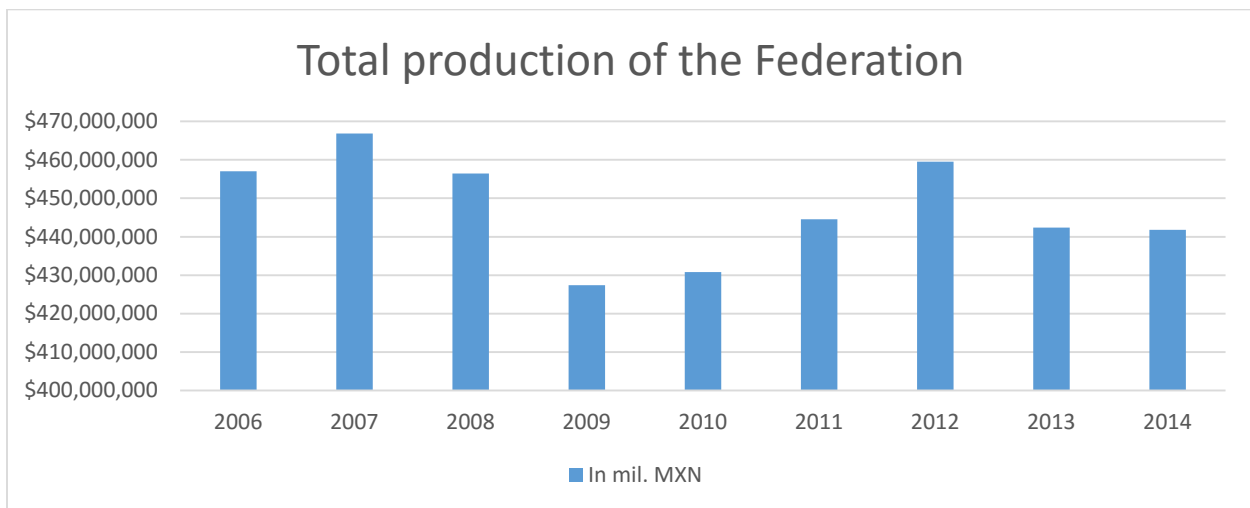
Political-Legal

The country is mostly infamous around the world for its corrupted infrastructure and unwillingness of the authorities to aid the economic. Though much has changed over the years, the core of the problem remains leaving public contracts exclusively in hands of big corporations and few powerful.

As of friendliness of the country, it doesn't rank significantly lower than the Czech Republic, being 38th in the world ranking according to the World Bank, improving from 42nd in the last year.²¹

Economic Factors

Against the public belief that Mexico didn't get hit by the economic recession, the numbers speak otherwise. In the construction sector, there is a drastic drop in the amount of the country production. But, much to the contrary of Europe, the industry picked up well, even with a stagger in 2013.



Graph 4: Total production of the Federation. Source: INEGI: Instituto Nacional de Estadística y Geografía [online]. [Cit. 2015-11-23]. Source: <http://www.inegi.org.mx/>

Sociocultural

On the contrary to the Czech Republic, there is a need for university educated people, as there are immensely more people with only elementary education. In some

²¹ World Bank [online]. [Cit. 2015-10-28]. Accessed from: http://data.worldbank.org/indicator/IC.BUS.EASE.XQ/countries?order=wbapi_data_value_2014+wbapi_data_value+wbapi_data_value-last&sort=asc

parts, outside of the cities, illiteracy still exists. Skilled professionals either in management and craftsmanship are necessary.

Another problem is that the skilled workforce is often underpaid and thus seeking opportunities abroad. A number of university educated personnel every year travels to the United States in search for a better job position.

In case of Querétaro, however, there is an interesting phenomena going on. With at least 8 families (roughly 10+ members per family) arriving to Querétaro every day in search of work, there is not such a demand for labor, the city is auto sufficient and it is a lot harder to find a job there than in other states. In the last two years the population of Querétaro has grown from 910 000 inhabitants to nearly 1 300 000 inhabitants, expanding 35% of its area in satellites and expanding the current city area.

Technological

There is a great variety in terms of technological processes and quality of work. Although large companies possess the technology able to compete on an international level, it is still more common to solve problems without the aid of new technology in construction. As the cost of workforce is minimal, it is more profitable to do almost everything by hand, machinery and high-end technology is used only in international level construction.

However, the planning phase of construction projects is usually done on a very good technological level, including BIM-ready tools, high technology visualization and efficient plan of work.

Environmental

There isn't much concern about the environment in the construction process. Even though there is much emphasis on the issue by the government and the non-profit organizations, the execution still falls behind.

There are no data about the City of Querétaro, but sufficiently close to the capital, the pollution doesn't vary significantly. Mexico City is the 37th most polluted city in the

world (With Prague being 201st)²². As the industry grows, more is to be expected with little restraints from the government.

3.9.4 Task Environment

Analysis of the task environment gives us the knowledge of what drives the industry competition, what are the forces that move the competition and what actions are necessary to stay competitive.

As well as in the first half of the practical part of the work, Porter's model of five forces will be carried out and the company's responsiveness to the given factors will be estimated.

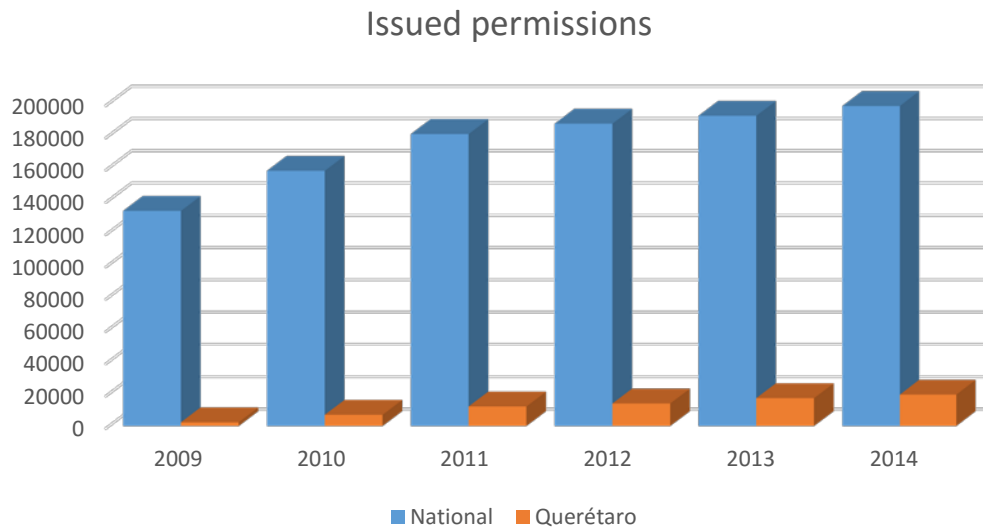
Threat of new entrants

Unfortunately for the companies in Mexico, the industry and market, especially in the state of Querétaro, is now booming. Massive amounts of people arrive to Querétaro every day in search of jobs and that creates an opportunity for new companies to emerge, with a lot of work emerging from the unsaturated market.

Furthermore, there is a good number of universities in the city, not regular for every city in the country, which allows for an inflow of educated personnel into the process of construction. Also, the building structures department of the University of Tec de Monterrey is reportedly the best in the country, concentrating good professionals in the city.

Another inconvenience is that the market runs on acquaintances, meaning that a person with good contacts is ahead of everyone in the industry, no matter the quality of work or price.

²² Numbeo: Pollution index mid 2015. *Numbeo* [online]. [Cit. 2015-11-29]. Source: <http://www.numbeo.com/pollution/rankings.jsp>



Graph 5: Issued permissions for construction. Source INEGI: Instituto Nacional de Estadística y Geografía [online]. [Cit. 2015-11-23]. Source: <http://www.inegi.org.mx/Sistemas/BIE/Default.aspx?Topic=0&idserPadre=10000440015502700210>

The company does have a well-established clientele, providing for a supply of work, but runs a risk of being overrun by the competition as more and more business focuses on Querétaro. Additionally, Mexico is improving in terms of setting up a new business, as was mentioned in the PEST analysis.

An unfortunate fact is that many people that would hire an Architect or a construction company often decide to do the work on their own hiring acquaintances to do the construction without the necessary permissions and contracts.

External factor	Impact	Comment
Considerably easy to enter the market	-	Getting worse as Querétaro is growing fast
Rapidly growing market, economy on the rise	+	Opportunity to grow

Many people decide to work with their own resources without license	-	Work otherwise done by a professional
Easy to start business with well-established connections	-	Additional threat not avoidable

Bargaining power of buyers

As well as in many countries, the bargaining power of buyers is strong. A phenomenon characteristic for Mexico is that no project is built the way it is designed - for all the changes that inevitably come during the construction itself. This leads to inefficiency in cost estimation, because no company can know the exact amount of material or exact shape of the work. Also, construction contracting is on a very low level (except for international contracts and large companies) so it is often hard to keep track of expenses or extra work (variation of work) as changes are done on-the-go and with no register.

One pleasant thing about the situation is that very little to almost no work is credited. That means for all the work the money is usually paid in advance, so the contractor is working with someone else's capital and doesn't burden himself with loans or doesn't construct. This reflects positively on the company equity as debt ratio is usually low.

On the other hand, it is a custom (in small to mid-size projects) that there is no deadline for the project. This leads to unpleasant misunderstandings as both parties of the contract have different points of view as to when the work should be finished.

It is also very advisable to run a background check on the partners whom one wants to enter the contract with. Since the differentiation of the population is very marked, it is not uncommon that contractors in large projects are involved in unlawful activity, and thus prone to solve the difference in opinions in a strange ways.

For many clients, however, as the house/building they're constructing represents a major expense, the price is often the most decisive factor in contracting a company.

External factor	Impact	Comment
Contractor gets usually paid in advance	+	Work is paid beforehand, leading to better cash flow and better equity
Buyers have good knowledge of the prices in the industry, capable of doing part of the work on their own	-	Unnecessary disputes over prices as everyone thinks he's the smartest
Contractor may be dangerous	-	Precaution strongly recommended
Many times price is the decisive factor	+	Can provide more than competitive prices
Buyers often don't respect the contract	-	Unpredictable environment

Threat of substitute products and services

On the contrary to the Czech equivalent, Basico Arquitectura does not specialize on a specific construction method, but does the design of the project as an added value. It is both an advantage and a disadvantage at the same time. It may offer to design the building in any way it needs to be, but at the moment of execution, certain designs may call for a specific method of work. Building with brick and mortar is still by far the most common, but concrete is beginning to prevail, as it is particularly useful in the areas where earthquakes are common.

