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Digitalization as a Strategic Tool in a Global Business Environment

Study programme: N0413A050030 International Management
Author: **Bc. Klára Sinkulová**
Thesis Supervisors: Ing. Petra Kašparová, Ph.D.
Department of Business Administration and Management

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- LIU, Yueyue, 2023. Digital Transformation in The Luxury Industry: Strategies, Challenges, And Opportunities. PDF; online. *Highlights in Business, Economics and Management,* vol. 23, pp. 650-656. Available at: https://www.researchgate.net/publication/377719082_Digital_Transformation_in_The_Luxury_Industry_Strate
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Thesis Supervisors: Ing. Petra Kašparová, Ph.D.
Department of Business Administration and Management

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L.S.

Ing. Mgr. Marek Skála, Ph.D.
Dean

doc. Ing. Kateřina Maršíková, Ph.D.
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Digitalizace jako strategický nástroj v globálním podnikatelském prostředí

Anotace

Diplomová práce se zabývá digitalizací v rámci strategického řízení mezinárodně působících společností. Teoretická část se věnuje strategickému managementu a jeho propojení s digitalizací a zároveň zohledňuje specifika prémiového segmentu. Praktická část se zaměřuje na vybranou českou prémiovou značku působící na mezinárodním trhu. Analytická část práce vychází z vybraných modelů strategického managementu a poskytuje komplexní pohled na současnou roli digitalizace ve společnosti. Součástí analýzy je polostrukturovaný rozhovor s CIO vybrané společnosti, jehož prostřednictvím jsou získána primární data. Hlavním cílem práce je na základě těchto zjištění a poznatků z literární rešerše navrhnout konkrétní strategická doporučení pro další rozvoj digitalizace procesů ve vybrané společnosti.

Klíčová slova

digitalizace, digitální nástroje, digitální strategie, prémiový segment, strategická analýza, strategický management

Digitalization as a Strategic Tool in a Global Business Environment

Annotation

The diploma thesis examines digitalization within the context of strategic management in international companies. The theoretical part focuses on strategic management and its link to digitalization, while also reflecting the specific characteristics of the premium segment. The practical part focuses on a selected Czech premium brand operating in the international market. The analytical part of the thesis draws on selected strategic management models and provides a comprehensive view of the current role of digitalization in the company. The analysis includes a semi-structured interview with the CIO of the selected company, from which primary data were obtained. Based on these findings and insights from the literature review, the main objective of the thesis is to propose specific strategic recommendations for the further development of process digitalization at the selected company.

Key Words

digitalization, digital strategy, digital tools, premium segment, strategic analysis, strategic management

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List of Abbreviations

AI	Artificial Intelligence
AR	Augmented Reality
B2B	Business-to-Business
B2C	Business-to-Customer
CIO	Chief Information Officer
CRM	Customer Relationship Management
EFE	External Factor Evaluation
eNPS	Employee Net Promoter Score
FTE	Full-Time Equivalent
GDP	Gross Domestic Product
GDPR	General Data Protection Regulation
HQ	Headquarters
IFE	Internal Factor Evaluation
MIT	Massachusetts Institute of Technology
NFT	Non-Fungible Token
RBV	Resource-Based View
SBU	Strategic Business Unit
SME	Small and Medium-sized Enterprises
SO	Strengths-Opportunities
ST	Strengths-Threats
VCA	Value Chain Analysis
VR	Virtual Reality
WO	Weaknesses-Opportunities
WT	Weaknesses-Threats

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Introduction

The current global business environment is characterized by high dynamism, increasing globalization, and intense competition, requiring management to adopt a more flexible strategic approach. Effective strategic management cannot be viewed as a one-time event, but rather as a continuous process that must reflect current developments in both the external and internal environments of an organization. This enables an organization not only to formulate and achieve long-term goals, but also to continuously adapt its objectives to changing market conditions. One of the most significant trends currently shaping this environment is digitalization.

For digital transformation to be successful, a digital strategy cannot be merely a standalone initiative. From a long-term perspective, it must be fully integrated with the overall corporate strategy and flexible enough to respond to the rapid changes of the digital age. The success of the transformation does not depend solely on technology, but also on organizational culture and management approach. Digital transformation is a particular challenge for premium brands known for exclusivity, craftsmanship, and quality. Their digital strategy must respectfully bridge long-standing traditions with modern digital tools.

This diploma thesis examines digitalization as a key strategic tool in international business. The thesis combines a theoretical framework with a practical part focused on LASVIT, a Czech luxury glass company with a global presence. The primary objective is to address the following research question: *How can LASVIT strategically enhance the digitalization of its key processes in the international market?* To achieve this objective, the following sub-objectives have been established:

- Conduct a literature review of strategic management.
- Critically evaluate digitalization as a strategic management tool in the literature.
- Analyze the current state of digitalization at the selected company.
- Assess the external and internal factors influencing the company's digitalization strategy.
- Identify key opportunities and weaknesses in the company's digitalization efforts.
- Based on the analysis, formulate specific strategic recommendations for the further development of digital tools.

The theoretical part is based on a systematic literature review and serves as the foundation for the subsequent practical part. It focuses on strategic management, examines the strategy process from formulation through implementation to evaluation, and introduces key analytical tools used in strategic analysis. The section also addresses digitalization in global business, with particular focus on its relevance for global premium-oriented companies.

The practical part of this thesis focuses on LASVIT, a company that helps preserve and develop the tradition of Czech glassmaking on a global scale. The key source of primary data in the practical part is a semi-structured interview with LASVIT's Chief Information Officer (CIO). The first part focuses on the company itself, covering its founding, corporate culture, gradual growth, and expansion into foreign markets. Geographically, the company is firmly rooted in the Czech Republic, with its headquarters in Nový Bor and its main production facilities spread across the country. At the same time, it operates 9 official branches worldwide.

