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## SMART, SWOT AND GANTT CHARTS EMPLOYMENT FOR BUSINESS MANAGEMENT

В статье «SMART, SWOT и диаграммы Ганта, применяемые для управления предприятием» речь идет о том, что каждое предприятие находится в окружении стейкхолдеров (лиц, заинтересованных в работе предприятия), которые рассчитывают на определенные бенефиты от самой компании. Каждый из них ожидает различные льготы. Владельцы хотят дивиденды, кредиторы – проценты от предоставленного в ссуду свободного капитала, сотрудники предприятия – стабильную работу, за которую они получают регулярную и адекватную заработную плату, государство и муниципалитеты ожидают доходы в виде уплаченных налогов. Предприятие удовлетворяет потребности и пожелания своих стейкхолдеров. Таким образом, логично, что предприятие или, вернее, его отдельные стейкхолдеры с их стремлением к удовлетворению своих потребностей создают одну из главных причин существования предприятия. Удовлетворение потребностей и пожеланий стейкхолдеров определяется как миссия (послание) предприятия. Владельцы (в некоторых случаях менеджеры) имели бы основной довод для уточнения концепции развития, основанной на определении действительного положения вещей, как может существовать предприятие в течение продолжительного определенного периода времени. Статья предлагает нетрадиционное отражение стандартных инструментов, таких как SMART, SWOT-анализ и диаграммы Ганта, применяемых для управления предприятием.

Ключевые слова: SMART, SWOT, диаграммы Ганта, предприятие

Every business organization is affiliated with certain interest groups (stakeholders) interested in gaining variable benefits from the organization itself. Each interest group presupposes different benefits; the owners want dividends; the company's creditors expect interests from provided free capital; the company's employees require stable employment for which they receive regular and adequate wages, and the state and municipalities expect revenues in the form of taxes that are paid [4]. Any business organization is expected to meet the needs and demands of their stakeholders. Therefore, it is logical to assume that an organization or rather its individual stakeholders generate the main reason for its existence through their needs and attempts to satisfy them. However, it may be argued that the primary objective of a business organization is its sustainability and only after that the other purpose of its existence is to satisfy the needs and demands of the stakeholders. Meeting the needs and demands of the stakeholders is often described as a role (or the mission) of an organization. The owners (and in some cases the managers) should specify the general purpose of the company to promote the concept its further development. It is important to understand what progress the company should demonstrate in the long term, even though the period is not quite specifically identified.

In terms of the business organization, I will disregard the fact that some owners or managers determine an organization's vision only on the basis

of their intuition. It happens within the process of defining the organization's vision. In that case, the execution of certain external and internal strategic analysis of the organization's environment should be prevented. The strategic analysis should then be summarized in SWOT analysis, which simply tells us what our strengths and weaknesses are. Then the threats that we are trying to eliminate will arise from those weaknesses, and the opportunities that the organization may use will emerge from the strengths. These analyses should answer some of the basic questions which are as follows [5]:

- 1) What are we strong at? What are our strengths?
- 2) What do we not succeed in? What are our weaknesses?
- 3) What is the situation around us?

If we are able to answer these three aspects simultaneously, then the opportunities will emerge, which are based on our abilities that we should implement, as well as the threats we should avoid or reduce to the maximum. There are numerous analysis providing information about our environs, and they usually divide it into close (Microenvironment) and distant environment (Macroenvironment). Explanation of each analysis is beyond the scope of this article, but it may be noted that the most frequently used methods include the PEST analysis for the Macro environment and the Porter's five forces model for microenvironment.

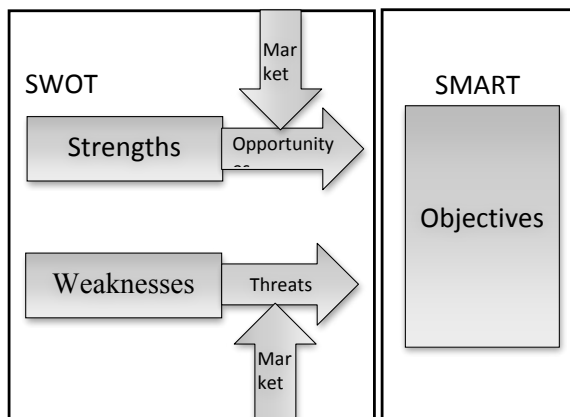
It is then necessary to perform an internal analysis:

- most **conscientiously**,
- **impartially** and
- within a particular **context**.