It is normal for the construction that there are many specialized companies for many specialized types of construction, and that applies for the large companies as well, so basically any type of work would be done by a specialized subcontractor. This basically

eliminated the threat of using a substitute specialized company, as it couldn't do the rest of the work.

Offering a specialized high-tech type of construction only is preferable in large scale international projects, because of prestige. Cost of work is so low that it is never more profitable to automatize instead of doing by hand.

Also, as most of the projects are done "cost plus fee" and only a rough estimate is given at the moment of contracting, the method of construction is often selected after signing the contract to minimize the costs.

As of faithfulness of the buyers, Basico Arquitectura has constructed for the same client as many as 4 times, meaning the buyers will return if they are satisfied with the work. Needless to say, opposed to Andres a Vild s.r.o., it tends to press the prices to a minimum in order to get the contract.

External factor	Impact	Comment
Various steady clients returning after successful completion of work	+	Good quality of work and good prices
No specialization	-	If there is need for specialized work, may be outbid
Cost plus fee projects	+	Room for election of proper technology of construction that suits needs of the company
Prices are pushed as low as possible	-	Vulnerable projects in terms of money, in case of problems it is likely the project results in a loss

Bargaining power of suppliers

One thing typical for the country is that monopoly is apparently not a problem in most cases. The country has its own production of oil, which it as well exports, but in all the country PEMEX is the only company that sells gasoline. Cars run exclusively on gasoline, diesel is limited for trucks and buses, having special gas-stations. It is astonishing how little variety there is in terms of some areas of retail. Construction tools have only one brand – TRUPER, which supplies all of the construction. Small local brands or resellers are existent, but cannot compete with the large provider.

Construction material also has very little variety. Because of the distances in the country, concrete factories are very rare and most of the concrete is done on site. Cruz Azul and CEMEX are the only large providers, able to control the absolute majority of the market. Needless to say, preparation of the concrete at the construction site does not allow for high quality and transporting it in ready-mix trucks is often excessively expensive.

Result of the monopoly and the inability to reach for the material at long distances is usually a unified price that doesn't vary much with location and seller. AS sellers know that there is near to no chance of election, the prices can be set by a consensus between the providers.

For that reason, it is often desirable to leave the specialized parts of the construction in hands of someone who can get a quantity discount with the provider and using local workforce instead of using the company's own resources.

By definition of Porter, the supply group in Mexico is strong because it possesses the attributes described:

- Industry dominated by few companies,
- Product is unique (cement, construction tools),
- Products represent a high percentage of buyer's costs.

External factor	Impact	Comment
Monopoly in most areas	+	Prices do not vary significantly
Monopoly in most areas	-	Prices dictated by small group of suppliers
Nation-wide coverage	-	Hard for new participants to enter the market as big players are well established
Quality stays the same in every area	+	Single provider doesn't vary in terms of product specification and quality

Rivalry among competing Companies

Same as anywhere in the world, rivalry in the construction industry in Mexico is strong. It is of course a reason to continuous improvement of the services offered, technological know-how and improvement of the competitive edge, it is also a symbol of prestige.

There are some major construction companies like IR constructoras and variety of internationally famous architectural studios like JSa, but a direct competitors for Basico Arquitectura would be:

- NIPPO s.a de c.v.
- Anonymous LED s.a. de c.v.
- Martorell Arquitectos s.a. de c.v.
- O'Farril Arquitectos s.a. de c.v.

The selection includes a large company that specializes on similar type of projects as well as equal sized studios with activity in the same regions as Basico Arquitectura.

NIPPO s.a de c.v.

The largest Company from the selection, with projects of large scale, formed for execution of the Querétaro's hospital and continuing in the construction work. It subcontracted Basico Arquitectura on various occasions regarding the different stages of construction of the hospital (mostly in the planning phase).

Anonymous s.a. de c.v

Direct competitor to Basico Arquitectura in terms of its own size and the size of the projects. Shares part of the regular sub-contractors and some staff worked in Anonymous LED before settling in Basico Arquitectura. Since the division of the company upon separation the two owners into Anonymous s.a. de c.v. and LED s.a. de c.v. from Anonymous LED s.a. de c.v. the company struggles to get large scale projects.

Martorell Arquitectos s.a. de c.v.

A mid-sized studio with projects in central Mexico as well as Panama, because of the origins of the owners of the company. Focusing on residential buildings and self-sustainable construction. A direct competitor in terms of size of the company and projects.

O'Farril Arquitectos s.a. de c.v.

Company formed by university professors. Focuses on mid to large scale projects with prefabricated concrete structures. Has its headquarters in the city of Querétaro, but delivers all over Mexico to its clients.

3.9.5 Summary of External Factors – EFAS table

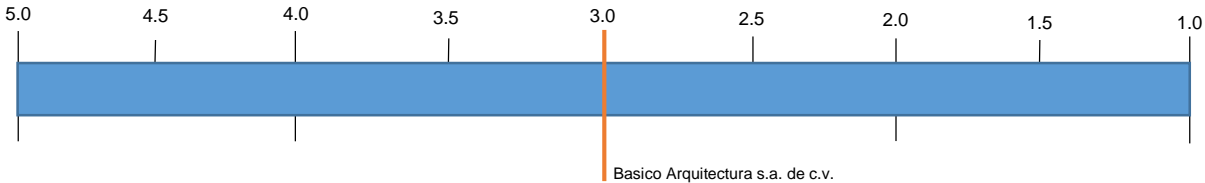
Upon completion of the analysis of the task environment, a summary is given concentrating the opportunities and threats to determine the responsiveness of the company to its external factors. Four key factors were selected from both threats and opportunities and they were assigned significance for the company and company's responsiveness to given factor. Those combined then determine the current company's rating.

External Factors	Weight	Rating	Weighted Score	Comments
Opportunities				
Rapidly growing market, economy on the rise	0.15	3	0.45	Opportunity to grow
Cost plus fee projects	0.1	3.5	0.35	Room for election of proper technology of construction that suits needs of the company
Contractor gets usually paid in advance	0.15	4	0.6	Work is paid beforehand, leading to better cash flow and better equity
Various steady clients returning after successful completion of work	0.05	5	0.25	Good quality of work and good prices
Threats				
No specialization	0.1	2.5	0.25	If there is need for specialized work, may be outbid
Considerably easy to enter the market	0.2	3.5	0.7	Getting worse as Querétaro is growing fast
Monopoly in most areas	0.1	1	0.1	Prices are dictated by few companies
Buyers often don't respect the contract	0.15	2	0.3	Unpredictable environment
	1		3	

Table 12: EFAS table for *Basico Arquitectura s.a. de c.v.* Source: My own

As usual, the company’s responsiveness is graded on scale 1 to 5; 1 meaning total unresponsiveness and 5 being completely and perfectly aware and responsive of the external environment.

A total score of 3 means the company is at the exact average in terms of external environment awareness. This is not a particularly good rating and a change of awareness is advisable.



3.10 Analysis of Stakeholders

Similarly to the content above, in this part, the analysis of Stakeholders will be carried out, in order to identify the ideas of key participants of the company's environment.

As the most important Stakeholders for Basico Arquitectura s.a. de c.v. were chosen the owners, its employees, buyers, competitors and the government. Since Basico Arquitectura has a simple enough structure, management are at the same time the owners of the company.

The aim of this part is to find the appropriate objectives of the stakeholders in the company's environment, like in case of the Czech company, to determine a strategic approach most aligned with the wishes and objectives of all the people involved in its processes.

In the tables below we find the answers to the following questions: What are the expectations from the company? What are the objectives of the stakeholder? What are his strengths of the stakeholder and what is the reason for that strength? The answers are summarized in the below tables:

Stakeholder	Expectations	Objectives	Strengths	Reasons
Owners	Earn enough money	Quality of work	Strong goodwill	Immortality in architecture
	Give work to employees	Quantity of work		
	Reputation	Contacts	Satisfied clients	
	Beautiful architecture			

Table 13: Owners - stakeholder. Source - my own.

Basico Arquitectura being held by the same people since its creation, they apparently care much about it. It seems it was created in pursuit of building a better place and the owners share the same ideals as to what construction should be performed, whether to build under environmentally friendly circumstances and not exploiting those who work for or with them.

Stakeholder	Expectations	Objectives	Strengths	Reasons
Employees	Maintain current job	Respected architect	Not expandable	Experience
	Better salary	Know-how	Skilled expert	Years in the company
	Social and health insurance	Salary		

Table 14: Employees - stakeholder. Source: My Own

For the standards in the country, employees in Basico Arquitectura are being held in high regard and standard. Their salaries are above average and they have a very friendly corporate culture.

Their expectations are appropriate for the context they are in and standards they are being held in. For good grounds and good support they seek improvement of their skills and forming a good part of the team, pushing the company further with their work, having the salary a good return for good work.

The company's structure prohibits them a promotion as they are second only to the owners, which creates a slightly disappointing panorama of stagnation.

Stakeholder	Expectations	Objectives	Strengths	Reasons
Buyers	Quality of work	Quality and time delivered	Finances	"Client is the boss"
	Low price	Price is right	Power of choice	
	Changes throughout the project			

Table 15: Buyers - stakeholder. Source: My Own

The most important part of the Stakeholder analysis is the buyer/customer. The company's survival depends on him entirely and without understanding his needs, the company can't expect to win any contracts.

Similarly in both countries, there is a pattern in the behavior of most small to mid-sized projects owners, as they often try to bend the points of a contract to their own will and hassle about just about everything.

The reason for this behavior may be that in this type of projects, the investment is often the greatest of the owner's life, and they treat every aspect of it personally. It can be said that judging from the returning customers at all the sizes of projects (from very small to large multimillion) Basico Arquitectura has a good idea of what the clients want and what it should be offering.

Stakeholder	Expectations	Objectives	Strengths	Reasons
Competitors	Overcome the company	Better contacts	Size	Rivalry
	Win market share		Better contacts	Respect
			Better prices	Personal reasons

Competitors see Basico Arquitectura as a healthy design and construction company that has enough contacts to have all sorts and sizes of projects. Throughout the years, the company has established itself as a strong player in the market, although not being the biggest, nor bigger than most.

Competitors expect a fair treatment, predictable behavior and strong partnership on projects they cooperate together. As the owners say: "There has been no problems regarding us cooperating with other companies and we expect to continue this trend, having no need for advocacy and such".

3.11 Internal Environment (Strengths and Weaknesses SWOT)

3.11.1 Current situation

Unfortunately for the purpose of this diploma thesis, the company did not provide the data necessary for the financial analysis due to security reasons so the financial analysis will not be carried out.

