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## **SWOT ANALYSIS: NAVIGATING SUSTAINABILITY AMID UNCERTAINTY**

*SWOT analysis is a strategic planning tool that identifies the internal strengths and weaknesses of an enterprise and external opportunities and threats, while also establishing links between them. It has been proven that a systematic analysis of these four elements allows for a comprehensive understanding of a company's current position, leveraging its strengths, addressing weaknesses, capitalizing on opportunities, and mitigating potential threats. A critical analysis of the advantages and disadvantages of the activities of FPS Flexibles Ukraine, the subject of this study, was conducted. The internal and external environments of the company were analyzed using the SWOT analysis model, focusing on the company's strengths, weaknesses, opportunities, and expected threats. Based on the results of the SWOT analysis, a matrix of measures was developed, outlining three strategic directions for each part of the matrix: leveraging strengths, eliminating weaknesses, capitalizing on opportunities, and mitigating threats. Additionally, an Action Plan was proposed, providing a clear overview of action steps, responsible parties, time frames, and resources required for each strategic objective. This plan facilitates effective implementation and monitoring. Utilizing the proposed strategic framework and action plan will support FPS Flexibles Ukraine LLC's commitment to driving sustainable growth and resilience in an ever-changing business landscape. It will enable the company to not only overcome current challenges but also position itself for long-term success and leadership in the industry. The outcome of this analysis will inform strategic decision-making, helping FPS Flexibles Ukraine LLC to overcome challenges and seize market opportunities while maintaining a strong focus on sustainability.*

*Keywords: SWOT analysis, Strategic planning, Sustainability*

## **SWOT-АНАЛІЗ: ШЛЯХ ДО СТІЙКОГО РОЗВИТКУ В УМОВАХ НЕВИЗНАЧЕНОСТІ**

*SWOT-аналіз розглядається як інструмент стратегічного планування, який визначає внутрішні сильні та слабкі сторони підприємства та зовнішні можливості та загрози, а також передбачає встановлення зв'язків між ними. Доведено, що систематичний аналіз цих чотирьох елементів дозволяє отримати всебічне розуміння поточного становища компанії, використовувати її сильні сторони, усунути слабкі сторони, скористатися можливостями та пом'якшити потенційні загрози. Проведено критичний аналіз переваг і недоліків діяльності компанії FPS Flexibles Ukraine, яка стала об'єктом дослідження. Внутрішнє та зовнішнє середовище компанії проаналізовано за допомогою моделі SWOT-аналізу з позиції сильних і слабких сторін підприємства, його можливостей та очікуваних загроз. За результатами SWOT-аналізу сформовано матрицю заходів, які передбачають по три стратегічних напрямки з кожної частини матриці щодо використання сильних сторін, усунення недоліків, використання можливостей та пом'якшення загроз. Також запропоновано План дій, щоб мати чіткий огляд кроків дій, відповідальних сторін, часових рамок і ресурсів, необхідних для кожної стратегічної цілі, сприяючи ефективній реалізації та моніторингу. Використання запропонованої стратегічної основи та плану дій сприятиме забезпеченню FPS Flexibles Ukraine принципів сталого зростання та стійкості в бізнес-ландшафті, що постійно змінюється, а також дозволить компанії не лише подолати поточні виклики, але й позиціонувати її для довгострокового успіху та лідерства в галузі.*

*Результати цього аналізу стануть основою для прийняття стратегічних рішень, допомагаючи компанії FPS Flexibles Ukraine подолати виклики та скористатися ринковими можливостями для досягнення сталого розвитку.*

**Ключові слова:** *SWOT-аналіз, стратегічне планування, сталий розвиток*

**Introduction.** In today's rapidly changing business environment, managing sustainability has become a critical priority, especially in times of uncertainty which without doubt we are in today. To effectively navigate these challenges, it is advisable to use a SWOT analysis – a strategic planning tool used to identify and evaluate the Strengths, Weaknesses, Opportunities, and Threats related. By systematically analyzing these four elements, we can gain a comprehensive understanding of a company's current position, leverage its strengths, address weaknesses, capitalize on opportunities, and mitigate potential threats. This approach not only helps make informed decisions, but also ensures that a company's sustainability initiatives are robust and adaptable to the dynamic landscape in which it operates.