Conscientiousness resides in the fact that if we do not define our strengths, we may be inefficient in the future; because of that, we do not take those opportunities that arise in the market for us. Conversely, if we do not define our weaknesses well, we can embark on projects that will overly threaten us since we will have underestimated the risks.

In most cases, impartiality is very difficult. However, if we are not honest with ourselves and will evaluate ourselves in an overly positive or negative way, the consequences may be very destructive for the organization. Excessively negative feedback will result in not obtaining the required orders; we will not present ourselves as capable of securing the orders. An excessively positive evaluation may result in accepting the orders we are unable to realize and in the subsequent loss of a business partner or of the trademark's reputation.

Performance of the internal analysis within a particular context lies in the fact that the given operation cannot be considered separately, but it can be considered in the context of many other circumstances. An example of an evaluation without a context is when we have good financial management, and all of the indicators of the financial analysis are showing the recommended values according to various publications. In this case, the business organization is not taking into account that the values are very general and do not fully respect the line of business, the individual market situation, the individual investment, the business plans and many other facts. Performing the analysis in a particular context should, therefore, consist in an attempt to compare one's abilities and results with the best in the market and consequently assess these facts objectively. The overall scheme of a strategic analysis and its output is shown on Picture 1.



Picture 1. The Scheme of Strategic Analysis.  
Source: Own elaboration

The mission, the vision, and the strategic analysis affect the setting of strategic objectives, which are then elaborated within the tactical and the operational objectives. The operational objectives should

be very specific; they are sometimes referred to in literature, as well structured [1]. In contrast, the strategic objectives planned for the span of several years are often less structured and in some cases may not be quite specific regarding the time or the scope. An example of such an objective may be introduction of a new product into the foreign market or expansion into foreign territories.

Regardless of whether the objectives are strategic or operational, it is necessary that the SMARTER Method was complied with the time of formulating the objectives. This method states that the objectives must be:

**Specific:** The specificity definition of the given objectives is very important, and it also depends on the form of communication. Managers should use feedback from their subordinates, so that an assigned task is identically understood by both the contracting authority and the executor. It frequently happens that the ambiguous wording causes dozens of hours of unnecessary work and subsequently the subordinates feel unmotivated.

**Measurable:** The measurability is significant in terms of controlling as well as in the subsequent controlling. If the objective is appropriately and measurably set, it is possible to schedule it to sub-activities and subsequently any deviations can be monitored. On the basis of these deviations, it is then possible to take timely actions, if the whole situation does not progress according to the concepts required by the contracting authority.

**Acceptable (Attainable):** The acceptance and identification with the objective are essential elements of motivation. Unless an employee is fully equated with the objective, in most cases he/she will not conduct it at 100 %. Even in this case, feedback is necessary and any manager should require it from its implementer. This feedback cannot merely be of an administrative nature. In other words, the manager should not just be happy by simply agreeing, but he/she should watch out for any signs and displays, even of non-verbal communication. If a manager comes across or has any doubts about this stage, he/she should prompt the employee to express his/her doubts so that any misunderstanding or wrong assumptions are immediately clarified by means of asking questions. A big mistake is when this phase of the process is dealt with at the moment of the manager's dissatisfaction.

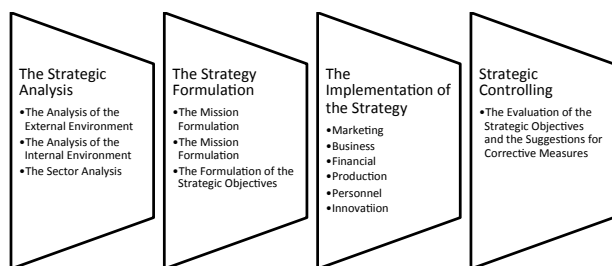
**Realistic:** The objective should be neither overly simple nor overly onerous. If any of these extremes happen, a lack of motivation will occur among the vast majority of employees. For this reason, it is necessary to create a business plan for sales according to customers, products and territories. For example, the form of Cross-checking will help to avoid "undercutting" the resulting sales in specific areas.

**Time-bound:** It is not possible to carry out an effective subsequent controlling and continuous controlling without time binding.

**Evaluation:** Managers must be able to control meeting the objective. Managerial control is a continuous and sequential function. Achieving the objectives of the organization must be subject to ex-ante, interim and ex-post control by any manager, the person who guarantees the objectives in the business organization.