The company nevertheless is striving for better performance and is extending its offices to a prospective place in the center of the city of Querétaro, increasing the number of staff a part from the next year.

There seems to be apparent sign of struggle as work comes naturally, judging from my period of work in Basico Arquitectura, but a deeper financial analysis is necessary to draw any valid conclusions.

3.11.2 Top management

In the case of Basico Arquitectura the top management represents the same group as the owners. The roles in the top management are clearly defined, Rodrigo Covarrubias Proa is in charge of all the financial aspects of the company, construction and its exterior communication, represents the company on legal affairs (if all three owners are not needed) and is in charge of the accounting. Miguel Valiñas Otero is the head of the design part of the construction process. He overlooks all the design being made by Basico Arquitectura and approves it. Carlos Camacho Méndez is in charge of all the construction of the company and, even though not always at the construction site, all the employees report to him in case of need and solve all the technological problems with him.

The management of the company has an extensive knowledge of architecture and construction not only from Mexico, but from other countries as well; Carlos Camacho Méndez has studied and finished his master's degree in Sydney, Australia, having the know-how of how to design and build in foreign environment and Miguel Valiñas Otero is originally from Cataluña, Spain, where he gained his knowledge of design.

The top management has been always responsible for all the activity of the company, all of them having years of experience in the field. Although the company did make a strategic plan in the beginning of the company, it was more of a spiritual guide than an actual manual of how the company would be managed.

As for decisions made for the inside or for the outside of the company, the owners/management always concur on the final decision leaving the atmosphere in the company at a comfortable level, sometimes even involving the employees to take strategically important decisions.

There is always intention to make all the decision in an environmentally friendly manner, knowing that not only it is the right thing to do, but it also represents a competitive edge against the competition. The company does not, however, have any certification proving its environmental friendliness to the outside parties.

The relations between the owners and the employees are at a very good level, having excellent relationships between all the members of the company.

The management expresses a clear self-conscious concern about the future of the company, leaving no doubt it is in good hands of those who are capable of taking a good care of it in the future.

Internal factor	Impact	Comment
Internationally skilled and prepared management	+	Good position and readiness for foreign investors
Excellent relationships inside the company staff	+	Owners satisfied as well as employees
No environmental certification	-	Competitive disadvantage
Owners are managing the company	-	Sentiment may be involved, unlimited liability for the decisions made

3.11.3 Corporate Structure

Sufficient for a company of a small size like Basico Arquitectura, the organizational structure is very simple, each of the owners is in charge of a designated department (as stated above) and they delegate the work to the employee who is at the certain time available.

The company is organized on base of projects, which are assigned to the available person at the time. Owners make a decision and pass the responsibility to another. All understand the way of work and all are in favor of it. Even though the atmosphere is very friendly inside the firm, it is clearly understood what are the positions and responsibilities of all.

Apparently, most of the similarly sized companies have the same organizational structure, as it proves sufficiently agile in terms of communication and provide for a well-established chain of command.

Internal factor	Impact	Comment
Small company structure	+	Good communication in the company
No teambuilding	-	Can be bad in the future when the company is not composed of only young people

3.11.4 Corporate Culture

The corporate culture covers the attitude of all the members of the company regarding the aim and operation, shared beliefs, expectations and values.

The company's mission of delivering the best work possible of the highest quality is shared among all of the company members, and achieved by well-established method; as the work is passed down from the owners/managers to the employees, so is the responsibility. Entrusting a large amount of responsibility to a single person, leaving him in charge of the whole project leads to a higher self-esteem and above-average performance. Necessary to say, the employees of the company are young and ambitious.

There is, however, certain lack of team-building, as all the members are young, it is supposed there's no need for fortifying of the relationships.

Internal factor	Impact	Comment
Great amount of responsibility to the employees	+	Respect and auto-sufficiency of employees
Lack of teambuilding	-	Room for improvement

3.11.5 Corporate resources

Marketing

One of the features shared in between the two analyzed companies is that there seems to be a complete lack of marketing management. Both companies seem to have adopted the same strategy of having "Work well done as the best form of marketing", which may or may not be the best approach, but it certainly is the current one.

Neither management is quite sure about what would be the steps necessary for a defense against large companies in terms of defending current clients and seeking the new ones.

The understanding of the value of marketing is clear inside the company, but it is not embedded in any strategic plan, neither short, nor mid or long term. The objectives of the marketing strategy are unclear and no percentage of current budget is dedicated to it.

Majority of the work seeking in the company is done through references of the past or current clients, and having three owners in the company serves for triple the possible family recommendations, common in the country.

Marketing mix

Product

The company offers interior and exterior design as a standalone product as well as a part of the complete construction work, usually at a discount if contracted in the whole project. This is a particularly effective method, as preparing the project only takes man-hours and can be compensated by the fees in the actual construction.

Price

Opposed to its European equivalent, the company has much higher success rate. Statistics show that one in every 5 biddings is successful and some work must actually be declined as the company lacks the necessary personnel to carry out the work. However, the company usually offers a very low price in comparison to the competition, meaning it sometimes exaggerates and does not complete the work profitably.

Promotion

The company, as stated above, does not count with a promotion support from any professional company, nor has it a clear strategy regarding marketing. The one and only promotion is its work, which works rather well, judging from the amount of work the company has and counts with in the future.

3.11.6 Research and Development

For the time being, the company doesn't have any recurring research, nor has it had in the past. Its competitive advantage comes directly from the work done and the aesthetical outcome of the work.

As for development, the company has made its way from a garage project to a nationally known company with a unique style of designing residential construction.

3.11.7 Operations and logistics

The company is project-oriented and requires an individual approach to each project it works on. The difference between the two analyzed companies are that one company does only the core and shell work, while the other does all the construction process from the design to the completion of the work and deliverance of the as-built project plans.

The operations involved in the processes in the firm are rather simple. After finishing the plans and passing on to the construction phase, one is selected in charge of the work and is responsible for it until the end, with occasional check-ups from the owners.

There is a certain pattern of work in every project of the company – the stages are the same, but one steps out, as the company offers all the turn-key services, there is always a standstill after completing the construction work before delivering the whole work, as one of the owners has to go personally to select the furniture for the place, either contracting to fabricate it custom-made, or go through shops for the available items, when custom made is too expensive. I would like to focus on this aspect of the work in the proposition part of the thesis.

Even though the company builds outside the city of Querétaro, it owns only one vehicle capable of construction heavy-duty use. This makes it somehow difficult in terms of logistics, if there is need for the vehicle or any kind of transportation at the same time, nevertheless, as deadlines are not as important, it usually is no problem to switch to another day.

As of day to day logistics, there is enough support within the company as there is little specialization on specific aspects of work, everyone can do everything.

3.11.8 Human Resources Management

Same as in many companies, it is understood that employees are the true potential of the company. That is why they are being treated with respect and given a deal of

responsibility, to manage their own projects, even though they are relatively young (27-29 y/o)

In comparison to the other architectural studios the employees are paid very well and the environment supports the in the day to day endeavors.

The human resources management is completely in hands in the owners, so no particular department was created for such, but in the quantity of workers the company actually has, it is sufficient.

An interesting cultural difference between the country and Europe emerges, people are glad they can work for a company and have a steady job, they somehow don't mind the reality of not having any kind of insurance, social security and working at a very low salary, many times forcing them to live with their parents up to a high age.

3.11.9 Information Technology

The company is performing an excellent work without using any expensive commercial software, except Microsoft office tools. So far the majority of the work is done in SketchUp (which is a free software) and finances are maintained in Excel sheets.

There is, however, a significant drawback in this trend. As majority of the designing is done in the office without actually seeing any of the products meant to be in the building upon completion, it is difficult in later stage of the project to find fitting real products – most notable in furniture.

The company is not using any structure analyzing software as civil engineering is done externally and isn't thinking about any major step in the future. Neither does the company have any IT department, employees have to fix all that isn't working properly on their own.

Internal factor	Impact	Comment
Marketing is nonexistent	-	A competitive disadvantage
Price is most important, quality of the work can only be as good as the price permits	-	Competitive disadvantage
No research currently in motion, nor planned	-	Risk of becoming obsolete
Work always on time	+	Great company advantage
Satisfied employees and good work environment	+	Employees are the most valuable asset
Insufficient software	-	Competitive disadvantage, inefficient way of work

3.12 Summary of Internal Factors – IFAS table

Upon completion of the analysis of the internal environment, a summary is given concentrating the strengths and weaknesses to determine the responsiveness of the company to the internal factors. Key factors were selected from both strengths and weaknesses and they were assigned significance for the company and company's responsiveness to given factor. Those combined then determine the current company's rating.

Internal Factors	Weight	Rating	Weighted Score	Comments
Strengths				
Internationally skilled and prepared management	0.2	4	0.8	Good position and readiness for foreign investors
Excellent relationships inside the company staff	0.05	3.5	0.175	Owners satisfied as well as employees
Work always on time	0.15	4	0.6	Great company advantage
Satisfied employees and good work environment	0.05	5	0.25	Employees are the most valuable asset
Weaknesses				
Owners are managing the company	0.1	3	0.3	Sentiment may be involved, unlimited liability for the decisions made
Marketing is nonexistent	0.15	1.5	0.225	A competitive disadvantage
Price is most important, quality of the work can only be as good as the price permits	0.1	3.5	0.35	Competitive disadvantage
Insufficient software	0.2	2	0.4	Competitive disadvantage, inefficient way of work
Total score	1		3.1	

Table 16: Analysis of Internal Factors table for Basico Arquitectura s.a. de c.v.. Source: My own

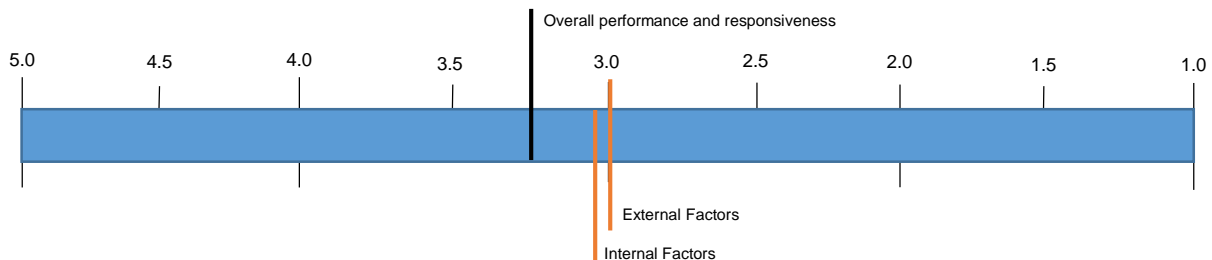
3.13 Analysis of strategic Factors

Factors	Weight	Rating	Weighted Score	Short	Inter-mediate	Long	Comments
Strengths							
Internationally skilled and prepared management	0.2	4	0.8			X	Good position and readiness for foreign investors
Work always on time	0.1	4	0.6			X	Great company advantage
Weaknesses							
Marketing is nonexistent	0.15	1.5	0.225			X	A competitive disadvantage
Insufficient software	0.2	2	0.4		X		Competitive disadvantage, inefficient way of work
Opportunities							
Rapidly growing market, economy on the rise	0.15	3	0.45		X		Opportunity to grow
Contractor gets usually paid in advance	0.15	4	0.6	X			Work is paid beforehand, leading to better cash flow and better equity
Threats							
Considerably easy to enter the market	0.15	3.5	0.7		X		Getting worse as Querétaro is growing fast
Buyers often don't respect the contract	0.1	2	0.3	X			Unpredictable environment
Total score	1		3.275				

Table 17: Analysis of Strategic Factors table for Basico Arquitectura s.a. de c.v.. Source: My own

The overall rating of 3,275 in the key factors of the internal and external factors combined determines the company to be above average in scanning and responding to the complete environment.