A number of studies has shown that SWOT analysis is one of the most common strategic tools among managers [1-10]. In particular, G. Panagiotou [6]

notes that «SWOT analysis may well be used more than other management techniques in the process of decision making».

In addition, Dag Øivind Madsen [5] points out that «several studies carried out over the course of the last 10-15 years suggest that the use of SWOT is quite high in different countries and regions. In Finland, it ranks among the most commonly used strategy tools among executives. In the UK, SWOT is used by 70 % of organizations and ranks first of all strategy tools. In the Czech Republic SWOT is also the most widely used strategy tool with a usage rate of 93 %. Studies also show that SWOT analysis is widely used outside of Europe. For example, in the Australasian region SWOT «dominates», while in China SWOT ranks second, only slightly behind PEST analysis».

SWOT analysis is considered an effective and simple method for evaluating the resources and capabilities of the company (its strengths and weaknesses), as well as the external market situation (opportunities and threats). The mentioned updates the expediency of its use for forming strategies to maintain the company and enhance its competitive edge in a rapidly changing business environment, ensuring sustainable growth and resilience in uncertain times.

**Analysis of recent research and publications.** The theoretical and practical issues of using SWOT analysis are most fully disclosed in the works of such scientists as Abdi M., Aithal P.S., Azadegan-Mehr M., Benzaghta M.A., Elwalda A., Erkan I., Forest R. David, Fred R. David, Ghazinoory S., Helms M. M., Lie F.B., Madsen D. Ø., Mousa M.M., Nixon J., Panagiotou G., Puyt R.W., Rahman M., Steven A. Creek, Tuncay M., Venkata Lakshmi Suneetha M., Wilderom C.P. and many others [1-10]. Without diminishing the role of research carried out, it should be noted that the issues of SWOT analysis as a strategic management tool remain unsolved.

**The purpose** of the study is to systematically identify the strengths, opportunities, weaknesses, and threats facing FPS Flexibles Ukraine LLC. Using the «Start, Stop, Continue» framework, we aim to develop actionable insights that will

help the company overcome current challenges and capitalize on market opportunities.

**Presentation of the main research material.** SWOT analysis is a strategic planning tool that identifies internal strengths and weaknesses of an enterprise and external opportunities and threats, and also involves establishing links between them. Visually such an analysis is a matrix with four quadrants corresponding to the abbreviation:

- Strengths – the internal benefits of the company to its competitors;
- Weaknesses – internal factors that an enterprise can not overcome or what it needs;
- Opportunities – factors of the environment, which can be used by the enterprise;
- Threats (risks) – factors of the environment that can negatively affect the activities of enterprises.

Opportunities and threats are caused by external (uncontrolled or weakly controlled) factors, and the strengths and weaknesses are internal (controlled) factors.

According to the results of the SWOT-analysis, the matrix of strategic measures is compiled:

- 1) «power-opportunity» – shows which strengths need to be used to increase the return on the opportunities of the environment;
- 2) «weakness-opportunity» – due to the opportunities of the environment, the enterprise will be able to overcome existing weaknesses;
- 3) «power – threat» – measures that use the strengths of the organization to eliminate (prevent) threats;
- 4) «weakness-threat» – shows which weaknesses you need to get rid of to prevent threats.

The main advantages of SWOT analysis are simplicity and versatility, which allows to accumulate in the course of its carrying out information of the most various types, as well as the minimum financial costs for conducting, the efficiency in

identifying and classifying environmental factors that affect the activities of the enterprise.

This SWOT analysis will focus on evaluating company's internal and external environments to support sustainable management practices. Specifically, the analysis will:

**Internal Assessment:**

- **Strengths:** Identify and evaluate core competencies, technological capabilities, skilled workforce, and existing sustainability initiatives.
- **Weaknesses:** Examine areas for improvement, including operational inefficiencies, gaps in sustainability practices, and resource limitations.

**External Assessment:**

- **Opportunities:** Explore market trends, emerging technologies, potential partnerships, and regulatory incentives that can enhance our sustainability efforts.
- **Threats:** Assess external risks such as economic fluctuations, competitive pressures, supply chain vulnerabilities, and regulatory changes.