The second part then shifts focus to the role of digitalization at LASVIT, exploring how the company approaches and utilizes modern technologies. The practical part further includes a strategic analysis of LASVIT, which draws on the theoretical models presented in the theoretical section of this thesis. This analysis examines both the external and internal environments, with a particular emphasis on digitalization. The findings then serve as the basis for the final section, which proposes strategic recommendations for LASVIT's digital development in a global business environment.

In accordance with the Rector's Directive No. 4/2023 on the use of artificial intelligence tools, the author declares that these tools were used exclusively for minor linguistic assistance, namely suggesting suitable synonyms, refining phrasing, and proofreading grammar. For this purpose, Grammarly (version 1.162.2.0) and ChatGPT (GPT-5) were used. The author reviewed all suggestions and bears full responsibility for the accuracy, originality, and content of this diploma thesis.

Methodology

This thesis is structured into two main sections: a theoretical part and a practical part. The methods and analytical tools are selected based on the main research question and the defined objectives of the thesis. The theoretical part establishes a conceptual framework based on the academic literature on strategic management and digitalization. The practical part then applies selected strategic models to a specific international company, focusing on assessing its current state and proposing directions for the further development of digitalization as a strategic tool.

The theoretical part is based on a systematic literature review of the existing literature. Data for this section are drawn from secondary sources, including academic books, scientific articles, and review studies. This includes defining key concepts, theoretical approaches, and models of strategic analysis, and examining digitalization as a strategic tool within an international context. This conceptual framework provides the theoretical foundation for the practical part of the thesis and is complemented by a critical reflection on digitalization as a strategic management tool, highlighting its limitations and research gaps in the reviewed literature.

The practical section of this thesis presents a qualitative case study of LASVIT, a Czech company operating in the international premium segment of designer lighting and bespoke glass installations. The analysis draws on a combination of primary and secondary data sources. Primary data consists of a semi-structured interview with the CIO of LASVIT. The interview was conducted in Czech, audio-recorded, and subsequently transcribed and translated into English, without any changes that would affect the meaning of the responses. Secondary sources include publicly available materials such as annual reports, company presentations, and official websites.

The analytical section of the practical part draws on fundamental models of strategic management. The PESTEL analysis and Porter's Five Forces model analyze the external environment, while the VRIO analysis and value chain model analyze the internal environment. The results of these strategic analyses are subsequently synthesized and evaluated using the EFE and IFE matrices and summarized in a SWOT analysis, which serves as the basis for formulating strategic recommendations for the further development of digitalization as a strategic tool within LASVIT.

1 Theoretical Foundations of Strategic Management

The concept of strategy and strategic management has its origins in the military, dates back to ancient Greece. Its importance grew significantly during the Renaissance and particularly during the Napoleonic era, when it evolved into the systematic planning of military operations. Its development accelerated further during World War II, when the deployment of unprecedented military forces increased the complexity of war operations. A typical feature of military strategies has been and remains that their ultimate goal is to achieve victory. Gradually, this concept began to be applied in the economic sphere as well – translated into economic terminology, this means that one managing entity strives to gain a comparative advantage over another (Veber et al., 2021).

The concept of strategy has historically evolved into the concept of strategic management, which today serves as a fundamental tool for managing organizations. Strategic management is a discipline that combines elements of art and science, focusing on formulating, implementing, and evaluating cross-functional decisions that enable an organization to achieve its objectives. Its effective application supports organizational success by connecting multiple areas, particularly management, marketing, finance, and operations (David and David, 2017). Current literature defines strategic management as a systematic framework of decisions and actions, with strategy at its core (Fotr et al., 2020).

1.1 Definitions and Perspectives on Strategy

The term *strategy* originates from the Greek word *strategos* (Veber et al., 2021), meaning "army commander." This reflects the ability to manage military operations with the aim of defeating the enemy through the effective use of available resources. The earliest references to strategic thinking can be traced back to the Old Testament, where Moses, after leading the Israelites out of Egypt, faced the challenge of leading a large nation. By gradually delegating responsibilities to other leaders, he created a hierarchical management structure that became the basis for organized command. Significant ideas about strategy were further developed by the Chinese strategist and

philosopher Sun Tzu in his work *The Art of War*, where he emphasized the creative, deceptive, and situation-dependent aspects of conducting military operations. His approach became the basis for many later theories of strategic management (Kennedy et al., 2020).

However, it is difficult to provide a clear definition of the term *strategy,* and there is no consensus on a single definition in the professional literature. Strategy is generally understood as a complex concept involving various processes and activities within an organization, with the aim of achieving set goals and objectives through effective strategic management (Kennedy et al., 2020). Strategy is generally understood as a guide for decision-making in conditions of uncertainty, representing a set of hypotheses that determine an organization's competitive capabilities, the development of its key competencies, the fulfillment of future goals, and the formulation of the principles necessary to achieve them (Fotr et al., 2020).

Initial definitions of strategy focused primarily on long-term planning and setting organizational objectives (Roger, 2024). One of the most significant definitions was provided by Alfred D. Chandler Jr. in his publication *Strategy and Structure: Chapters in the History of the Industrial Enterprise* (1962, p. 13), where he defined strategy as "*the determination of the basic long-term goals and objectives of an enterprise, and the adoption of courses of action and the allocation of resources necessary for carrying out these goals*." Chandler was followed by Kenneth Richmond Andrews, who in his work *The Concepts of Corporate Strategy* (1971, p. 28) formulated the concept of strategy as "*the pattern of major objectives, purposes, or goals and essential policies and plans for achieving those goals, stated in such a way as to define what business the company is in or is to be in and the kind of company it is or is to be*." Andrews' definition is considered the basis of the modern concept of corporate strategy (Roger, 2024).