The company is aware of some of its weaknesses, but can take advantage of its strengths and of outside opportunities.



The result of this analysis determines the company to be a Reactor type; a company with lack of a consistent strategy-structure-culture relationship.²³ It had previously made a strategic plan to have objectives in the newly created business, but those resolutions are not kept, nor are clearly stated.

Lacking an overall objective and strategy may be a serious problem, so a proposal is made to change the company's strategy, in order to make it determined and competitive.

²³ WHEELLEN, Thomas L a J HUNGER. *Concepts in strategic management and business policy: achieving sustainability*. 12th ed. Upper Saddle River, N.J.: Prentice Hall, c2010, xxiv,p5, 391 p., [22] p. ISBN 01-360-9735-9

3.14 Strategic proposal

3.14.1 Leaving out furniture acquisition from project completion

After analyzing the database of Basico Arquitectura, it became apparent that there is an uneven amount of time spent on the different parts of the project. There are parts that take time and cannot be skipped like technological breaks or designing the project, but there are parts that, judging from a higher perspective, just take up time and offer little profit.

One of those activities is the selection of necessary furniture after completion of the construction, selecting the designed furniture from the computer model and transforming it into the real life furniture of a building (in case of the example, residential). The example given in the thesis shows, that in 8 weeks of searching for the right furniture and having it bought by the client (Basico Arquitectura having a percentage on the buy as a commission) Basico Arquitectura was only paid \$168 000, which represents 2.76% of the income for the work.

Leaving out the low-profitable work of searching for the furniture will make the work of the designer much more efficient and alleviate the load on the designer as it has to be only him searching for it, as he designed the house and understands the project best.

Another important point is that the head of the design in Basico Arquitectura is now parting jobs between the work in Basico Arquitectura and painting, meaning that alleviating him of some inefficient activities is essential for the company itself.

3.14.2 Incorporating BIM processes

A true strategic move for an architectural studio would be to stop running the processes on which the company is depending and start working really process based on all the projects.

A major problem for the work in Mexico is that nothing actually is done the way it is planned, as there are many changes and variations throughout the phases of the project. As the work is done, contract is signed, allowing for project to be completed. After the project is complete, it needs to be approved by the owner, if it is, construction may begin (if not, it has to be redesigned), the problem comes that with every change that occurs to the client, the company has to do the same set of processes – designing an alternative, estimating the cost of the variation, executing the variation and issue an invoice; process that every time incorporates 3 people, designer, budget analyst and the person in charge of the construction.

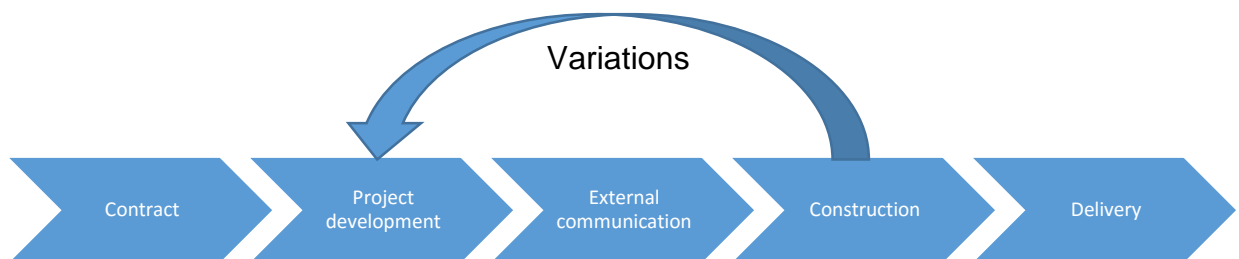


Figure 22: Project processes in Basico Arquitectura s.a. de c.v.

The solution to this would be BIM software like Autodesk Revit Architecture that would enclose all the previous stages up to the execution itself and take time of only one

person responsible for managing the project. Also, BIM software is much desired from the external civil engineering partners that already use BIM largely.

3.14.3 Marketing

Same case for both the companies, there is a dire need for marketing, in order to get hands on new interesting projects, to have an overall picture of where the industry, the company needs to advertise itself outside the actual construction site.

Professional help with marketing is as advisory as with the previous firm.

4 Summary

The diploma thesis conducts a strategic analysis of two small construction companies from different parts of the world. An insight is given to both Czech and Mexican construction industry, as well as the inside of the companies themselves.

In the first part a theory background is given about the strategy and its key factors, describing the processes behind the Strategic analysis.

The second part, the practical, is divided into two logical parts, following analyses of the two given companies, identifying the strengths and weaknesses of both and analyzing the environment they are in. Both companies are presented and identified within the given environment and analyzed deeply from the inside and from the outside. A synthesis of the observed data is given in form of strategic factors summary table.

Andres a Vild s.r.o. was determined to be a small construction company with a very good goodwill, operating in the Czech Republic, in a way a Defender type company operates, trying to maximize profits by minimizing the cost of its operations, making itself as efficient as possible. A proposal of a company owned gas station and a system of proper hydro insulation is made, in accordance to the company goals and those of the stakeholders.

In the following section of the practical part of the diploma thesis, a similar analysis of Basico Arquitectura s.a. de c.v. is given, analyzing both the internal and external environment in order to provide with an insight to the foreign industry, a different environment. The company is determined to be of a Reactor type and in accordance with that fact a proposition is made, to even the odds and make it more competitive in the given industry. A proposition of leaving out a part of its construction and design process – acquisition of the furniture is given in order to make the company more efficient and secondly incorporating BIM software into its operations is proposed as an option of being both competitive and efficient, as well as simplifying the work for those in charge of a living, changing project.

Both companies are advised not to underestimate marketing, as in today's modern world it is increasingly important to let others know about one with more than just the work done.

Although the two companies operate in a very different environments, in many ways they are very similar. Both companies have shown similar flaws regarding marketing, lack of a consistent strategy formulation, and a passive approach to changes and incentives in the market leave them struggling for better performance. Nevertheless with the work the companies are showing they are performing above average (even though a little bit above average) in the modern day market.

Bibliography

Literature:

- [1] LAWLER, Edward E, Susan Albers MOHRMAN a Gerald E LEDFORD. *Creating high performance organizations: practices and results of employee involvement and Total Quality Management in Fortune 1000 companies*. 1st ed. San Francisco: Jossey-Bass, c1995, xxii, 186 p. ISBN 0787901717.
- [2] KEŘKOVSKÝ, Miloslav a Oldřich VYKYPĚL. *Strategické řízení: teorie pro praxi*. 2. vyd. Praha: C.H. Beck, 2006, xiv, 206 s. C.H. Beck pro praxi. ISBN 8071794538.
- [3] PORTER, Michael E. *Competitive strategy: techniques for analyzing industries and competitors : with a new introduction*. 1st Free Press ed. New York: Free Press, 1998, xxviii, 396 p. ISBN 0684841487.
- [4] DAVID, Fred R. *Strategic management concepts: a competitive advantage approach*. 14th ed. Boston: Pearson, c2013, xiv, 386 p. ISBN 0132664232.
- [1] TOVSTIGA, George. *Strategy in practice: a practitioner's guide to strategic thinking*. 2nd ed. Hoboken: Wiley, 2013, xv, 270 p. ISBN 9781118519257.
- [5] PEARCE, John A a Richard B ROBINSON. *Strategic management: formulation, implementation, and control*. 12th ed. New York: McGraw-Hill/Irwin, c2011, 1 v. (various pagings). ISBN 00-781-3716-0.
- [6] WHEELLEN, Thomas L a J HUNGER. *Concepts in strategic management and business policy: achieving sustainability*. 12th ed. Upper Saddle River, N.J.: Prentice Hall, c2010, xxiv, 391 p., [22] p. ISBN 01-360-9735-9.
- [7] GAMBLE, John a Arthur A THOMPSON. *Essentials of strategic management: the quest for competitive advantage*. 3rd ed. New York, NY: McGraw-Hill/Irwin, c2013, xl, 519 p. ISBN 00-780-2928-7.
- [8] SPENDER, J. *Business strategy: managing uncertainty, opportunity, and enterprise*. 1st ed. Oxford: Oxford University Press, 2014, xxiv, 314 s. ISBN 978-0-19-968654-4.
- [9] AMBROSINI, Véronique, Mark JENKINS a Nardine COLLIER. *Advanced strategic management: a multi-perspective approach*. 2nd. ed. New York: Palgrave Macmillan, 2007, xx, 275 p. ISBN 978-140-3985-927.

