

Strategic Management Analysis: Case of Erzeni LTD

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ABSTRACT

In the last two decades Albania had shifted from a closed, communist economy to an open market where private sector has increased its influence, especially in production and trade sector. Today it can be studied and found the leaders of each sector by analyzing the position that these private companies have in the market.

Erzeni LTD is a company operating in the market for more than 17 years. The company's first operations were production and trade of home, office and school furniture, operations which later on were expanded in new product such as inside and armored doors.

Erzeni LTD, known also as the leader in wood/MDF based products, arranges its sale in three different directions:

- 1. Sales in Albanian free market,*
- 2. Sales through fixed long-term contracts,*
- 3. Export sales.*

In this paper it will be analyzed the past, present and future of Erzeni LTD, by developing an implementable strategy that would improve the future position of the company not only as an operator in the Albanian market but also abroad.

In order to develop the company's strategies, the SWOT-TOWS analysis will be conducted in which it will be identified the strengths, weaknesses, opportunities and threats that the company is facing.

KEYWORDS: *Strategic Management, Furniture Market, Exports, SWOT Analysis, Growth.*

JEL CLASSIFICATION M10

INTRODUCTION

Strategic management can be interpreted as a set of managerial decisions and actions of an organization that can be used to facilitate competitive advantage and long-run superior performance over other organizations (Powell, 2001). Hunger & Wheelen (2006, p. 3) gives a more detailed definition of strategic management by defining it as the set of managerial decision and action that determines the long-run performance of the corporation; by including environmental scanning (both external and internal), strategy formulation (strategic or long range planning), strategy implementation, and evaluation and control.

Strategic management is said to be an in depended object in scientific studies which analyzes and evaluates the business and the industries in which the company is involved. Using this method companies can understand better the situation in which they are

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currently, what should be replaced, how the company does interact with the new technology, with the social / political / financial environment (Lamb, 1984). With the globalization of more industries, strategic management is becoming an increasingly important way to track of international developments and position a company for long-term competitive advantage (Hunger & Wheelen, 2006).

The SWOT analysis remains as a strategic management framework in some organizations today because it has a long history in the strategic management field (Mintzberg et al., 1998). Selznick (1957) in his work "Leadership in administration: A sociological interpretation", emphasized that the organization's "internal state" and "external expectations" should be brought together in order to implement a policy into its social structure. The conceptualization of SWOT structured matrix framework where the analysis of strengths, weaknesses, opportunities and threats of the organization takes place was brought by Wehrich (1982).

Erzeni LTD is a company operating in the market for more than 17 years, founded in 1995 in Shkodra, the place where still today the products are designed and manufactured. The company's first operations were production and trade of home, office and school furniture, operations which later on were expanded in new product such as inside and armored doors. Today these products are produced and sold under the logo of "Fratelli Gruppomobili".

Erzeni LTD, known also as the leader in wood/MDF based products, arranges its sale in three different directions:

1. Sales in Albanian free market, through selling agents, selling points, advertisements, internet webpage, etc.
2. Sales through fixed longer term contracts, with the Albanian State, and also with other private institutions
3. Export sales where the company is operating for 2 years in order to find new markets.

As the competition in the industry of wood production and manufacturing has increased and as the company aims to become one of the most well-known companies in the market by expanding its production capacity and sales, the need for applying strategic management increases in order to keep up international developments and position the company for long-term competitive advantage. Williamson, et al. (2004), emphasize that the field of strategic management has four fundamental questions which concerns with shaping the destiny of the company such as:

- Where is the organization now?
- What options are open to the company?
- What is the best way forward for the organization?
- How can this be archived? (Williamson, et al., 2004)

In this paper it will be analyzed the past, present and future of Erzeni LTD, by developing an implementable strategy that would improve the future position of the company not only as an operator in the Albanian market but also abroad. In order to develop the strategies of the company, a SWOT analysis will be conducted in which it will be identified the strengths, weaknesses, opportunities and threats that the company is facing. The data related to the company were collected during the period July-August 2013, through several interviews with the company owners.

The objective of this paper is twofold: (i) emphasizing the role of the SWOT analysis as a strategic management framework to help companies be competitive in the market; (ii) applying this framework for the Erzeni LTD in order to position the company for long-term competitive advantage.

To achieve this objective after the introduction part an overview of Erzeni LTD and its internal environment takes part. The third chapter provides an analysis of Erzeni LTD sales, while in chapter four is analyzed the company's External Environment & Strategies Implemented by the Company through the Years. The SWOT analysis developed for the company is presented in chapter five and in the following chapter is presented the possible strategies to be implemented by the company. Based on the information generated by the study, chapter seven offers the conclusions part.

1. AN OVERVIEW OF ERZENI LTD & ITS INTERNAL ENVIRONMENT

In the last two decades Albanian economy has passed throughout a completely different process in economical and political development aspect compared to the previous process between 1945 and 1990. Today Albania is making the difficult transition to an economy characterized by open-market influenced mostly by the private sector.

The fact of being new in free-market economy and having a lot of models to follow has made work of risk-takers much easier, also the studiers of the market have taken advantages of this situation by following the best research methods they can study each of this companies and find the leaders of each sector according to the positions in the market.

Erzeni Ltd is a for - profit organization founded in Shkoder, Albania in 1996. It is positioned in the industry of wood production and manufacturing of all wood based products such as door, furniture, chair etc. At its beginning the company was a trader (i.e. through import the product were bought and later on soled in the Albanian market). This process continued till 1998 when the shareholders of the company took the risk (Albania has just stepped out of a very deep crises because of Pyramidal Firms (1997)) and started the activity as a producer. The production process takes place in the company's own factory, in Shkoder while the selling points are distributed in different cities of the country. The number of employed people and the capital at the beginning was limited, while today the company counts 100 employed people in total.

Erzeni LTD facilities are composed of three main buildings. The first and the biggest one is the manufacture, which is composed of all the necessary technological equipment used in the production of furniture and doors. It numerous approximately 80 qualified workers, from whom two qualified managers who are responsible for the maintenance of a certain level of production , two architects responsible for the design process and 10 qualified workers responsible for transportation and after sale service. The second building is composed of improvised rooms, which are used as show rooms. After the process of production the furniture and the doors are exposed in these rooms, so the clients can find it easy to decide. The third building is used for offices and warehouse. Except the three important buildings, the company owns several spaces in other cities, used for sales within Albania. In these shops there are a lot of catalogs, several models which are used for presentation.

Because of using a modern technology the company obtains a high quality production, as a result the company diversifies in the market segment it covers. But technology is not the only reason of this good and satisfying result. What should be mention are also the quality of row material (wood) and the range of wood production used in furnishing.

From 1996 and later 1998 (starting to produce) the mission of the company has always been to reach the best quality of products produced with the lowest cost, to expand the sales not only in current market (Albania) but also abroad, to develop new ideas and create opportunities in order to make accommodation of home, work, school comfortable. There exist a strong partnership between the company itself and the consumers, the employees and the community in which the business is developed. This mission has been clearly followed by the administration office of the company. The company aims to become one of the most well-known companies in Albania and to be a natural choice for the buyers who want to furnish their home, school, offices etc. The vision of the company is related with the current situation of the company: today the company has increased its production level up to maximum capacity for the Albanian market and now is targeting the entrance in a new market.

2. AN ANALYSIS OF ERZENI LTD SALES

Today the sales of the company are divided in three different markets:

- The sales through fixed contracts realized through the different jobs done with different state institutions for furnishing. The company has many years that participates in all the bids organized for this kind of articles.
- Sales realized through selling points and showrooms located in the factory area and also in the capital city of the country and other cities.
- Sales realized through export of products.

The two first sale methods have been the two strategic points of the company's development in the sale sector, in the past few years the third sector has been one of the most important steps. Each of these sectors has their advantage and disadvantage.

2.1 Sales with institutions

Advantages of sales with institution

- Contract ensures a period time of work.
- Having a certain limit of sales levels declared in balance sheet which is also condition for participating the fair.

Disadvantages of sales with institution

- Requires a lot of time to satisfy only some certain points.

2.2 Sales within Albania

Advantages of sales within Albania

- Many sale point distributed among all cities in Albania.
- The experience that the company has plays a great role, through it the company is awarded of the necessities of the market in which it works.
- Participation in fairs.

Disadvantages of sales within Albania:

- Several competitors in specific products.
- Low purchase capacity.
- Not fair competition regarding the taxing programs from one company to another (many production companies do not declare all sales or all workers so that they can unfairly lower the cost).

2.3 Sales through Exports

Advantages of sales through export:

- Relative low fixed costs (rent, energy, taxes, and salaries) compared to European countries which makes the company competitive. This is the reason why the company's target is Montenegro, Bulgaria, Turkey.
- High production capacity of machineries and their efficient use for series production, the more the company produces the lower the cost of production per price is.
- The company has already a well-known name in Albania, export is the most effective way of becoming well-known abroad.

Disadvantages of sales through export:

- Enter barriers in many country (Albania is not part of EU so the business law of EU cannot be practiced by this company).
- High import cost of raw material (wood) from this countries.
- Lack of the knowledge about the company.

3. ERZENI LTD EXTERNAL ENVIRONMENT & STRATEGIES IMPLEMENTED BY THE COMPANY THROUGH THE YEARS

Furnishing in Albania as a private sector unfortunately started after 1990. Although it started late compared to other companies in the world, this sector archived great success, because today we have in our homes, offices, schools modern and comfortable furniture. The leaders of this sector followed the example of foreign companies, creating modern furniture but still combining to them the traditional aspect of our country. But in Albania the furnishing sector is not only covered by current Albanian companies but also from foreign ones. The number of companies has increased during the past years, giving not too much space for experimentations and leading all the companies to the same goal: being the best.

Erzeni LTD has archived a lot of success using several strategies especially in the trade sector. Being 17 years in this sector has given a great reputation and above all being everyday in contact with the market and buyers offers a great opportunity to understand their needs and fulfill them. Being a lot of furnishing companies except the competition there is seen another problem in the Albanian market. The company has not reached its own maximum capacity, because of the low purchasing power in Albania. The needs from the Albanian market have all been fulfilled so the company targets another market. But there are several barriers especially with the countries member of European Union. The European Union laws are not applicable for the Albanian country because of not being a member of this union. Today the tendency of each company is to create and develop an online system for sales and advertisement. This is a great opportunity because it is a way to make the products well-known also abroad.

In order to achieve the maximum profit a firm should be prepared for good and bad times, attentive to the changes and needs of the market and above all should be innovative. A company must always have a strategy. What are strategy and which one is currently used by the company?

Ulwick (1999) defines strategy as “a simple plan, as a plan of action that describes how an individual or organization will achieve a stated mission”, Michael Porter in his article “What is Strategy?” (1996) states that “strategy is the creation of a unique and valued position, involving a different set of activities”, other writers define strategy as the determination of the long-term goals and objectives, a deliberate search for a plan of action that will develop a business” and all of them agree on the fact that a strong business is one that can pass through tough times and still survive because of the best strategy choices.

There can be several types of strategies, according to the aim that they have:

- **Growth strategy** entails introducing new products or adding new things to the existing ones.
- **Product differentiation strategy** is mainly used by the companies when they have competitive advantages, they use a “key” product to make themselves different from other companies.
- **Price-Skimming strategy** involves charging a high price to a product, but in order to increase the price of a good which is sold there should be something that differentiates the product from others so that the consumer wants to pay for it.
- **Acquisition Strategy** involves purchasing another company, or one or more line of product of that company.
- **Survival strategy** a strategy planted for a recession period, for bad times in the business development process, in which there are found ways and methods to keep the business stable.

The strategies that Erzeni LTD has implemented during the years can only be understood if we know the ups and down in Albanian Economy. In 1996 when the company was founded firstly it dealt with the trade sector, Albania only had five years in democracy it was difficult to enter the market, there were no selling point, limited capital, and a few employed people. In 1997 the financial crises in Albania taught each of businesses operating in the country but still being a very small business with limited capital, there was not too much lost, the business owner based the future of the company on the *Survival Strategy*. Using this strategy the business stabled the situation inside the firm, using the capital made during the first year of work, selling points were opened in Tirana, the material and furniture were imported from different countries abroad and were sold in Albania with competitive prices.

In 1998 when the crisis was over and the economic situation in Albania was getting a bit of stability, Erzeni LTD made a gigantic leap for its own development. The company used the *Growth Strategy*. The contract with foreign companies were consumed and they were not recondition, instead the company started to produce its own furniture, designed by their own architect, although the row material was (and still is) imported from abroad.

The internal situation of the company had reached stability especially with the usage of the new technology. Innovative ideas and modern technology for several years brought out incredible results. The *Product Differentiation Strategy* is brought an entire new air in

furnishing, in modeling and in quality; each month the supply (wood) imported from most prestigious manufactures was different from previous month not in quality but in design, giving more space for the clients to choose.

Between 2004 and 2007 there was a boom of constructions in Albania, as a result there was a boom of work for Erzeni LTD. Using the *Growth Strategy* selling point were opened all around Albania, the number of workers was increasing, the staff was trained for the usage of the newest technology. The company earned a well-known name, and its products were sold all over Albania. The company took advantage of the market tendency for constructions and created a strategy that would increase the productivity of the manufactures, increase the supply points (selling points) for the clients, and increased the profit for the company itself.

Things got different in 2008-2010, the market guaranteed a blooming period of time which now was over, the company still produced and sold a huge amount of furniture, but it was time to be innovative and to offer something new in the market, as a result the company analyzed again the situation and made another Growth Strategy this time related with the product. The raw material imported from prestigious firm abroad now was going to be used not only for the production of the furniture but also for production of doors.

This strategy was the most successful one on development and growth of the company. More doors are produced in shorter time, they can be transported easily and they take a lot more attention from the businesses abroad who are part of trade sector or construction one. To produce doors a whole new technology was going to be used, machineries were imported from abroad. Because of lack of companies which train the workers for the usage of modern and complex machineries the staff was send in Turkey for one month. It was a huge investment in staff, in technology, in raw material but still it brought out a lot of work and a whole new development for the company.

4. SWOT ANALYSIS OF ERZENI LTD

The history of SWOT analysis is about or more than half a century old. According to Panagiotou (2003), the origins of SWOT analysis comes from the Harvard Business School in the early 1950s, while some sources from Scott & Sharkey (2007) link it to Albert Humphrey at Stanford University in the 1960s and 1970s.

SWOT analysis is a method that will be used to evaluate the Strengths, Weaknesses, Opportunities, and Threats involved in Erzeni LTD. As the SWOT analysis has been performed, the company's objective can be specified and the internal and external factors that are favorable and unfavorable to achieving this objective can be identified. In this way achievable goals or objectives can be set for the company. A good SWOT analysis can help a company to understand itself better and it is an important guideline for making a proper marketing strategy plan (Jobber, 1995, p. 40).

SWOT means:

- Strength (characteristics that give to the business and advantage against other).
- Weaknesses (characteristics that give disadvantage compared to other businesses).
- Opportunities (elements and points that could come in advantage).

- Threats (elements and point that if not minimize could cause problems and trouble).

4.1 Strengths

Albanian Retailing

- **Services:** The Company offers widespread services all over the country (selling points), service is not only offered to other companies (eg. Construction companies) but also to the citizens who wants to model and furnish their own homes, work places etc. The strongest part in this aspect is that the company does not offer a standard model , but the client itself can be the one who chooses or even designs (under the supervision of the architect) the model of the product that he/she wants to buy. The installation of goods sold and six months of after sale services is included.
- **Price:** Selling product in the market with a very competitive price. Since it was founded, the company always had the tendency to use strategies for lowering the price level without decreasing the quality of goods sold and produced.
- **Infrastructure:** In order to lower the cost of production the company has replaced a specific number of workers with very modern and high technology machineries. At first this step was seen as a huge investment, but later on the company has realized that the productivity of the firm has been increased and the price of product sold was still very competitive. Today the infrastructure in the manufacture is so good that the number of products produce surpass the current market demand.
- **Reputation:** 17 years of experience plays a create role on the idea that is create by the consumers for the company. Considering the mission and what the company has always offered in the marked starting from the quality and the price, it can easily be said that Erzeni Ltd is one of the most well-known companies for production and trade of furniture and doors.
- **Suppliers:** Being in touch for several years has created a good long term relationship with foreign suppliers. Although import has higher tax policy , the agreements and special offers for high quality materials are infamous of the company , because high quality row material is imported with low cost.

International Trade

- **Price*:** Considering the price , the suppliers and the infrastructure mentioned above for the retailing in Albania , it can be said that all this factors including the good management of variable and fixed cost , lead to a very competitive price for the international market
- **Quality of service:** Products ordered form foreign companies are transported to the required destination in a very short time (transportation is not included in the payment)
- **Staff:** Human Resource Management sector is very active and has certain points that should be followed in order to recruit workers. Staff recruitment strategies has been very viable but with the development in the sector of the technologies and the new machineries , the company gave the opportunity to the staff members (the workers who had to do with the high- tech machineries) for 1 month training in Turkey.

4.2 Weaknesses

Albanian Retailing

- **Staff:** need for more organized staff for unexpected after sale service demand. There should be an increase in the number of staff which will be hired only for the after sale service demand. Also sale experts should be seen as a good strategy to expand the local market, because of their knowledge related with the sale strategies.
- **Organizational:** there are seen a few problems regarding the management of consumer's order related to the defect of the products within the guarantee period. This problem should be fixed so that the clients will be satisfied.

International Trade

- **Sale Strategy:** There is no predefined strategy of management for international wholesaling. Because not being well-known (the activity of participating in conferences abroad has started lately) and not having experience with the development of the market abroad and it's needs, management is a very delicate and important sector , it helps to have a better sight on how should this sales be organized. Today sales are mainly based in clients who has only seen the work in fairs, or clients who have purchased for years in Albanian furnishing companies, so this strategy is important to expand the market.
- **Product marketing:** participation in fairs has been a very good step for the company and for the marketing of the product. Although the products are very competitive in price and quality, the brand is not well-known and tested.
- **Services:** After sale service is a problem in international market. Although the products are sent in a very short time in the destination ordered by the buyer , it takes a lot more time to be transported some of the products which are damaged during the transportation, spare parts or missing accessories.
- **Staff:** The Company needs more qualified managers who are trained for creating contacts, making deals and keeping up with international clients. Being a company which has contracts with foreign businesses, means a lot of investment in staff.
- **Organizational structural:** The only way to manage perfectly the sales is by opening offices in those countries but there exist a lack of possibilities and actual budgets for facilitating international sales by opening representative offices there.
- **Suppliers:** All suppliers are international, there are a lot of steps that should be dealt with to achieve small thing and sometimes there may be some problems with the delay.

4.3 Opportunities

- **The government tax policy related to export:** In the cases when a company like Erzeni LTD starts to export and make business with foreign companies the government facilitate this export wholesaling through regulation and tax policies.

- **Online:** Today the companies in U.S are always having the tendency to work online by usage of websites; the consumers are also finding this way of purchase a lot easier for their own lifestyle. To become a well known brand abroad, the company should find the best connections and if possible follow the same strategies related with the marketing as other international well-known brands have. Company has the opportunity to introduce the products to some selling pages, so that consumers from everywhere can be introduced to Erzeni LTD.
- **Fairs:** Entering in a new market is never easy, and it looks like marketing is one of the best ways to become a part of that market as fast as possible. Participation in fairs is a good opportunity for advertising the products, but there should also be said that apart from being a good opportunity, it is also an investment. But still participation in these events is very imported for introducing the products to the new market.

4.4 Threats

- **Barriers:** Albania in not a part of European Union and as a result it cannot use the business laws which are applicable between these member countries. Some countries have specific barriers related with the tax, and some others with certain certificates.
- **International suppliers:** not knowing the market abroad and the way it functions, the company has difficulties in struggling against bigger suppliers that have years of experience in this fielded. Managerial difficulties are also seen as a threat for the company because it can cause problems.
- **World financial crises:** the current financial crises has modified the consumer behavior.
- **Albanian market:** the companies has not reached the maximum production capacity , because Albania market has a low capacity of purchasing power.
- **Competition:** in Albania there are a lot of companies that produce and sell furniture and doors.

	Strengths	Weaknesses
Internal Environment	<ul style="list-style-type: none"> • Services • Product Range • Price • Staff • Infrastructure • Reputation • Suppliers • Innovation • Export of Products • Diversified Marketing Strategies 	<ul style="list-style-type: none"> • Sale Strategy • Product Marketing • Service • Staff • Organizational Structure • Supplies

	Opportunities	Threats
External Environment	<ul style="list-style-type: none"> • Expand its Exports • Expand its Market in Albania • Diversify Marketing Strategies • New Technologies 	<ul style="list-style-type: none"> • Exporting barriers • Low capacity of purchase power • Emerging competition in specific products • Bad effect of world crises on consumer

Figure 1. SWOT analysis for Erzeni LTD

Source: authors

5 POSSIBLE STRATEGIES FOR ERZENI LTD

SWOT analysis is used as a tool to help establish and optimize the company's strategy. Based on the SWOT outcome, there are four basic options of applying them into a particular strategy such as:

1. MAX-MAX strategy: maximization of strengths – maximization of opportunities.
2. MIN-MAX strategy: minimization of weaknesses – maximization of opportunities.
3. MAX-MIN strategy: maximization of strengths – minimization of threads.
4. MIN-MIN strategy: minimization of weaknesses – minimization of threads.

5.1 MAX-MAX strategy: maximization of strengths – maximization of opportunities

These are strategies that use strengths to maximize opportunities and are the best strategies to employ, but many companies are not in a position to do so.

MAX-MAX strategy is a strategy which cannot be applied by all the companies because of the lack of the possibilities to do so. Erzeni LTD has used MAX-MAX strategy by developing a new product for the company. A couple of years before Erzeni LTD started the production and trade of doors by investing in new machineries and staff to expand its activity. Today Erzeni LTD in order to expand its activity globally should maximize all the strengths. By maintaining the price level constant (because of the variable cost and fixed cost in Albania compared to other countries) there will always be seen a tendency of foreign companies to import them to their own country. Today the Online Shop (virtual world) is seen as a great opportunity which helps the company to gain and maintain a reputation as they already have in Albania, so by using a modern website, in which the products should be advertised (including the price and the description of the furniture and doors in transparent way), the company can create a general and solid idea of what they can offer to the global market.

5.2 MIN-MAX strategy: minimization of weaknesses – maximization of opportunities

These are strategies that minimize weaknesses by taking advantage of opportunities.

Erzeni LTD has always the tendency to minimize the weaknesses by taking advantages of the opportunities. Participation in fairs organized abroad is a golden opportunity for the company to become well known also abroad. In the conditions where there are several weaknesses the company should think about their minimization. To become known globally has several dangerous parts, if the company is not able to be competitive, to offer what the market needs, than it has two choices:

- Leave the market
- Minimize the weaknesses

How to minimize the weaknesses? A company should always study the market at which it decides to enter. If there exist a lot of differences between the cultures, the economical position, than the company should stop trying to pass this barrier by remaining the same, it should change several points in its organizational format. Sale strategy is one of the most important points. Because of not being well known abroad and not knowing well how the things work the company should take advantage of the presentation in fairs in order to minimize the problem with the sale strategy abroad.

5.3 MAX-MIN strategy: maximization of strengths – minimization of threads

These are strategies that use strengths to minimize threats.

Diversification is the main subject in this strategy. The competition is one of the most important threats. To minimize the threats the company uses the price (competitive price compared to other companies), diversification of the product in its quality. The company strategy is to focus in this strength and to use them to minimize the threads.

5.4 MIN-MIN strategy: minimization of weaknesses – minimization of threads

These are strategies that minimize weaknesses and avoid threats to establish a defensive plan of the company.

To make a plane for the company has always to do with the four elements: strength, weakness, opportunity and thread. This entire component helps in the creation of strategies, of plans and if they are minimized and maximized respectively than a company functions and is profitable. MIN-MIN strategy is also seen as a survival strategy. In the cases where the company can progress only by minimizing the weaknesses in staff , in strategies and in all other directions but also by trying to minimize competition and finding a way to survive in financial crises.

RECOMMENDATIONS & CONCLUSIONS

By many authors, strategic management is defined as the set of managerial decision and action used to facilitate competitive advantage and to determine the long-run superior performance of business organizations. Part of the strategic management process are environmental scanning, strategy formulation, strategy implementation, and evaluation and control.

As more industries become global, the need for applying strategic management increases in order to keep up international developments and position the company for long-term competitive advantage.

The way of doing business has changed as the market and corporate structure changes in the globalization age. Companies try to reach economies of scale, for which achieving low costs and prices is necessary. To be competitive, a company needs also operate in the global market.

Erzeni LTD is a company operating in the market for more than 17 years, positioned in the industry of wood production and manufacturing of all wood based products such as door, furniture, chair etc. As a leader of the furniture market, the company's long-run competitiveness is achieved by following the max-max strategy: maximizing strengths-maximizing opportunities.

The company uses the latest technologies and qualified raw materials in production to obtain a high quality production; as a result the company diversifies in the market segment it covers. Erzeni LTD, not only diversifies its products, but it also diversifies its sales, by using three different sales techniques such as: (i) sales in free market, (ii) sales through fixed long-term contracts, and (iii) export sales.

The company has not reached its own maximum capacity, because of the low purchasing power in Albania. The needs from the Albanian market have all been fulfilled so the company should mainly focus on increasing its export sales and apply the Max-Max Strategy by keeping up international developments and positioning the company for long-term competitive advantage.

Always be innovative and find other market opportunities should be one of the main objectives of the company. By maintaining the price level constant there will always be seen a tendency of foreign companies to import them to their own country. Nowadays the Online Shop (virtual world) is seen as a great opportunity which helps the company to gain and maintain a reputation as they already have in Albania, so by using a modern website, in which the products should be advertised (including the price and the description of the furniture and doors in transparent way), the company can create a general and solid idea of what they can offer to the global market.

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