**Re-evaluation:** Controlling primarily reveals the differences between the actual state and the required state. If a manager or a controller uncovers such deviations and communicates them to the organization manager, he/she is obliged to eliminate those deviations. In this case, an additional control will arise, which also emphasizes the cyclical nature of the process of setting objectives in the SMARTER Method.

If we have also set the operational objectives, we can address how these objectives can be achieved, thereby, gaining a total turnover plan of the organization's operations or strategies. The process of strategy implementation is shown on Picture 2.



Picture 2. Strategy Implementation.  
Source: Havlíček 2011 – modified [2]

### The Practical Objective Setting of the Marketing Department Set

Nowadays, most businesses are forced to use a variety of marketing tools to succeed in tough competition. As an example, we have chosen the development of the objectives in the marketing department of a particular business organization XY. However, the budget values have been amended because the organization considers these values as internal information.

*The organization's mission statement is:* "The Sale and installation of electrical accessories/ material".

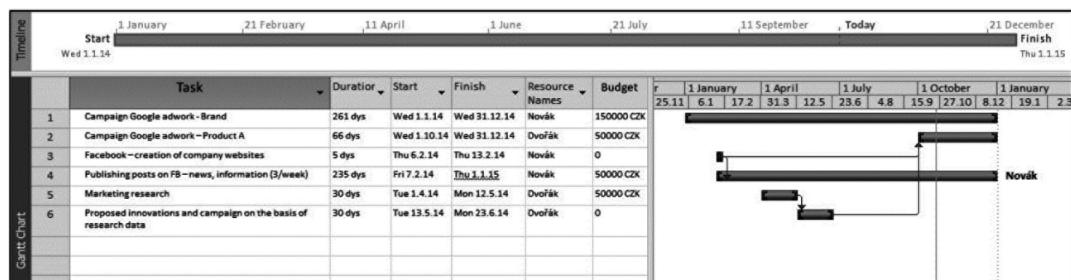
*The organization's vision statement was defined as follows:* "To double the organization's turnover and profit within four years".

Based on the internal analyses carried out by the organization and in accordance with its mission and vision, those less structured goals were compiled to be subsequently developed into well-structured objectives. To comply with the SMARTER Method, the objectives were planned using a Gantt Chart which automatically ensures the specificity, measurability and time-bounding.

Other special programs can be used to create Gantt Charts, such as Microsoft Project or the conventional and commercially available spreadsheet programs, for example Microsoft Office Excel, Google Docs Spreadsheet, or Spreadsheet in the OpenOffice Calc Program. The advantage of using a professional tool is in the extensive overview of the options and the possibility of using those settings that are specially designed for project management. For example, here the overloading resources can be easily solved and checked. The disadvantage lies in the financial costs, the requirements for the ability to work with the program and a large amount of information that is entered into the projects. In contrast, common office spreadsheets are sufficient for most of the smaller companies, and that enables an easy transfer of information. The partial output of the objectives for the marketing department from the Microsoft Project Program is shown on the following Picture 3.

The basic view of the output from the program could be divided into 3 sections, with the timeline in the top part representing the period during which the objectives and operations are planned. The duration of each activity, including consecutive processes, is graphically displayed on the left side. The right side displays the individual objectives with time-binding, list of responsibilities, budget and the calculated duration period on working days. This view is a basic view and can be adapted to the needs of the manager.

Picture 3 also shows that the individual objectives are specifically defined, measurable in terms of the budget and time-bound. Therefore, the method of the



Picture 3. Gantt Chart in Microsoft Project Program.  
Source: Own elaboration



Gantt Chart ensured compliance with the principles of the SMARTER Method. Assuming that the Marketing Department employees have the necessary knowledge for the realization of the assigned tasks, we can say that the objectives are also realistic, acceptable and controllable.

The following Picture 4 displays the same objectives, but it has been compiled in Excel, which most companies use, and which most employees are able to work with.

The layout of the screen is similar to the previous one. There is only a summary of the timeline that is missing, which is not necessary because the manager can see the overview of the total time of the realized objectives that is available on the right side of the screen.

In this case, the SMARTER Method was achieved because the objectives are measurable, time-bound and specific (according to the budget as in the previous case). The disadvantage of this simple recording in a spreadsheet consists in the fact that the arrows for the related tasks are not displayed. This problem can be resolved by entering the ID objective/ the Target ID, which must immediately precede the recording.