1.2 Modern Concepts of Strategy

Many authors emphasize that strategy is a key element that links an organization's mission and goals with its day-to-day activities. This principle forms the basic framework for most historical and current approaches to strategic management

(Fotr et al., 2020). The principle is further developed in other modern theories, such as Michael E. Porter's models or the strategic agility approaches of Reeves, Love, and Tillmans, which further develop this relationship in the context of a dynamically changing business environment (Kennedy et al., 2020).

In 1980, Michael E. Porter of Harvard Business School published his seminal work, *Competitive Strategy: Techniques for Analyzing Industries and Competitors*. Porter understands strategy primarily in terms of a company's competitive position. In his work, he formulated the well-known Five Forces Analysis model, which examines the attractiveness of an industry and competitive dynamics. According to Porter, the essence of strategy creation lies in finding harmony between a company and its environment, which forms the basis for the development of other modern approaches to strategic management (Kennedy et al., 2020).

Reeves, Love, and Tillmanns (2012) defined five styles of strategies within the Strategy Palette model, each based on the characteristics of the business environment (Reeves et al., 2012):

- **Classical Strategy** – this approach is characteristic of organizations operating within relatively stable and unchanging conditions. In such contexts, the main objective of the strategy is to maintain a long-term competitive advantage within the market.
- **Shaping Strategy** – used in environments that are difficult to predict but which the company can influence to a certain extent. This strategic approach is typically found in emerging industries, where competitive structures and market roles are not yet fully defined.
- **Adaptive Strategy** – an approach characterized by high flexibility and openness to experimentation. It is suitable for dynamic environments whose development is difficult to predict and over which the company has no influence. The key element is the ability to innovate and respond quickly to change.
- **Visionary Strategy** – applied in environments with predictable development. Companies gain a competitive advantage by introducing revolutionary products to the market and creating new market segments. The strategic emphasis is on proactive action and exploiting growth potential.

- **Survival Strategy** – a defensive approach used in situations where there is a mismatch between the existing strategy and developments in the business environment. The company must reevaluate its position, revise its strategy, and restore the long-term viability of its business.

This model enables organizations to choose an appropriate strategic approach based on the nature of the environment in which they operate, emphasizing the need to adapt their strategy to changing market conditions (Fotr et al., 2020).

Modern management perspectives emphasize that strategy should not be seen merely as a means to achieve specific goals or to enhance an organization's competitive position. Instead, it should reflect the broader context of the business environment and be aligned with the fundamental principles that guide an organization. While Reeves, Love, and Tillmanns view strategy primarily as an adaptive response to a changing environment, Henry Mintzberg offers a more comprehensive perspective on its formation and implementation. He argues that strategy can take many forms and should not be viewed only as a plan or a competitive tool, but rather as a dynamic process that gradually evolves and changes over time (Fotr et al., 2020).

1.2.1 Mintzberg's Models of Strategy

Henry Mintzberg, a prominent figure in modern strategic thinking, advocated an intuitive and creative approach to strategy development alongside a rational approach. He pointed out that a successful strategy is not only the result of analytical planning but also of intuition, creativity, and vision (Fotr et al., 2020).

In his article *The Strategy Concept I: Five Ps For Strategy* (1987), Mintzberg defined five basic concepts of strategy (Mintzberg, 1987):

- **Strategy as a Plan** – a consciously intended procedure or guideline that an organization creates before taking action in order to respond to a specific situation. The plan is deliberate, well thought out, and can be general (long-term concept) or specific.

- **Strategy as a Ploy** – understood as a maneuver or tactic aimed at outsmarting an opponent or competitor.
- **Strategy as a Pattern** – refers to consistent patterns of behavior over time. A strategy can be intentional or unintentional, manifesting as a recurring sequence of decisions and actions that create a certain pattern of activity within an organization.
- **Strategy as a Position** – expresses an organization's position in the competitive environment and represents a balance between the company's internal resources and the external context.
- **Strategy as a Perspective** – views strategy as a shared way of perceiving and interpreting an organization and its environment. This perspective is rooted in values, culture, and shared assumptions that shape organizational decision-making and behavior. Strategy is therefore not only a rational plan, but also a collective way of thinking.

Mintzberg's concept shows that strategy can take various forms and levels – from a conscious plan to emerging patterns of behavior or deeper cultural attitudes within an organization. These approaches can overlap and together form a comprehensive framework for understanding the complexity of strategic management (García, 2023).

Mintzberg expands on this perspective with his model, in which he distinguishes between different ways in which strategy is formed and implemented over time. In his concept (Figure 1), he defines four basic terms that describe the relationship between planned and actual strategy (Mintzberg, 1987):

- **Intended Strategy** – represents an organization's original, well-thought-out strategic plan, created on the basis of an analysis of the environment and objectives.
- **Deliberate Strategy** – the part of the original plan that was actually implemented as planned.
- **Emergent Strategy** – arises spontaneously, without prior intentions. An organization adapts over time in response to new stimuli or unplanned events. It is the result of learning and adaptation, not formal planning.
- **Realized Strategy** – represents the actual outcome of an organization's strategic process, which arises as a combination of deliberate and emergent strategy.

