Modèle de Diagnostic Intégré Avancé ; Swot/Pestel, 7s Combinés

Advanced integrated diagnostic model; SWOT/ PESTEL, 7S combined

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Résumé

La capacité à mener à bien la stratégie d'une organisation dépend d'un certain nombre de facteurs. Il existe de nombreuses façons différentes que les gestionnaires utilisent pour mesurer la performance d'une organisation. Le modèle 7S de McKinsey et des outils tels que PESTLE, et l'analysis SWOT sont considérés comme les plus couramment utilisés par les professionnels. Dans cette étude, les chercheurs ont utilisé ces méthodes combinées pour examiner la performance de trois organisations internationales. Basé sur son efficacité dans divers domaines, SWOT est une méthode d'analyse utilisée pour évaluer les "forces", les "faiblesses", les "opportunités" et les "menaces" d'une entreprise ou d'une organisation. Tout d'abord, dans cette étude, l'analyse SWOT est expliquée, historiquement et théoriquement. Ainsi qu'une analyse des autres outils et de leurs limites. Enfin, pour surmonter les limites de cet outil stratégique d'entreprise, l'étude comprendra une suggestion pour un nouvel outil d'analyse stratégique basé sur SWOT ; croisé des 7S de McKinsey & PESTEL, pour permettre une analyse approfondie et plus précise.

Mots clés : Matrice S.W.O.T; Analyse P.E.S.T.E.L; McKinsey's 7S; Analyse stratégique; stratégie d'entreprise.

Abstract

The ability to carry out an organization's strategy in a successful way depends on a number of things. There are lots of different ways that managers use to measure the performance of an organization. The McKinsey 7s model and tools like PESTLE, SWOT Analysis, and many more are considered some of the most common ones professionals use. In this study, the researchers used these methods combined to examine how well three international organization was performing. Based on its effectiveness in various fields, SWOT is an analysis method used to assess the "strength", "weaknesses", "opportunities", and "threats" of a company or an organization. Firstly, in this study, the SWOT analysis is explained, historically and theoretically. along with an analysis of other tools and their limitations. Finally, to overcome the limitations of this business strategy tool, the study will include a suggestion for a new strategic analysis tool based on SWOT; crossed PESTEL & McKinsey's 7S, to enable a thorough and more specific analysis.

Keywords: S.W.O.T Matrix; P.E.S.T.E.L Analysis; McKinsey's 7S; Strategic analysis; corporate strategy.

Introduction:

Strategic planning is fundamental in the organization's management which is used to focus on priorities, and also enables the company in determining the main directions of its development (Siegel, 2008). Therefore SWOT analysis; one of the most used tools of strategic planning is essential for managers to evaluate their organization's internal and external environment in order to adopt the appropriate decision. The components of this framework are divided into two sections; "Strengths" & "Weaknesses" are categorized as internal factors, while "Opportunities" & "Threats" as external ones.

As a matter of fact, many scholars and practitioners have tried to enhance the SWOT analysis; namely the TOWS matrix of the author Weihrich by basing the choice of a firm's strategies on the identification of relationships existing between the four factors. However, as a framework, SWOT analysis is a simplified model, a fact that may benefit the firm, yet could lead it to misleading results (Pickton & Wright, 1998). Thus the necessity to enrich this analysis tool by combining it with other frameworks to compensate for its weaknesses (Vlados & Chatzinikolaou, 2019). Despite all the criticism; none of these researches, have focused specifically on **how to address the classification or precision issues in the matrix?** Consequently in this article, we suggest a combined SWOT model to try and overcome these gaps.

This article allows a better assessment of organizations and provides a better view of elements either internal or external influencing, positively or negatively, its development. The paper contributes in several ways, such as it is an enhancement of SWOT analysis, plus providing a track for future investigations.

First, we describe SWOT's history, its characteristics, and its own limitations. It also reviews some other strategic planning tools which clarify the possibility of the inclusion of other frameworks with the SWOT model. Lastly, the remaining section is dedicated to the presentation of a new conceptual model that beholds SWOT analysis in an expanded and reinforced way.

1. SWOT Analysis:

As stated by (Friesner, 2011), to credit the tool to Stanford University's Albert Humphrey, SWOT is founded by two Harvard Business School Policy Unit professors – George Albert Smith Jr. and C Roland Christiansen during the early 1950s. SWOT went on to be developed by the HBS during the 1960s until SWOT became the tool that we use today.

"*SWOT Analysis is a tool used for strategic planning and strategic management in organizations*"(Gürel, 2017). It is a tool that can be used to determine the organizational and the competitive strategy of an organization, which affects and gets affected by, not only, the internal environment but also an external one. In consequence, it is necessary to examine the organization and its environments in a SWOT method.

Figure N°1: SWOT Analysis
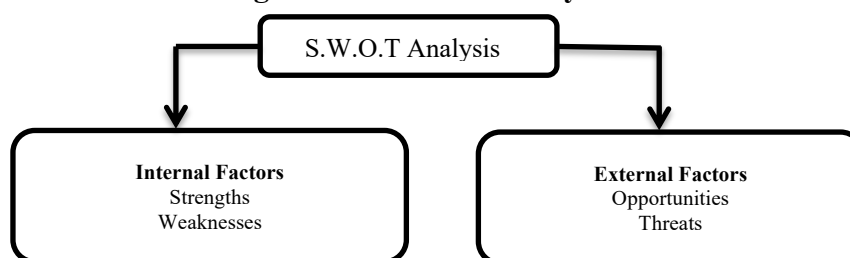
Source: Produced by the authors

The SWOT analysis is an essential tool for any marketing approach, particularly in the business development strategy phase. It can contribute to making the operational marketing decisions out of the strategic analysis. (Dufour, 2021)

This term is based on the analysis of the "strength", "weakness", "opportunities", and "threats". Additionally, it is called SWOT Matrix because we use it to size the resources and deficiencies, to eventually cross the internal elements of the project with the external characteristics of the environment in which it operates.

2. Components of SWOT Analysis:

Based on the determination of the organizational influences, which know as SWOT, an organization is able to identify internal and external performances. This leads to better future decisions to take upon the project.

On the one hand, the external phase consists of a study of the external environment of the enterprise (economic, social, cultural, demographic, environmental, political, and legal). This process allows the collection and the classification of the factor elements that are imposed upon the company. And which can benefit or harm the enterprise significantly (David, 2011). These external elements are "Opportunities" & "Threats".

Opportunities, according to (Gürel, 2017), are external elements in the environment that give benefits to the organization.

Threats are external elements in the environment that could cause issues for the organization

On the other hand, the internal phase is the process of analyzing the organization's controllable activities. Identifying and evaluating organizational strengths and weaknesses is

essential to implementing a strategic management activity. This enables the organization to benefit more efficiently from its internal strengths and eliminate internal weaknesses (David, 2011).

Strengths are characteristics that give an advantage to the business; over others in the industry.

Weaknesses are characteristics that represent a disadvantage or a risk for the organization relative to others.

According to (Leigh, 2010), SWOT is often arranged in a 2 by 2 matrix. Moreover; the matrix has to contain the internal enhancers or the strengths categories together with the internal inhibitors as weaknesses. In turn, external enhancer opportunities; across from the external inhibitors refers to as threats.

Table N°1: SWOT Matrix

Internal	Strengths	Weaknesses
External	Opportunities	Threats
	Enhancer	Inhibitor

Source: (Leigh, 2010)

The assessments of the internal and external factors; and the revelation of different interactions between them, are necessary to help the managers develop the organization's strategies.

In fact, "strong relations between strengths and opportunities can suggest good condition of the company and allow using aggressive strategy. On the other hand, strong interaction between weaknesses and threats could be analyzed as potential warning and advice for using defensive strategy." (Wahba, s. d.)

As pointed out by (Weihrich, 1982) companies overlook the promising results of combining these elements. Hence the proposed model is the TOWS matrix which stands for Threats, Opportunities, Weaknesses, and Strengths.

Table N°2: Process of corporate strategy and the TOWS analysis

Internal Factors / External Factors	Strengths	Weaknesses
Opportunities	SO	WO
Threats	ST	WT

Source: Weihrich, H., 1982

Furthermore, (David, 2011), cites that the Strengths-Weaknesses-Opportunities-Threats (SWOT) Matrix is an important matching tool that helps managers develop four types of strategies:

- SO (strengths-opportunities) Strategies: use a firm's internal strengths to take advantage of external opportunities.

- WO (weaknesses-opportunities) Strategies: aim at improving internal weaknesses by taking advantage of external opportunities.

- ST (strengths-threats) Strategies: use a firm's strengths to avoid or reduce the impact of external threats.

- WT (weaknesses-threats) Strategies: are defensive tactics directed at reducing internal weakness and avoiding external threats.

3. Application for SWOT analysis:

Since the SWOT analysis is considered a simple and useful way of sorting information, it has become one of the most widespread methods by managers on generating business strategies. The application of this analysis tool has extended to a wider range of fields; nowadays the use of SWOT analysis is no longer limited to one group of people. In fact, anyone who has an interest and is trained can perform a S.W.O.T. Analysis for the situation they are in as stated by (Foong, 2007). These fields were named by (Benzaghta et al., 2021) and have been divided into five major areas, namely general management, academic and education, marketing and social media, health and healthcare, and agriculture. Though; it has been clear in his reviewed literature that the practice of SWOT analysis is more common in areas such as healthcare and marketing, much more often than in agriculture.

According to him, SWOT analysis is applied in general management due to the competitive environment of the enterprise. It allows them to take advantage of any opportunity in order to optimize their performance. Besides, marketing and social media firms find themselves in a continuous competition that requires them to be updated about their business environment,

hence the use of strategic management to determine strengths, weaknesses, opportunities, and threats. Furthermore, SWOT is considered an effective tool due to its use in healthcare; because it helps improve performance and service quality; aiding healthcare professionals to contribute to the analysis of healthcare sector development. As for Education; numerous changes (technological, financial, and demographic) impacted the role of universities in the world today (Sharifi, 2012) thus, scholars have opted for this analysis tool to conduct strategic planning in an effort to solve the issues from the higher education sector. Last but not least, in the agricultural field, the process of a SWOT analysis of a farm allows the identification of strengths and opportunities areas with high expectations of success, conversely the identification of weaknesses and threats. The analysis indicates important strategies for developing agricultural policies to increase productivity in farming practices.

4. Strategic planning tools:

"The strategy is the choice, taking into account the competition and the future environment, of the areas in which the company will engage and the determination of the intensity and the nature of this commitment" (Ader, 1983). Organizations usually opt for strategy tools intending to create their strategies. These strategy tools could be frameworks, techniques, and methods that we will be presenting in the current chapter.

4.1. Ansoff Matrix:

"Igor Ansoff can fairly be described as the father of strategic management"(Hussey, 1998). Ansoff matrix was developed in 1957 with the aim to be applied in the analysis of products and markets, with the expectation to expand the market and develop new products. The matrix is composed of two rows and two columns. Representing markets (new and existing) and products (new and existing) respectively (Peralta & Viltard, 2015). It is a tool used by firms to analyze and plan their strategies for growth, which we find four of them explained by (Hussain et al., 2013):

- Market Penetration: This focuses on increasing sales of existing products to an existing market. This means mounting the organization's sales by promoting the product and repositioning the product.
- Product Development: Focuses on introducing new products to an existing market increases growth of the firm when there is a decline in existing products in current market segments.

- Market Development: This strategy focuses on entering a new market using existing products to enhance the firm's current level of income by marketing the existing product in a new market (newly targeted customers).

- Diversification: Focuses on entering a new market with the introduction of new products. It relates to entering into new unknown markets and selling different new products to a different new markets.

4.2. The BCG Matrix:

BCG matrix is a tool created by Boston Consulting Group in the 1960s and consists of two variables:

- The growth rate in the market: The growth rate of the market is measured using statistical data and makes it possible to assess the dynamism of the activity.

- Relative market share of the business unit or segment: It is calculated by the ratio between the market share of the company or its sales, on those of its most important competitor, or the average of all the competitors.

"Decisions on allocation of resources to a certain products' portfolio are based on the position of a 2 x 2 matrix. The position on this matrix would suggest generic strategies to follow"(Peralta & Viltard, 2015). Since its introduction; the matrix involves four key steps to help organizations select the strategic management required for the success of the business in an unpredictable market. (Reeves et al., 2020)

4.3. LCAG Strategy :

According to (Porter, 1983) LCAG, the initials of four names of four professors Learned, Christenses, Andrews, and Guth at Harvard Business School, was first introduced in 1965. It proposes a 5-step approach that assumes anticipation of strategic action which is only compatible with stable and predictable environments.

- Internal Analysis and diagnosis
- External analysis and diagnosis
- Consider possible actions or strategies
- Identify environmental and leadership values
- Make strategic choices and implement choices

Indeed, its purpose is to elaborate a strategy correspondent to the firm's environment which is based on the essential concept of a good adjustment between the internal strengths and the external opportunities.

4.4.   The Five Competitive Forces of Porter

Porter's analysis consists of the attractiveness of an industry it can help illustrate the sources of competition in a particular industry. It was published in 1979 in the Harvard Business Review (Isabelle et al., 2020). The five competitive forces are:

- The bargaining power of customers
- The bargaining power of suppliers
- The threat of substitute products
- The threat of new market entrants
- The intensity of competition between companies in their sectors of activity

Porter's 5 forces facilitate the recognition of the key factors of success, e.g. the strategic assets that are necessary to master to obtain a competitive advantage over the environment of the industry. Thus, according to (Kreutzer, 2019)the stronger these five factors are, the less the attractiveness of the industry.

4.5.   The ADL Matrix

In his paper (Žic et al., 2009) mentions that Arthur D. Little, Inc. (ADL), has developed a portfolio management technique that is dependent on the life cycle of the industry in the 1970s. It is a portfolio planning matrix based on 2 dimensions.

- Competitive position: the position of the company in its fields of activity
- Industry maturity: the position of these industries in their life cycle (Embryonic, Growth, Mature, and Aging)

The matrix helps the company to be identified in one of these domains, which enables it to figure out the activities that require a steady investment (the activities in the Embryonic & Growth stage) and the activities that have reached a stage of maturity or beginning to decline.

4.6.   PESTEL Framework

The acronym refers to the political, economic, social, technology, legal, and environmental factors, the tool is rottenly used by managers in order to help assess the macro-environment (external factors) of a firm; "which influence organizational decision-making process. The end result provides opportunity to assess threats and weaknesses that are vital and used in SWOT Analysis"(Okyere et al., 2020). PESTEL analysis is used for strategic planning, which allows managers to take into consideration macro-economic variables in the conceptualizing of the strategy regarding the business development. (Alanzi, 2018)

Management must analyze continually the company's macro-environment of opportunities and threats that may arise from one of the elements and be able to adapt to the environmental influences by choosing an appropriate strategy.

4.7. McKinsey's 7S Framework

This model was developed in the early 1980s with the help of Julien Philips and Anthony G. Athos by consultants named Tom Peters, and Robert Waterman, who worked for the consulting firm McKinsey and the Company (Kocaoğlu & Demir, 2019).

It is one of the most popular strategic planning tools used by academics and practitioners and focuses on high organizational performance. The goal of the model was to illustrate how the seven independent factors, which are classified as hard elements (strategy, structures, systems) and soft elements (management styles, Stuff, skills, shared values), could be used to achieve effectiveness (Alanzi, 2018; Ravanfar, 2015). This analysis framework allows identifying possible inconstancies among the factors that could threaten the company's performance in order to prevent them.

5. Applications of SWOT analysis:

In an attempt to better illustrate the application of SWOT analysis we are presenting a few companies who had in fact used data to analyze their business risk by focusing on these elements (strength, weakness, opportunities, and threats) and provided an assessment of their activity as a significant part of business planning. This information is generated from the official websites of the stated companies.

5.1. The Apple Company

Apple Inc. was founded on January the 1st, 1976 in Cupertino, California USA. It has multiple subsidiaries around the world; it specializes in the production and marketing of computers, tablets, smartphones as well as innovative software.

Table N°3: Apple SWOT Analysis Matrix

Strengths:	Weakness:
- High brand awareness - Top innovative products and proficient technology research - Mature and stable operating system	- High priced products & accessories - Market strategy is not flexible enough to adapt to local conditions. - Incompatibility with other software

Opportunities:	Threats:
- Services business segment - Smart wearable technology market increase - Self-Driving software technology	- Coronavirus epidemic outbreak - The trade war between China and America - Increasing competition with other Tech companies

Source: (Chen et al., 2021)

5.2. The Royal Air Maroc Company

The Royal Air Maroc Company is created in 1957 in Africa (*Histoire - Royal Air Maroc*, s. d.). The national airline company is a public limited company with a Board of Directors, governed by Law 17-95 relating to Public Limited Companies. Under the terms of Royal Decree No. 592-67, the State shareholder is represented on the Board of Directors of the company and has several seats corresponding to its shareholding (53.94%)(Conseil d'Administration - Royal Air Maroc, s. d.).

Table N°4: Royal Air Morocco SWOT Analysis Matrix

Strengths:	Weakness:
- Security and political/economic stability - Proximity to Europe - Price competitiveness - Variety of services offered: Seaside, Ecotourism, cultural, business...	- Weak air transport infrastructure - Unskilled human resources - Lack of advertising - Failure to respect the environment by hotel establishments
Opportunities:	**Threats:**
- Monuments and sites classified as World Heritage - E-commerce development - Open to foreign investors - Morocco is an increasingly visited country	- Terrorism / attacks - Pollution / Climate Change - Absence of a tourist culture - Competition from Turkey

Source : (BOUAYAD & LARHOUATI, 2019)

5.3. The IKEA Company

IKEA is a company of Swedish origin whose office is located in Delft in the Netherlands and was created in 1943 and specialized in the design and retail sale of furniture and decorative objects ready to install or to assemble in kit form (*Get to Know IKEA*, s. d.)

Table N°5: IKEA SWOT Analysis Matrix

Strengths:	Weaknesses:
- Reputed brand - Good quality product - Eco- friendly products - Unique and effective business model	- Huge workforce - Most of the products are for rich people - Expensive in some places - Space management
Opportunities:	Threats:
- Green products - New markets in Asia and Africa - Continuous product development - Continuous price reduction year by year	- Large competitors - Taxation related disputes in some countries - Most of the activities are concentrated in Sweden - The revelations in the book 'The Truth About Ikea'

Source: (Mohanty, 2012)

6. Limitations of the SWOT analysis:

Some scholars including (David, 2011), argued that although the SWOT analysis is one of the most used methods for strategic planning, some issues still occur during the process. First, SWOT does not allow the managers to gain an overall look; as an environment may not be revealed in a single matrix. As pointed out by (Aamoum & Gbaoui, 2020); the main criticism addressed to this approach is the failure to take into account the company's relations with its external environment. These relationships are essential for the definition of a good strategy for the firm.

Another limitation is that the matrix may overlook some important interrelations among the internal and external factors that may be important in developing strategies. Even though (Weihrich, 1982) enhanced it and SWOT became TOWS to match the environmental threats and opportunities with the company's weaknesses and especially its strengths, in order to identify relationships between these factors and base strategies on them.

According to others like (Gürel, 2017), "*SWOT analysis has a general perspective as an approach and present general solutions.*" He suggests that this analysis technique does not distinguish between qualitative and quantitative factors. Hence, it is not possible to prioritize the elements collected or even develop and solve different interactions in different dimensions. "*Categorization of variables into one of the four SWOT quadrants is challenging. The same factor can be fitted in two categories. A factor can be a strength and a*

weakness at the same time. In addition, strengths that are not maintained may become weaknesses. Opportunities not taken, but adopted by competitors, may become threats. The classification of a variable also depends on the purpose of the practice. For example, criteria to assign a variable to one of the four quadrants may be more difficult to clarify if the methodology is not used for a company but for a country." Therefore, it is the aim of this study to present a new analyzing model in an effort to help these weaknesses. Initially, this tool was founded to extract the possible reasons for a business strategy to fail. Indeed, SWOT analysis is based on a two-part diagnosis; of very different natures (external & internal diagnosis).

Therefore, the proposed matrix in this study is a complimentary strategic planning tool that is developed with a view to reinforcing SWOT analysis and allows the elements extracted from both internal and external environments to possess a better classification, visibility, clarity, and more importantly precision. The purpose of the infusion is to make the analysis more relevant to managers.

7. A conceptual model:

As pointed out above, it is widely common for companies to use this tool to identify their strengths and weaknesses, opportunities, and threats from the environment in which they exist. But what is overlooked is the lake of a specific perspective as an approach for strategic planning.

Today, managers dispose of a variety of matrixes showing more overlooked elements and the relationships among them. For instance, the PESTEL matrix, which essentially shows that it is part of an entire system, makes the companies see the whole broader economic and business environment which allows the strategic planners to extract all the important macroeconomic elements that might affect positively or negatively the business. Another useful framework for rather internal factors is McKinsey's 7S, this matrix consists of seven key internal elements: Strategy, Structure, Systems, Shared values, Style, and Staff and Skills; to align the organization and its objectives.

Strategic planning is planned by managers aiming to manage a business effectively within the modern business environment, improving the strategic performance including financial, customer, internal business, process, and learning and growth (Aziz A. Abdul Rahman, 2019). Besides, according to (Benzaghta et al., 2021) the incorporation of a SWOT analysis with other methods has provided accurate results in a wider range of contexts.

In fact, SWOT analysis is intercrossed by the PESTEL analysis, which is a tool used to identify the macro (external) elements facing an organization, in the external phase. Whereas, the McKinsey 7S model that represents a method for the internal environment; would be included in the internal phase can bring results that are more beneficial to businesses. Hence the Compound model SWOT/ PESTEL+7S described in this paper has a wider area including the perks of all the methods mentioned above.

Indeed this matrix does not replace any of the tools, but it is suggested as a model that facilitates the identification of the external variables with the internal ones of the organization's environment.

Figure N°2: SWOT / PESTEL + 7S
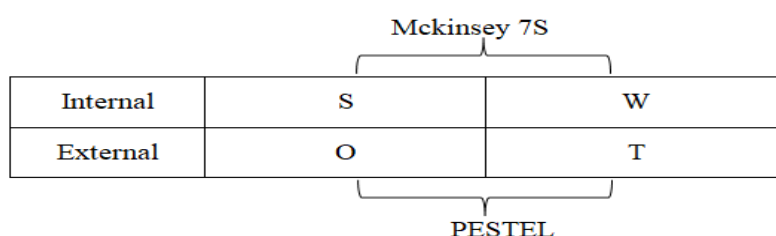
Source: Produced by the authors

7.1 The external environment:

Within the suggested matrix, the analysis begins with collecting elements from the macro-environment of the firm using the PESTEL framework, afterward categorizing the factors into opportunities and threats.

7.1.1. Political:

The political aspect of the tool indicates the political analysis of the country in which a firm is operating along with national policy areas that may have a significant impact on a company's strategy, for instance:

• A potential change of government

• Unstable government

• Transparency and control of corruption

• Doing business

	Opportunities	Threats
Political		

7.1.2. Economic

The economic factor is the aspect that has a direct impact on the business. This actively demonstrates that the common indicators of economic performance used in a sector are:

- Inflation rates
- Exchange rates
- Economic growth international economy
- Local and International economy
- GDP/ consumer purchasing power

	Opportunities	Threats
Economic		

7.1.3. Social:

Social factors refer to demographic factors which dictate consumer attitudes and tastes, they are elements that may influence, not only a firm's strategy regarding its clients but also business methods developed to satisfy different generations (Gen Z, Gen Y/millennial, generation X, and baby boomers).

- Population growth rates
- Consumer purchasing behavior
- Influencers
- Cultural, racial, ethnic, and religious influence
- Population age/ Lifestyle

	Opportunities	Threats
Social		

7.1.4. Technological:

In the matter of the technological element it includes the rapid pace of technological change and Research & Development activities, which influence business decisions as technology is nowadays become essential in every industrial sector, some of the important components of the technological aspect are:

- New material (machinery/ software)
- Artificial Intelligence (AI)
- New distributing channels (e.g. internet)
- Smartphones

- Location-based searching

	Opportunities	**T**hreats
Technological		

7.1.5. Environmental

In regards to the environment element "factors determined by the surrounding natural environment"(Nurmi & Niemelä, 2018). They have become important since they are related to the surrounding environment, e.g. increase in natural disasters, climate changes, and others along with their impact on the business and future planning. These environmental elements are reflected on:

- Pollution target requirements

- Ethical companies

- Sustainability

- Climate change

- Geographical position

	Opportunities	**T**hreats
Environmental		

7.1.6. Legal*:*

The legal aspect of the framework relates to regulations that affect the business environment and market. These factors are laws directly connected to a business and area of activity.

- Equal opportunities

- Consumer rights/ laws

- Product safety

- Trading regulation

- Privacy and discrimination laws

	Opportunities	**T**hreats
Legal		

7.2 The internal environment:

The firm's internal environment is analyzed for its strengths and weaknesses and then listed in the perspective of the 7S of Mckinsey (Staff, system, structure, strategy, skill, style, shared value) each one of the seven components are being presented in a matrix in regards to reckoning its strengths and its weaknesses.

7.2.1. Strategy

In the framework strategy is basically the set of actions that the company plans to sustain a competitive advantage and compete in the market. Therefore, a strategy must be aligned with the company's:

- Vision and mission
- Goal/ objective
- Strategic plans

7.2.2. Structure

As known as "organizational structure"; it involves the formal relationship among various positions and activities which can be presented also as the organizational chart of the firm. According to (Alshaher, 2013).

- Centralization
- Specialization
- Standardization
- Formalization

7.2.3. Systems

By systems, McKinsey and Company mean the procedures, formal and informal, which make the organization work (Sammut-Bonnici & Galea, 2015) which means rules, regulations, and procedures that are employed to conduct the business activities. Indeed as stated by (Baishya, 2015) for assessing this dimension, the following factors are often used:

- Production
- Planning & control
- Technology
- Capital budgeting

7.2.4. Style

Style is a factor that is the management that is dominant in a company. As well as organizational culture; meaning the values, beliefs, and norms practiced in the organizational life (Alshaher, 2013). The author argues furthermore that we can extract the following factors in order to evaluate the component:

- Organizational culture
- Leadership/decision making

- Communication

7.2.5. Staff

As a matter of fact, we can refer to the staff as the human resource management (HR). This does not only include employees, but also their development, training, and maintenance. Therefore this action demonstrates that to explore this factor we need to understand some of its own elements:

- Workforce size

- Hiring policy

- Employee benefits/rewards

- Training and development

7.2.6. Skills

Based on the paper (Ravanfar, 2015) skills are the abilities that a firm's employees perform very well.

This essentially refers to the competencies of employees to ensure that an organization achieves its goals. This factor includes:

- Management skills

- Staff skills

- Training or skills development

7.2.7. Shared values

Mckinsey consultants consider shared values as the core of the framework given that all the above factors revolve around it; the term means the values, beliefs, and aspirations forming the corporate culture. These are usually mentioned in the internal guidelines of the company and may contain:

- Norms & behaviors

- Guiding concept

- Fundamental ideas / beliefs

- Values & aspiration

8. Process of the composed model

The process involved in exploring the company's external and internal environment involves 4 main steps as demonstrated in (figure 8)

Essentially step 1: consists of the specification of the present and future factors in the external environment of a company which means all political, economic, social, and technological elements.

Step 2: identify the factors in the firm's internal environment according to the seven factors of Mckinsey; strategy, structure, system, style, staff, skills, and shared values.

Step 3: necessitates the categorization of each factor of the PESTEL framework into opportunities & threats, the internal factors of Mckinsey's 7S into strengths & weaknesses.

Step 4: development of a suitable strategic action to correct or forecast negative impacts, plus reinforce positive ones.

Figure N°3: Process and stages of the model
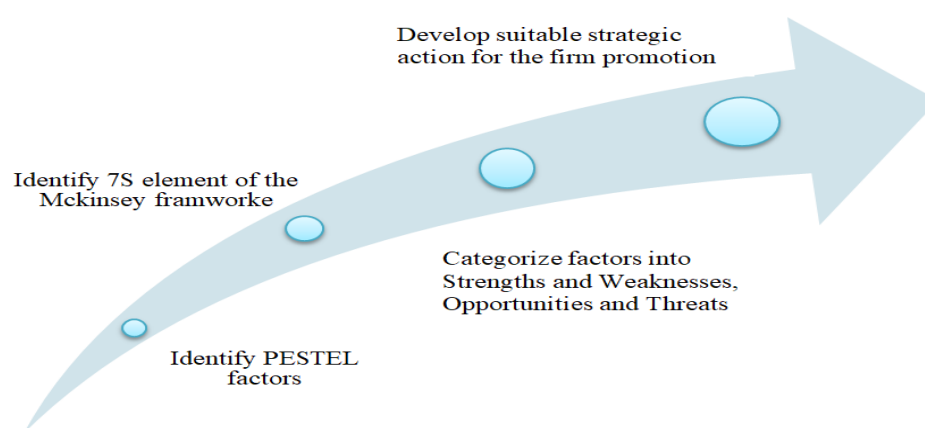
Source: Produced by the authors

8.1 The application of the model:

In the view of better comprehension of the suggested matrix, the previous examples of SWOT analysis in three companies (Apple Inc., Royal Air Morocco, and IKEA) will be projected on the composed matrix model.

8.1.1. Apple Inc:

	Mckinsey 7S	**Strengths**	**Weaknesses**
Internal environment	Structure	*To find*	*To find*
	Strategy	- High brand awareness	- Market strategy is not flexible enough to adapt to local conditions - High priced products & accessories

	System	- Top innovative products and proficient technology research - Mature and stable operating system	- Incompatibility with other software
	Skills	*To find*	*To find*
	Style	*To find*	*To find*
	Staff	*To find*	*To find*
	Shared value	*To find*	*To find*
External environment	**PESTEL**	**Opportunities**	**Threats**
	Political	*To find*	- The trade war between China and America
	Economic	- Services business segment	*To find*
	Social	*To find*	*To find*
	Technology	- Smart wearable technology market increase - Self-Driving Software Technology	- Increasing Competition with other Tech companies
	Environmental	*To find*	- Coronavirus epidemic outbreak
	Legal	*To find*	*To find*

Regarding the regular SWOT analysis of Apple Inc., multiple factors have been neglected completely and the external environment such as social and legal. Moreover, two factors such as political economy, and environmental. The analysis mention either opportunity or threat elements. As for Mckinsey's 7S, there is no mention of the structure, skills, style, staff, or shared values of the company.

8.1.2. RAM

	Mckinsey 7S	Strengths	Weaknesses
Internal environment	Structure	- Proximity to Europe	*To find*
	Strategy	- Security and political/economic stability - Price competitiveness	*To find*
	System	- Variety of services offered: Seaside, Ecotourism, cultural, business…	- Weak air transport infrastructure - Failure to respect the environment by hotel establishments
	Skills	*To find*	*To find*
	Style	*To find*	*To find*
	Staff	*To find*	- Unskilled human resources
	Shared value	*To find*	*To find*
	PESTEL	**Opportunities**	**Threats**
External environment	Political	*To find*	- Terrorism / attacks
	Economic	- E-commerce development - Open to foreign investors	*To find*
	Social	*To find*	- Absence of a tourist culture
	Technology	*To find*	*To find*
	Environmental	- Monuments and sites classified as World Heritage - Morocco is an increasingly visited country	- Pollution/Climate Change - Competition from Turkey
	Legal	*To find*	*To find*

While collecting data for the SWOT analysis for RAM it is obvious that the technological and legal aspects of the analysis were discarded. Furthermore the fact that the matrix only includes either opportunities or threats of the remaining factors except for environmental features which include both positive and negative sides. Whereas the internal environment is just as lacking as the above although the McKinsey 7s process both sides of data to present strengths and weaknesses of strategy and system, however skills, staff, and shared values contain no information elements.

8.1.3. IKEA

	Mckinsey 7S	**Strengths**	**Weaknesses**
Internal environment	Structure	- Unique and effective business model	*To find*
	Strategy	- Reputed brand - Space management	*To find*
	System	- Good quality product - Eco- friendly products	- Most of the products are for rich people - Expensive in some places
	Skills	*To find*	*To find*
	Style	*To find*	*To find*
	Staff	*To find*	*To find*
	Shared value	*To find*	*To find*
	PESTEL	**Opportunities**	**Threats**
External environment	Political	*To find*	- Taxation related disputes in some countries
	Economic	- New markets in Asia and Africa - Continuous product development - Continuous price reduction year by year	- Large competitors
	Social	*To find*	- The revelations in the book 'The Truth About Ikea'

	Technology	*To find*	*To find*
	Environmental	- Green products	- Most of the activities are concentrated in Sweden
	Legal	*To find*	*To find*

Vis-à-vis IKEA's SWOT analysis which was projected on our suggested model, the matrix show complete neglect for the element legal of the PESTEL framework, and also for skills, and shared values. While economic elements include data or both aspects along the lines of the element system from the internal environment yet the existence of a lack of input from other factors is undeniable.

Conclusion

The strategic management process contains different kinds of analytical frameworks that help managers in the decision-making to achieve the firm's goals. For instance, SWOT analysis has been used widely over the years in the fields of strategic management. Indeed it is one of the tools which enable businesses to analyze their environment for a better understanding of their strong and weak spots, hence better planning and decision making. One of the perks of this technique is the ability to be adopted in many areas. Yet also, presents some issues. This research aimed to trigger the ineffectiveness of the SWOT model regarding the classification, clarity, and precision of the extracted variables. It can be concluded that the proposed model that we developed in this paper is thorough, giving the PESTEL technique which gives an expanded view of the macro-environment plus a specific assessment of the micro-environment thanks to McKinsey's 7S. There is a considerable amount of academics reviewing the SWOT method as an insufficient tool for strategic management and arguing that it has a chance to be improved by addressing the qualitative aspect also. Resultantly, future research might include a qualitative analysis of this proposed model.

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