The last part of the strategy implementation is controlling, which rigorously monitors the individual operations and reports to the manager in order to take those timely actions, which eliminate any deviations from the plan [3].

The kind of controlling can be realised in both programs. A possible display of controlling (in the case where program Microsoft Project program is used) can be seen on Picture 5. Here, on the right side

of the screen, where the individual tasks are graphically displayed, and a partial or complete knockout of the task being dependent on the task fulfilment can be seen.

As shown on Picture 5, most of the objectives are implemented as planned, but the objective Campaign in the Google Ad-work-Brand is delayed in its implementation. The manager, therefore, has to assess the reason for the delay and propose ways of compensation for that defect.

The individual goals and their completion can be evaluated after a month and recoloured according to predetermined legend. At the first glance the manager is able to identify the bottlenecks, rapidly analyze the reasons and propose relevant measures.

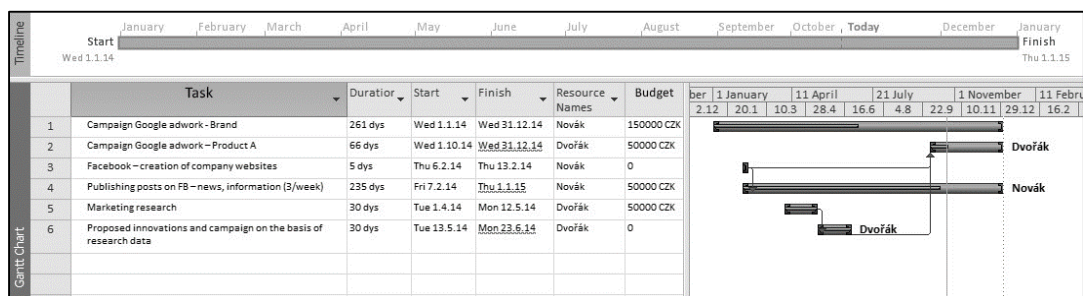
## CONCLUSION

The aim of the article was to demonstrate the possible solutions to the development of the mission and the vision of the business organization into its daily operations. While large enterprises make a plan, the tools of strategic analysis and planning are used daily. Small and medium-sized organizations often rely on the intuition and knowledge of their managers. In small and often also in medium-sized organizations, the manager and the owner are the same people. If an entrepreneur is a visionary, he/she will probably be able to run the business with the help of his/her intuition. If not, the organization finds itself in difficulty and at best, that stops its development. In more severe cases, the organization ceases to exist, either in the long term or the in the short term.

This paper demonstrates that it is relatively easy to apply the strategic analyses even to small and me-

Task	Initiation	Completion	Responsible	Budget in thousands CZK	Months											
					1	2	3	4	5	6	7	8	9	10	11	12
Campaign Google adwork - Brand	1.1.2014	31.12.2014	Novák	150												
Campaign Google adwork - Product A	1.10.2014	31.12.2014	Dvořák	50												
Facebook - creation of company pages	1.2.2014	6.2.2014	Novák	0												
Posts of FB - news (3/week)	7.2.2014	1.1.2015	Novák	50												
Marketing research	1.4.2014	12.5.2014	Dvořák	50												
Innovations and campaign based on research data	13.5.2014	23.6.2014	Dvořák	0												
				300												

Picture 4. The Objectives of the Marketing Department in Excel. Source: Own elaboration



Picture 5. Controlling in the program Microsoft Project Program. Source: Own elaboration

dium-sized organizations. Consequently, the tools for processing the results of the analyses are affordable too. One might surely consider the notion as to what extent the tools of an organization are able to reverse the unfavourable mortality rate of the newly started businesses. In Czech Republic, more than 90 % of the business organizations cease their activities within a period of five years from the time they began to operate in the market. This is often due to the absence of a business plan at the start and the lack of the manager's competence to run the business. Organizations that survive initial problems quite often

owe their success to the separation of the roles of the owner and the manager, as well as to the efforts of the company to develop itself. However, that fact does not change anything about the initial and often critical phase of its existence. Therefore, we recommend that new managers and small organizations complete at least a minimum of management education. We believe that the use of strategic analyses methods, with regard to the availability of the tools for processing, will consequently become a common task for the manager and owner of a new or a small business organization.

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Key words: SMART, SWOT, Gantt Charts, company

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