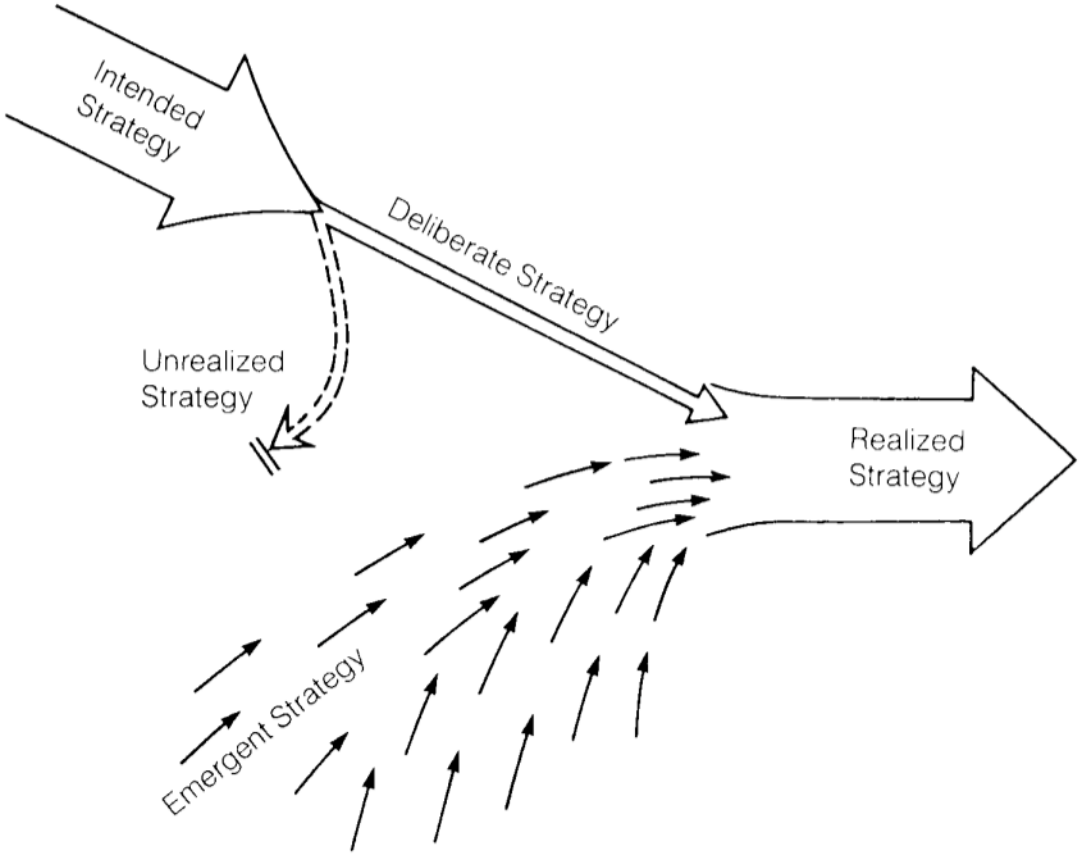


Figure 1: Model of Intended, Deliberate, and Realized Strategy
Source: Mintzberg (1987, p. 14)

The intended strategy is typically described in detail in an organization's strategic plan, and if it is created for a new business, it is referred to as a business plan (Kennedy et al., 2020). However, Mintzberg points out that strategic plans may not always be implemented exactly as originally intended, and unplanned events and circumstances may arise. The implemented strategy is therefore the result of the interaction of planning, learning, and adaptation (García, 2023).

1.3 Strategic Management in Business

The current business environment is characterized by a high degree of uncertainty and frequent changes that affect the functioning of organizations. Every organization strives for success and to achieve the goals set by its founders. In times of social and economic instability, effective strategic management is crucial for an organization to operate efficiently. Its basic starting point is the analysis of past, present, and

expected trends that may affect the effectiveness of management and the overall functioning of an organization (Veber et al., 2021).

Under these conditions, strategic management aims to define an organization's primary strategic objectives and directions for its further development. A well-formulated strategy provides management with a valuable tool for long-term management (Veber et al., 2021). Within strategic management, the planning and implementation process focuses on the future of an organization and is defined by clearly defined steps based on an organization's objectives. These objectives are then translated into operational activities that ensure the implementation of long-term strategic plans into everyday practice (Fotr et al., 2020). Strategic management in business often borrows insights and metaphors from classical military strategy. For example, important business decisions are often referred to as strategic, while less important decisions, such as minor price changes or the opening of a new facility, are considered tactical (Kennedy et al., 2020).

Strategic management represents a core function of overall management and falls within the competence of top management. It is associated with decision-making on key long-term operations, characterized by a certain degree of risk, due to the influence of numerous factors whose changes and impacts cannot be accurately predicted (Veber et al., 2021). These organizational strategists are typically individuals in key positions, such as CEO, president, owner, chairman of the board, or executive director. Strategic leaders can also include entrepreneurs who have significant decision-making power in an organization (David and David, 2017).

When creating a strategy and implementing strategic management, organizations must take into account that they always have limited financial, human, material, and technological resources. It is therefore important that all strategic objectives are aligned with available resources and are thus feasible (Veber et al., 2021). Organizational strategies significantly influence their long-term prosperity, which often requires a considerable amount of these resources (David and David, 2017). The task of strategic management in an organization is to effectively utilize or plan the allocation of resources to implement key initiatives aimed at improving an organization's performance within a given environment (Kennedy et al., 2020).

The final approval and decision-making on strategic plans is usually the primary responsibility of company owners or CEOs. Not only managers but also employees should be involved in the formulation, implementation, and evaluation of strategy, as their participation is key to gaining commitment to the necessary changes (David and David, 2017). However, the success of strategic management does not depend solely on the right decision-making process. Strategic management is both an art and a science, and mastering strategy requires more than just formal tools and techniques. Creativity also plays a crucial role, as emphasized by Chinese strategist Sun Tzu (Kennedy et al., 2020). Contemporary strategic management, therefore, combines the ability to navigate both external and internal factors of an organization with the appropriate allocation of resources, the definition of meaningful objectives based on the company's needs, an understanding of current risks, and reflection on previous strategic steps (Veber et al., 2021).

1.3.1 Historical Development of Strategic Management

During the 1960s, the urgent need for systematic strategic management led to the development of a scientific approach to strategic management. During this period, various schools and directions of strategic thinking began to form, differing in their starting points and methods (Thaddeus, 2007). The concepts of strategic management, rooted in historical development, can be divided into several basic approaches. These approaches do not divide management itself but rather reflect different sources of thinking based on different philosophies and intellectual traditions. The choice of the appropriate approach then depends on the specific manager and the nature of an organization (Fotr et al., 2020).

