



Business strategy of Vietnamese real estate developers: the use of CPM matrix for analysis

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Abstract

The current Covid-19 pandemic situation shows the urgency in renovating and developing business administration of real estate investors. Therefore, the management of the real estate market in order to promote the positive aspects and limit the negative effects is a matter of concern and research. Novaland is the second largest real estate group after VinGroup with nearly 30 years of establishment and development. Hung Thinh is also a "big man" of the real estate market with many rapidly developing successful projects. The use of the CPM matrix (Competitive profile matrix) to compare these two corporations to show the development of their competitive position in the industry and each field in which they focus on investing to build projects aimed at sustainable development and point out the advantages and disadvantages of policies in the process of their construction and development.

Keywords: corporate strategy, matrix, strategic analysis, business environment

1. Introduction

1.1 Overview of the research problem

The real estate market is one of the markets with an important position and role for the national economy, having a direct relationship with the financial and monetary markets, the construction market, the material market, construction, labor market. Effective development and management of this market will make an important contribution to the process of promoting socio-economic development, creating the ability to attract investment capital sources, make practical contributions to the process of sustainable urban and rural development in the direction of industrialization and modernization of the country. Since its establishment and in 1993, the real estate market has experienced many ups and downs, gradually developing into a stable trajectory, developing evenly in all segments. Enterprises are also more flexible in structuring the type and size of products, and the growing competition is indispensable.

1.2 Urgency of the research problem

The current Covid-19 pandemic situation shows the urgency in renovating and developing business administration of real estate investors. Therefore, the management of the real estate market in order to promote the positive aspects and limit the negative effects is a matter of concern and research. Novaland is the second largest real estate group after VinGroup with nearly 30 years of establishment and development. Hung Thinh is also a "big man" of the real estate market with many rapidly developing successful projects. The use of the CPM matrix (Competitive profile matrix) to compare these two corporations to show the development of their competitive position in the industry and each field in which they focus on investing to build projects aimed at sustainable development and point out the advantages and disadvantages of policies in the process of their construction and development.

1.3 Importance of research for management practice

The CPM matrix is intended to provide comparative assessments of the company with major competitors in the industry, through which business managers can see the strengths and weaknesses of the business, thereby identifying competitive strengths and weaknesses that need to be overcome. The comparison between the two groups Novaland and Hung Thinh shows the strengths and weaknesses of management and the trends that need to be changed for the development of enterprises in the same industry, which strengths should be promoted and which should be promoted to overcome any weaknesses in the business to achieve perfection and provide products and services with the best score.

1.4 Research objectives

Through the comparative study between Novaland and Hung Thinh, we can see the fluctuations of enterprises in the market, demonstrating their market share dominance and solutions to escape from crises as well as overcome difficulties. overcome the weaknesses in corporate governance, see the strengths that need to be promoted and changed to match the development trend of the current technology era.

2. Theoretical basis

2.1. Some business analysis matrices

SWOT Matrix

The SWOT analysis matrix is a useful tool used to analyze the strengths (Strengths), weaknesses (Weaknesses), opportunities (Opportunities) and threats (Threats) in a project or business organization. Through SWOT analysis, businesses will clearly see the goals of their competitors as well as the factors that can positively or negatively affect the competitors' goals. We can use this matrix to do a detailed analysis of a competitor in the context of the industry market to know what our business is doing better than our competitors who are threatening our business.

Competitive Profile Matrix CPM

A competitive profile matrix (CPM) is a matrix that identifies a company's main competitors and its own strengths and weaknesses relative to the competitive company's strategic position. Using this matrix helps us to compare businesses and competitors. Gain a better understanding of the external environment and competition in a particular industry, revealing the relative strengths and weaknesses of a business relative to its competitors. From there, businesses can easily identify areas that need improvement and areas that need to be protected.

BCG Matrix

BCG is a matrix built to help businesses orient their market share growth strategies by putting product categories into 4 groups, determining the position of these products in the market to offer investment or disposal decisions. The BCG matrix will analyze the aspects of the matrix corresponding to the vertical and horizontal axes that are:

- Market share: The market share of the product in the market is low or high.
- Development prospects: Potential customers in the market have growth prospects or not.

