

# DECISION MAKING ACCORDING TO COMPETITIVE PROFILE MATRIX IN CONDITIONS OF EDUCATIONAL INSTITUTIONS: CASE OF ELEMENTARY MUSIC SCHOOL

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**Abstract:** *The main challenges for businesses today include development opportunities and their proper direction. In these decisions, businesses can use a variety of tools and procedures to help them choose the right options and thus choose the right innovations. In this way, businesses can save money, create more successful projects, and strengthen their competitive position. One of these tools is also a competitive profile matrix, which offers a framework for comparing competing forces and helps businesses to choose the right strategy for further development. The article discusses the case of YAMAHA music school, which is active in the field of education. Using a competitive profile matrix, the article shows a comparison of this business with competing art schools. As it is a private sector of education, this matrix can be used in a similar way for other types of businesses. At the end of the article, the contribution of using this tool to the company and also the result of decision making process itself is described.*

**Keywords:** *decision making, competitive profile matrix, music school, educational institutions*

**JEL Classification:** O3

## 1. INTRODUCTION

Marketing concepts must be based on the company's strategic orientation. An enterprise must define its business-specific strategic profile, which takes on a central management role for the use of tactically operational marketing tools [2].

Yamaha music schools have been operating all over the world for a long time. Established in Japan in 1954, they have been operating in Germany since 1967 and in the Czech and Slovak Republics since 1994.

After the change in social conditions in 1989, electronic music instruments began to flow into the Slovak Republic along with new electronic products. Especially keyboards and electric guitars, which were especially popular among young people for their wide range of musical uses, but outdated state art schools were unable to respond to the new times and new demands of people in a timely manner, and so there was a new space for the establishment of private art schools in Slovakia. It is therefore understandable that the Yamaha Music School has quickly become popular among the general public.

## 2. YAMAHA MUSIC SCHOOL

YAMAHA music school (ZUŠ YAMAHA) is a small enterprise with 29 employees specializing in the field of educational services as an art school. In the extensive subject of business in the Commercial Register, the subject of activity includes the following interests: teaching in the field of art, publishing of recorded sound recording media, reproduction of recorded magnetic recording media for computers, brokering, business in the scope of free trade, advertising activities, business consulting, retailing second-hand goods in shops, rental and leasing of real estate, rental and leasing of machinery, apparatus and equipment.

The mission of the company is to provide quality and affordable education services to young people interested in

art education using the latest technology. With the help of quality educators and good educational practices, they offer above-standard quality personal approach to students and ensure their further growth.

The vision of the company is to be at the forefront of art schools and facilities supporting creativity in the area of quality offered and customer satisfaction, thereby creating a more creative and more beautiful society. The subject of the YAMAHA Private Art School is to teach and educate students in the arts, music and other activities that develop students' talent, thinking and creativity.

YAMAHA Music School is dedicated to students of different ages, from toddlers who attend school accompanied by parents or grandparents, to adult students who want to continue to learn and develop mentally. Young children get used to communicating here and spend time in the company of other children in a safe environment and also develop their natural talents in the general art direction. Young students learn to play specific musical instruments and continue to get used to communication, get in touch with other musicians from their surroundings and get used to performing in front of the audience. In order to prepare students for further professional music life, regular music concerts are held at the music school, where pupils present their skills and what they have learned on the musical instrument. At the same time, motivation helps them to grow further.

The company management is concentrated in three levels of management. First of all, the owner and the top manager of the company, who is responsible for managing and deciding on matters in the whole company and where there is a conflict between him and other superiors in the company, has a higher power of authority.

The manager usually communicates and manages only direct subordinates, but if necessary, he can, for example,

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release or command the lowest-ranking employee in the enterprise.

Secondary managers are managers at the headquarters of five music school branches. Within the branch office in Žilina and Rajecké Teplice, this management function also merges with the management function of the instrumental section of educational programs. Managers on this function are changing. Their competencies include the management of staff in the relevant branches, where they determine and approve the time of each lesson, or divide which premises a subordinate teacher can use at any time. The third level of management serves primarily for communication between teachers of one tool department.

### 3. COMPETITION IN MUSIC EDUCATION INSTITUTIONS - CPM

Competition is an important part of business. The following chapter describes the most important competitors of the company in detail and analyzes their impact on YAMAHA music school.

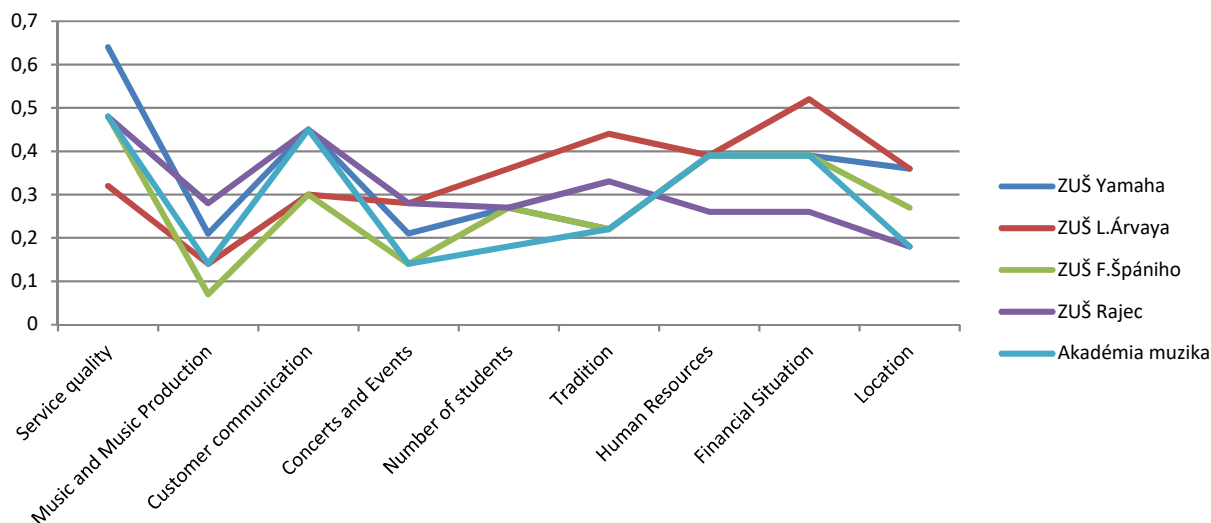
Among competitors depending on size, distance from the place of business and also the number of students, the following competitors from Žilina district were selected these schools shown in table [8].

It is possible to see in the matrix that the best competitive position (competitive profile) is provided by the Yamaha Art Schools and L. Árvaya Art School in Žilina. Both of these schools are located in the center of Žilina and represent the two biggest competitors on the market in the Žilina region.

The results of the analysis point to the positive evaluation of the school and the many opportunities that the school can use. However, the matrix also displays a highly competitive environment. It is necessary to emphasize the continuous development and the effort to improve the quality of services offered to customers and communication with customers. The results after the transfer to the chart show the positions and comparison of individual competing companies and show the strengths and weaknesses of specific competing schools in the Žilina region [3].

**Table 1** Enterprise Competitive Profile Matrix (CPM)

Factor	Weight Factor	ZUŠ Yamaha		ZUŠ L.Árvaya		ZUŠ F.Špániho		ZUŠ Rajec		Akadémia muzika	
		Points	Score	Points	Score	Points	Score	Points	Score	Points	Score
Service quality	0,16	4	0,64	2	0,32	3	0,48	3	0,48	3	0,48
Music and Music Production	0,07	3	0,21	2	0,14	1	0,07	4	0,28	2	0,14
Customer communication and Brand	0,09	3	0,27	2	0,18	2	0,18	3	0,27	3	0,27
Concerts and Events, PR	0,07	3	0,21	4	0,28	2	0,14	4	0,28	2	0,14
Number of students	0,09	3	0,27	4	0,36	3	0,27	3	0,27	2	0,18
Tradition	0,11	2	0,22	4	0,44	2	0,22	3	0,33	2	0,22
Innovations	0,06	3	0,18	2	0,12	2	0,12	3	0,18	3	0,18
Human Resources, Management	0,13	3	0,39	3	0,39	3	0,39	2	0,26	3	0,39
Financial Situation and Price	0,13	3	0,39	4	0,52	3	0,39	2	0,26	3	0,39
Location	0,09	4	0,36	4	0,36	3	0,27	2	0,18	2	0,18
<b>SCORE</b>			3,14		3,11		2,53		2,79		2,57



**Figure 1** Competitive Profile Matrix Chart  
Source: Modified according to [5] [6] [7]

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The analysis results also confirm the analysis using the GE matrix and point to the attractiveness of the industry. An exception to the competition is also the L. Ávvaya Art School, which has significantly higher costs and revenues than its competitors, but does not produce an adequately high economic result. However, this device is state-owned and is therefore not intended to produce profit.

Table 1 shows the factors according to the current market conditions and the characteristics to As mentioned above, critical success factors will vary from industry to industry [1][4], but some very common ones include:

- Innovation
- Marketing
- Brand Reputation
- Product Quality
- Customer Service
- Price Competitiveness
- Technological Competence
- Cost base
- Product Range
- Geographic Reach
- Customer Loyalty
- Management Competency

By applying selected methods to analyze the competition and the competitive environment of the business, the main competitors and also the most important factors of competitive influence have been identified, which contribute to business success.

Combining a competitive environment matrix and a detailed analysis of competing entities, it is possible to determine that Yamaha Private Art Schools are well placed to be able to improve their competitiveness by constantly striving to improve the quality of service, communication and overall school name.

In particular, the school can focus on the factors, that differs significantly from the competition and use the location of the school in conjunction with its other benefits. Failure to adhere to the recommendations regarding the continuous development and progress of the school can lead to a gradual loss of leading position in the competitive environment of art schools in the Žilina region.

#### 4. CONCLUSION

The shaping of the business and value chain of each business entity from the perspective of previous forms of analysis and research methods can significantly help not only address strategic objectives, but also operational steps that need to be addressed in daily issues.

The strategies shown for matrices allow many decision-making options for strategic business units. Company management may attempt to gain more market share for its services by investing in education, collaboration, or cooperation with other schools.

The model of individual matrices and methods makes it possible to find ways of obtaining funds from own resources for the future development of the company. To achieve this, organizations must have a balanced portfolio. The instrumental program group generates sufficient financial resources to develop and increase the market share of other services, which should take on the function of a source of profit. Services that have so far contributed to profit-making can be in a phase of a lifecycle decline and gradually reach a group with outdated learning practices.

In managing and evaluating a corporate portfolio, management should be interested in the development of each business with a forecast of three to five years.

The ultimate strategy for the enterprise is growth and vertical integration, focusing on business customers and employees. In this way, it can effectively develop quality and bring new services and products to its customers.

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