The first of these approaches is the classical approach of strategic management, which emerged in the 1960s. This approach is based on military tradition, which emphasizes a rigid hierarchy and the leader's decision-making authority. In 1962, Alfred D. Chandler Jr. introduced a new concept that linked organizational structure with long-term strategic planning. His ideas were later taken up by Kenneth Richmond Andrews, who emphasized the analysis of a company's strengths and weaknesses as the key to successful strategic management (Thaddeus, 2007).

The classical approach was followed in the 1970s by a processual approach, which emphasizes cooperation across organizational structures and the interconnection of individual departments. Business principles are applied to processes, with a focus on coordinating activities and sharing responsibility for results. In the 1980s, an evolutionary perspective developed, shifting the focus towards the customer and product quality. Its goal is to achieve greater efficiency and productivity through continuous process improvement (Fotr et al., 2020).

In the 1990s, a systemic perspective emerged, expanding the concept of strategic management to include a social dimension. In this concept, the economic behavior of organizations is seen as part of a network of social relationships that can be influenced by family, professional ties, or the collective. Currently, a complex approach dominates, which understands strategic management as a dynamic and multi-level process. This approach emphasizes the interconnectedness of all levels of management and focuses on ensuring long-term competitiveness in a global environment (Fotr et al., 2020).

1.3.2 Competitive Advantage and Firm Competitiveness

The business environment has become increasingly globalized, competitive, and rapidly changing, influenced by both governments and multinational corporations (Veber et al., 2021). To remain competitive, companies must choose appropriate strategies and make well-considered strategic decisions, as they often find themselves in situations that require a quick response to a dynamically changing market (Zuzák, 2011).

One of the goals of strategic management in business is to achieve and sustain a competitive advantage. In the long term, however, a company can only maintain this advantage for a limited period, as competing companies constantly try to imitate or undermine it. Organizations must therefore continuously adapt to changing external trends and events in order to build and maintain a lasting competitive advantage (David and David, 2017).

2 Strategic Management Process

Strategic management is a dynamic and continuous process that requires an organization to respond effectively to emerging challenges and opportunities. Management must be flexible enough to adapt objectives and strategy to changes in the economic or competitive environment (Thaddeus, 2007). For this reason, strategic management activities should be carried out continuously throughout the year, not just at regular intervals, such as at the end of the year or every six months (David and David, 2017).

There are three basic phases of strategic management: **strategy formulation**, **strategy implementation**, and **strategy evaluation**. In the context of the emerging Industry 4.0 era, these phases can be expanded to include a fourth one, focused primarily on scenario development, preparing strategy options corresponding to individual scenarios, evaluating them, and subsequently selecting the most suitable option (Fotr et al., 2020).

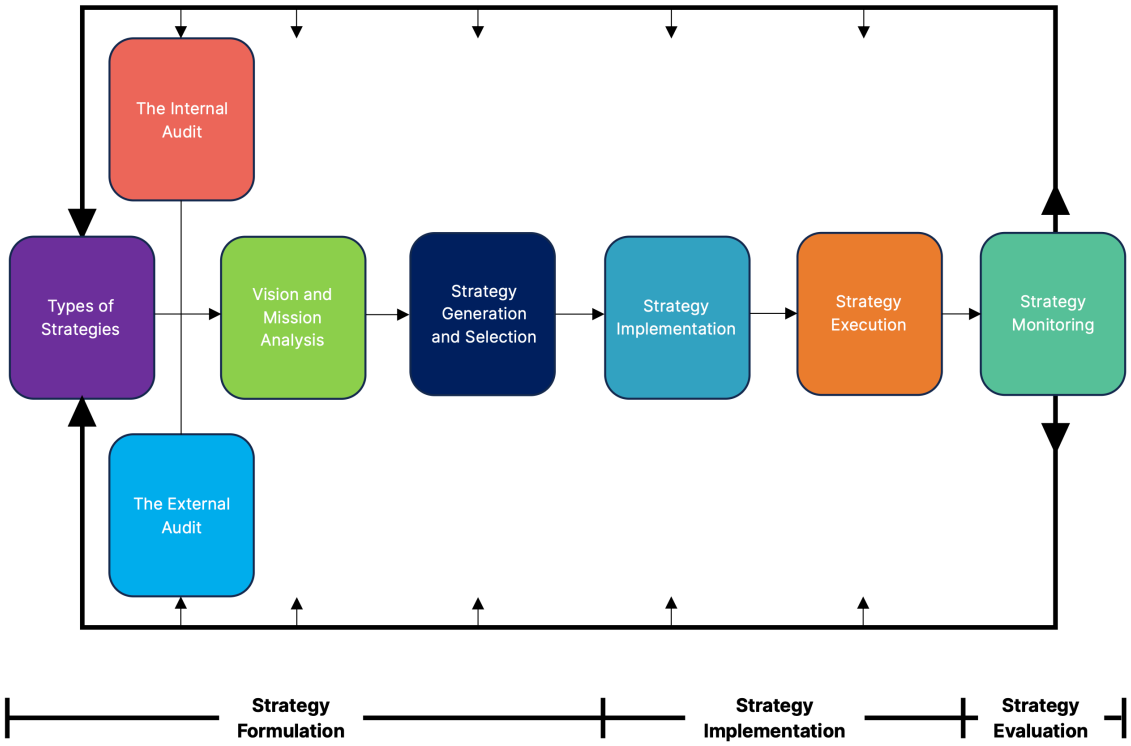


Figure 2: Strategic Management Process
Source: Own processing according to (David and David, 2017)

