

Strategic Analysis of Kier Group Using PESTEL Porter SWOT and Portfolio Models

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Abstract

Kier group is one of the international companies based in the UK. In this report, various researchers will be collected and analyzed based on this company. First, the Pestel analysis model will be employed, and the Porter 5 forces model will be used to conduct the research. Secondly, the organization as a whole will be studied. Completing such a task [SWOT analysis and Portfolio Analysis will best suit the case](#) (Graham, 2015). Lastly is consolidating the personal strategy. If one intends to work in this company, there are some things to note before being hired. For this reason, one should critically analyze the company using the

SPEAR model

Introduction

Kier Group plc is one of the companies I intend to work with if I can. Based on its features, it is a construction company that offers construction services in the building as well as in civil engineering. It was founded by Jorgen Lotz and Olaf Kier, Danish engineers. This specialist task was part of a part of a pattern that eased the company's advancement as it developed quickly in its operation. Some of its innovations included Civil engineering, techniques which are one of the bases of modern technology. The company's buildings have a cooling tower about 300 feet high. It also had a complete power station and coastal works such as tanker berths, docks, and harbors. This company is essential to the UK since it provides a source of employment. It is one of the best companies I wish to be working there (Best Companies 2007)

Research Industry

Porter's Five Forces and Pestel Analysis

Porter's Five Forces is meant to assist professionals including other managers in exploring five universal forces to determine the sharing of power: Competition rivalry, Supply power, buyer power, substitution entry, and new entry threat. On the other hand, PESTLE is intended to determine how the firm is affected by factors such as environmental, political, socio-cultural, and economic forces, legal elements, and technological advancement (ELC International,1986).

Kier Group Plc's PESTEL study is an essential tool that analyses the firm's **macro environment**. Changes that may be experienced in the macro-environment aspect can directly impact the organization, the construction, and the materials manufactured. The factors affecting the macro-environment can impact the Porter Five Forces on the shaping approach and competitive setting. In this case, they affect individual companies' competitive advantage or the profit the company may earn. Furthermore, PESTEL analysis is a driving tool that oversees Kier Group Plc's various challenges in a prevailing macro environment other than viable forces. For instance, a given industry may be earning a lot of profit and having a steady growth curve however it cannot be suitable for Kier Group if it is located in an environment that is politically unstable.

(Kier Group plc, 2012).

Organization Research

Organizational research is the other thing that is done before selecting the best company to work for. In this case, SWOT analyses are employed.

Strengths

Strong order book since 2016 The company has secured more than 90% of revenues, including the Construction and Services part. The organization's contract momentum has a higher rating, which consists of the benefit of the GBP2.7bn Mouchel order book and another most recent contract, for instance, GBP475m Smart Motorway. Working on great deals of contracts means that the company can run more significant projects (Kier s, n.d.).

Strategic alliances- Kier is considered to have a long-term partnership with public and private sector organizations to develop properties mixed-use projects. The company's strategic alliances ensure that the company receives a continuous flow of business activities by securing profitable contracts where competitive procurement is experienced in the current market(Company Profiles: (n.d.)).

Broad service portfolio: Kier provides an extensive range of integrated services in this field of construction. As a result, the company is capable of holding large customers. It, therefore, helps the company offset the losses that may arise and take up some risk in carrying out its business.

Weaknesses

The geographical area where The Company is situated limits its operation, and as a result, it operates only in the UK. However, the company has other branches in the Middle East, and Hong Kong where the contribution to its revenue is negligible. For this reason, the UK's dependence on this organization may affect the business whenever the country's economy drops.

(Environment Liaison Centre 2005).

There is Green and sustainable construction: The firm is capable of capitalizing on emerging trends in the durable and green construction sell mainly to drive the increase in profit. The UK government has also been supporting the firm in various ways for instance they introduced the buy to buy new home bonus scheme where 2% of the company's products are sold. Such activities help boost the company's operation and as a result, many employees are employed to work in the firm. Furthermore, the government has better strategies for building infrastructures for example roads, water, and rails. Such projects help manufacture and transport manufactured goods to the required destination (Environment Liaison Centre, 2006).

Threat

In a profitable, useful firm, some threats may be experienced. One of the dangers includes the Shrinking supply of skilled workers: Currently, there is a growing shortage of skilled workers in the UK state. This shortage affects contractors' work since most of them will not have experience performing particular tasks. If for instance, Kier is unable to attract, build up, and retain capable workers, it is at a higher risk of losing its market in the sphere of commerce. Furthermore, the company operates in a highly competitive market, including Saudi Arabia. Such a competitive market is working hard to produce better goods to compete with Kier Firm. Furthermore, Kier firm faces other challenges in that it should comply with federal and state regulations concerning the emission of noxious gasses and noise pollution (Mark, A., & Morton, 2001).

Personal Strategic Consolidation

Using the SPEAR model, the Kier organization has been planning to strengthen its presence worldwide by winning contracts, and they have managed to win a strategic alliance with other competitive companies for core business products. It also has plans to work towards a particular goal of widening the scope of the services that focus on cash and [risk management](#), which, in the end, increases operational efficiency.

Many opportunities can be available if one intends to get employment in this company. The reason is that even scholars studying in school will have job opportunities in future times. One of the reasons for this is the company's vision of 2020. Kier aims to deliver double-digit annual growth in its operational funds by the end of the 2020 Vision 2020. Kier aims to offer double-digit compound annual growth in such a double-sized operating profit that will enable a wide range of services in the company. This means that a large workforce must work on the professional task. According to (In Maduro, 2017) vision opens room for job seekers and the young, educated generation.

Segment strategy is another policy that improves companies' profitability. The segment plan is meant to extend its services in the new market sphere, including care for residential homes and providing

accommodation to students structured finance and PFI by advancing the free cash flow created from the Construction and Services segments.

The Segment strategy which deals with the services is also an essential factor to enhance efficiency in the company. Regarding this, the company intends to expand services, which include power transmission, increasing telecommunication partnerships with the private sector, and engaging with the central government to ensure that the company operates in a favorable environment. A definite outlook is seen in the company's progression in that the government is investing heavily in various utilities. In 2015, the company changed its branding to Kier Business Services mainly to improve the business results and property management offered to local firms. The services also benefit the police department, health, and education sectors. Also, the acquisition has helped improve its capability for the UK nation and even in most parts of the Middle East. As a result, the company extended its contracts for instants. The contracts for Northamptonshire County Council highway services of Kier's local authority highways company were one of the companies to be awarded an extension of four years in completing their task with a worth of GBP200m, in JV. Such changes significantly affect the rate of employment positively, as the company expands job opportunities become available.

In conclusion, the Kier Group Plc plays a vital role in the field of construction and building services. Such a policy should be implemented to maintain the company's performance as well as ensure that their product dominates the world market. The reason for this is to keep the excellent quality of the product. Good marketing should also be employed to cater to manufactured goods.

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