

An application of fuzzy TOPSIS method in recognizing and prioritizing of competitive strategies (Case Study: Cement Industry)

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Abstract

Strategy is a comprehensive program that determines main approaches of the organization and suggests proper ways for allocating resources in order to help the organization to achieve its long term objectives. Environment changing, competitiveness, customer expectations for quality products and efficiency of manpower, have convinced the attitude of managers to have an organizational strategic program. So Strategic Management can play an important role in the decision making and crucial activities with determining long term activities in each organization. Strategic Management process is made from three stages: Strategy formulation, strategy implementation and evaluation that in the strategy formulation, internal and external parts of the organization can be a proper way to provide competitive strategies in an organization. In this article Topsis is used as one of the multi-criteria decision making techniques in the Fuzzy environment to rank the proposed competitive strategies, finally a numerical example is taken to explain the Fuzzy Topsis method. As a result, the prioritized competitive strategies respectively are shown, Value Strategy, Market Development Strategy, Concentric Related Diversification Strategy, Energy Resources Development Strategy and Product Development Strategy.

Keywords: multi criteria decision making techniques, Topsis, Competitive strategies

1. Introduction

Decision making in today's changing and uncertainty conditions has made it difficult for organization's managers to make decisions. It's clear that managers need tools to help them assess their relative position to the competitors and environment and strategic management provides the ability to make the best decisions with the best allocation of resources with a long-term vision.[1] Strategic management has been widely used by all enterprises to withstand fierce market competition.[7] As a first step in the development of a strategic planning system, the business managers should therefore commence with the identification and evaluation of these strategic factors which assist or hinder the company in reaching it's full potential. Because every company is confronted with a dynamic environment, the relative importance of a strategic factor