

Strategy for Business Development of Agribank Thanh Hoa to 2020

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Abstract “Strategy is the red thread through the activities of an organization - An Ssofg, 1965’; strategy is extremely important role in the operation of every organization, every enterprise: strategy contributed to help a business organization become more active in anticipating the changes of environment from which they can control their activities. In the current economic market, a good strategy helps increasing the competitiveness of businesses, ensuring a strong dominance of enterprise. [1] In the trend of integration and competition, the same with other companies are operating in Vietnam, Thanh Hoa Agribank has many opportunities for growth while facing new business environment more complex and risky. Competitive pressures increased when domestic banks are constantly expanding the scope of operation, growing both in quantity and quality, many foreign credit organizations are willing to participate in the Vietnam market will create a new competitive pressures increasingly strident. In this context, the question for each bank is planning a suitable business strategy to stand firmly in the market and continue to grow. For these above reasons, I decided to choose the paper "Strategy for business development of Agribank Thanh Hoa to 2020" for reseach.

Keywords: *strategy, business development, strategy bank, strategy for business*

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1. Introduction

1.1. Business Strategy of Enterprise

1.1.1. The Nature of Business Strategy

Strategy came from the original ancient Greek is strategos, is a military term used to plan and arrayed force distribution with the goal of defeating the enemy. Carl von Clausewitz - 19th century French military - has described the strategy is "to plan war and campaign planning for combat. These campaigns will determine the participation of individuals". Recently, the historian Edward Mead Earle described the strategy as "the art of controlling and using resources of a nation or a coalition of countries aimed at ensuring and increasing the efficiency of its essential interests" [1].

Today, business organizations apply the concept of strategy is similar to the military, business strategy is the special attention and considered building business strategies as the foundation aims to improve and ensure the essential rights.

There are many concepts of strategy as a strategist Bruce Henderson is the founder of Boston Consulting Group, Strategy means searching carefully a plan for action to develop and incorporate the competitive advantage of organizations. The difference between you and the competitor is the basis for your advantage. Strategy is the

model of the intended target and science to achieve that goal (Benneth 1965). or strategy is the red thread through the activities of an organization (An Ssofg, 1965). [1] In the essay using the concept of strategy of G Scholes, K (1999) shown that "Strategy is the direction and scope of an organization in the long run to regain a competitive advantage for organizations through the types of resources in the changing environment of the organization to meet market needs and satisfy the expectations of stakeholders:.

It can be seen that the concept of strategy covering all activities of businesses. The establishment of business strategic that require an understanding of the external environment, internal environment of companies from which to determine an appropriate business strategies to help companies survive and even development dominant and different activities with competitors. Business strategy is the manner by which the mission of the company as well as long-term goals can be achieved. The strategy of companies with the main contents are: restructuring strategy, take-over strategy, merger strategy, market development and expansion strategy, diversified products strategy,...

Strategy plays a crucial role in the operation of the business; strategy contributes to a more dynamic organization in anticipating the changes of environment from which they can control their activities. In the current economic market, strategy help to increase the competitiveness of businesses, ensuring a strong dominance of enterprises. [3].

In Vietnam, since the transition to market mechanisms, especially in the integration trends, enterprises have been polarized: some firms adapt to new mechanism to build right business strategies and have rapidly grown outstanding; in the contrast, companies became confused to find the exit. Building business strategy will help enterprises have clear directions in their future, look clearly opportunities and risks in business activities in the new economic integration market to make the decision to deal with each business environment to enhance business efficiency.

Therefore, building a business strategy become inevitable needs of businesses who want to survive and grow.

1.1.2. The Characteristics of Business Strategy

The characteristics of enterprises are derived from historical mission (vision) of the enterprise, built basis on analyzing the external environment and internal environment, it is expressed through the following diagram. [2]

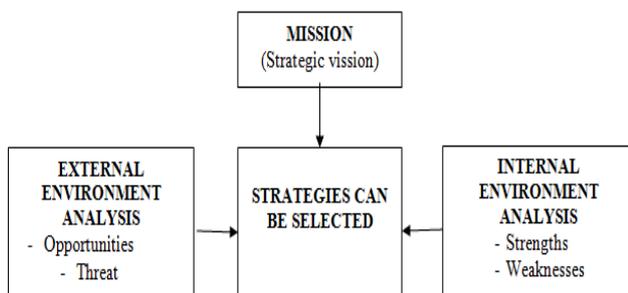


Diagram 1. Specific characteristics of business strategy

Business strategy has the following basic characteristics:

- To define the basic objectives and orientation of enterprises in each period, and grasp thoroughly all the activities of enterprises
 - To ensure mobilizing and combining maximum the exploitation and use human resources of company in the present and future, to promote advantages and catch opportunities to gain the upper hand in the marketplace.
 - To be reflected throughout the progress of building strategy, implementation, test and evaluation, and adjustment.
 - Business strategy must have victorious thinking.
- The basic features of business strategy of globalization, economic integration are always in dynamic international environment, always use offensive strategy. Therefore, the strategic management pays special attention to forecasting and actively anticipating the changes of business environment to map out solutions to attack, to take advantage of opportunities and limit risk, which always appeared in the business environment of enterprises.

1.1.3. The Necessity of Developing Strategies

- Building (or planning) and informing about strategies are one of the most important activities of senior managers "An organization does not have a strategy similar to the ship without a rudder". [3]

- In the varying conditions of business environment today, strategic management as an approach help enterprises overcome turbulences in the marketplace, reaching into the future by their efforts and abilities.

Strategic management is the science, the arts, is indispensability for enterprises because the business environment, the context of globalization and economic integration always change complexly.

Therefore, establishing and implementing effectively business strategies is a process to overcome many difficulties. In that process analysis and accurate forecasts to business environment are critical to the success or failure of strategy. So, businessmen have to understand deeply theory and know how to use them in a flexible way to make strategic management plan effectively.

1.1.4. The Basis for Formulating Strategies

Affirming the main direction is to determine the historical mission of the company. Its mission is a message to express reasons for exists of the organization. In other words, what is purpose for organization exist? This is the first foundation to identify the strategic objectives of the company and also as a basis to determine the mode of action.

In the current market, when a company be established and go to operation they have to identify clearly the functions and specific duties. In fact, "What is the business type of your company?" or, what is the company task? That is always a difficult question to answer. To answer this question, the company needs to have a message to report all business tasks. That is the historical mission of the enterprise. To build a business strategy, the main basis includes analyzing the external environment (including the macro environment, industry environment) and internal environment (internal). [4]

1.2. Business Strategies May Apply in Overall Performance of Enterprises. Analysing Model Selecting Strategies

The strategies of the company have many different goals that will be depended on each particular case for using. Industry is growth or decline. One of the main objectives that are targeted towards business growth. Beside that, there are goals to maintain or reduce to create a stable business strategy, or cutting strategies. The target reaching out to foreign markets have foreign direction strategy. The basic competitive strategies of companies such as emphasizing cost strategy, differentiation strategy and focus strategy... that companies need to address and analyze.

1.2.1. The Growth Strategy

The target of this strategy is to increase profits and market share

a. The Internal growth strategy

This strategy is also known as focused growth strategy, the main strategy focuses on improving the product or existing markets without changing any other factors (industry, levels of industry, the technology applied). Growth mode of this strategy includes increasing sales, increasing production capacity and increase the number of employees. Three main schemes of this strategy are:

* *Penetrating market*: The goal is to find ways to raise the products currently in production while the market does

not change with the strong performance in the marketing, marketing, and advertising. [1]

* *Developing market*: The growth sought by way of entering new markets to consume products that are manufacturing. [1]

* *Developing product*: growth through the development of new products for sale in the market that enterprises are operating

b. Growth strategy in the path of integration (links)

Growth in the path of integration is the merger of two or more businesses together to share resources in order to achieve a stronger force in the competition. There are two forms:

* *Vertical integration (vertical links) in the opposite direction*.

Growth by taking ownership or increased control over the supply of materials, if in the internal company should set up the power supply, set up subsidiaries. If external integration enterprise can buy back from suppliers

* *Vertical integration in the same direction*

Integration along the consent way is sought growth by acquisition, taking ownership or increased control over the consumption channel function close to the target market as system sales and distribution

c. Growth strategy by diversifying

Diversification is the investment of surplus capital into many different industries as companies have won several competitive advantages in the current business of the company. This is the 3rd overall strategy that most large companies in the process of growth and development of business in the long-term plan is often used.

1.2.2. The Stable Strategy

In the process of business sometimes companies have to use strategies to maintain stable operation scale because there are many disadvantages in performance due to risk or cannot compete with other competitors. The stable Strategy is often used in the following situations:

- Enterprises in the business develop slowly or not developing

- The cost to expand the market or put the product into new markets surpasses financial capability of firms

- Small businesses produce highly specialized products, serving the narrow market if the increase production scale will affected to quality of products and services.

1.2.3. The Reduction Strategy

Enterprises should strengthen rearranged to enhance operational efficiency in the industry when there is no long-term growth opportunities or do not profit when the economy is unstable. If businesses do not have strengths, inability for development, they should apply cutting strategies. There are four commonly used options

a. *Cutting cost*: Should be short, reducing the parts do not bring efficiency. Reorganizing production lines or business activities of the company moves to other professions

b. *Recovery of investment capital*: Will do when the business decide to sell or close operation of a subsidiary company in order to change the basic content of operations

c. *Harvesting*: is trying to maximize the transfer of money for immediate purposes, despite long-term consequences, but it is likely to benefit during the harvesting application

d. *Dissolution*: When an enterprise does not have ability to exist or is likely to shift production or forced go to dissolution. This measure is mandatory final offers many complex problems for companies.

1.2.4. Mixed Strategy

Businesses often have many goals, so can incorporate strategies for different purposes. In the fluctuating economy if good combination of a reasonable strategy would promote the strengths and minimize risks. Take advantage of the good business environment and the lowest limit of weak fields when companies are seeking to purchase or merge with multi-sector enterprises, the strategy is appropriate.

2.2. Analysizing the Status of Implementing Business Strategy at Agribank Thanh Hoa in the Last Time

2.2.1. Business Strategy of Agribank Thanh Hoa Period 2013-2017

Under the guidance of the Agribank, at the end of 2012, Agribank Thanh Hoa has built a business strategy in the period of 2013 - 2017 with the main contents as follows:

2.2.1.1. General Purpose

- To maintain and strengthen the leading position - key role in providing credit to the program of industrialization, modernization of agriculture, rural areas, striving to bring the operation of market share accounted for 60 Agribank Thanh Hoa % - 70% market share of banks in rural areas. Concentrating investment in the development of market segments with high effective, striving to increase Agribank's operational market shares accounted for 30% of the total market share of credit institutions operating in urban areas. Increase market share of general operating account for 35% to 40% of the total market share of banks operating in the province.

2.2.1.2. Targets for Striving to 2017s

Table 1. Targets for striving to 2017s (Accounted Unit: VND billion)

Description	Done 2012	Strived target 2017
Total Assets	4.517	9.000
Total mobilized capital	3.044	7.000
Growth rate	17,6%	15 – 20%
Proportion of people's deposit/ Total capital	78%	65 – 70%
Total of outstanding debt	4.234	8.300
Growth rate	19,2%	13 – 16%
Proportion of loan in medium & long terms	41%	41%
Proportion of bad dept	2,31%	< 3%
Growth rate of profit	7%	10 – 15%
Income rate from of services /net revenue	4,3%	10%

2.2.2. Evaluating the Target Implementation of the Business Strategy in Period 2013-2017

2.2.2.1. Results of operations 2013 - 2017

Table 2. The business operational result 2013 – 2017 (Accounted Unit: VND billion)

No.	Description	Done2013	Done2014	Done 2015	Done 2016	Done 2017
	Targets of business scale					
1	Total assets	5.119	5.979	6.640	7.685	8.924
2	Mobilizing capital	3.612	4.333	5.655	6.071	7.318
3	Outstanding credit	4.944vanh@	5.748	6.494	7.432	8.747
	Targets of operating structure					
4	Outstanding debt ratio in medium, long term/ Total of outstanding debt.	39,2%	41,2%	40,5%	39,7%	39,9%
5	Outstanding debt ratio of households and individuals/Total of outstanding debt	72,0%	73,0%	70,2%	72,3%	67,4%
6	Outstanding debt ratio of TSBĐ/ Total of outstanding debt	51,8%	52,6%	52,7%	53,0%	52,5%
	Targets reflects business results					
7	Collecting debt by foreign currency	12	38	90	77	40
8	Net services income	11,6	17,7	26,4	35	42,4
9	Difference of income and inpenditure before DPRR	200	265	306	223	279
10	Anti –risk fund in year	72	116	99	52	34,7
11	Profit before tax	128	149	207	171	182
12	ROA	0,25%	0,25%	0,31 %	0,22%	0,21%
	Targets of credit quality					
13	Outstanding bad debt (from group 3 to group 5)	72	47	70	104	105
14	Bad debt ratio / Total of outstanding debt (%)	1,45%	0,81%	1,08 %	1,41%	1,20 @ % % % %
	Operating networks					
15	Branches, transaction offices directly under Agribank province	37	37	37	37	37
16	Transaction offices, transaction points directly under bank branches – type 33	24	26	27	28	28

(Source: The annual report of Agribank Thanh Hoá).

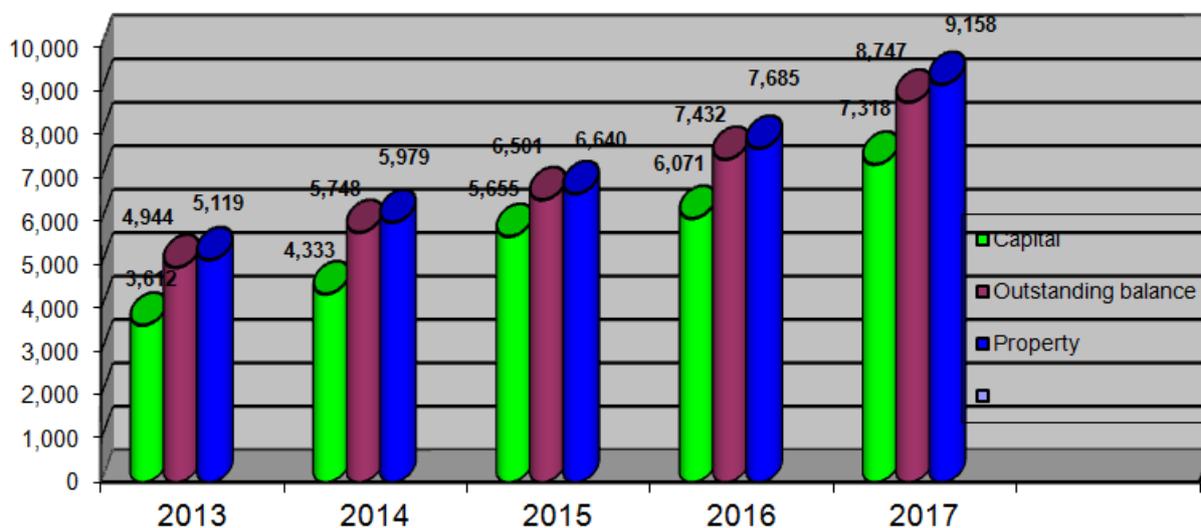


Diagram 2. Targets of business scale of Agribank Thanh Hoá (2013-2017) (Source: The annual report of Agribank Thanh Hoa)

a) General Assessment:

Can assess generally in period 2013 - 2017 Agribank Thanh Hoa has completed a basic of all objectives outlined in the business strategy.

To confirm continuously the leading mission - key role in providing credit to the industrialization and modernization of agriculture and rural areas; To effectively restructure Agribank for period 2013 - 2017, expanding its operations safely and sustainably.

To improve gradually competitiveness, developing brand and building business culture to enhance the prestige and position of Agribank Thanh Hoa to become "Option No. 1".

Operating safely and managing risks within reasonable limits, developing strongly and sustainably, serving well the needs of customers with diversified products and services, improving quality and renewal.

b) Evaluating results of the specific objectives for 2013 – 2017

* Achievements

- Growth of the scale

+ Total assets of the Agribank Thanh Hoa increased constantly. The annual average growth was 15.8% until 31/12/ 2017, reached 9,158 billion and increased 1,8 times compared to 31/12/2013

+ The mobilized capital calculate until 31/12/2017 reached 7,318 billion, an average growth was 15.8% / year, reaching 104.5% of the target capital, in which the proportion of capital mobil accounted for 86.5% of the total population source capital raised, far exceeding the goal of the project.

+ Total outstanding of debt was 8,747billion, the average increase of 15.4% / year, reaching 105.4% of the balance target, in which the proportion of outstanding in medium and long term reached 100% as planned target. The proportion of bad debt accounted for 1.2% of total loans; it was lower than the target of credit quality

+ Growth rate of revenue with the annual average rate was 17.2% higher than the planned target

+ Speed of revenues out of credit increased quickly, the proportion of revenues out of credit 12% against the target of the project

+ Network of distribution channels were expanded: in 2013 the branch just have 61 branches, transaction offices and transaction points, until 2017 have 68 branches, transaction offices and transaction points presented in most towns, townships, industrial parks, residential areas in the province

2.3. Analysis of the Environmental Impact on Building Business Strategy of Agribank Thanh Hoa

2.3.1. Analyzing the Industry Environment – Five Forces Model of Michael Porter

2.3.1.1. Analyzing the Industry Environment in General

The commitments on commercial presence of foreign banks in Vietnam from April 2014 apply for the bank with 100% foreign capital. Equity participation in domestic banks, liberalization of foreign exchange transactions ...Lliquidity, bank management, the most-favored-nation (MFN) and national treatment (NT)

- Dramatic Competition increases in all activities with external banks, foreign banks to open offices in the country and competition between the domestic banks together

- Standard of bank operations apply under the rules and adhering more closely

- Guideline of Government in positive equitisation and initiative in all activities for commercial banks actively join in integration activities with the lead banks, major and dominant in the country

- State Bank reform of comprehensive banking sector in all aspects, from the organizational structure - institutions - law, policy tools, mechanisms and policies, from management to executive management and technology, from facilities to people.

Orienting the economy according to the socialist market economy have the management of State and international integration. Reforing the Government administration procedures to ensure predictable system efficiency, modernizing the central bank and commercial banks through the tools, policies, operations, technology and competitiveness in national and international. Applicatiing advanced management methods, practices and best standards. The high-quality animal products in Vietnam, extensive distribution network to meet the needs of the economy - Social Empowerment, images, trademarks and competitiveness of domestic banks to the market principle mechanism.

- Currency - inflation are controled closely to ensure economic development and other bank activities. The policy of non-cash payments are positive effects of service of the morden banks

Banking activities are active nature lifeblood of economic and social body, an industry requires wisdom, bravery and high quality with many difficulties and risks. International economic integration with competitive pressure will be happned continuously, competitive pressures will be held on 5 areas: existing competitors, potential competitors, customers, suppliers and alternative products.

2.3.1.2. Analyzing the Industry Environment in the Area

a) The current competitors

In Thanh Hoa province, the financial and monetay activities are operating actively with intense competition between banks. The bank system, especially the branches of commercial joint stock bank are rapidly developing in size and network, expanding the market share of high growth. Up to now, the Thanh Hoa province has 25 branches with 228 first-level branches, transaction offices, transaction points are under widespread development throughout the province.

Table 3. The operational networks of commercial banks and other credit institutions in Thanh Hoa province to date 31/12/2017

No.	Name	Bank no. (Class 1)	Branches, Transaction offices & Transaction points
1	Vietin Bank	03	31
2	BIDV	02	17
3	Agribank Thanh Hoa	01	68
4	Agribank Sam Son	01	03
5	VBSP	01	28
6	NAS Bank	01	04
7	CCF	01	44
8	Sacombank	01	05
9	VIBank	01	03
10	VP Bank	01	05
11	MB Bank	01	03
12	NH Maritime Bank	01	02
13	Techcombank	01	02
14	ACB	01	02
15	VDB	01	02
16	PVFC	01	02
17	DONGABANK	01	02
18	Vietcombank	01	01
18	SeaBank	01	01
19	Lienvietpostbank	01	01
20	Oceanbank	01	01
21	MHB Bank	01	01
	TOTAL	25	228

Table 4. The mobilizing capital situations of credit institutions in the areas of Thanh Hoa province, period 2013 – 2017 (Excluding treasury deposits, social insurance, deposits and loans) (Accounted Units: VND billion)

No	Credit Institutions Name	31/12/2013		31/12/2014		31/12/2015		31/12/2016		31/12/2017		Comparison		
		Balance	TP (%)	Balance	TP (%)	Balance	TP (%)	Balance	TP (%)	Balance	TP (%)	2017/2013		
												(+)(-)	±%	±TP
1	Agribank ThanhHoa	3,504	53.3	4,260	50.5	5,165	47.9	5,926	42.0	7,070	38.8	3,566	102	-14.5
2	Vietin Bank	1,396	21.2	1,461	17.3	1,707	15.8	2,176	15.4	2,897	15.9	1,501	108	-5.3
3	BIDV	1,182	18.0	1,479	17.5	1,552	14.4	1,948	13.8	2,464	13.5	1,282	108	-4.5
4	Agribank Sam Son	41	0.6	51	0.6	74	0.7	81	0.6	99	0.5	58	141	-0.1
5	VBSP	56	0.9	55	0.7	27	0.3	26	0.2	46	0.3	-10	-18	-0.6
6	CCF	243	3.7	326	3.9	536	5.0	752	5.3	1,100	6.0	857	353	2.3
7	NASBank	9	0.1	20	0.2	110	1.0	202	1.4	239	1.3	230	2,556	1.2
8	Sacombank	149	2.3	497	5.9	638	5.9	1,244	8.8	1,892	10.4	1,743	1,170	8.1
9	VP bank			138	1.6	381	3.5	314	2.2	335	1.8	335		1.8
10	VIBank			149	1.8	487	4.5	575	4.1	645	3.5	645		3.5
11	Techcombank					100	0.9	135	1.0	186	1.0	186		1.0
12	PVFC					6	0.1	5	0.0	5	0.0	5		0.0
13	ACB							143	1.0	244	1.3	244		1.3
14	Maritime Bank							343	2.4	330	1.8	330		1.8
15	MB Bank							224	1.6	577	3.2	577		3.2
16	Vietcombank									109	0.6	109		0.6
	Total in province	6,580	100	8,436	100	10,783	100	14,094	100	18,238	100	11,658	177	0.0

- Until 31/12/2017 group of state commercial banks accounted for 52% shares in the total operational network, with the balance of capital mobilized 12,530 billion, increased 6,407 billion, accelerating by 104.6%, accounting for 69% market shares. Capital decreased 24% compared to the 31/12/2013; Agribank Thanh Hoa achieved the balance of 7,070 billion, increased 3,566 billion, accelerating by 102%, accounting for 56.4% of the total capital raised by the group of state commercial banks. The total outstanding loans of the state commercial banks reached 16,631 billion, increased 9,093 billion, accelerating by 120.6% reached 59% the outstanding market shares, decreased 23% compared to the 31/12/2013. Agribank Thanh Hoa reached 8,747 billion, increased 3,803 billion, accelerating by 77%, accounting for 52.6% of total loans in-group of the state commercial banks.

b) The Potential Competitors

Entering into WTO, domestic banks have condition to integrate deeply – widely, expanding to international market their financial activities - banking - investments and accept fierce competition in both the internal and external markets. For the most potential competitors are the Credit Institutions system in the Thanh Hoa province, they are constantly appeared and increased their bank activities in the area, the present appeared branches includes SHB, Mekong Housbank, Seabank, Lien Viet bank ... in the future will be appeared branches of foreign banks and joint venture banks.

Foreign invested enterprises have largely demands for foreign currency loans. Therefore, the group of foreign commercial banks is easy to meet their demand because they have abundant additional resources from parent banks. Moreover, they also the foreign style to easily cooperate in business. The corporation also has the largest

loans, while the capital of The Vietnam banks is limited to 15% for a customer is also small.

If appearing more subsidiary banks with 100% foreign capital, the level of competition will be stronger than the Vietnam banks. Therefore, subsidiary bank can participate in banking activities that, at present, some bank branches are not allowed to do such as capital contribution, purchasing stocks and shares. In addition, the subsidiary banks also have extensive networks and multi-functional activities worldwide.

2.3.1.3. The Power of Customers

There are 228 transaction points of credit institutions in Thanh Hoa province at the present. (excluding the ATM automatic banking systems). With the business strategy of diversification products, the banks create better conditions to serve quickly and effectively to customers.

Customers have more opportunities to choose. Therefore, the customer can be viewed as a competitive threat they may request lower prices but higher products and services. The commodious development of banks on a system-wide will increase the intense competition between banks in the race to grab market share, attract customer's choice so good as to make the power of customers become greater.

So, in this competitive race, Agribank Thanh Hoa have to continuously improve the competitiveness of products and services with high quality, prestige and trust with customers through the quality of human resources, company governance, business culture, operational scale ... create a competitive advantage and reduce the power of customers.

2.3.2. Internal Environment – Applying Value Chain Model

Table 5. The process to determine the competitive advantages following the value chain

a. Infrastructure

Agribank Thanh Hoa is a member directly under the Agribank, the authorized representative of the Agribank, the accounts under the Agribank. They have seal and balance accounting statement.

The operational scope for a direct bank branch implementing banking operations and other activities related to the extension permitted by the Agribank, and as authorized by the General Director of Agribank.

- Principles of organization and executive management

Are managed directly by the Agribank, the branch director, assistant director and a number of deputy directors. The organizational structure of the branch is follow the hierarchical structure from Agribank Thanh Hoa branches to transaction offices and transaction point directly under the branch.

- *Experience*: Agribank Thanh Hoa was established in 1988, are separated from the State Bank branches in Thanh Hoa province (established 1951) with the initial task is mainly to raise funds for agricultural loans and rural areas, farmers..

Now they has become a branch of state commercial bank, operating multi-business with the wide operational networks in the areas of Thanh Hoa province on both urban and rural; Agribank Thanh Hoa has prestigious brand image, is a reliable address for all enterprises and people in Thanh Hoa province.

Agribank Thanh Hoa had a long-term operational process that has set up a picture, a good impression; reputation, prestige and brand position of Agribank has been established and confirmed the market value. That's the biggest advantage should be promoted, exploited thoroughly and efficiently. Due to the long process of Agribank should have accumulated much valuable experience in management and administration capabilities, understand the psychology of customer wishes such as living habits, tastes, expectations and demand for content, quality, utility, price of animal products in Vietnam ... so that can make out the appropriate products and services

+ Due to activities process during its 20 years, Thanh Hoa Agribank has built its reputation and credibility, stablishing the brand value, confirming the position of a leading commercial bank in the area, and become a

intangible assets which are extremely valuable to attract customers. So far Agribank Thanh Hoa has more than 800 thousand customer accounts for more than 50% total market share of customers in the area, including a force many customers are familiar, traditional customers than other banks. This is a huge advantage in stabilizing and expanding customers, especially the psychology of Vietnam has a habit of buying or trading goods with those who know.

- *Business culture*: Agribank Thanh Hoa has over 20 years of construction and development with a lot of rise and fall. That was also a period marked by the enthusiasm, dedication, the supreme sacrifice of many generations ... employees, has created a glorious tradition, shaping the cultural identity and personal fundamental values to be conserved and develop that traditions:

Agribank Thanh Hoa 's staff isloyalty and always work for the goal with clear idea and business philosophy "Agribank bring prosperity to our customers' and the slogan " Honesty, discipline, creativity, quality quality and efficiency " cohesive community to survive and develop. Generation Leaders unite, have strong field, high energy, go ahead, and take responsibility, be always creative, sensitive to all the times; make timely decision time; All members in the system believe on.

- *Financial Management*: Financial capacities of the bank is a financial resource used in bank operations, but also exploit the ability to manage and use resources effectively to cater for business activities. Financial capability is very significant not only present but also of the bank financial strengths, potential of development trends in the bank's future.

The business results from the 2013-2017 has increased gradually: financial capacity of the Agribank Thanh Hoa has been gradually improved: total assets in 2017made up 1.8 times until 31/12/2013, speed the average growth rate reached 15.8 / year.

Profit before tax and performance obligations to the annual state budget continues to increase (except in 2016 due to a direct effect of the difference in interest rates declined sharply, this was a direct result of a large part with funds raised from higher interest rates in 2015 lasted almost throughout the year 2016).

Table 6. Business Result of Agribank Thanh Hoá, period 2013-2017 (Accounted Unit: VND Billion)

No.	Description	Done 2013	Done 2014	Done 2015	Done 2016	Done 2017
1	Total Assets	5.119	5.979	6.640	7.685	9.158
2	Profit before tax	128	149	207	171	232
3	State budget payment (excluding concentrated payments in Agribank)	1,3	2,0	9,2	4,6	4,6

(Source: The financial statement of Agribank Thanh Hoá).

Credit structure and customer structure have moved strongly. Number of good clients increased. Loan and payment did in fair that make the credit capital circle increased rapidly, creating effective revenue in credit activities. The products and services develop quickly on both traditional services and new services based on high technology, implementing a closed transaction process, encouraging customers to use multiple products and services to generate more credit revenues. Performing well the bad debt recovery, debt and pending interest... to improve quality of using capital in safety and effective.

* Human Resources: to 31/12/2017 Agribank Thanh Hoa has a team of employees with total 1,065 staff including: university degree and post master's degree accounted for 65%, female staff accounted for 62% , the average age at 38.5 years.

Most personnel were trained from the subsidized period, lack of the basis, primarily in-service training. The proportion of staff with university degrees or more are relatively low, the average age is high, accessibility new technology is limited; young trained staff recruits for alternative still not much because of the boundary indicators; also due to the large workforce, training, retraining, and accessment to modern technology are still be limited.

*Training: to meet operational requirements to have full conditions for using the new products and services, implementing efficient operational business processes, the branch has planned regular training combined with enhanced training. Improving deeply following each of subjects, updated new knowledge appropriate to each subject and title to improve their business management skills, training basic knowledge about the market, ability to acquire new technologies, update gradually new information to meet work requirements and to fill the gaps in knowledge and skills in the monetary transaction process.

4.1. Conclusions on the Research Results

Once you have a scientific conclusion about the weight date for evaluating factors affecting the development of the business strategy of Thanh Hoa Agribank 2013-2017, in theory, people will choose the plan with a total score was assessed higher and coordinating with SWOT analysis of strengths, weaknesses, opportunities and challenges of Agribank Thanh Hoa to make the selection of appropriate business strategy.

Plans were chosen by score from high to low including:

- Strategy 1: The strategy of diversification is 8.8 scores.
- Strategy 4: Strategy of reducing costs is 8.3 scores.
- Strategy 5: Strategy of focal point is 8.1 scores.
- Strategy 6: Strategies of differentiation is 8.0 scores.
- The strategies were not chosen have score lower than 8 score including:

+ **Strategy 2 (Strategy of focus):** 7.00 scores: Improving, advanced development, specializing in those traditional products is the strength of industry such as credits investing on the household economy.

Apart from reasons of low scores, the strategy has a biggest drawback that is inconsistent with the development of modern technology to be not considered significant.

+ **Strategy 3 (Strategic focus):** 7.74 scores: Agribank strengthen in cooperation with foreign partners of the

financial system to constantly improve the technological capability and competitiveness

Apart from reasons of low scores, the strategy does not indicate priority areas to overcome the weaknesses "fatal" of Agribank Thanh Hoa to be the level of human resources and technology.

The results of the scientific debate through the analysis of the strategic approach have shown the importance of the best suitable competitive strategies of the branch including:

Strategy 1 (diversification strategy): Maintain strategic relationships with traditional clients and constantly expand new customers on the basis of performance and development prospects of each customer, constantly expand development of new products and services to provide customers with high quality products, utilities, and proceed to provide a full package of bank products and services customers.

This is also the business strategy which is fully agreed by author that is the most appropriate one for Agribank Thanh Hoa with the following specific reasons:

- Two factors that impact the most important to the planning business strategy for period 2013 to 2017 is the basic on weaknesses of the Agribank Thanh Hoa compared to current competitors and potential competitors and technology level and capacity of operational staff are most of the reviews examined for maximum scores (10 scores), consistent with the results of analysis and selection of the weight of the majority opinion survey (accounting ratio of 0.2);

The elements of the brand, corporate culture, leadership and management is considered important level almost equivalent with high feasibility ... form a general strength and suitability to make a comprehensive and diversified business strategy to the overall development of all resources to continually strengthen and improve the competitiveness of the Agribank Thanh Hoa in the period 2013 to 2017.

Strategy 4 (Strategy of reducing cost): Innovating capacity of management, executive management to optimize management processes, reduce costs, increase quality of products and services.

The advantage of this strategy is mainly focused on improving the quality of human resources-This is one of the crucial weaknesses of Thanh Hoa Agribank; however, it disregard to non-material resources such as brand, technology and business culture if in the future these resources are not improved in a positive way, will undermine competitiveness. Therefore, this strategy should also become secondary option in comparing with strategy 1.

Strategy 5 (Strategy of focal points): Agribank advanced infrastructure in information technology, management technology through strategic alliances with foreign partners of the system after transformation ownership and international integration.

The advantage of this strategy is mainly focused on improving the technology side through strategic alliances with foreign partners but did not pay attention to other resources - The resources made synthetic power competitive strengths of a business - in the global economic situation has many variables and unpredictable is not really consistent with the sustainable development of Thanh Hoa Agribank.

Strategy 6 (differentiation strategy): Develop training roadmap to constantly improve the quality of human resources, professional competence, the professionalism of the operational staff, remuneration policies and attract talents.

The basic objective of this strategy is mainly focused on improving the quality of human resources for the operational staff of the Agribank Thanh Hoa, to address key weaknesses through SWOT analysis; But do not pay more importance to other resources-the integrated resources to competitive strength of a business - it is not really consistent with the sustainable development of Thanh Hoa Agribank.

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