The strategic management process can be illustrated using a model (Figure 2) that maps these phases and captures the complexity of the entire process. However, this model does not guarantee the success of the strategy and serves more as a guideline. For effective strategic management, it is essential that management and strategists first answer three fundamental questions that form the basis for the individual steps of the process (David and David, 2017):

- *Where are we now?*
- *Where do we want to go?*
- *How are we going to get there?*

The entire strategic management process in large organizations is carried out across three hierarchical levels: corporate, divisional or strategic business unit (SBU), and functional. The task of the strategic management team is then to support communication between these levels. In contrast, most small businesses and some large organizations do not have a divisional or SBU structure and operate only at the corporate and functional levels. In practice, the strategic management process is not usually so clear-cut or systematic, as there is often ongoing interaction across the various hierarchical levels, and strategists therefore do not proceed strictly step by step through the entire process. In addition, organizations often hold retreats during the year, meetings held outside the workplace, where managers discuss the chosen strategy, strategic objectives, and other key priorities (David and David, 2017).

2.1 Strategy Formulation

The first phase of the strategic management process is strategy formulation, which focuses on defining the basic strategic starting points. Strategy formulation involves developing an organization's mission, which is then used to define its vision more precisely, and only then to set long-term strategic objectives. This phase also includes an internal and external analysis of the environment, as both types of factors can significantly influence the final form of the strategic plan (Fotr et al., 2020).

2.1.1 Mission and Vision

Every organization has its vision, mission, objectives, and strategy, even though these elements may not always be consciously written down or communicated (David and David, 2017). A clearly and preferably written mission and vision statement provides a fundamental basis for creating strategic management tools and provides a framework for setting strategic objectives. At the same time, it serves as a persuasive and effective communication tool for all stakeholders, providing them with information about an organization's direction and its purpose (Fotr et al., 2020).

A vision is a precise and structured expression of the state that an organization wants to achieve within a clearly defined future horizon, which is influenced by the development of the economic cycle and the nature of the business. The content of the vision is always specific to an organization and should reflect the requirements and attitudes of all stakeholders (Fotr et al., 2020). A vision statement should answer the question "*What Do We Want to Become?"* The vision should be formulated first, as it is followed by an organization's mission. It should be concise, customer-oriented, ideally expressed in a single sentence, and as many managers as possible should participate in its creation (David and David, 2017).

Reflections and definitions of mission are based on the views of Peter Drucker, who, in the mid-1970s, formulated the question "*What Is Our Business?"* and is now considered the founder of modern management. A mission statement is a permanent expression of an organization's reason for existence, specifying what an organization wants to be and whom it wants to serve (David and David, 2017). The mission focuses on an organization's current activities and provides a clearly defined direction for an organization to follow (Thaddeus, 2007). It formulates the character of an organization, its identity and purpose, while also including the standards of behavior and values that an organization recognizes in the long term. To make the mission understandable and easy to remember, many organizations express it in the form of a motto (Veber et al., 2021).

In reality, some organizations create a mission statement more for fashionable reasons than as a genuine commitment on the part of an organization (David and David, 2017). Defining a vision can also be challenging, particularly if top management

does not fully recognize its benefits. While the creation of a mission and vision is usually the responsibility of top management, their content should be gradually discussed with a wider circle of managers to ensure it is clearly understood at all levels of an organization (Fotr et al., 2020). Although the vision and mission are generally long-term, they can still be adapted to reflect the changing conditions in which an organization operates (Veber et al., 2021).

2.1.2 Strategic Objectives

Strategic objectives guide and unify all of an organization's activities, representing a key step in the strategy formulation process. Clearly defining them provides management with a framework for creating a strategy and also serves as a criterion for selecting or rejecting individual strategy options based on their ability to fulfill the set objectives (Fotr et al., 2020). The responsibility for formulating objectives lies with the top management, but various factors can influence the process, including available resources, the external environment, and experience from previous periods (Thaddeus, 2007). To foster employee identification with strategic objectives, it is advisable to involve key and creative employees in the development of these objectives. Such participation not only increases commitment to the resulting objectives but also strengthens a sense of shared responsibility for their fulfillment (Fotr et al., 2020).

All objectives must be expressed through measurable indicators that reliably inform about the degree of their achievability. Objectives should be structured and formulated with stakeholder satisfaction in mind; otherwise, they may become indifferent to an organization and its strategic plan. At the same time, they should align with an organization's vision, which they further specify in terms of measurable long-term expected results (Fotr et al., 2020).

In strategic planning, organizations usually distinguish between general objectives, which arise from an organization's mission, and strategic objectives derived from its vision (Fotr et al., 2020). General objectives reflect an organization's primary activity and focus on one main activity or specific strategic direction (Thaddeus, 2007). Strategic objectives should be independent of each other, measurable,

and evaluable, and an organization should formulate them precisely enough to keep their number as low as possible (Fotr et al., 2020).

Defining objectives correctly can be challenging, so it is advisable for organizations to formulate their objectives according to SMART criteria (Doležal et al., 2023):

- **Specific** – clearly defined and unambiguous;
- **Measurable** – capable of being quantified or assessed over time;
- **Agreed** – accepted and understood by all relevant stakeholders;
- **Realistic** – achievable given available resources and constraints;
- **Timed** – set within a clear timeframe.

For a more comprehensive approach, this framework can be extended by adding two additional criteria, resulting in the SMARTER concept (Fotr et al., 2020):

- **Ethical** – aligned with an organization's ethical principles and values;
- **Resourced** – realistic in terms of an organization's available resources.

2.2 Strategy Implementation

Within strategic management, strategy implementation is often referred to as the "*action phase*," as it is during this stage that formulated strategies are put into practice. Although implementation is closely linked to the strategy formulation process, it differs fundamentally from it – successful formulation alone does not guarantee successful implementation. Strategies that are precisely defined but not implemented lack practical significance and bring no benefit to an organization. Implementation affects all levels of management and has an impact on an organization both from top to bottom and from bottom to top (David and David, 2017).