Internet sources:

- [10] Numbeo: Pollution index mid 2015. Numbeo [online]. [Cit. 2015-11-29]. Dostupné z: <http://www.numbeo.com/pollution/rankings.jsp>
- [11] INEGI: Instituto Nacional de Estadística y Geografía [online]. [Cit. 2015-11-23]. Dostupné z: <http://www.inegi.org.mx/Sistemas/BIE/Default.aspx?Topic=0&idserPadre=10000440015502700210>
- [12] Stavebnictví - vývoj tržeb ve stavebnictví v ČR, 2015. Kurzy.cz [online]. 2015 [cit. 2015-11-06]. Dostupné z: <http://www.kurzy.cz/makroekonomika/stavebnictvi/A=8>
- [13] World Bank [online]. [cit. 2015-10-28]. Source: http://data.worldbank.org/indicator/IC.BUS.EASE.XQ/countries?order=wbapi_data_value_2014+wbapi_data_value+wbapi_data_value-last&sort=asc
- [14] Český statistický úřad [online]. [cit. 2015-10-28]. Source: <https://www.czso.cz/>

List of figures, graphs and tables

Figure 1: Parts of Strategic management. Source: WHEELLEN, Thomas L a J HUNGER. Concepts in strategic management and business policy: achieving sustainability. 12th ed. Upper Saddle River, N.J.: Prentice Hall, c2010, xxiv, p15, 391 p., [22] p. ISBN 01-360-9735-9.....	10
Figure 2: Location of Andres a Vild s.r.o. company. Source: www.maps.google.com (2015).....	16
Figure 3: Organizational structure (source: my own).....	17
Figure 4: Porters model of five forces Source: PORTER, Michael E. Competitive strategy: techniques for analyzing industries and competitors: with a new introduction. 1st Free Press ed. New York: Free Press, 1998, xxviii, 396 p. ISBN 0684841487	23
Figure 5: A & V s.r.o. Total profits. (Whole thousands/years) Source: My own.....	37
Figure 6: A & V s.r.o. Total Costs. (Whole thousands/years) Source: My own.....	38
Figure 7: A & V s.r.o. Sales. (Whole thousands/years) Source: My own.....	39
Figure 8: A & V s.r.o. Revenues from own products and services (Whole thousands/years) Source: My own.	39
Figure 9: A & V s.r.o. Added Value. (Whole thousands/years) Source: My own.	40
Figure 10: A & V s.r.o. Working capital. (Whole thousands/years) Source: My own.	41
Figure 11: A & V s.r.o. Current liquidity. Source: My own.....	41
Figure 12: A & V s.r.o. Quick liquidity. Source: My own.	42
Figure 13: A & V s.r.o. Debt ratio. Source: My own.....	42
Figure 14: A & V s.r.o. EBIT. (Whole thousands/years) Source: My own.....	43
Figure 15: A & V s.r.o. EBITDA. (Whole thousands/years) Source: My own.....	43
Figure 16: A & V s.r.o. ROA. Source: My own.....	44
Figure 17: A & V s.r.o. ROCE. Source: My own.	44
Figure 18: Location of Basico arquitectura s.a. de c.v. company. Source: www.maps.google.com (2015).....	61
Figure 19: Orientation map for Querétaro. Source: www.teachmemexico.com (2015) .	61
Figure 20: Organizational structure (source: my own).....	62
Figure 21: Excerpt from the strategic plan of Basico Arquitectura s.a. de c.v.	63

Figure 22: Project processes in Basico Arquitectura s.a. de c.v..... 93

Graph 1: Construction permissions issued while increasing the value of projects. Source: www.kurzy.cz/cnb/ekonomika/vseobecna-ekonomicka-statistika/zakazky-a-stavebni-povoleni/..... 24

Graph 2: Company annual fuel consumption Source: Company's own..... 57

Graph 3: Point of return on the proposed efficiency strategy. 58

Graph 4: Total production of the Federation. Source: INEGI: Instituto Nacional de Estadística y Geografía [online]. [Cit. 2015-11-23]. Source: <http://www.inegi.org.mx/> . 66

Graph 5: Issued permissions for construction. Source INEGI: Instituto Nacional de Estadística y Geografía [online]. [Cit. 2015-11-23]. Source: <http://www.inegi.org.mx/Sistemas/BIE/Default.aspx?Topic=0&idserPadre=10000440015502700210> 69

Table 1: Annual values of construction industry in region (Středočeský kraj) of prevailing activity of the company in Czech Republic. Source: [https://www.czso.cz/csu/czso/zak_cr\(2015\)](https://www.czso.cz/csu/czso/zak_cr(2015))..... 21

Table 2: EFAS table for Andres a Vild s.r.o. Source: My own 31

Table 3: Employees - stakeholder. Source: My Own..... 33

Table 4: Employees - stakeholder. Source: My Own..... 34

Table 5: Buyers - stakeholder. Source: My Own 34

Table 6: Competitors - stakeholder. Source: My Own 35

Table 7: Management - stakeholder. Source: My Own 35

Table 8: Financial indicators of Andres a Vild s.r.o. Source: My own Numbers in thousands of Czech Crowns if not stated otherwise..... 36

Table 9: Analysis of Internal Factors table for Andres a Vild s.r.o. Source: My own 53

Table 10: IFAS table for Andres a Vild s.r.o. Source: My own..... 53

Table 11: Analysis of Strategic Factors table for Andres a Vild s.r.o. Source: My own . 54

Table 12: EFAS table for Basico Arquitectura s.a. de c.v. Source: My own 76

Table 13: Owners - stakeholder. Source - my own. 78

Table 14: Employees - stakeholder. Source: My Own 79

Table 15: Buyers - stakeholder. Source: My Own 79

Table 16: Analysis of Internal Factors table for Basico Arquitectura s.a. de c.v.. Source:
My own..... 89

Table 17: Analysis of Strategic Factors table for Basico Arquitectura s.a. de c.v.. Source:
My own..... 90

Appendix

List of appendices:

1. Nabídka vnitropodnikové čerpací stanice s nadzemní nádrží
2. Balance sheet
3. Profit and loss statement
4. Exemplar project cash-flow

Nabídka vnitropodnikové čerpací stanice s nadzemní nádrží

Pořizovací cena vnitropodnikové čerpací stanice je závislá na více faktorech, především na požadovaném objemu nádrže a zvoleném způsobu výdeje, který může být s obsluhou, bez obsluhy či plně automatický. Ve většině případů stoupají nároky uživatelů s rostoucím počtem zaměstnanců a úměrně i s množstvím spotřebovaných pohonných hmot.

Dalším významným faktorem pro stanovení výše pořizovací ceny je rozhodování uživatele, zda si pořídit pouze nádrž či vybudovat kompletní malou vnitropodnikovou stanici. V případě využití pouze nadzemní nádrže musí být k dispozici pouze rovná plocha a přípojka el. energie. Pokud bude chtít uživatel tuto nádrž provozovat v souladu se zákonem o vodách, bude po něm odbor životního prostředí vyžadovat vodohospodářské zabezpečení výdejní plochy. V případě kompletní stanice je tato vybavena manipulační plochou odizolovanou proti průsakům do podloží, plocha je odvodněna do podzemní úkapové jímky a celá manipulační plocha je zastřešena. V obou případech platí povinnost vyžádat si od příslušného odboru životního prostředí **Vodoprávní souhlas** ve smyslu §17 odst.1 písm.b zákona č. **254/2001 Sb.** o vodách a **povolení k umístění středního zdroje znečištění ovzduší** podle § 17 odst. 1 písm. b zákona č. **86/2002 Sb.**

Již několik let spolupracujeme se společností AMP Chomutov, a.s., která se zabývá výrobou, instalací a servisem technologických celků čerpacích stanic. V příloze si dovoluujeme předložit Vám nabídku této společnosti na kompletní realizaci nadzemní vnitropodnikové čerpací stanice.

V případě zájmu o některou z nabízených variant jsme připraveni Vám pomoci se spolufinancováním a dodávkami pohonných hmot.

Nadzemní čerpací stanice

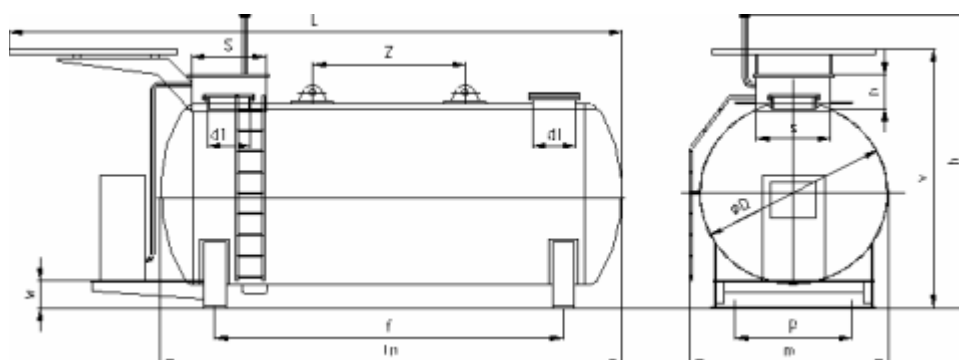
- Mobilní čerpací stanice (MČS) pro skladování a výdej pohonných hmot jsou vhodné jak pro neveřejný, tak i veřejný výdej PHM.
- Využití těchto čerpacích stanic je nejčastější v zemědělství, ve stavebních organizacích, dopravě, letectví atd.
- Mobilní čerpací stanice je navržena a vyrobena tak, aby splňovala nejpřísnější podmínky pro skladování a výdej PHM s ohledem na životní prostředí.

1. Cena nadzemní čerpací stanice

- Naše firma vyrábí a dodává mobilní čerpací stanice v různých velikostech (viz. tabulka).
- MČS mohou být dodány dle Vašeho přání pro skladování a výdej nafty, benzínů, minerálních olejů apod.
- Dále nabízíme možnost dělených nádrží na dvě nebo více komor.
- Stanici lze dodat jako komplet, případně lze zvolit pouze dodávku nutných komponent.
- Pro bezproblémový provoz MČS při dešti a sněžení a další stupeň zabezpečení ochrany životního prostředí nabízíme k čerpací stanici přestřešení výdejní plochy.