**Strategic Actions Using the «Start, Stop, Continue» Framework:**

- **Start:** Identify new initiatives, practices, and strategies that should be introduced to strengthen sustainability and market position.
- **Stop:** Determine current practices or initiatives that are ineffective or counterproductive and should be discontinued.
- **Continue:** Highlight successful practices and strategies that should be maintained and possibly scaled to enhance their impact.

The outcome of this analysis will inform strategic decision-making, helping FPS Flexibles Ukraine LLC to overcome challenges and seize market opportunities while maintaining a strong focus on sustainability.

FPS Flexibles Ukraine is the Ukrainian representative of the international company FPS Flexible Packaging Solutions, specializing in the production of flexible packaging. The company manufactures big bags, polypropylene fabric, polyethylene liners, twine, and other flexible packaging for the chemical, food, pharmaceutical, agricultural, and many other industries.

The world's most important products travel safely around the globe in industrial packaging made by FPS. The company aims to be a partner in enhancing productivity by increasing the efficiency of supply chains through a comprehensive and innovative product portfolio. The global team consists of 4,000 employees in 16 countries, with 12 manufacturing plants and 15 sales offices, creating an extensive and integrated global network of production and distribution, providing on-site technical expertise and customer service.

The company believes it has a great opportunity to change the future for the better and create a better world for the communities and stakeholders around it. FPS Flexibles Ukraine is focused on its people, who are strong due to their diversity, committed to sustainability principles, and continuously improving in all aspects of its work.

*Strengths of the company:*

1. Engaged, Motivated, and Experienced Team: The Team at FPS Flexibles Ukraine LLC is highly engaged, motivated, and brings a wealth of experience, driving innovation and operational excellence. This strong internal capability is a key asset in maintaining the company's competitive edge and ensuring the successful implementation of sustainable practices.

2. High Inflation Benefiting Exporters: While high inflation poses challenges in general, it has resulted in reduced operational costs for exporters. This financial advantage allows FPS Flexibles Ukraine LLC to remain competitive in the international market, offering cost-effective solutions without compromising on quality.

3. Increased Market Share in the EU: After the full-scale invasion, Russian manufacturers were exiled from the EU market, opening significant opportunities for FPS Flexibles Ukraine LLC to enter. The company has successfully captured a larger market share in the EU, enhancing its presence and influence in this critical market, and positioning itself for continued growth.

*Weaknesses of the company:*

1. **Slow Investment Approvals:** The process for approving investments within FPS Flexibles Ukraine LLC is relatively slow, hindering the ability to rapidly respond to market opportunities and invest in new technologies and infrastructure that could enhance company's sustainability efforts and competitive position.

2. **“Old Ways” Mindset:** There is a prevailing mindset within parts of the organization that favors traditional methods over innovative approaches. This resistance to change can stifle creativity and impede the adoption of new, more efficient, and sustainable practices.

3. **Limited Production Capacities:** Current production capabilities are limited and focused on a narrow range of product types. This restricts the ability to diversify products portfolio, meet varying customer demands, and scale operations to take full advantage of emerging market opportunities.

*Opportunities of the company:*

1. **Expanding Sustainable Products Portfolio:** With recycled plastic products in high demand, there is a significant opportunity for FPS to expand its product portfolio to include more sustainable options. By leveraging recycled materials, company can meet growing consumer preferences for eco-friendly products, enhance brand reputation, and capture new market segments. In 2024 FPS Flexible Ukraine aims to sell over 1.5 million big bags with minimum of 30% PCR (post-consumer recycled material) and double this amount by the end of 2025, with the ultimate goal of ensuring that 100% of produced big bags contain a minimum of 30% PCR material.

2. **Implementing Sustainable Production Processes:** The adoption of solar panels and other renewable energy sources presents an opportunity to make the production process more sustainable. By investing in renewable energy infrastructure, FPS can reduce carbon emissions, lower operating costs, and demonstrate environmental stewardship, positioning us as a leader in sustainable manufacturing practices. Existing landscape allows installation of own solar power station to cover available roof space with solar panels with total power of 900 kW and annual

generation of 800 MWh which with existing trend of electricity cost increase can benefit of UAH 7.2 million saving annually.

3. **Integrating Accessible Processes for Veterans:** Creating accessible processes to facilitate the integration of veterans into our workforce not only serves as a social responsibility initiative but also provides an opportunity to tap into a valuable talent pool. By providing employment opportunities for veterans, FPS Flexibles Ukraine LLC can benefit covering its needs in workforce, while contributing to the broader goal of supporting veterans' reintegration into civilian life.

*Threats of the company:*

1. **Workforce Shortage:** The ongoing russian war in Ukraine has resulted in a workforce shortage, posing significant challenges for FPS Flexibles Ukraine LLC in terms of recruiting and retaining skilled employees. This shortage may impede production capabilities, disrupt operations, and hinder the ability to meet customer demands.

2. **Power Limitations:** russian attacks on Ukrainian infrastructure, including power plants and energy networks, pose a threat to the stability of all operations. Power limitations and disruptions may occur, leading to downtime, decreased productivity, and increased operating costs as company relies on alternative energy sources or face interruptions in supply chains.

3. **Border Blockages:** border blockages, like recent blockage by polish farmers, can disrupt the flow of goods and materials essential to all operations. Delays in transportation, customs clearance, and border closures may result in supply chain disruptions, production delays, and increased costs, impacting the ability to fulfill customer orders and maintain market competitiveness.

For easier analysis let's combine all these into SWOT Matrix (table 1).

Table 1

SWOT Matrix

<b>Strengths</b>	<b>Weaknesses</b>
S 1. Engaged, Motivated, and Experienced	W 1. Slow Investment Approvals



Team	
S 2. High Inflation Benefits Exporters	W 2. Old Ways Mindset
S 3. Increased Market Share in the EU	W 3. Limited Production Capacities
<b>Opportunities</b>	<b>Threats</b>
O 1. Expanding Sustainable Products Portfolio with Recycled Plastic	T 1. Workforce Shortage due to War in Ukraine
O 2. Implementing Sustainable Production Processes with Solar Panels	T 2. Power Limitations due to Russian Attacks on Ukrainian Infrastructure
O 3. Integrating Accessible Processes for Veterans	T 3. Border Blockages

### *Strategy Framework*

#### 1. Leverage Strengths:

S 1 - Foster a culture of innovation and continuous improvement within the organization to capitalize on the expertise and motivation of the team. Encourage cross-functional collaboration and knowledge sharing to drive sustainable initiatives forward.

S 2 - Explore ways to optimize cost efficiencies while maintaining product quality. Consider investing in technology upgrades and process improvements to further reduce production costs and enhance competitiveness.

S 3 - Build upon the existing market share in the EU by diversifying product offerings and strengthening customer relationships. Develop targeted marketing campaigns to highlight the company's commitment to sustainability and attract new customers.

#### 2. Address Weaknesses:

W 1 - Streamline the investment approval process by implementing clear guidelines and decision-making criteria. Establish cross-functional teams to expedite the evaluation and approval of sustainability-focused projects.

W 2 - Promote a culture of innovation and change management to overcome resistance to new ideas. Encourage employees to participate in training programs and workshops focused on sustainability and innovation.

W 3 - Invest in expanding production capacities and diversifying product lines to meet evolving market demands. Conduct a thorough analysis of production processes to identify bottlenecks and inefficiencies, then implement targeted improvements to increase throughput and flexibility.

3. Capitalize on Opportunities:

O 1 - Invest in research and development to create innovative products using recycled plastic materials. Collaborate with suppliers and customers to develop eco-friendly packaging solutions that align with market trends and consumer preferences.

O 2 - Transition to renewable energy sources such as solar panels to reduce carbon footprint and energy costs. Evaluate opportunities for implementing other sustainable practices, such as waste reduction and water conservation, throughout the production process.

O 3 - Develop accessible infrastructure within production facilities as well as tailored recruitment and training programs to attract and retain veterans in the workforce. Partner with local organizations and government agencies to provide support services and resources for veteran employees, fostering a diverse and inclusive workplace culture.

4. Mitigate Threats:

T 1 - Implement strategies to attract and retain talent in a competitive labor market, such as offering competitive wages, benefits, and professional development opportunities. Explore remote work options and flexible scheduling arrangements to accommodate diverse workforce needs.

T 2 - Invest in backup power systems and alternative energy sources to mitigate the impact of power limitations caused by external factors. Develop contingency plans to ensure uninterrupted operations during emergencies and disruptions.

T 3 - Diversify supply chain sources and establish strategic partnerships with suppliers to mitigate risks associated with border blockages and trade disruptions. Monitor geopolitical developments closely and adjust supply chain strategies accordingly to minimize disruptions.

*Action Plan*

To have a clear overview of the action steps, responsible parties, timelines, and resources required for each strategic objective, facilitating effective implementation and monitoring, the following Action Plan shall be used (table 2).

Table 2

Action Plan

<b>Strategic Objective</b>	<b>Action Steps</b>	<b>Responsible Parties</b>	<b>Timeline</b>	<b>Resources Required</b>
<b>Leverage Strengths</b>	Conduct team workshops to foster innovation and idea generation	GM, Head of Operations, Head of Production, Department Heads	Q2	Budget for workshops, Training materials
	Implement a recognition program to reward employee initiatives	HR Manager, Team Leaders	Ongoing	Recognition incentives
	Invest in training programs to enhance technical skills and collaboration	HR Manager, Department Heads	Q4	Budget for training, Training materials
<b>Address Weaknesses</b>	Review and streamline investment approval process	GM, Finance Controller	Q3	Process review tools

<b>Strategic Objective</b>	<b>Action Steps</b>	<b>Responsible Parties</b>	<b>Timeline</b>	<b>Resources Required</b>
	Launch change management program to promote innovation	HR Manager, OPEX Team	Q3	Communication channels, Training materials
	Invest in expanding production capacities and diversifying product lines	Head of Operations, Production Team	Ongoing	Capital investment budget
<b>Capitalize on Opportunities</b>	Form cross-functional team to develop new sustainable products	OPEX Team, Sales Team, Production Team	Q3	Cross-functional team members
	Conduct feasibility study on implementing solar panels	Technical Head, Head of Operations, Supply Chain Manager	Q4	Consultant services, Feasibility study tools
	Partner with veteran support organizations for tailored recruitment and training	HR Manager, Head of Production	Q4	Partnership agreements, Recruitment resources
<b>Mitigate Threats</b>	Develop talent acquisition strategy for alternative	HR Manager, Recruitment Team	Q3	Talent acquisition resources

Strategic Objective	Action Steps	Responsible Parties	Timeline	Resources Required
	sources			
	Invest in backup power systems and establish contingency plans	GM, Head of Operations, Finance Controller	Q4	Backup power systems, Contingency planning tools
	Diversify supply chain sources and establish alternative transportation routes	Supply Chain Manager, Logistics Team	Ongoing	Supplier agreements, Transportation resources

**Conclusions.** In conclusion, FPS Flexibles Ukraine LLC can use this comprehensive strategic framework aimed at leveraging its strengths, addressing weaknesses, capitalizing on opportunities, and mitigating threats to drive sustainable growth and success in a dynamic business environment. Through the implementation of targeted action plans, the company is poised to make significant strides in various areas:

- **Leveraging Strengths:** by fostering a culture of innovation and investing in employee development, FPS Flexibles Ukraine will harness the expertise and motivation of its team to drive sustainable initiatives forward, ensuring continued competitiveness and operational excellence.

- **Addressing Weaknesses:** through streamlined investment approval processes, change management initiatives, and investments in production capacity, the company will overcome existing challenges and enhance its capabilities to meet evolving market demands effectively.

- **Capitalizing on Opportunities:** By developing new sustainable products, implementing renewable energy solutions, and partnering with veteran support organizations, FPS Flexibles Ukraine will expand its product portfolio, reduce

environmental impact, and tap into new talent pools, positioning itself as a leader in sustainability and innovation.

➤ **Mitigating Threats:** Through the development of talent acquisition strategies, investments in backup power systems, and diversification of supply chain sources, the company will proactively mitigate risks associated with workforce shortages, power limitations, and border blockages, ensuring continuity of operations and resilience in the face of external challenges.

Overall, the strategic framework and action plan outlined above will leverage FPS Flexibles Ukraine LLC commitment to driving sustainable growth and resilience in an ever-changing business landscape. By executing these initiatives effectively, the company will not only overcome current challenges but also position itself for long-term success and leadership in the industry.

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