This phase involves developing a corporate culture that supports the chosen strategy, creating an effective organizational structure, allocating resources, and preparing budgets. Implementation may also include, for instance, adjusting the marketing strategy, transferring managers between divisions, or changing an organization's pricing policy. Although the specific steps may vary depending on

the type and size of an organization, they always represent a set of activities that contribute to achieving the company's strategic goals in its day-to-day operations. The transition from formulation to actual implementation also requires a shift of responsibility from top management and strategists to divisional and functional managers. If middle or lower-level managers are not already involved in the formulation process, they may be surprised by the implementation, and their personal goals may diverge from those of an organization, which can complicate the strategy's implementation (David and David, 2017).

Implementing a strategy is often considered the most challenging aspect of strategic management, as its success depends on the human factor. This process demands strong interpersonal skills, self-discipline, determination, and commitment from both managers and employees. The ability of managers to motivate their team plays a key role, which can be considered more of an art than an exact science. The main task of implementation is therefore to get people throughout an organization to accept the chosen strategy, trust it, and actively participate in achieving the set goals (David and David, 2017).

2.3 Strategy Evaluation

The final phase of the strategic management process is strategy evaluation, which aims to identify when the chosen strategy becomes ineffective. Even the best-implemented strategies can become obsolete over time due to changes in an organization's external and internal environments. Regular and timely evaluation thus enables management to identify emerging problems or potential risks. Strategy evaluation is based on both quantitative and qualitative criteria, with the specific choice of which depending on an organization's size and the nature of the industry. This phase consists of three continuous activities (David and David, 2017):

1. Review of external and internal factors that underpin current strategies.
2. Performance measurement.
3. Adoption of corrective measures.

The first activity focuses on the factors that form the basis of the current strategy. External factors, including competitor behavior, changes in demand, demographic shifts, and government policies, as well as internal factors resulting from ineffective strategies, can hinder an organization's ability to achieve its long-term objectives. Failing to meet strategic objectives is not always due to poor performance by management or employees. Therefore, it is necessary to regularly monitor these factors and assess their development (David and David, 2017).

The second step is to measure an organization's performance by comparing expected results with actual results. Any deviations and the overall progress toward achieving the established goals are examined. If an organization is not making satisfactory progress, it indicates the need for corrective action. Financial indicators serve as quantitative criteria, while qualitative criteria may include, for example, employee turnover, low production quality, or low employee satisfaction. Effective evaluation requires a balanced approach to both types of criteria (David and David, 2017).

The third activity, adoption of corrective measures, does not necessarily mean abandoning the existing strategy or formulating a completely new one. Their main goal is to keep an organization on track to achieve its planned objectives and strengthen its competitive position in the market. Corrective measures may include adjustments to an organizational structure, replacement of key personnel, or revision of strategic objectives. Since changes can lead to resistance from employees, it is advisable to involve them in the strategy evaluation process from the early stage. Individuals are more likely to accept changes if they feel they have some control over the situation (David and David, 2017).

The effectiveness of strategic evaluation largely depends on the approach adopted by top management, while a well-established corporate culture also contributes to a positive perception of the evaluation process. Control should not be viewed as a form of coercion but rather as an opportunity for growth and improvement. Excessive pressure on lower and middle managers can lead to negative reactions, and frequent measurements or overly strict controls can hinder management effectiveness rather than improve it. Effective evaluation allows an organization to leverage its internal strengths, respond to opportunities, identify threats, and mitigate weaknesses (David and David, 2017).

3 Strategic Analysis Tools

Strategic analysis tools are part of the strategy formulation phase. They enable organizations to incorporate dynamic factors of the internal and external environments into their strategic decision-making. To provide a systematic framework for this analysis, the business environment can be divided into three hierarchical levels (Figure 3): the microenvironment, mesoenvironment, and macroenvironment (Fotr et al., 2020).

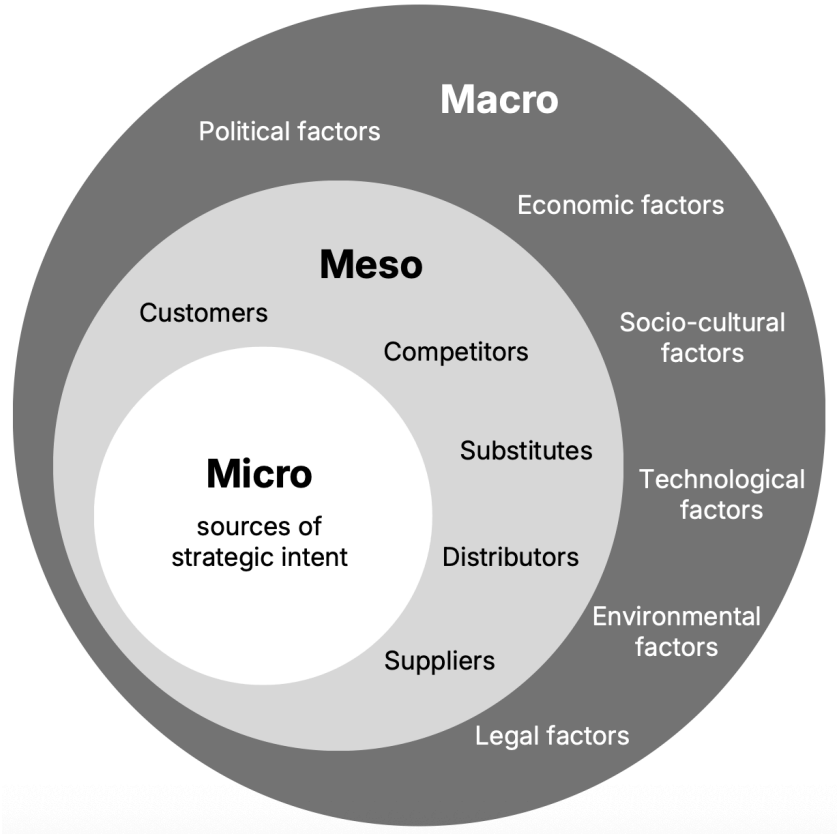


Figure 3: Business Environment
Source: Own processing according to (Thaddeus, 2007; Fotr et al., 2020)

Internal analysis focuses on the microenvironment of an organization, which refers to its internal environment and includes factors and resources that can be directly influenced through internal activities and operations. In contrast, external analysis identifies factors from the external environment that affect organizational operations. This environment can be further divided into the macroenvironment, which operates independently of organizational will, and the mesoenvironment, which includes market entities that can be influenced to a certain extent (Fotr et al., 2020).

