

Name: Jorge Aires

Student Number:2129620

Module: LCMB 7003 - Strategic Management

January 2023

Executive summary

Strategic management is defined as, the process that organizations undertake in order to make decisions regarding its long-term goals and objectives. It involves the formulation of strategies, which are translated into action plans, and then implemented and monitored. Ryanair is one of the most successful low-cost airlines in the world, and it has achieved this success through carefully planned and implemented strategic management processes. This essay will analyse Ryanair's strategic management processes, based in Strategic Management Framework, and used relevant tools such as PESTLE, SWOT, Porter's Five Forces, Hackman & Oldham, McKensie's 7S.

The report will also address the airline industry and Ryanair main competitor, the British low-cost airliner EasyJet. Recommendations for improving Ryanair's strategic management will be proposed.

Table of Contents

Introduction	5
The business model of Ryanair	6
Strategic Management Framework	7
Step 1: Strategic Analysis	8
Industrial Analysis	8
Porter's Five Forces	8
Internal analysis	10
SWOT analysis	10
Value chain analysis	12
External analysis	14
PESTEL Analysis	14
The Balanced Scorecard	16
Competitive analysis of Ryanair with its core competitors	18
3 years Financial Analysis	18
Step 2: Strategic Choice	20
Analyzing the strategic position and strategic issues of Ryanair	20
Hackman & Oldham Model	20
Mckinsey 7 S Framework	22
Step 3: Strategic Implementation	24
Implementation of Strategies for maintaining competitive advantage	24
Step 4: Strategic Review	25
Performance Management	25
Comparison of Organisational Performance to Objectives	26
Taking Corrective Actions	26

Recommendation	27
Conclusion	28
References.....	29

Introduction

Strategic management is the management of the resource of an organization to accomplish its goals and targets. It involves the settlement of objectives, along with the analysis of the internal organization, competitive market strategies. It also assures that the organization adhere to these strategies to develop the organizational structure and culture (Bogers *et al.* 2019). In this study, the implementation of the strategic management framework will be used to guide the entire process in detail.

Ryanair is one of the largest low-cost passenger carriers in Europe and was established in 1984. The company started its business with a 15-seat Embraer Bandeirante turboprop, which used to run between Waterford and Gatwick Airport, then gradually flourished its business. The company aims at building the largest low-cost airline group in Europe by providing low-cost and affordable services to its customer. Ryanair while valuing its business and customers as well as the environment makes travelling cost-effective along with providing suitable travel packages (Harvey and Turnbull, 2020). The company also maintains sustainability towards the environment, and as a result the company also invested in technologies that reduce the emission of CO₂ and environmentally friendly.

One of the major competitors of Ryanair is EasyJet which presents a significant threat to the company. EasyJet is a British multinational airline company whose headquarter is in London. It aims to provide low-cost service to its customer, providing both domestic and international services in many countries. The company is ethical and promises to provide better service to its customer by maintaining proper safety and responsibility and caring about the reputation does not compromise safety regulations and policies (Şekerli, 2021). This report presents Ryanair's strategic management, including the purpose, goals, and mission of the company. It will analyze the industry by using Porter's five forces. The study will also include an internal analysis of the company by using SWOT and Value Chain Analysis and an external analysis of the company by using PESTLE. It will also comprehend the strategic position and the issues that the company had recently faced by utilizing Hackman and Oldham model and McKinsey 7S framework (Teece, 2019). It will also comprehend the strategies that Ryanair uses to maintain its sustainability within the

competitive market. The report will conclude with recommendations that the company can follow to develop its strategic management.

The business model of Ryanair

Purpose: The purpose of Ryanair is to build its company as one of the dominant low-cost airlines for passengers in Europe by making continuous improvements and delivering attractive offers of low-fare, customizable and no-frills service to its customers. The company to meet this purpose needs more customer engagement and loyalty. To achieve its purposes, Ryanair always functions with a clear motive of improving its business in all aspects to maintain sustainability within the competitive market (Madar, 2018).

Ryanair is also committed to make its company environmentally friendly, by adhering to innovative airline technologies that allows for more efficient aircrafts. Currently, Ryanair provides a statistical report of emissions of CO₂ every month (mission-statement.com, 2022).

Goal: The goal of Ryanair is to make its company one of the major leading airline companies in Europe. To meet this goal, Ryanair makes continuous improvements in its service by providing low ticket prices, and attractive travel packages along with the efficient maintenance of service provided by the company. Also offering frequent flights, efficient onboard customer experience and increased safety for the customers (Lin *et al.* 2018).

Mission: The mission of Ryanair is to provide its customers with low travelling fares and maintaining on price control and competitiveness (Ruan and Tian, 2019). To achieve this mission, the company also planned to reduce its expenses.

The mission of Ryanair is also to incorporate more effectiveness within the activity of the business by serving the customers properly along with the recruitment of more skilled employees for advancing the airline functions. Ryanair also concentrates on protecting the environment, with less CO₂ emissions (Johar *et al.* 2020). The company also incorporated several slimline seats, paperless cockpits, ground power units, in order to reduce the emission per passenger.

Strategic Management Framework

Strategic Analytical Framework

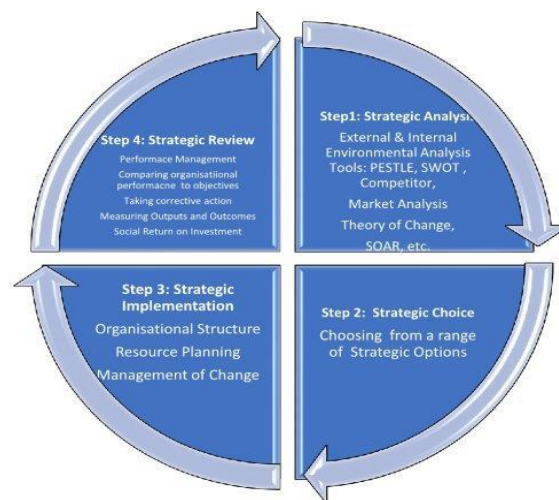


Figure 1: Strategic management framework model

(Source: strategic management insight, 2022)

The implementation of the strategic management framework has been depicted by mentioning the different phases of the framework in a described manner.

Ryanair's strategic management processes, based in Strategic Management Framework, and uses relevant tools such as PESTLE, SWOT, Porter's Five Forces, Hackman & Oldham, McKensie's 7S.

Step 1: Strategic Analysis

Industrial Analysis

Porter's Five Forces



Figure 2: Porter's Five Forces (Source: [cdn.wallstreetmojo](https://cdn.wallstreetmojo.com), 2022)

Bargaining Power of Suppliers: There are only two aircraft manufacturers available in the market namely "Boeing" and "Airbus" and Ryanair buys planes from Boeing. This amalgamation resulted in charging excessive prices to the producers of airplanes. Despite all these, Ryanair being the greatest customer of Boeing in Europe, the company provides Ryanair with planes at a very low cost which is significantly less than the market rates. The other supplier of Ryanair is jet fuel. As the prices of the fuels are administered by the 'world trade' there is no chance for Ryanair to negotiate with the suppliers of fuel (Efthymiou *et al.* 2021). Thus, the bargaining power of the suppliers of Ryanair is immense.

Bargaining Power of Customers: Customers are only loyal to the airplane industry which provides the customer with low-cost and affordable travel expenses. Customers are least interested in switching between companies now and then and maintaining loyalty with the company, but everyone prefers to spend less and cut short the expenses. Thus, if Ryanair thinks of increasing its ticket price, the customers will immediately switch to another company. Nowadays, airline companies follow strategies of making travel expenses affordable along with providing better customer service because low costs attract customers more (Lauer, 2019). Thus, the bargaining powers of the customers are consistently higher.

Threats towards substitutes: There are various other transportation means like trains, buses, and cars available in the European market for travelling short distances. Yet, the travelling cost by train is not that cheap and also consumes a longer time (Pavlivna *et al.* 2021). Thus, Ryanair by providing low-cost travelling along with less time consumption attracts customers more and thereby resolves the threats of the substitutes.

The threat of New Entrants: As the airline industry is an extravagant business to start, buying or leasing aircraft is also costly. The new entrant will also need to get slots at their pertinent airports is also costlier. Large marketing prices are also needed to obtain to create awareness and recruiting staff and experienced pilots are also not that cheap (Ab Yajid *et al.* 2020). Thus, Ryanair has less threat towards new entrants because to compete with well-known companies like Ryanair, the new entrant will have to maintain that many expenses which is not possible for a new business.

Competition within the market: There are so many other airline companies that run on the same routes as Ryanair that also provide low-cost expenses which include EasyJet, the major competitor of Ryanair. Thus, Ryanair to give significant competition will need to cross multiple routes along with the maintenance of low-cost expenses. To provide low-cost service along with better customer service, the company is continuously working on cutting down the extra expenses of the company (Johar *et al.* 2020). To achieve and attract more customers by lessening the price, Ryanair focuses on providing short-

distance services due to the consumption of more time travel via train. Though, the competition is still great in some routes. Therefore, the competition for Ryanair is comparatively higher.

Internal analysis

SWOT analysis



Figure 3: SWOT analysis (Source: wordstream, 2021)

Strength: The Company has had a large client base using its services for many years and as a result, it has a great dominance in the UK aviation sector. The company offers a low-cost air travel experience in the UK, which attracts more individuals and provides the best level of satisfaction to them. Furthermore, despite the low prices the company never compromises with the comfort level and quality of services. Additionally, Ryanair has over 450 aircraft, serving the aviation sector of the country and connecting the UK

with various other nations (iide.com, 2022). Thus, the company significantly contributes to boosting the economy of the nation by emphasizing tourist interaction. With a strong network in the global aviation sector, the company assures the highest level of safety to its passengers during the time of Covid-19.

Weakness: The Company is conducting its operation since the early 80s. Although the company is focused on providing the cheapest air travel experience to its customers, the net revenue of the company tends to decrease. This shows that consumers are not attracted to the services of the company, because the company fails to adopt modern and innovative technologies to its business. Many consumers have reported that, the seats are very uncomfortable and sometimes the company charges additional amounts over the ticket prices (Qin, 2020). Moreover, the customers also reported that after boarding the flight the company fails to provide adequate consumer service and entertainment features. Furthermore, its massive weakness is the ongoing and uncertain strikes from the labor unions which affects the operational management of the airline.

Opportunity: The pandemic has negatively affected the economy of the entire world including the UK and as a result, a large population has lost their jobs. Thus, it creates a great opportunity for the company to hire those talented individuals for their organization and give them proper training, to carry on the business operations (Bose, 2018). This strategy will create a strong bond between the employees and the company and as a result, the employees will become loyal to the company and work with their optimum level of efficiency.

Threat: The Company has faced many difficulties in conducting its business operations in recent times. The impact of Covid-19 has implemented severe lockdowns in the state. As a result, the passengers were not allowed to travel in any part. Thus, the company continued to record zero revenue and it was a very tough situation to pay the salaries of the employees. Moreover, Brexit has imposed various restrictions on the trade practices among the European Unions (Bauer *et al.* 2020). Therefore, the airline giant has to face multiple threats while conducting its o

operations and to survive in the long run it is essential to mitigate these threats in a rapid manner.

Value chain analysis

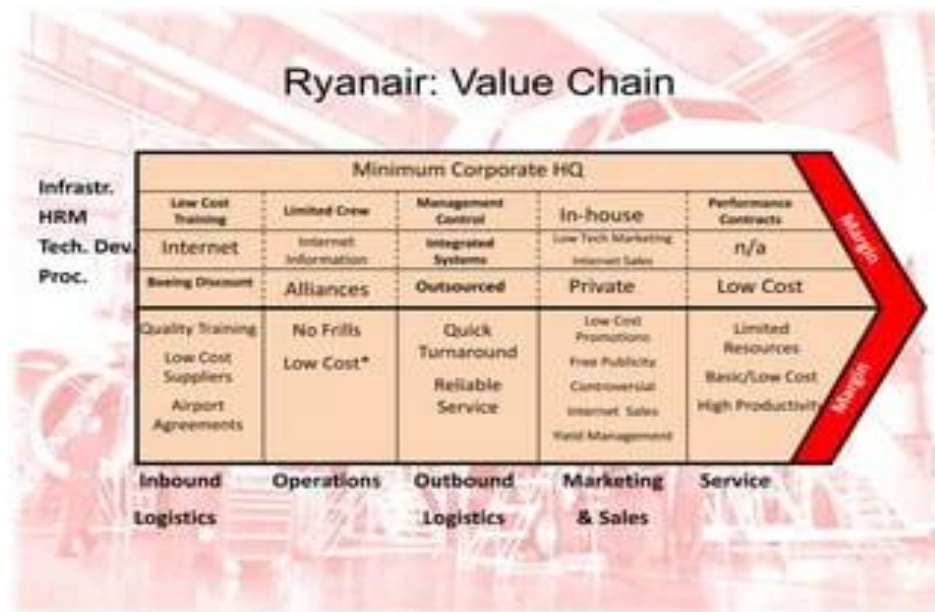


Figure 4: Ryanair's value chain
(Source: image.slidesharecdn, 2022)

Primary Activities

Inbound logistics: Building reliable connections with distributors is crucial since they provide the assistance needed to acquire, store, and transmit goods and services. Without looking at inbound logistics, Ryanair may run into a number of problems during the aircraft manufacturing process (Lianos *et al.* 2020). An organization must analyze all elements of transformations, from raw materials to finalized goods, when doing inbound logistics evaluation.