2. Základní technické informace

Objem (m ³)	Délka ln (mm)	Průměr D (mm)	Hmotnost cca (kg)	Průměr d1 (mm)	Rozměr m (mm)	Rozměr s (mm)	Rozměr n (mm)	Rozměr v (mm)	Rozměr L (mm)	Rozměr h (mm)	Rozměr z (mm)	Kotvení		Střeška	Žebřík
												f (mm)	p (mm)		
1	1 450	1 000	585	600	1 160	900	470	1 685	2 765	2 260		800	1 600	1 280	160
3	2 700	1 250	1 020	600	1 410	900	470	1 935	4 015	2 510		1 750	1 600	1 280	160
5	2 800	1 600	1 500	600	1 760	900	470	2 285	4 115	2 860		1 770	1 600	1 280	160
7	3 700	1 600	1 820	600	1 760	900	470	2 285	5 015	2 860		2 770	1 600	1 280	160
10	5 300	1 600	2 345	600	1 760	900	470	2 285	6 615	2 860		4 290	1 600	1 280	160
13	6 900	1 600	2 840	600	1 760	900	470	2 285	8 215	2 860	3 500	5 625	1 600	1 280	160
16	8 500	1 600	3 330	600	1 760	900	470	2 285	9 815	2 860	3 500	7 135	1 600	1 280	160
10	3 680	2 000	2 910	600	2 160	900	470	2 685	4 995	3 260		2 635	1 600	1 280	160
13	4 450	2 000	3 250	600	2 160	900	470	2 685	5 765	3 260		3 225	1 600	1 280	160
16	5 500	2 000	3 590	600	2 160	900	470	2 685	6 815	3 260	3 500	4 275	1 600	1 280	160
20	6 760	2 000	4 270	600	2 160	900	470	2 685	8 075	3 260	3 500	5 395	1 600	1 280	160
25	8 300	2 000	5 335	600	2 160	900	470	2 685	9 615	3 260	3 500	7 005	1 600	1 280	160
30	9 840	2 000	6 170	600	2 160	900	470	2 685	11 155	3 260	3 500	8 615	1 600	1 280	160
20	4 500	2 500	4 455	600	2 660	900	470	3 185	5 815	3 760		3 040	1 600	1 280	160
25	5 500	2 500	4 835	600	2 660	900	470	3 185	6 815	3 760	3 500	4 040	1 600	1 280	160
30	6 700	2 500	5 215	600	2 660	900	470	3 185	8 015	3 760	3 500	5 240	1 600	1 280	160
40	8 680	2 500	6 890	600	2 660	900	470	3 185	9 995	3 760	3 500	6 760	1 600	1 280	160
50	10 660	2 500	9 300	600	2 660	900	470	3 185	11 975	3 760	3 500	8 820	1 600	1 280	160
60	12 640	2 500	10 860	600	2 660	900	470	3 185	13 955	3 760	3 500	10 880	1 600	1 280	160



- Základem MČS je ocelová nadzemní skladovací nádrž dvouplášťové konstrukce, kde vnější plášť tvoří havarijní jímka.
- Těsnost obou plášťů je po vyrobení kontrolována pomocí přetlaku v meziprostoru a během provozu nádrže pomocí podtlaku.
- Nádrž je umístěna na dvou ocelových sedlech, která jsou kotvena do základových patek.
- Povrchová úprava nádrže je provedena syntetickým nátěrem.
- Příslušenství nádrže:
 - zastřešení výdejního stojanu
 - sada armatur
 - plamenojistka
 - indikace meziplášťového prostoru nádrže
 - měřící armatura s měřící tyčí
 - automatický systém ukončení plnění (nádrž lze plnit max. na 95% jmen. objemu)
 - ekovana s rámem pro uchycení stojanu s roštem
 - elektroinstalace včetně rozvaděče

- výdejní stojan od výrobců: TOKHEIM, ADAST, BENČ
- čerpadlo META 10 s výkonem 480l/min s plnicím potrubím DN 80 (100)

Objem nádrže	Průměr nádrže	Celková cena neveřejné MČS	Celková cena veřejné MČS
5000 l	1600 mm	239 665,80 Kč	304 125,80 Kč
7000 l	1600 mm	245 440,80 Kč	309 900,80 Kč
10 000 l	1600 mm	256 465,80 Kč	320 925,80 Kč
13 000 l	1600 mm	266 020,80 Kč	330 480,80 Kč
16 000 l	1600 mm	276 660,80 Kč	341 120,80 Kč
20 000 l	2000 mm	294 088,00 Kč	358 548,00 Kč
25 000 l	2000 mm	306 758,00 Kč	371 218,00 Kč
30 000 l	2000 mm	325 658,00 Kč	390 118,00 Kč
40 000 l	2500 mm	344 519,50 Kč	408 979,50 Kč
50 000 l	2500 mm	369 019,50 Kč	433 479,50 Kč
60 000 l	2500 mm	395 969,50 Kč	460 429,50 Kč

3. Cena přestřešení výdejní plochy

- Pro bezproblémový provoz MČS při dešti a sněžení a další stupeň zabezpečení ochrany životního prostředí nabízíme k čerpací stanici přestřešení výdejní plochy (není součástí standardního provedení MČS - to je vybaveno pouze střechou nad výdejním stojanem).
- Přístřešení lze kromě rozměrů uvedených v ceníku vyrobit přesně dle vaší specifikace (střecha by měla výdejní plochu přesahovat min. o 1,5 m na každé straně a její podjezdová výška pro nákladní automobily a autobusy by měla být 4,8m).
- Konstrukce přestřešení je provedena z válcovaných profilů pokrytých trapézovým plechem.
- Antikorozní ochrana ocelové konstrukce je zajištěna syntetickým nátěrem.

Varianta přestřešení	Rozměr přestřešení	Povrch (m ²)	Cena přestřešení v Kč
Přestřešení 1	7,4x5,4	40	139 660
Přestřešení 2	11x5,4	59	207 603
Přestřešení 3	7,4x7,2	53	186 214
Přestřešení 4	11x7,2	79	276 804

4. Cena atiky přestřešení

Přestřešení může být dodáno s atikou, která může být provedena také jako světelná:

- **světelná** – š. 750mm v jednobarevném provedení osvětlená zářivkovou trubicí ve dvou řadách (v ceně není zahrnut přívod el. proudu z rozvaděče na střeše)
- **nesvětelná** – š. 750 mm v jednobarevném provedení z hliníkového lakovaného plechu

Varianta přestřešení	Rozměr přestřešení	Cena světelné atiky v Kč	Cena nesvětelné atiky v Kč
Přestřešení 1	7,4x5,4	76 800	44 800
Přestřešení 2	11x5,4	98 400	57 400
Přestřešení 3	7,4x7,2	87 600	51 100
Přestřešení 4	11x7,2	109 200	63 700

5. Cena manipulační plochy

Varianta přestřešení	Rozměr manip. plochy	Povrch (m ²)	Cena manip. Plochy v Kč
Přestřešení 1	5,4x3,4	18,36	64 260
Přestřešení 2	9x3,4	30,6	107 100
Přestřešení 3	5,4x5,2	28,08	98 280
Přestřešení 4	9x5,2	46,8	163 800

6. Cena úkapové jímky včetně příslušenství

Cena úkapové jímky včetně příslušenství: 137 400 Kč

7. Cena betonových patek

- betonové patky včetně výkopů (nádrž, přestřešení): základní cena 148.500 Kč
- v cenové nabídce přestřešení je zahrnuto:
 - montáž přestřešení
 - přeprava materiálu na stavbu v okruhu 250 km od výrobního závodu v Chomutově
- elektro přívody:

- objednavatel zajistí přívod elek. energie 3 x 400/230V, 50Hz a zemní drát na místo určené dodavatelem, kde bude umístěn rozvaděč (součást dodávky) pro MČS
- všechny elektrické rozvody umístěné na MČS jsou v nevýbušném provedení, schválené státní zkušebnou

8. Dodací termíny záruky a servis

- naše firma je schopna dodat MČS dle rozsahu po podpisu smlouvy a zaplacení zálohy do 6 až 12 týdnů.
- záruka na MČS stanicí:
 - 5 let na nádrže
 - ostatní zařízení 2 roky (výdejní stojan, potrubní rozvody, elektrorozvody apod.)
- na MČS zajišťujeme záruční a pozáruční servis s 24 hodinovým zabezpečením po celé republice.

9. Příklady úspory na PHM

Z přiložené tabulky lze zjistit předběžnou úsporu z PHM na vlastní čerpací stanici. Úsporu na jeden litr nelze stanovit přesně a to z důvodu neustále se měnících jak nákupních cen od výrobců tak i prodejních cen na čerpacích stanicích. V tabulce je počítáno s běžnou minimální a střední marží na čerpacích stanicích.

úspora na 1 litr v Kč	1,50	2,00	2,50
Celková úspora v Kč			
5 000 litrů	7 500	10 000	12 500
10 000 litrů	15 000	20 000	25 000
15 000 litrů	22 500	30 000	37 500
20 000 litrů	30 000	40 000	50 000
25 000 litrů	37 500	50 000	62 500
30 000 litrů	45 000	60 000	75 000
35 000 litrů	52 500	70 000	87 500
40 000 litrů	60 000	80 000	100 000

Kontakt

Dodavatel technologie

AMP Chomutov Tel.: +420 474 651 734
 a.s. Pražská 720 Tel.: +420 474 652 791
 Chomutov 430 01 E-mail: amp@amp-cz.cz

Dodavatel pohonných hmot

G7, a.s. Tylova Tel.: +420 476 768 203
 541 Litvínov Fax: +420 476 768 235
 436 01 E-mail: info@g7.cz

Min. míně závazný výčet informací podle vyhlášky 500/2002 Sb.	ROZVAHA v plném rozsahu ke dni 31.12. 2013 (v celých tisících Kč)	Obchodní firma nebo jiný název účetní jednotky Andres a Vild S. r. o. Sídlo: Praha 1, Lhotá 60, občasné jednání a místo podnikání: 160 01 se 60 bytů Na Louce 96 Králov Dvůr PSČ 257 01		
<table border="1" style="margin: auto;"> <tr> <td style="width: 50px; text-align: center;">IČ</td> </tr> <tr> <td style="text-align: center;">41191862</td> </tr> </table>		IČ	41191862	
IČ				
41191862				

Označení a	AKTIVA b	číslo řádku c	Běžné účetní období			Min.úč.obd.
			Brutto 1	Korekce 2	Netto 3	Netto 4
	AKTIVA CELKEM [A.+B.+C.+D.]	001	44 168	-8 100	36 068	35 363
A.	Pohledávky za upsaný vlastní kapitál	002				
B.	Dlouhodobý majetek [B.I.+B.II.+B.III.]	003	14 137	-7 978	6 159	5 561
B. I.	Dlouhodobý nehmotný majetek [B.I.1. až B.I.8.]	004	75	-42	33	58
B. I. 1.	1. Zřizovací výdaje	005				
B. I. 2.	2. Nehmotné výsledky výzkumu a vývoje	006				
B. I. 3.	3. Software	007	75	-42	33	58
B. I. 4.	4. Ocenitelná práva	008				
B. I. 5.	5. Goodwill (+/-)	009				
B. I. 6.	6. Jiný dlouhodobý nehmotný majetek	010				
B. I. 7.	7. Nedokončený dlouhodobý nehmotný majetek	011				
B. I. 8.	8. Poskytnuté zálohy na dlouhod. nehmot. majetek	012				
B. II.	Dlouhodobý hmotný majetek [B.II.1. až B.II.9.]	013	14 062	-7 936	6 126	5 503
B. II. 1.	1. Pozemky	014	1 850		1 850	1 850
B. II. 2.	2. Stavby	015				
B. II. 3.	3. Samostatně movité věci a soubory movitých věcí	016	10 012	-7 930	2 082	1 459
B. II. 4.	4. Pěstební aktivity trvalých porostů	017				
B. II. 5.	5. Dospělá zvířata a jejich skupiny	018				
B. II. 6.	6. Jiný dlouhodobý hmotný majetek	019	6	-6		
B. II. 7.	7. Nedokončený dlouhodobý hmotný majetek	020	2 194		2 194	2 194
B. II. 8.	8. Poskytnuté zálohy na dlouhodobý hmotný maj.	021				
B. II. 9.	9. Ocenovací rozdíly k nabytému majetku (+/-)	022				
B. III.	Dlouhodobý finanční majetek [B.III.1. až B.III.7.]	023				
B. III. 1.	1. Podíly v ovládaných a řízených osobách	024				
B. III. 2.	2. Podíly v účetních jednotkách podstatným vlivem	025				
B. III. 3.	3. Ostatní dlouhodobé cenné papíry a podíly	026				
B. III. 4.	4. Půjčky a úvěry - ovládnutí a řízení osoba, podstatný vliv	027				
B. III. 5.	5. Jiný dlouhodobý finanční majetek	028				
B. III. 6.	6. Pořizovaný dlouhodobý finanční majetek	029				
B. III. 7.	7. Poskytnuté zálohy na dlouhodobý finanční maj.	030				

41191862

Označení a	AKTIVA b	číslo řádku c	Běžné účetní období			Min.úč.obd.
			Brutto 1	Korekce 2	Netto 3	Netto 4
C.	Oběžná aktiva [C.I.+ C.II.+ C.III.+ C.IV.]	031	29 893	-122	29 771	29 645
C. I.	Zásoby [ΣC.I.1.až C.I.6]	032	18 860		18 860	15 254
C. I.	1. Materiál	033	14 401		14 401	12 985
	2. Nedokončená výroba a polotovary	034	4 459		4 459	2 269
	3. Výrobky	035				
	4. Mladá a ostatní zvířata a jejich skupiny	036				
	5. Zboží	037				
	6. Poskytnuté zálohy na zásoby	038				
C. II.	Dlouhodobé pohledávky [ΣC.II.1.až C.II.8]	039				
C. II.	1. Pohledávky z obchodních vztahů	040				
	2. Pohledávky - ovládající a řídicí osoba	041				
	3. Pohledávky - podstatný vliv	042				
	4. Pohledávky za společníky, členy družstva a za účastníky sdružení	043				
	5. Dlouhodobé poskytnuté zálohy	044				
	6. Dohadné účty aktivní	045				
	7. Jiné pohledávky	046				
	8. Odložená daňová pohledávka	047				
C. III.	Krátkodobé pohledávky [ΣC.III.1.až C.III.9]	048	6 360	-122	6 238	14 179
C. III.	1. Pohledávky z obchodních vztahů	049	4 721	-122	4 599	13 598
	2. Pohledávky - ovládající a řídicí osoba	050				
	3. Pohledávky - podstatný vliv	051				
	4. Pohledávky za společníky, členy družstva a za účastníky sdružení	052				
	5. Sociální zabezpečení a zdravotní pojištění	053				
	6. Stát - daňové pohledávky	054	580		580	254
	7. Krátkodobé poskytnuté zálohy	055	1 022		1 022	284
	8. Dohadné účty aktivní	056				
	9. Jiné pohledávky	057	37		37	43
C. IV.	Krátkodobý finanční majetek [ΣC.IV.1.až C.IV.4]	058	4 673		4 673	212
C. IV.	1. Peníze	059	40		40	5
	2. Účty v bankách	060	4 633		4 633	207
	3. Krátkodobé cenné papíry a podíly	061				
	4. Pořizovaný krátkodobý finanční majetek	062				
D. I.	Časové rozlišení [ΣD.I.1.až D.I.3]	063	138		138	157
D. I.	1. Náklady příštích období	064	132		132	157
	2. Komplexní náklady příštích období	065				
	3. Příjmy příštích období	066	6		6	


41191862

Označení	PASIVA	číslo řádku	Stav v běžném účetním období	Stav v minulém účetním období
a	b	c	5	6
	PASIVA CELKEM [A. + B. + C.]	067	36 068	35 363
A.	Vlastní kapitál [A.I.+ A.II.+ A.III.+ A.IV.+ A.V.]	068	18 243	18 118
A. I.	Základní kapitál [ΣA.I.1až A.I.3.]	069	6 000	6 000
A. I. 1.	Základní kapitál	070	6 000	6 000
A. I. 2.	Vlastní akcie a vlastní obchodní podíly (-)	071		
A. I. 3.	Změny základního kapitálu	072		
A. II.	Kapitálové fondy [ΣA.II.1až A.II.5.]	073		
A. II. 1.	Emisní ážio	074		
A. II. 2.	Ostatní kapitálové fondy	075		
A. II. 3.	Oceňovací rozdíly z přecenění majet.a závazků	076		
A. II. 4.	Oceňovací rozdíly z přecenění při přeměnách	077		
A. II. 5.	Rozdíly z přeměn společnosti	078		
A. III.	Rezervní fondy, nedělitelný fond a ostatní fondy ze zisku [ΣA.III.1až A.III.2.]	079	1 200	1 200
A. III. 1.	Zákonný rezervní fond / Nedělitelný fond	080	1 200	1 200
A. III. 2.	Statutární a ostatní fondy	081		
A. IV.	Výsledek hospodaření min.let [ΣA.IV.1až A.IV.2.]	082	10 919	9 854
A. IV. 1.	Nerozdělený zisk minulých let	083	12 551	12 551
A. IV. 2.	Neuhrazená ztráta minulých let	084	-1 632	-2 697
A. V.	Výsledek hospodaření běžného účet.období (+/-) [řádek *** výkazu zisku a ztrát v plném rozsahu]	085	124	1 064
B.	Cizí zdroje [B.I.+ B.II.+ B.III.+ B.IV.]	086	17 715	16 611
B. I.	Rezervy [ΣB.I.1až B.I.4.]	087		
B. I. 1.	Rezervy podle zvláštních právních předpisů	088		
B. I. 2.	Rezerva na důchody a podobné závazky	089		
B. I. 3.	Rezerva na daň z příjmu	090		
B. I. 4.	Ostatní rezervy	091		
B. II.	Dlouhodobé závazky [ΣB.II.1až B.II.10.]	092		
B. II. 1.	Závazky z obchodních vztahů	093		
B. II. 2.	Závazky - ovládající a fiduci osoba	094		
B. II. 3.	Závazky - podstatný vliv	095		
B. II. 4.	Závazky ke společníkům, členům družstva a k účastníkům sdružení	096		
B. II. 5.	Dlouhodobé přijaté zálohy	097		
B. II. 6.	Vydané dluhopisy	098		
B. II. 7.	Dlouhodobé směnky k úhradě	099		
B. II. 8.	Dohadné účty pasivní	100		
B. II. 9.	Jiné závazky	101		
B. II. 10.	Odložený daňový závazek	102		

41191862

Označení	PASIVA	číslo řádku	Stav v běžném účetním období	Stav v minulém účetním období
a	b	c	5	6
B. III.	Krátkodobé závazky [ΣB.III.1 až B.III.11.]	103	9 664	10 212
B. III. 1.	Závazky z obchodních vztahů	104	4 283	5 345
2.	Závazky - ovládající a řídicí osoba	105		
3.	Závazky - podstatný vliv	106		
4.	Závazky ke společníkům, členům družstva a k účastníkům sdružení	107	3 789	4 381
5.	Závazky k zaměstnancům	108	164	149
6.	Závazky ze sociálního zabezpečení a zdravotního pojištění	109	113	103
7.	Stát - daňové závazky a dotace	110		1
8.	Krátkodobé přijaté zálohy	111		150
9.	Vydané dluhopisy	112		
10.	Dohadné účty pasivní	113		75
11.	Jiné závazky	114	1 315	8
B. IV.	Bankovní úvěry a výpomoci [ΣB.IV.1 až B.IV.3.]	115	8 051	6 399
B. IV. 1.	Bankovní úvěry dlouhodobé	116		
2.	Krátkodobé bankovní úvěry	117	8 051	6 399
3.	Krátkodobé finanční výpomoci	118		
C. I.	Časové rozlišení [ΣC.I.1 až C.I.2.]	119	110	634
C. I. 1.	Výdaje příštích období	120	110	634
2.	Výnosy příštích období	121		

Pozn.

Sestaveno dne: 25.3.2014	Podpisový záznam statutárního orgánu účetní jednotky nebo podpisový záznam fyzické osoby, která je účetní jednotkou 
Právní forma účetní jednotky s. r. o.	Předmět podnikání provádění inženýrských staveb

Minimálně závazný výčet informací podle vyhlášky č. 500/2002 Sb.

VÝKAZ ZISKU A ZTRÁTY
v plném rozsahu
(druhové členění)

ke dni **31.12. 2013**
(v celých tisících Kč)

IČ
41191862

Obchodní firma nebo jiný název účetní jednotky
Andres a Vild S. r. o.
Sídlo nebo bydliště účetní jednotky a místo podnikání (liši-li se od bydliště)
Na Louce 96
Králuv Dvůr
PSČ 267 01

Označení a	TEXT b	Číslo řádku c	Skutečnost v účetním období	
			běžném 1	minulém 2
I.	Tržby za prodej zboží	01		
A.	Náklady vynaložené na prodané zboží	02		
+	Obchodní marže [I. - A.]	03		
II.	Výkony [ΣII.1.až II.3.]	04	63 696	41 904
II. 1.	Tržby za prodej vlastních výrobků a služeb	05	61 507	42 847
2.	Změna stavu zásob vlastní činnosti	06	2 189	-943
3.	Aktivace	07		
B.	Výkonová spotřeba [B.1 + B.2.]	08	57 896	36 000
B. 1.	Spotřeba materiálu a energie	09	20 025	15 546
2.	Služby	10	37 871	20 454
+	Přidaná hodnota [I. - A. + II. - B.]	11	5 800	5 904
C.	Osobní náklady [Σ C.1 až C.4.]	12	3 593	3 476
C. 1.	Mzdové náklady	13	2 550	2 460
2.	Odměny členům orgánu společnosti a družstva	14		
3.	Náklady na sociální zabezpečení a zdravotní pojištění	15	1 043	1 016
4.	Sociální náklady	16		
D.	Daně a poplatky	17	46	73
E.	Odpisy dlouhodobého nehmotného a hmotného majetku	18	642	649
III.	Tržby z prodeje dlouhodobého majetku a materiálu [III.1. + III.2.]	19	58	36
III. 1.	Tržby z prodeje dlouhodobého majetku	20	58	36
2.	Tržby z prodeje materiálu	21		
F.	Zůstatková cena prodaného dlouhodobého majetku a mater. [F.1 + F.2.]	22		
F. 1.	Zůstatková cena prodaného dlouhodobého majetku	23		
2.	Prodaný materiál	24		
G.	Změna stavu rezerv a opravných položek v provozní oblasti a komplexních nákladů příštích období (+/-)	25	-2 500	-1 388
IV.	Ostatní provozní výnosy	26	341	5
H.	Ostatní provozní náklady	27	3 805	1 535
V.	Převod provozních výnosů	28		
I.	Převod provozních nákladů	29		
*	Provozní výsledek hospodaření (PVH) [(I. až V.) - (A. až I.)]	30	613	1 600

41191862

Označení a	TEXT b	Číslo řádku c	Skutečnost v účetním období	
			běžném 1	minulém 2
VI.	Tržby z prodeje cenných papírů a podílů	31		
J.	Prodané cenné papíry a podíly	32		
VII.	Výnosy z dlouhodobého finančního majetku [ΣVII.1 až VII.3]	33		
VII. 1.	Výnosy z podílů v ovládaných a řízených osobách a účetních jednotkách pod podstatným vlivem	34		
2.	Výnosy z ostatních dlouhodobých cenných papírů a podílů	35		
3.	Výnosy z ostatního dlouhodobého finančního majetku	36		
VIII.	Výnosy z krátkodobého finančního majetku	37		
K.	Náklady z finančního majetku	38		
IX.	Výnosy z přecenění cenných papírů a derivátů	39		
L.	Náklady z přecenění cenných papírů a derivátů	40		
M.	Změna stavu rezerv a opravných položek ve finanční oblasti (+/-)	41		
X.	Výnosové úroky	42	6	
N.	Nákladové úroky	43	394	472
XI.	Ostatní finanční výnosy	44		5
O.	Ostatní finanční náklady	45	101	69
XII.	Převod finančních výnosů	46		
P.	Převod finančních nákladů	47		
*	Finanční výsledek hospodaření (FVH) [(VI. až XII.) - (J. až P.)]	48	-489	-536
Q.	Daň z příjmu za běžnou činnost [Q.1+ Q.2]	49		
Q. 1.	- splatná	50		
2.	- odložená	51		
**	Výsledek hospodaření za běžnou činnost (VHBC) [*PVH+*FVH-Q.]	52	124	1 064
XIII.	Mimořádné výnosy	53		
R.	Mimořádné náklady	54		
S.	Daň z příjmu z mimořádné činnosti [S.1+ S.2]	55		
S. 1.	- splatná	56		
2.	- odložená	57		
*	Mimořádný výsledek hospodaření (MVH) [XIII. - (R. + S.)]	58		
T.	Převod podílu na výsledku hospodaření společníkům (+/-)	59		
***	Výsledek hospodaření za účetní období (+/-) [**VHBC+*MVH- T.]	60	124	1 064
****	Výsledek hospodaření před zdaněním (+/-) [*PVH+ *FVH + (XIII. - R.)]	61	124	1 064

Pozn.

Sestaveno dne: 25.3.2014	Podpisový záznam statutárního orgánu účetní jednotky nebo podpisový záznam fyzické osoby, která je účetní jednotkou ANDR NE 287 0 ICO: 41191862
Právní forma účetní jednotky s. r. o.	Předmět podnikání provádění inženýrských staveb

Estado de Cuenta

Proyecto: Casa Yolanda Nieto Privada Jurica

Fecha	Forma	Monto	Situación	Observaciones
26-08-11	Efectivo	\$12,500.00	PAGADO	Recibo 001 Proyecto
15-09-11	Efectivo	\$15,000.00	PAGADO	Recibo 002 Proyecto
28-11-11	Efectivo	\$13,750.00	PAGADO	Recibo 003 Proyecto
28-11-11	Efectivo	\$20,000.00	PAGADO	Recibo 003 Proyecto Estructural
28-11-11	Efectivo	\$6,200.00	PAGADO	Recibo 004 Pago Derechos
25-11-11	Efectivo	\$45,000.00	PAGADO	FALTA RECIBO 005 PAGADO POR
02-12-11	Efectivo	\$69,450.00	PAGADO	Pago Semana 01
09-12-11	Efectivo	\$159,000.00	PAGADO	Pago Semana 02
12-12-11	Efectivo	\$480,000.00	PAGADO	Pago Semana 03 a Semana 05
15-12-11	Cheque	\$73,750.00	PAGADO	Cheque No. 9532161
19-12-11	Cheque	\$16,400.00	PAGADO	Cheque No. 9532160
01-12-12	Efectivo	\$71,000.00	PAGADO	Pago Semana 07
19/1/2012	Efectivo	\$69,000.00	PAGADO	Pago Semana 08
21/1/2012	Efectivo	\$224,360.00	PAGADO	Pago Semana 08 Cheque No.
27-01-12	Efectivo	\$59,166.05	PAGADO	Pago Semana 09 Cheque No.
03-02-12	Efectivo	\$36,840.00	PAGADO	Pago Semana 10 Cheque No.
09-02-12	Efectiv/Cheque	\$73,654.00	PAGADO	Pago Semana 11 \$ 42,500.00
16-02-12	Efectiv/Cheque	\$90,155.15	PAGADO	Pago Semana 12 \$ 43,000.00
24-02-12	Efectiv/Cheque	\$32,350.00	PAGADO	Pago Semana 13 \$ 19500
02-03-12	Efectiv/Cheque	\$110,619.00	PAGADO	Pago Semana 14 \$ 19500 Cheque
09-03-12	Efectiv/Cheque	\$57,100.00	PAGADO	Pago Semana 15 \$ 19400 Cheque
10-03-12	Efectiv/Cheque	\$158,500.00	PAGADO	Pago Semana 16 \$42,000.00
23-03-12	Efectiv/Cheque	\$60,554.00	PAGADO	Pago Semana 17 \$51,000.00
30-03-12	Efectiv/Cheque	\$153,387.00	PAGADO	Pago Semana 18/19
13-04-12	Efectiv/Cheque	\$84,042.00	PAGADO	Pago Semana 20 \$38,500.00
20-04-12	Cheque	\$106,100.00	PAGADO	Pago Semana 21/22 \$15,000.00
04-05-12	Efectiv/Cheque	\$94,100.00	PAGADO	Pago Semana 23 \$10,830.00 Cheque
11-05-12	Efectiv/Cheque	\$104,081.00	PAGADO	Pago Semana 24
18-05-12	Efectiv/Cheque	\$72,077.00	PAGADO	Pago Semana 25 \$32,000.00 en
25-05-12	Efectiv/Cheque	\$133,600.00	PAGADO	Pago Semana 26 \$30,500.00 en
01-06-12	Efectiv/Cheque	\$61,260.00	PAGADO	Pago Semana 27
08-06-12	Efectiv/Cheque	\$101,550.00	PAGADO	Pago semana 28 \$75,000.00 en
11-06-12	Efectivo	\$50,000.00	PAGADO	Pago semana 29
22-06-12	Efectiv/Cheque	\$134,542.00	PAGADO	Pago semana 30
29-06-12	Efectiv/Cheque	\$139,253.00	PAGADO	Pago semana 31
06-07-12	Cheque	\$57,684.00	PAGADO	Pago semana 32 Cheque IXE No.
09-07-12	Efectiv/Cheque	\$185,455.00	PAGADO	Pago semana 33 Cheque IXE No.
20-07-12	Efectivo	\$142,000.00	PAGADO	Pago semana 34
27-07-12	Efectivo	\$25,000.00	PAGADO	Pago semana 35
02-08-12	Cheque	\$171,400.00	PAGADO	Pago semana 36 Cheque IXE No.
10-08-12	Efectivo	\$49,400.00	PAGADO	Pago semana 37
17-08-12	Efectiv/Cheque	\$144,900.00	PAGADO	Pago semana 38 Cheque IXE No.
18-08-12	Efectiv/Cheque	\$86,700.00	PAGADO	Pago semana 39
19-08-12	Efectiv/Cheque	\$39,300.00	PAGADO	Pago semana 40
07-09-12	Efectiv/Cheque	\$51,000.00	PAGADO	Pago semana 41
14-09-12	Efectiv/Cheque	\$356,828.00	PAGADO	Pago semana 42 Cheque IXE No.
21-09-12	Efectiv/Cheque	\$50,000.00	PAGADO	Pago semana 43

Project

Construction

struction

28-09-12	Efectiv/Cheque	\$185,303.00	PAGADO	Pago semana 44	Cons
29-09-12	Efectiv/Cheque	\$72,500.00	PAGADO	Pago semana 45 Cheque	
15-10-12	Cheque	\$151,600.00	PAGADO	Pago semana 46 Cheque	
16-10-12	Cheque	\$48,000.00	PAGADO	Pago semana 47 Cheque	
01-11-12	Cheque	\$131,000.00	PAGADO	Pago semana 48	
02-11-12	Cheque	\$52,000.00	PAGADO	Pago semana 49	
09-11-12	Cheque	\$37,175.00	PAGADO	Pago semana 50	
16-11-12	Cheque	\$45,500.00	PAGADO	Pago semana 51	
17-11-12	Cheque	\$50,000.00	PAGADO	Pago semana 52	
30-11-12	Cheque	\$147,300.00	PAGADO	Pago semana 53	
07-12-12	Efectivo/Tarj.Cr	\$73,231.16	PAGADO	Pago semana 54	
14-12-12	Efectivo	\$173,207.58	PAGADO	Pago semana 55	
21-12-12	Efectivo	\$147,761.77	PAGADO	Pago semana 56	
28-12-12	Efectivo/Tarj.Cr	\$66,932.09	PAGADO	Pago semana 57	
04-01-13			PAGADO	Pago semana 58	Furniture
11-01-13			PAGADO	Pago semana 59	
18-01-13			PAGADO	Pago semana 60	
25-01-13			PAGADO	Pago semana 61	
01-02-13			PAGADO	Pago semana 62	
08-02-13			PAGADO	Pago semana 63	
15-02-13			PAGADO	Pago semana 64	
22-02-13	Cheque	\$168,357.00	PAGADO	Pago semana 65	
TOTAL		\$6,097,874.80			
SALDO		\$187,882.97			
COSTO M2		\$8,296.43	OBRA NUEVA		