EFE Matrix

The EFE matrix is a model that helps you analyze the external environment of a business based on many levels, including: industry environment, macro environment and world environment. Based on the EFE matrix, the leaders and strategic planners of the enterprise will know the opportunities and threats that may come to their businesses and make judgments and assessments about the impacts of individuals. That factor to the business is good or bad. Depending on the field and scale that each business targets, the factors and levels of research will be different. If the business is small, only doing business in a certain area, then we will only consider factors that have an impact at the industry and macro levels. On the contrary, if it is a large enterprise, then we need to carefully analyze the influencing factors on all three levels of the industry, macro, and the world to get the most general view of the impacts, to recognize the opportunities that affect the company's opportunities and challenges for businesses to have a reasonable development strategy and direction.

2.2. Business Analysis using CPM matrix

The CPM Competitive Profile Matrix is a tool that helps to compare one's own companies with competitors in the same industry to show their relative strengths and weaknesses. From there, find the most effective and appropriate customer attack strategy. Companies and businesses use the competitive image matrix to better understand the outside world and compete in a particular industry. Using a competitive image matrix has the following benefits:

- Similar factors will be used to compare companies with each other making the comparison more accurate.
- The analytical information is displayed on a matrix for easy visual comparison between companies.

The results of the matrix will help facilitate decision-making in which areas they should strengthen, protect or possibly determine what strategies they should pursue.

The main components of the CPM matrix

Specific success factors will vary from industry to industry and will be made up of internal and external factors of the business. CSF is represented in the image matrix and helps to reliably analyze the business's competition with competitors.

Rating

The CPM ratings help show how companies in each region are doing. Usually it will range from 1 to 4, respectively from weakness to strength.

Score and total score

The main score is the result of the weight multiplied by the rating, each company will receive a score on each factor. The company with the highest total score is the strongest company in the market. The larger the score difference between one company and another, the greater the competitive advantage.

Steps to use the competitive profile matrix CPM

Step 1: Proceed to identify critical success factors

To identify critical success factors, use the CSF (Critical Success Factors) list. This list includes as many success factors as possible.

Step 2: Assign weights and perform ranking

Firms that are strong will ensure the implementation of

activities that are significant to the success of the industry. Because most of their human resources as well as their energy will be focused on those activities compared to organizations that are still operating inefficiently.

Step 3: Compare the scores

Compare the scores for each factor from which it is possible to identify the strengths and weaknesses of the business. For example, consider a company that shows that the company has relative strengths integrated in products, product distribution scale. Then the company should try to defend on these areas and be more active in improving the weaknesses in revenue per employee and market share. At the same time, the company needs to conduct a review and improve on the strategies that its business is applying to bring the greatest success in the business field.

2.3. Strengths and weaknesses of CPM matrix in business analysis

Strength

- CPM allows to analyze the relative strengths and weaknesses of competitors, helping to create an effective competitive strategy. To create a CPM, you must first identify critical success factors. Identifying these factors is an important component of developing an effective strategy.
- By placing all competitors in a simple one-page matrix, it makes it easy to compare different companies visually.
- Total score allows you to easily see which company has the best total offer in the market.

Weakness

Scores assigned to critical success factors are subjectively assigned. This means they are likely to be inaccurate to some extent.

- It can be difficult to measure the scores of a competitor's key success factors simply because this may not be publicly available. When using CPM, weakness in one area can affect a business's overall score, however, intentionally low scores in one area can be beneficial because of the advantages that low scores offer to other areas.

3. Conclusions and recommendations

3.1. Conclusive remarks

CPM analysis shows that the strongest company in the industry with comparable strength in market share over the methods of sophisticated competitors in a certain way, either they really think, or they often think. Companies should create their strategies according to their strengths and weaknesses and improve their ranking in the most important areas of the industry, the kind of contrary to popular signals, or the types of they think, in terms of how the CPM indicator analysis gives the strongest company in the industry comparable strength in market share to rival economic practices in a way that is certain, very contrary to popular belief, certainly shows more clearly how the CPM analysis for the strongest company in the industry with comparable strength in market share over sophisticated methods of competitors analysis. Joint ventures need to use CPM wisely and carefully to achieve great results.