Operations: After raw materials are delivered and Ryanair becomes ready to transform these into finished goods and commercialize them, it becomes more crucial to analyze operational management. Machine work, loading, manufacturing, and inspecting are a

few instances of operating processes. Moreover, the airline giant is able to earn good revenues by increasing productivity and by maintaining consistency in its management structure.

Outbound logistics: This signifies those activities which are covered by various intermediaries in delivering the products or services to the final consumer (Elhini and Kafafy, 2021). In order to evaluate the objectives of organizational growth with the aspect of understanding them, Ryanair has the option to analyze its outbound logistics.

Marketing and sales: Marketing and sales are the basic features that every organization including Ryanair uses to promote its products or services and create a buzz among individuals. Advertising, pricing, sales forces, and many more are some of the marketing and sales activities that are being used by Ryanair.

Services: With the aspect of building strong customer loyalty, the company focuses on both pre-sale and post-sale formalities. Moreover, the post-sale services rather work as a promotional strategy for modern consumers (Barqueira *et al.* 2022).

Secondary Activities

Firm infrastructure: It includes activities such as accounting, planning, quality management, etc. thus, to excel in the aviation sector, the company should emphasize its infrastructure in an effective and productive manner (Lange and Bier, 2019).

Human resource management: The HRM department of the company is liable to recruit potential employees having enthusiasm and talent which will benefit the company. Moreover, this department also provides training to the cabin crew along with the ground staff.

Technology development: The technological development and modernization in the company will create a good environment for the employees as it reduces the workload and smoothens the operational structure (Temirkhanova, 2020).

External analysis

PESTLE Analysis



Figure 5: PESTLE analysis of Ryanair

(Source: analyticsteps, 2022)

Political: Ryanair is among the top aviation companies in the UK which have a great market capture in the aviation sector. The company has abided by multiple regulations set by the government after the impact of Covid-19. If the company fail to work as per such rule and regulations, then the government may take reasonable actions against the company. Thus, it becomes a very essential political factor for the company while it conducts its operations (Gupta *et al.* 2019). However, the recent invasion of Russia on Ukraine has hiked the fuel prices in the UK, as a result, the company is compelled to increase its overall fair.

Economic: The aviation sector in the UK has been massively impacted by the recent outbreak of Covid-19, Brexit, and the Russia-Ukraine war. Moreover, the company has seen a dramatic drop in the number of passengers and as a result, the company suffers a loss of US\$217 million (pestleanalysis.com, 2022). As a result, the company has to reduce its workforce in order to manage the prevailing losses.

Social: Ryanair is gradually getting back on track with the prospect of earning good profits as various nations have removed the restriction on transportation. The UK government has given certain relaxations to the company subject to the condition that the safety of the passengers is not compromised (Zahari and Romli, 2019). Moreover, the airlines are taking necessary action to create awareness among the citizens and are following the norms set by the respective governments.

Technological: Henceforth, the company is planning to implement high-end technologies in its management with an aspect of boosting its productivity. Moreover, the company has been planning to invest an amount of up to US\$17 billion to purchase the Boeing 737 MAX jets (pestleanalysis.com, 2022).

Legal: The company has been very actively following all the laws and legal obligations set by the UK government. But in the past, the employees have alleged that the company has not followed an ethical code of conduct. As a result, Ryanair has also been sued by its employees, because the company was paying poor salaries to the cabin crew and the pilots were also not getting paid timely (Mohandoss and Muthuraman, 2019). However, during the pandemic, the company has raised various questions to the Irish government regarding the restrictions on the imposition of the lockdown in the state. Though, the honorable court has rejected all the claims of the company and has advised strictly to conduct its operation as per the guidelines of the government.

Environmental: Ryanair being engaged in the transportation sector is highly responsible for environmental degradation. The companies in the airline sector including Ryanair directly hamper the ecological space. However, to reduce carbon immersion the company has adopted the policy of charging £2 as a part of the carbon offset fee. The funds collected by charging such a fee, will be used for developing and encouraging environmental projects across the nations. Moreover, the company has also implemented the strategy of zero plastic usage inside its aircraft by the end of 2023 (pestleanalysis.com, 2022).

The Balanced Scorecard

It is a "strategic management framework" that is undertaken to identify and enhance different internal business operations along with their outcomes (Camilleri, 2021). The functions are viewed from four basic perspective that have been explained below in terms of Ryanair Company.

Perspectives	Objectives	Measures	Targets	Initiatives
Financial	To enhance revenue	ROI	15% per year	Provide better quality service
	To enhance profitability	Net Profit Margin	10% per year	Decreasing costs
Customer	To improve customer engagement	Market share index	10% per year	Effective after sales services
	To improve market impression	Share Price	8% per year	Improved competitive strategies
Internal Operations	To improve employee morale	Absenteeism rate	10% per year	Bonus and increments
	To enhance customer satisfaction	Retention rate	25% per year	Better customer engagement

Learning and Development	To enhance employees knowledge and skills	Development plans for employees	15% per year	Training and development program
	To utilise technological devices	Technology training index	20% per year	Invest in technological devices

Figure 6: Balanced Scorecard (Source: Self-created)

Financial Perspective: To enhance the financial performance of Ryanair Company, the management must try to increase its revenue and profitability, by providing better quality services and decrease costs by taking up effective measures (Bura and Anggraeni, 2020).

Customer Perspective: To develop effective customer perspective, the rate of customer engagement must be enhanced followed by a better market impression by undertaking measures to provide better "after sales services" and implementing strategies to overcome market threats and competition.

Internal Operations Perspective: To boost the internal processes, the morale of the employees must be boosted by the company in addition to the enhancement of customer satisfaction. This can be done by providing bonus and increments to the employees and improved customer engagement through social media platforms and online websites (Gazi *et al.* 2022).

Learning and Development Perspective: For learning and growth, the knowledge and skills of employees must be improved through training programs followed by the utilisation of technological devices to simplify complex organisational activities.

Competitive analysis of Ryanair with its core competitors

3 years Financial Analysis

Ryanair

Annual Data		2021-03-31	2020-03-31	2019-03-31
Current Ratio		0.9805	0.8159	0.9286
Long-term Debt / Capital		0.4309	0.4217	0.3901
Debt/Equity Ratio		1.1285	0.8069	0.6988
Gross Margin		49.2725	54.0613	54.6756
Operating Margin		-51.3143	13.2717	13.2097
EBIT Margin		-51.3143	13.2717	13.2097
EBITDA Margin		-16.4079	22.0853	21.5307
Pre-Tax Profit Margin		-67.7772	7.8907	12.3172
Net Profit Margin		-62.0553	7.6364	11.4974
Asset Turnover		0.1327	0.576	0.5809
Inventory Turnover Ratio		230.5	1182.546	1203.035
Receiveable Turnover		87.9462	125.8489	129.3681
Days Sales In Receivables		4.1503	2.9003	2.8214
ROE - Return On Equity		-21.8461	13.1997	16.9706
Return On Tangible Equity		-22.5568	13.605	17.4608
ROA - Return On Assets		-8.2341	4.3988	6.6789
ROI - Return On Investment		-12.4333	7.634	10.351
Book Value Per Share		24.0547	25.0824	26.6404
Operating Cash Flow Per Share		-22.526	-0.4661	-0.7409
Free Cash Flow Per Share		-17.5501	1.3539	-1.347

Figure 7: Key financial ratios of Ryanair (Source: macrotrends, 2022)

From the above chart, it has been seen that Ryanair has a current ratio of 0.9805, 0.8159, and 0.9286 from 2019 to 2021 respectively. Thus it has been stated that the company has gained huge current liabilities as compared to its current assets. However, the debt-to-equity ratio of the last three years is 1.1285, 0.8069, and 0.6988 respectively. Moreover, the return on investments was -12.43, 7.63, and 10.35 (macrotrends, 2022).

EasyJet

Annual Data		2021-09-30	2020-09-30	2019-09-30
Current Ratio		1.5558	0.6699	0.7942
Long-term Debt / Capital		0.5375	0.4787	0.3073
Debt/Equity Ratio		1.2759	1.4381	0.4436
Gross Margin		43.9643	44.8654	77.7447
Operating Margin		-62.4143	-29.877	7.2984
EBIT Margin		-62.4143	-29.877	7.2984
EBITDA Margin		-29.4925	-13.1605	15.1136
Pre-Tax Profit Margin		-71.0562	-42.3064	6.7345
Net Profit Margin		-58.8477	-35.8591	5.4659
Asset Turnover		0.1492	0.3551	0.7822
Inventory Turnover Ratio		-	-	-
Receiveable Turnover		5.0103	15.045	16.1237
Days Sales In Receivables		72.8498	24.2606	22.6374
ROE - Return On Equity		-32.5123	-56.8194	11.6918
Return On Tangible Equity		-41.7112	-82.8725	14.3977
ROA - Return On Assets		-8.7793	-12.7346	4.2754
ROI - Return On Investment		-15.0368	-29.6184	8.0993
Book Value Per Share		9.0956	6.1031	9.5986
Operating Cash Flow Per Share		-0.2435	-4.8069	-0.8092
Free Cash Flow Per Share		1.3739	-1.9951	-0.6923

Figure 8: Key financial ratios of EasyJet (Source: macrotrends, 2022)

The above chart shows various ratios of EasyJet in the past three years, the current ratio in those years stood at 1.5558, 0.6699, and 0.7942 (macrotrends.net, 2022). However, the debt-to-equity ratios were 1.2759, 1.4381, and 0.4436. Whereas the return-on-investment ratios stood at -15.03, -29.61, and 8.09 respectively between 2021-19.

After comparing the above charts of Ryanair and EasyJet, it has been seen that both companies have positive, as well as negative aspects. However, there exists a slight difference among the ratios of the companies. The current ratio of Easyjet is showing positive results in 2021 as compared to Ryanair, whereas, in 2019 and 2020, both companies have poor current ratios. Moreover, the debt-to-equity ratio of Ryanair in 2021 is similar to the ratios of EasyJet in 2021 and 2020, but comparing the past results, Ryanair has performed better in maintaining its equities high and controlling its debts. Lastly, the return-on-investment ratio indicates the returns which are being generated

from a certain investment at a particular time. In 2019, both companies were generating good returns, but later in 2020, EasyJet's ROI dropped dramatically whereas, Ryanair records a slight decrease. However, in 2021, both companies showed a negative value in their ROI sections.

Strategic Choice

Analyzing the strategic position and strategic issues of Ryanair

Hackman & Oldham Model

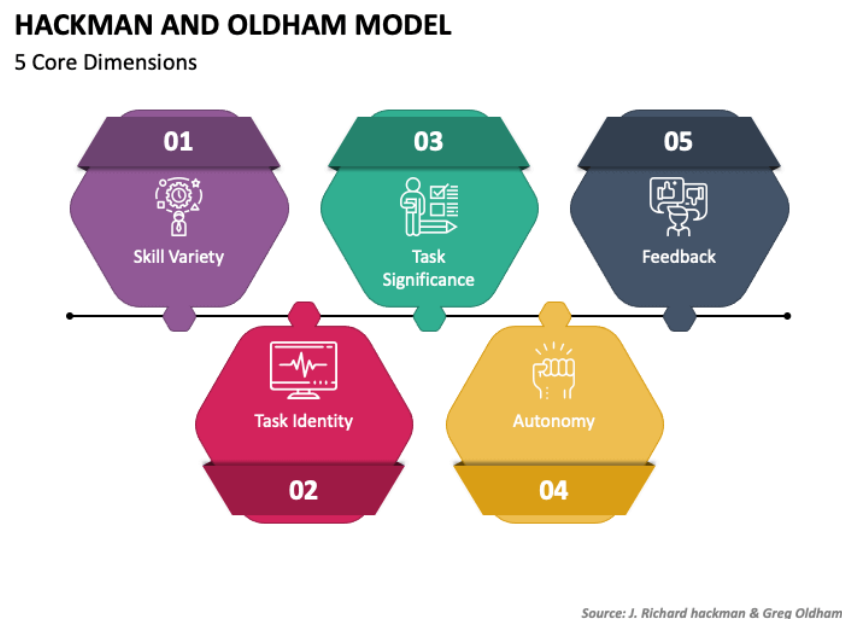


Figure 9: Hackman and Oldham Model

(Source: sketchbubble, 2022)

The Hackman and Oldham model is a job-design theory that explains how to increase job satisfaction (Siruri and Cheche, 2021). The model postulates that job satisfaction is a function of five core job dimensions: skill variety, task identity, task significance, autonomy, and feedback. In applying the Hackman and Oldham model to Ryanair, several job dimensions could be improved to increase job satisfaction.

Skill variety

Ryanair employs a wide range of personnel, including airline pilots, cabin crew, engineers, and customer service agents. Each of these roles requires different skills and abilities, thus providing employees with a high degree of skill variety.

Task identity

Although the individual roles at Ryanair are distinct, the tasks that each one performs can often be repetitive, which can lead to a lack of job satisfaction. To address this, Ryanair could look to increase the number of tasks that employees perform or tailor tasks to the individual employee (Efthymiou *et al.* 2021).

Task significance

Ryanair employees play a crucial role in the success of the airline, as each of their roles contributes to the safety and efficiency of the entire operation. To increase job satisfaction, Ryanair could look to emphasize the importance of each employee's role and provide recognition for their contributions.

Autonomy

Ryanair employees are given a high degree of autonomy in their roles, allowing them to make decisions and take initiative. However, there is still room for improvement in this area, as employees could be given more freedom to be creative and take ownership of their work.

Finally, feedback is a key job dimension that could be improved. Ryanair could look to increase the amount of feedback that employees receive, both from their immediate manager as well as from customers (Korschun and Godfrey, 2020). This would help employees to understand their impact on the success of the airline and feel valued for their work.

In conclusion, the Hackman and Oldham model provides a useful framework for improving job satisfaction at Ryanair. By looking to improve skill variety, task identity, task significance, autonomy, and feedback, Ryanair can ensure that its employees are motivated and engaged in their work.

McKinsey 7 S Framework

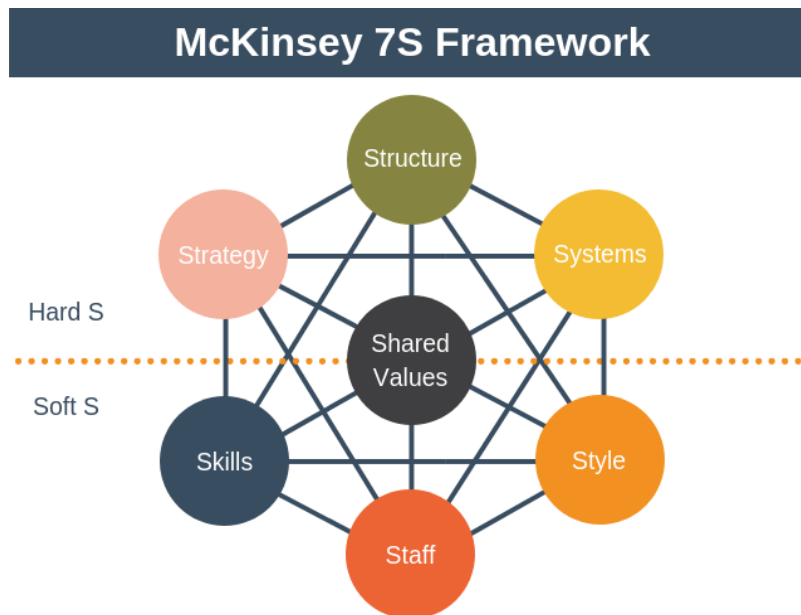


Figure 10: The McKinsey 7S Framework

(Source: expert program management, 2018)

The McKinsey 7S Framework is a tool used by businesses, to help gain a better understanding of the internal and external factors, that influence their success. It is a holistic approach that looks at seven distinct elements that make up an organization. These elements are strategy, structure, systems, shared values, style, staff, and skills (Malivan and Thanakunwutthirot, 2019). This approach can be used to assess any company, including Ryanair, the Irish low-cost airline.

Strategy: Ryanair's strategy has been to focus on being the lowest cost of any airline in Europe. This is achieved through cost-cutting measures, such as eliminating items like free food and beverages and providing a no-frills service to customers. Ryanair has also invested in modern aircraft that are more fuel efficient, which has helped to keep costs down. In addition, they have developed a loyalty program that encourages customers to book flights with them instead of other airlines (Temirkhanova, 2020).

Structure: Ryanair has a very flat organizational structure. This allows decisions to be made quickly and efficiently and helps the company to remain agile and responsive to changes in the market. Ryanair's board of directors is responsible for setting the overall

strategy and providing guidance and direction to the management team. The management team of Ryanair is responsible for operational matters and making sure that the company is meeting its goals (Elfen, 2022).

Systems: Ryanair has implemented a number of systems to ensure that the company runs efficiently and effectively. These include customer relationship management systems, which allow them to collect data on customer feedback and preferences, and financial systems to track the company's performance. In addition, Ryanair has developed an online booking system to make it easier for customers to book flights (Efthymiou *et al.* 2021).

Shared Values: At the heart of Ryanair's success is its commitment to providing customers with a low-cost, no-frills service. Ryanair is focused on providing value for money and customer satisfaction, while still making a profit. This is reflected in their commitment to providing a good customer experience, and their willingness to continuously innovate and improve their service.

Style: Ryanair is known for its focus on efficiency, innovation, and customer service. The company strives to make sure that its services are as efficient as possible, while at the same time providing customers with the best customer service experience.

Staff: Ryanair employs a team of highly skilled and experienced staff, who are committed to providing customers with the best service. The company also offers lucrative salaries and benefits to its staff, as well as provides a safe working environment.

Skills: Ryanair has developed a number of skills over the years that have enabled them to be successful. These include their ability to identify and capitalize on market opportunities, the ability to develop and implement effective strategies, and their ability to manage and motivate their employees (Ahmed *et al.* 2019).

The McKinsey 7S Framework can be used to assess any company, including Ryanair. By looking at the seven distinct elements that make up the company, it is possible to gain a better understanding of the factors that contribute to its success. Ryanair's commitment to providing a low-cost, no-frills service, combined with its focus on efficiency, innovation, and customer service, has enabled them to become one of the leading low-cost airlines in Europe.

Strategic Implementation

Implementation of Strategies for maintaining competitive advantage

To maintain its position as one of the major and dominant airline companies within the competitive market of Europe, Ryanair had incorporated several strategies to maintain its growth in position and profit by giving a competitive advantage to its other competitors (Harvey and Turnbull, 2020). Competitive advantages are discussed as the strategies, knowledge, skills, competence, and resources that differentiate the business from other competitors.

Strategy for cost reduction: Ryanair adopted the strategy of reducing its prices for advancing its competitive advantage. Ryanair by reducing the use of luxury items in its company diminishes the company expenses. Moreover, the company understood that by providing frequent services for 24 hours, the company will be able to attract more customers (Rodríguez-García *et al.* 2020). Several research was made which depict that no other aircraft company had adopted such strategies when the company had adopted this strategy and hence proved to be a “blue ocean strategy” for the company. This resulted in affecting the company in a positive way because every people prefers to spend less and this attracted so many customers. Furthermore, the cost of traveling by train is both costly as well as time-consuming, and Ryanair by providing short-distance travel at an affordable price will attract more customers (Madar, 2018).

Maintaining Efficiency and Punctuality: Ryanair always comprehends that; punctuality and efficiency are one of the major factors that affect the competitive advantage of the company. The company always transmits the advantage of punctuality and efficiency to its customers while performing in secondary airports. Ryanair understands that long queues and high and complex security regulations provide dissatisfaction among customers. Moreover, the company provides paperless booking as a result of which, the customers will be able to buy tickets. Research has proved that one of the reasons for customers to choose major airlines, is to avoid such inconveniences (Kelemen *et al.*

2019). The competence and success of Ryanair are not only due to the low-cost strategy but also to maintaining efficiency and punctuality, and convenience.

Flying to Secondary Airports: Along with providing short-distance services, the company also provides services to fly to secondary airports and seeks to expand strategies for providing better services like proper catering and maintaining the aircraft. The company started this strategy because after making market research, Ryanair comprehended that large airports like “Heathrow” have not focused on these aspects. Thus, Ryanair started to fly to secondary airports and by following this strategy will be able to attract more customers of long distance by providing better service in these aspects (Golden and Erne, 2022). The company also follows a simple airline network that provides the customer to get services that consume less time.

Step 4: Strategic Review

Performance Management

Employees are a prominent part of Ryanair. The efficiency of employees and workers has a direct impact on the performance delivered by the company in the market. Therefore, it has been essential for the mentioned airline company to develop strategies to maintain, manage, and regulate the performance of employees (Schleicher *et al.* 2019). The company provides effective training and education facilities to its employees, in order to overcome their respective weaknesses and ensure the development of employees along with the company’s external environment. In addition to that, the company also provides appraisal schemes and bonus facilities, to financially boost the morale of its employees. To better understand the grievances of its employees, the company regularly engages with them to boost the level of loyalty, motivation and trust of employees in the management (Harvey and Turnbull, 2020). Therefore, the company has been able to evolve with the changing market environment with its internal flexibility and stability.

Comparison of Organisational Performance to Objectives

The predominant purpose of the company is to be the leading company in the low-cost airline market, for European passengers. Through its effective strategies, the company has been able to manage its performance accordingly (Martins and Cró, 2022). In addition to that, the performance within the company is effectively managed, by initiating a structural employee management system backed by a flat organisational structure. As a result, the company, Ryanair is able to quickly respond to uncertain circumstances in the external environment of the business. Following that, the performance of the company is maintained efficiently, by investing in advanced technology and modern aircraft, which allows the company to cut its costs through fuel efficiency (Wirtz, 2020). Moreover, the loyalty program and customer relationship management of the company help not only in keeping a record of the company's performance but also managing its performance and boosting the same by threat identification (Agarwal and Gowda, 2021). Thus, it can be stated that Ryanair has been effective in fulfilling its mission of providing low-cost airline services to its customers. The goal of incorporating effectiveness with the organisation has also been achieved as the company has established various programs and measures to meet the ever-changing grievances of the customers.

Taking Corrective Actions

Although the performance of Ryanair has been significant in the past years as a “low-cost airline”, it is essential for the company to implement strategies in accordance with the changing environment and customer preferences. Employees are considered to be a vital part of an organisation, Ryanair is also required to formulate strategies for this particular stakeholder. Ryanair should look to improve its product offerings, the company should look to introduce more value-added services, such as free loyalty programs, discounts for frequent flyers, and other amenities (Griffith and Roberts 2021). This will help Ryanair to differentiate itself from other low-cost airlines and make it more attractive to customers. Thirdly, Ryanair should focus on improving its digital presence. The company needs to invest in its digital marketing strategies, such as optimizing its website and mobile app for better user experience and investing in social media marketing. This will help Ryanair to reach more potential customers and make sure that it is visible in the online space.

Recommendation

Based on this analysis of the strategic management processes at Ryanair, should look to improve its operational efficiency and look at ways to streamline its processes and reduce costs. This will help Ryanair to become more efficient and reduce its operating costs, which should also help to increase its profits (Fan *et al.* 2022).

The report suggests the following recommendations be made, in order to improve the organization's strategies and performance:

- Improve loyalty program – Ryanair currently have a loyalty program in place, to encourage customers staying with the company in the long term and switching from other competitors, but this comes at a price of £190 (travel mole, 2020). Therefore, Ryanair should reduce the price or even offer the service at no cost.
- Expand into new markets – Ryanair should explore opportunities for growing its shares in the new markets through marketing efforts or by expanding its network of routes.
- Improve customer service – Ryanair should focus on improving its customer service standards by introducing more flexible booking options and better handling of complaints.
- Increase efficiency – Ryanair should focus on increasing its operational efficiency by implementing new technologies and processes.
- Reduce costs – Ryanair should continue to reduce their costs in order to remain competitively priced in the market.
- Focus on innovation – Ryanair should focus on innovating its products and services to meet the changing needs and expectations of consumers. This could include introducing new services, such as on-board entertainment, or expanding its route network.
- Make strategic partnership with other airlines.
- Ryanair should look to innovate and keep up with the competition. The company needs to look at new ways to differentiate itself from its competitors, to gain and maintain competitive advantage.

Conclusion

By implementing the above strategies, Ryanair will be able to remain competitive and ensure that it does not get left behind by its competitors. By investing in customer service, improving its product offerings, increasing its digital presence, improving operational efficiency, and innovating, Ryanair will be able to ensure that it continues to be a leader in the low-cost airline market (Prichinet and Le Duc, 2020).

Ryanair has been successful in implementing strategic management processes, which have helped the company to be extremely successful in the low-cost aviation marketplace.

However, in order to remain competitive in today's dynamic marketplace, Ryanair must continue to innovate and improve its strategies, in line with changes in external environment such as the political, economic, legal and social environments.

In addition, they must also focus on improving their customer service and systems and reducing costs, to ensure that they are able to maintain their competitiveness in the marketplace.

References

- Ab Yajid, M.S., Shukri, S.M. and Khatibi, A., (2020). Expansion strategies for achieving competitiveness among airline companies in Malaysian territory. *Systematic Reviews in Pharmacy*, 11(1), pp.761-769.
- Abdul-Kadir, A., Sadat, A.A. and Sadick, A.A., (2020). Global strategies of the airline industry: a case study of Ryanair, Emirates, NetJets, and Thomas Cook. *StudNet*, 3(3), pp.204-217.
- Agarwal, I. and Gowda, K.R., (2021). The effect of airline service quality on customer satisfaction and loyalty in India. *Materials Today: Proceedings*, 37, pp.1341-1348.
- Ahmed, J.U., Khan, M.M., Sultana, I., Ahmed, A. and Begum, F., (2019). Ryanair: A low-cost business model in the european airline industry. In *SAGE Business Cases*. SAGE Publications: SAGE Business Cases Originals.
- analyticssteps.com, (2022), 5226410_1606939267_pestle [Available at: https://www.analyticssteps.com/backend/media/thumbnaill/7240917/5226410_1606939267_pestle.jpg] [Accessed on: 25.11.2022]
- apowersoft.info, (2022). vrio-gitmind-template. Available at: <https://webusupload.apowersoft.info/gitmind/wp-content/uploads/2021/12/vrio-gitmind-template.jpg>, [Accessed on: 25.11.2022].
- Barqueira, A., Quadros, R. and Abrantes, J., (2022). Airline booking applications: the case of Ryanair, Easyjet and tap air Portugal. *Aeron Aero Open Access J*, 6(1), pp.7-15.
- Barqueira, A., Quadros, R. and Abrantes, J., (2022). Airline booking applications: the case of Ryanair, Easyjet and tap air Portugal. *Aeron Aero Open Access J*, 6(1), pp.7-15.
- Bauer, L.B., Bloch, D. and Merkert, R., (2020). Ultra Long-Haul: an emerging business model accelerated by COVID-19. *Journal of Air Transport Management*, 89, p.101901.
- Bogers, M., Chesbrough, H., Heaton, S. and Teece, D.J., (2019). Strategic management of open innovation: A dynamic capabilities perspective. *California Management Review*, 62(1), pp.77-94.

Bose, I., (2018). The strategic environment of the aviation industry in UAE: A case study on Etihad Airways. *IIUM Journal of Case Studies in Management*, 9(1), pp.21-27.

Bura, M.T. and Anggraeni, F.L., (2020). The effect of applying balanced scorecards environmental performance. *Polish Journal of Management Studies*, 21.

Camilleri, M.A., (2021). Using the balanced scorecard as a performance management tool in higher education. *Management in Education*, 35(1), pp.10-21.

cdn.wallstreetmojo.com, (2022), Image available at: [Accessed from: <https://cdn.wallstreetmojo.com/wp-content/uploads/2022/08/Porters-5-Forces.jpg>] [Accessed on: 22.11.2022]

Efthymiou, M., Usher, D., O'Connell, J.F., Warnock-Smith, D. and Conyngham, G., (2021). The factors influencing entry level airline pilot retention: An empirical study of Ryanair. *Journal of Air Transport Management*, 91, p.101997.

Efthymiou, M., Usher, D., O'Connell, J.F., Warnock-Smith, D. and Conyngham, G., (2021). The factors influencing entry level airline pilot retention: An empirical study of Ryanair. *Journal of Air Transport Management*, 91, p.101997.

Efthymiou, M., Usher, D., O'Connell, J.F., Warnock-Smith, D. and Conyngham, G., (2021). The factors influencing entry level airline pilot retention: An empirical study of Ryanair. *Journal of Air Transport Management*, 91, p.101997.

Elfen, Y., (2022). *Ryanair Vs. Wizz air: revenue and cost driver analysis with respect to the Covid-19 pandemic and post-Covid implications* (Doctoral dissertation).

Elhini, M.M. and Kafafy, D., (2021). The Economic Impacts of COVID-19 on the Tourism Global Value Chain. In *Handbook of Research on the Impacts and Implications of COVID-19 on the Tourism Industry* (pp. 92-114). IGI Global.

Expertprogrammanagement, (2018), mckinsey-7s-framework. Available at: <https://expertprogrammanagement.com/2018/11/mckinsey-7s-framework/>. [Accessed on: 20-11-2022]

Fan, D., Sun, B., Dui, H., Zhong, J., Wang, Z., Ren, Y. and Wang, Z., (2022). A modified connectivity link addition strategy to improve the resilience of multiplex networks against attacks. *Reliability Engineering & System Safety*, 221, p.108294.

Gazi, F., Atan, T. and Kılıç, M., (2022). The assessment of internal indicators on the balanced scorecard measures of sustainability. *Sustainability*, 14(14), p.8595.

Golden, D. and Erne, R., (2022). Ryanair pilots: Unlikely pioneers of transnational collective action. *European Journal of Industrial Relations*, p.09596801221094740.

Griffith Ph D, J.C. and Roberts Ph D, D.L., (2021). Customer service 2.0: The Effect of Ryanair's Policy Change. *International Journal of Aviation, Aeronautics, and Aerospace*, 8(2), p.5.

Gupta, A., Gupta, N. and Gupta, M., (2019). British Airways-A SWOT and PESTLE Analysis-The impact of Europe 2020 policy. *NOLEGEIN-Journal of Corporate & Business Laws*, 1(1), pp.1-11.

Harvey, G. and Turnbull, P., (2020). Ricardo flies Ryanair: Strategic human resource management and competitive advantage in a Single European Aviation Market. *Human Resource Management Journal*, 30(4), pp.553-565.

Harvey, G. and Turnbull, P., (2020). Ricardo flies Ryanair: Strategic human resource management and competitive advantage in a Single European Aviation Market. *Human Resource Management Journal*, 30(4), pp.553-565.

Harvey, G. and Turnbull, P., (2020). Ricardo flies Ryanair: Strategic human resource management and competitive advantage in a Single European Aviation Market. *Human Resource Management Journal*, 30(4), pp.553-565.

iide.co, (2022) swot-analysis-of-ryanair [Available at: <https://iide.co/case-studies/swot-analysis-of-ryanair>] [Accessed on: 25.11.2022]

image.slidesharecdn.com, (2022), analysis-of-ryanairs-competitive-advantages. [Available at: <https://image.slidesharecdn.com/new-090519160415-phpapp01/85/analysis-of-ryanairs-competitive-advantages-7-320.jpg?cb=1666650130>] [Accessed on: 25.11.2022]

Johar, M.G.M., Ab Yajid, M.S. and Azam, S.F., (2020). What Policies Airlines in Malaysia Adopt do to Achieve Competitiveness?. *Systematic Reviews in Pharmacy*, 11(1), pp.770-778.

Johar, M.G.M., Ab Yajid, M.S. and Azam, S.F., (2020). What Policies Airlines in Malaysia Adopt do to Achieve Competitiveness?. *Systematic Reviews in Pharmacy*, 11(1), pp.770-778.

Kelemen, M., Pilát, M., Makó, S., Rozenberg, R. and Tobisová, A., (2019). Pricing policy aspects in competitive fight between low-cost airlines on Kosice airport. *Journal of Konbin*, 49(1), pp.331-342.

Korschun, D. and Godfrey, Z., (2020). 10 Corporate Political. *Employee Engagement in Corporate Social Responsibility*, p.160.

Lange, A. and Bier, T., (2019). Airline business models and their network structures. *Logistics Research*, 12(1).

Lauer, T., (2019). Generic Strategies, Outpacing and Blue Ocean—Discussing the Validity of Three Strategic Management Theories Using Case Studies from Airlines and Grocery Retail. *Theory, Methodology, Practice*, 15(01), pp.57-66.

Lianos, I., Velias, A., Katalevsky, D. and Ovchinnikov, G., (2020). Financialization of the food value chain, common ownership and competition law. *European Competition Journal*, 16(1), pp.149-220.

Lin, Y.H., Ryan, C., Wise, N. and Low, L.W., (2018). A content analysis of airline mission statements: Changing trends and contemporary components. *Tourism Management Perspectives*, 28, pp.156-165.

Liu, B., Chen, M. and Zhou, W., (2022). Internal and External Factors Analysis of Kenya Airways' Strategic Management: A Mini-Review. *Frontiers in Business, Economics and Management*, 3(1), pp.13-17.

Lu, M., (2021), October. A Study on the Development Strategy of Linyi's Air Logistics. In *2021 International Conference on Public Relations and Social Sciences (ICPRSS 2021)* (pp. 225-233). Atlantis Press.

macrotrends.net, (2022), easyjet/financial-ratios, [Available at: <https://www.macrotrends.net/stocks/charts/EJTTF/easyjet/financial-ratios>] [Accessed on: 25.11.2022]

macrotrends.net, (2022), ryanair-holdings/financial-ratios [Available at: <https://www.macrotrends.net/stocks/charts/RYAAY/ryanair-holdings/financial-ratios>] [Accessed on: 25.11.2022]

Madar, A., (2018). RYANAIR IS LOOKING FOR NEW SOLUTIONS TO COPE WITH THE COMPETITION. *Bulletin of the Transilvania University of Brasov. Economic Sciences. Series V*, 11(2), pp.95-102.

Madar, A., (2018). RYANAIR IS LOOKING FOR NEW SOLUTIONS TO COPE WITH THE COMPETITION. *Bulletin of the Transilvania University of Brasov. Economic Sciences. Series V*, 11(2), pp.95-102.

Malivan, A. and Thanakunwutthirot, K., (2019), October. MODERN OFFICE MANAGEMENT: MCKINSEY 7S FRAMEWORK. In *INTERNATIONAL ACADEMIC MULTIDISCIPLINARY RESEARCH CONFERENCE IN BERLIN 2019* (pp. 92-95).

Martins, A.M. and Cró, S., (2022). Airline stock markets reaction to the COVID-19 outbreak and vaccines: An event study. *Journal of Air Transport Management*, 105, p.102281.

mission-statement.com, (2022), *Ryanair Mission And Vision Statement Analysis*, [Accessed from: https://mission-statement.com/ryanair/#Ryanair_Mission_statement] [Accessed from: 25.11.2022]

Mohandoss, K. and Muthuraman, B., (2019). Analysis of Strategic Management and its Impact in Aviation Industry with Special Reference to Oman Air, Sultanate of Oman. *management*, 6, p.349.

Pavlivna, O.O., Yuriiovych, L.N. and Pavlivna, N.O., (2021). Assessment of the competitive positions of national airlines of Ukraine. *TEM Journal: Technology, Education, Management, Informatics*, 10(1), pp.318-326.

pestleanalysis.com, (2022), ryanair-pestle-analysis. [Available at: <https://pestleanalysis.com/ryanair-pestle-analysis>] [Accessed on: 25.11.2022]

Prichinet, G.C. and Le Duc, N., (2020). Strategic analysis of Ryanair.

Putri, A.D. and Suwandi, S., (2019). Rencana Pengembangan Bisnis Herona Express. *Journal of Entrepreneurship, Management and Industry (JEMI)*, 2(1), pp.69-76.

Qin, T., (2020), September. Elevating Value Marketing Strategies in Singapore Airlines Driven by Macro and Micro Environment. In *The 3rd International Conference on Economy, Management and Entrepreneurship (ICOEME 2020)* (pp. 271-279). Atlantis Press.

Rodríguez-García, M., Orero-Blat, M. and Palacios-Marqués, D., (2020). Challenges in the business model of low-cost airlines: Ryanair case study. *International Journal of Enterprise Information Systems (IJEIS)*, 16(3), pp.64-77.

Ruan, X. and Tian, Y., (2019). The importance of risk and decision making in hospitality and tourism industry. *Frontiers in Educational Research*, 2(6).

Schleicher, D.J., Baumann, H.M., Sullivan, D.W. and Yim, J., (2019). Evaluating the effectiveness of performance management: A 30-year integrative conceptual review. *Journal of Applied Psychology*, 104(7), p.851.

Şekerli, E.B., (2021). İNGİLTERE MERKEZLİ DÜŞÜK MALİYETLİ HAVAYOLU İŞLETMELERİNİN BREXIT SÜRECİNDEKİ STRATEJİLERİNİN İNCELENMESİ. *Uluslararası Yönetim İktisat ve İşletme Dergisi*, 17(4), pp.1079-1098.

Siruri, M.M. and Cheche, S., (2021). Revisiting the Hackman and Oldham job characteristics model and Herzberg's two-factor theory: Propositions on how to make job enrichment effective in today's organizations. *European Journal of Business and Management Research*, 6(2), pp.162-167.

Sketchbubble.com, (2022), presentation-hackman-and-oldham-model. Available at: <https://www.sketchbubble.com/en/presentation-hackman-and-oldham-model.html>.

[Accessed on: 20-11-2022]

strategicmanagementinsight.com , (2022), images/2/rothaermels-model.svg. [Available at:<https://strategicmanagementinsight.com/images/2/rothaermels-model.svg>]. [Accessed on: 15.12.2022]

Teece, D.J., (2019). A capability theory of the firm: an economics and (strategic) management perspective. *New Zealand Economic Papers*, 53(1), pp.1-43.

Temirkhanova, I., (2020). EMPLOYER BRANDING IN THE AIRLINE INDUSTRY: ON THE EXAMPLE OF RYANAIR. *Social Sciences*, 1(52).

Temirkhanova, I., (2020). EMPLOYER BRANDING IN THE AIRLINE INDUSTRY: ON THE EXAMPLE OF RYANAIR. *Social Sciences*, 1(52).

Wirtz, J., (2020). Organizational ambidexterity: cost-effective service excellence, service robots, and artificial intelligence. *Organizational Dynamics*, 49(3), pp.1-9.

wordstream.com, (2021), wp-content/uploads/2021/07/swot-analysis-header1.png. [Available at: <https://www.wordstream.com/wp-content/uploads/2021/07/swot-analysis-header1.png>]. [Accessed on: 15.12.2022]

Zahari, A.R. and Romli, F.I., (2019). Analysis of suborbital flight operation using PESTLE. *Journal of Atmospheric and Solar-Terrestrial Physics*, 192, p.104901.