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SWOT ANALYSIS
PAC RESOURCES CASE

Introduction

The company Pac Resources, Inc. Directed by David Dukakis (CEO) has several strong points also called strengths. The CEO is an engineer with many talents and he is motivated to keep the company alive.

First of all, products are made in the United States and it permits to the company to have a high quality of products. The company has even obtained the ISO certification which is known all over the world. For the production, Pac Resources can count on one main supplier, they are used to work together.

The company doesn't use the "export of workers", so the employees don't want to go to work abroad!

The company had known two ways of management. At the beginning it was considered as a "poor management" by the employees and now with the arrival of a new HR Director it's a "friendly" management.

STRENGTHS

The company has one main supplier, and this is a strength because they are used to work together, it's easy to communicate. It means that it's better for the organisation of the company, for making orders, for negotiating prices and delivers time. All of this contributes to making profits.

Pac Resources has obtained the ISO certification which is known all over the world. It's really important because the components need to be high quality, and it is an advantage which distinguish the company from its competitors.

Concerning the Human Resources Department, many things are already settled up. The communication is a really good point in the company. In fact, employees can discuss with their hierarchy about some issues thanks to the program « Talk-to-the-boss » and also with between them with the « snack & chat » ; they can learn from each other with the blog intranet which has been created to share good practices and improve the company's efficiency.

One of the most important strengths is using training seminars, it need to understanding between bosses and employees, to expansion staff.

In reference with Benefits and Compensation, the strength is that they want employees to get degrees and reimburse them for work related to college courses. Also, they have restructured the compensation system (from 14 levels to 5) to make it easier to manage.

Concerning the Safety and Security, the company improve so many active wellness programs. One of the most important idea is partnership with a local hospital, it means annual on-site health fair with free immunizations and voluntary health-risk assessments, smoking cessation programs, job-hazard analysis to know in which job there are some risks. In addition, the ergonomics is really important for the company for improving the efficiency of the employees and taking care of their health and well-being.

WEAKNESSES

PAC Resources company is only working with one main supplier. This choice represent a real threat concerning prices and stocks negotiations. Indeed, if the supplier fall down, it brings its customers with its. With 835 full-time employees, PAC Resources Inc is brought to deal with some substitution and flexibility matters. Even if full-time workers are important, they also are a brake of flexibility and adaptability : for example, in case of employee absence, it is difficult to substitute each other.

Some management problems have been revealed by employees complains. The social climate is not perfect, and some workers are worried about poor management. In addition of that, the company used to practice an unfair policy of job changes and development. PAC Resources has suffered from scathing letter written, in combination of a hiring freeze policy after the crisis. Employees unrest is understandable, and it makes part of company's weaknesses.

Concerning the safety and security, the company counts several weaknesses despite the active wellness program. First, the safety and security department receives a lot of worker's compensation claims especially concerning the carpal tunnel syndrome. Indeed, the way of work lead employees to get Musculoskeletal problems which can be caused by a repetitive work or the employees' postures. The company has to face up this medical problem which can reduce employees' motivations and cost a lot of money due to the claims.

In reference with benefits and compensation, the benefits are expensive which can lead to a cost effectiveness. This situation can be a huge problem on the long term, that is why many discussions takes place on what they have to cut to reduce some costs. This point is important and can lead to a weakness if they do not take the right decision. Concerning the human resources, this reduction of costs can lead to a restructuration which will impact all the company and many workers.

Concerning the employee development, the company counts some managerial problems. In fact, some managers disagree with new managerial methods which they consider damageable for the company. Indeed they prefer old methods of domination. However, all managers disagree with this method. It is a managerial weakness because if all the managerial methods are differents it can conduct workers not to understand what to do and be divided. It is one of the reasons that workers are not focus on work. They do not feel safe, for example, one of the employee complained about Sexual harassment, and no one listened to her. This lack of concentration lead to a decrease of productivity.

To conclude, the main weakness of the company is related to managerial methods and managers' behaviours.

OPPORTUNITIES

The computer market is in a niche market, it means that there is not so much competitors and the firm can make a lot of profit. The company is almost in a monopoly situation and can practice prices they want.

Products and specialized equipment are made in the United States. It permits to the company to produce equipments with a good quality. This quality of products is recognized all over the world thanks to the "ISO" certification delivered by the International Organization for Standardization. It's the thing that permits to the company to be different from its competitors.

The company wants to be implanted in other markets like Canada and Europe, markets in expansion. According to the forecast of the SMT Hybrid Packaging in Nuremberg, Europe is really interesting for companies because the electronic market is in expansion. Especially Germany with a growth of 4,4% for the electronic components' market. The market of printed circuit is also in expansion in Europe with 4,5% of growth (in 2014). It represents billions of euros. Moreover, the company will find working force there.

THREATS

The computer market is dominated by some big brands well-known, but PAC Resources Inc is specialized in components of computers market. This niche market is dangerous. As any niche market, the computer's component market is relative to political, ecological or economical rules. For instance, States can decide to forbid the electronic component for some ecological protection reasons. That is why the specialisation of the company become a real risk.

The current economic crisis constitutes, for sure, a real threat for PAC Resources. Indeed, the economic crisis brings a diminution of the purchasing power, of prices and sales. In addition, the components' computers market may also be victim of the development of technologic innovation : the modernity requires some flexibility and adaptation to ensure the durability.

Moreover, the market of computers decreased by 10% at the first semester and, since 2007, the mondial market are at an all-time low. In fact, this drop is due to the smartphones' success. PAC Resources has to watch out for this market evolution because it can lose the market of computers' components.

PAC Resources Inc's competitors develop a strong flexibility of employment. The real threat could be to not succeed in adaptation and flexibility future. Besides, competitors on the market used to propose better wages to catch the better employees, that is also a threat for PAC Resources which has to solve its management system unrest matter.

Concerning the conquest of new markets, the political and legal barriers could be a threat like the French market for example.

SOURCES

<http://www.exaplace.com/evolution-marche-composants-electroniques-europe-monde>
(opportunities)

<http://www.lefigaro.fr/secteur/high-tech/2016/04/12/32001-20160412ARTFIG00208-les-ventes-de-pc-sont-au-plus-mal.php>
(threats)