3.1 External Environment Analysis

The external environment forms the fundamental framework for all business activities, and its development can significantly influence strategic management decisions. As such, organizations must respond flexibly to external factors, making it crucial to systematically monitor and assess the environment in order to identify key influences that may represent either opportunities or potential threats (David et al., 2023). External analysis methods then differ depending on whether they focus on the broader macroenvironment or the closer mesoenvironment (Fotr et al., 2020).

Macroenvironment analysis focuses on the national and international levels. As a result of ongoing globalization and economic integration, the international environment has an increasingly direct impact on corporate strategies. Therefore, if an organization operates in global markets, monitoring foreign influences becomes a necessity (Fotr et al., 2020). One of the primary tools for this type of analysis is the PESTEL analysis, which divides the environment into six specific segments (Kennedy et al., 2020).

In mesoenvironment analysis, the focus shifts from the general environment to the specific competitive environment. The standardised tool for this level of analysis is Porter's Five Forces model, which examines the key competitive pressures operating in the industry in which an organization is active (Fotr et al., 2020).

3.1.1 PESTEL Analysis

The PESTEL analysis evaluates factors that are beyond an organization's direct control but affect the entire industry, and can have both a positive and negative impact on an organization. The PESTEL designation is based on the six areas that the analysis focuses on (Kennedy et al., 2020):

- **Political** – examines the extent of government intervention in the economy or a specific industry, particularly political stability, tax policy, trade restrictions, and tariffs.

- **Economic** – focuses on economic conditions, such as interest rates, inflation rates, gross domestic product (GDP), unemployment rates, and the phase of the economic cycle.
- **Socio-cultural** – reflects demographic trends and social shifts, particularly population growth, age structure, cultural norms, and lifestyle changes that influence consumer behavior.
- **Technological** – monitors the pace of innovation and technological development, focusing on automation and the speed of introducing new technologies.
- **Environmental** – deals with ecological and physical factors, such as environmental regulations, climate change, and pollution levels.
- **Legal** – examines the regulatory framework for business activities, including labor laws, health and safety standards, consumer protection, and antitrust laws.

3.1.2 Porter's Five Forces

Michael Porter defined the Five Forces model (Figure 4) to analyze the competitive environment. According to Porter, the overall intensity of competition is determined by the interaction of five factors: the bargaining power of suppliers, the bargaining power of buyers, the threat of new entrants, the threat of substitutes, and the rivalry among existing competitors (Fotr et al., 2020).

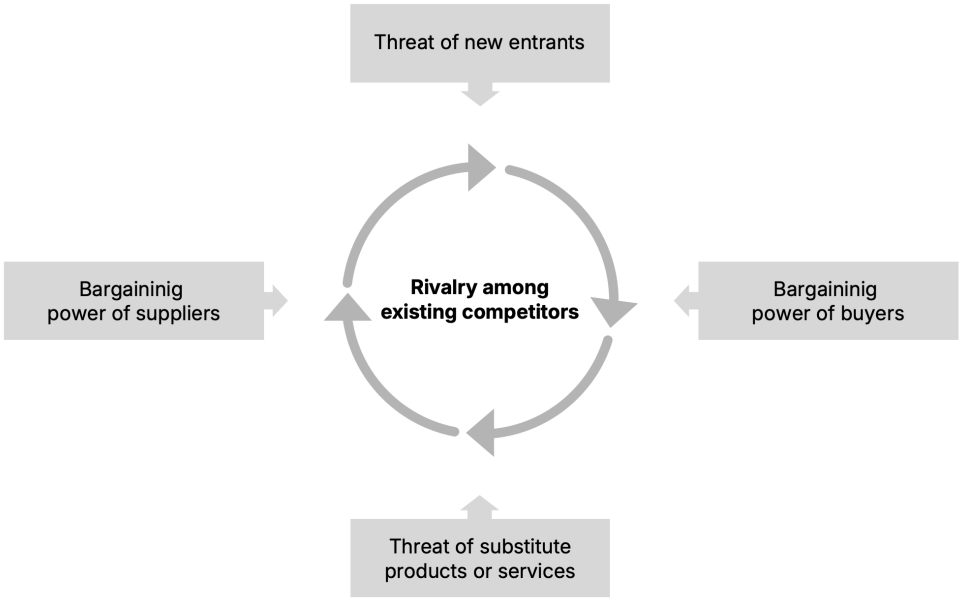


Figure 4: Porter's Five Forces Model
Source: Own processing according to (Kennedy et al., 2020)

Suppliers provide organizations with the necessary inputs for producing goods and services, and their bargaining power directly affects the profit potential of organizations. If the bargaining power of suppliers is stronger than that of organizations, suppliers can gradually increase prices, leading to a decline in the profit margins of individual organizations. This strong bargaining position is typical of markets dominated by a few supplier companies, which allows them to dictate pricing and contractual terms regardless of customer needs (Kennedy et al., 2020).

The main bargaining power of buyers lies in their ability to exert pressure to reduce the prices of products or services in a given industry. