

# SWOT ANALYSIS



**Group 2:**  
Elvana Qeli  
Lucina Guzman Ibarra  
Sindi Zaloshnja  
Resit Erdal

## S - *Strengths*

Just by looking at the overview of PAC Resources we can see that there are a lot of strengths which can be identified in every department of the company. The strengths could be divided in two parts: related to the market and competitors, and within the company.

The first strength of PAC Resources is their product, they sell high quality specialty components which for today's market, growing towards technology, that is getting more and more competitive with all the small and new companies that are creating and growing, is very important. The quality is essential for other companies that buy PAC's products and this gives PAC Resources a competitive advantage towards other companies.

Looking at the structure of the company we can say that it gives them the advantage to better cooperate with each other, between directors, different departments and directors with workers. Communication is very important within the company, not only it motivates the workers and helps the production process but also leads to happier employees, a more developed company, better image. The blog created by the HR Development is a new and innovative idea to improve the communication and also an opportunity for the employees to raise their trust to the company.

Also the merit based plan and wellness program show that PAC Resources is very dedicated to their workers and their well-being.

Training seminars and tuition reimbursements give the employees the opportunity to grow and be better in their work but also makes them more dedicated to their work because they can see that the company is investing towards them.

Even though PAC Resources is going through difficult times currently we can see that it has a social program towards their workers, has a very important product in the market, a high standard and only works to improve its self.

## W – Weaknesses

PAC's revenue it's only generated by a small customer base. A challenging, yet risky move that has been jeopardizing the company ever since its implementation.

Not only it limits its market opportunities, they shorten their range of error within their clients. They heavily rely on one customer, trusting 83% of their sales, whichever influences the internal factors (cutbacks, low sales) of this majoritarian customer, will have a direct impact on PAC's development.

An important factor due its influence on employees' behavior: the hiring freeze<sup>1</sup>, it can affect current employees in negative ways; some employees may see it as a threat and may start resist to change, thinking that it may mean more work and responsibilities for the same wage and working hours, poor performers are not dealt with and the brand image on the market gets damaged.

Furthermore, PAC doesn't count with a layoff plan and as they recently hired new engineers and CAD specialist, it will have a strong impact on the organization and on the individuals.

Deficit in management strategies. There is a lack of consistency inside the company structure and uncertainty between the union or non-union management structure. Unprofessional practice within the company; flaws in the rewarding bonus program. Human resources has to be the part of the company that must ensure no politic gains in the organization, if they fail to make it, there is no control in the structure of the organization and people will lack motivation, therefore they won't fulfill their tasks correctly. Human resources has to be open for the employees, with strategic goals to help them and therefore the organization.

---

<sup>1</sup> Hiring Freeze: Two words that can cause an irreparable damage to the organization; (Brian Formato, 2015).

## O - *Opportunities*

Taking into consideration the high demand and the continuous dynamics of the technological industry, for PAC Resources there is an opportunity for the company to grow in the actual market, since it has not been affected by the recent changes and its market niche continues to be high-quality specialized equipment. Also, since Asia makes 40% of the world population and PAC already has a customer base in Asia, it would be a great opportunity if we focus on already existing Asian market to increase sales and revenue overall. The company is also expanding its operation in the European and Canadian market, which means that if we combine these new markets and our stable quality production we would create a competitive advantage that would increase the revenue generated by our customer base and that would decrease the risk that comes from building parts for only one big manufacturer.

If we look at the HR perspective in relation to the foreign and developing market, PAC has the advantage of having an already well-established and active wellness and bonus programs and with that in mind, it would be a very compelling offer to work in such a place which would mean that PAC could create a wider range of international job applications and select the best employees which would lead to a better work quality and would lead to an increase of all company parameters. Considering that PAC has had many ups and downs in the employee relations department, we could consider a restructuration of the labor force as an opportunity, that could be easily done during an internal audit of the whole company. That could be done by forming a system in which the company takes information from its employees about what they don't like about their workplace and how the company can improve to reach maximum optimization of the labor force.

## **T** - *Threats*

The massive independence on one customer could be a considerable threat for PAC's management team. This market power of the demand can have heavy consequences for PAC, due to the big competition in selling computer sources, especially in the online business. The online business is increasing and customers are searching for new alternatives like "Computeruniverse.net", which will cause an economic downturn for PAC, if the most important manufacturer changes his supplier.

Furthermore the implementation of a hiring freeze will damage as well the company's long term as the atmosphere in the community, which makes recruiting more difficult when it turns out to an economic expansion. Therefore the needed open roles can't be filled anymore and the company will not take advantage of it. Moreover there is no checks balances in PAC's company. The function of checks and balances are to allow legitimate power to govern and good ideas to be realized, while corruption, abuse of power and oppression are minimized. They are significant for all social institutions, NGO's, corporations and partnerships.

That's why the HR department could not make sure the harmonious interrelationship of their colleagues. PAC can save a large loss with the use of checks and balances in small business.

Last but not least the possibility of creating a unionization of the employees can have risks. However, nowadays, the labor union systems are greatly exploited, people know exactly what their company can and cannot fire them for. Likewise all employees of the same level gets the same wages. This is very bad for a business because some workers simply deserve higher pay than others. When there is no possibility of segregation, than no one aspires to be better and high quality workers do not feel that they are valued and are not motivated to keep the good work going.

## References:

1. <http://www.ibusiness.de/aktuell/db/537473SUR.html>
2. <http://www.handelsblatt.com/unternehmen/handel-konsumgueter/wachsende-branche-onlinehandel-verdraengt-traditionellen-versandhandel/10014962.html>
3. <https://www.linkedin.com/pulse/hiring-freeze-two-words-can-cause-irreparable-damage-formato-msod>
4. Anderson, Gordon L. *Philosophy of the United States: Life Liberty and the Pursuit of Happiness*. St. Paul, MN: Paragon House, 2004.
5. Gray, Kenneth, et. al. *Corporate Scandals: The Many Faces of Greed*. St. Paul, MN: Paragon House, 2005
6. Molloy, John F. *The Fraternity: Lawyers and Judges in Collusion*. St. Paul, MN: Paragon House, 2004.
7. <http://occupytheory.org/advantages-and-disadvantages-of-labor-unions/>
8. <http://klbrown1.blogspot.cz/2009/10/disadvantages-of-labor-unions.html>
9. Dine, Philip. *State of the Unions: How Labor Can Strengthen the Middle Class, Improve Our Economy, and Regain Political Influence* (2007)