To use a competitor's strengths and weaknesses analysis, we must first know what a matrix is, and then we can benefit our business in a big and very important way. particularly big, literally pretty important, or they devised stuff in a pretty

mainstream way. A competitive profile matrix (CPM) can be used to compare a company to a company that is critical to success and is a strategic tool that can be at work to help you determine your strategy. So, if we want to use your competitor's analytical strengths and weaknesses then we must first know what image matrix is something then can generate benefits for our business which is really absolutely important, which is generally quite important, in stark contrast to popular belief.

With the current difficulties with the economy, any industry is affected by obstacles and challenges, not small industries in Vietnam. To be able to overcome obstacles, challenges and capture the market, companies in general and companies in particular must make every effort to utilize human resources in the most effective way. These solutions are built on the basis of theoretical research learned at university and practical application of human resources to bring into the company, hoping to bring more success in human resource management and company development.

3.2. Recommendations and suggestions

For leaders of Novaland Group

The risk of the project freezing around 2022 when the projects continue to grow and mushroom after the rain can cause a surplus in the field affecting the supply, as well as the impact on the Dynamic Field. Economic variables can have a short-term supply effect, or so they think in a major way. good mobilizing ability: diversify funding channels through various sources of capital to ensure stable financial support to develop the project in most situations happen in a sizable way in a short period of time. Basically there is a need to review CPM in the administrative department to improve further the leadership capacity.

For leaders of Hung Think Corporation

By accompanying the market, Hung Think Corporation has flexible movements, not only the company overcomes the formulas but also moves strongly to achieve great success in a subtle way, or they think most of it. think. In the city is an important force for Hung Think's extended family to enter 2021 with a firm mind and the results of new beliefs and hopes in a big way.h and the same market, Hung Think Corporation in a big way. With a flexible way of moving, not only the company overcomes the formula but also undergoes a strong digital transformation to reap many successes, demonstrating the way to use the same school, Hung Think Corporation has flexible, no-cost changes. The company overcomes formulas that convert strongly to many successes in a sizable way.

3.3. Solutions for business cooperation and coordination between real estate corporations

Business markets are increasingly volatile as well as becoming increasingly complex. Large production and business companies in general and prominent as enterprises producing real estate activities in particular are facing many difficulties. In order to survive as well as develop, companies need to build for themselves many appropriate business orientations and strategies on the research, research and analysis infrastructure of the external business environment, the surface environment and the environment. investment in order to be able to make the most of opportunities, reduce many potential risks from the operating environment, and promote the advantages and limit the disadvantages of the

real estate business as a valuable industry. with its own characteristics, along with strong financial conditions, potential for calling for capital, long-term investment time, and very high barriers to entry or exit from the market. Therefore, it is necessary to have a direction as well as a long-term vision of the leaders of large companies. The real estate market is in its infancy as well as going up, so it is still very young. matching creates many difficulties for large enterprises operating in this service industry. Stemming from that fact, the strategic planning of operations is absolutely necessary for a large company dealing in real estate. It aims to bring a large enterprise with a directional and operational purpose, for example, from the side of many departments and individuals to the community purpose of large enterprises, avoiding the whole situation, dispersing available resources will cause problems. business weakening. Today's operating market is changing very quickly, with global competition. The analysis clarifies the influence of the external environment on the building of the company's business strategy: such as macro factors, micro factors in quite detail. Since then, it has shown the opportunities for the company in the real estate business such as: High economic growth, stable political and legal environment. But besides that, it also pointed out the challenges that the company has to face in the coming time to stabilize its business activities such as: continuously high inflation... Analysis and clarification of the internal environment affecting the development of the company's business strategy companies such as financial factors, organizational structure, quality of human resources, from there, the assessment of the influence of these factors on the company is at an average level.

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