

# Case study: Syfer Technology

## Focussing on strengths brings success

*Fierce competition from Asian suppliers led this top electronics firm to fight back. Using IfM's Business Strategy Tool to stimulate fresh lines of thought the company discovered hidden strengths and sharpened its strategic direction.*

## Company background

Syfer Technology of Norwich has become a premier global source for application-specific multilayer ceramic capacitors and EMI suppression filters. It is one of the Ceramic Products Group within a larger electronics corporation.

## The problem

This company needed to stimulate fresh lines of thought regarding the challenges it faces. In particular, the market in which it competes is dominated by Asian low cost suppliers and the parent company required aggressive expansion plans as well as ongoing profitability. To achieve this, it needs to operate successfully in niche markets with good returns.

## The solution

Using the IfM's Business Strategy Tool this company succeeded in reshaping its strategy and in streamlining its operations to focus only on those activities that would maximise its particular strengths and coordinate future growth towards a particular goal.

The external analysis provided by the tool simplified the company's view of its activities by grouping its products into six main categories and its customers into two main markets. It became clear that this firm excels at service-oriented activities – its service and quality ethic are high and it is able to respond successfully to special customer requests, something its customers value and which gives it an important competitive edge. Other relative strengths included short lead times and easy-to-use products. Nevertheless, the brand is not sufficiently well-recognised and this is an important factor for customers buying these types of products.

The internal analysis showed strengths in technology – both a special knowledge of processes and design capability. This makes the company good at turning customer requirements into useful products. However key weaknesses emerged in terms of coordinating sales and marketing across brother divisions within the larger electronics group. Also, pricing strategies were weak and there was poor handling of additional non-technical customer specifics relating to orders.

Looking at the internal and external analyses in the context of the Operating Principles Model, the company concluded that it is not possible to excel at innovation, efficiency and service simultaneously. This means that one of its major product groups, which is high

volume and should be low cost to compete, does not use its novel technical expertise and instead highlights the company's weaknesses. The outcome was a decision to reduce activity in this area, to focus primarily on service (with a secondary strength in innovation). All the other product groups match this profile.

## **The Business Strategy Tool**

The IfM's Business Strategy Tool is practical, straightforward and efficient, making strategy formulation accessible to all small and medium-sized manufacturers. The tool consists of an initial data collection phase, followed by four facilitated workshops attended by the management team. It allows companies to explore and develop a strategy in response to the constantly changing environment in which they operate.

An expert facilitator gathers the necessary data to ensure results will be rigorous and specific. The first step is an external analysis of the competitive market environment. Second, the firm undertakes an internal analysis of its capabilities and performance. Using these analyses, a set of possible strategic choices is developed. Finally, the process culminates in detailed action planning to map out the practical steps required for the strategy. The process allows for consensus on the agreed strategy and a sense of ownership by those who will need to implement it.

## **Benefits**

Having completed the Business Strategy Workshops, Syfer MD Howard Ingleson reported several benefits. As well as the improved focus and clearer strategic direction for the company, the process proved helpful in unifying the management group, some of whom were new to their roles at the time, and giving all members the opportunity to contribute towards shaping the strategy.

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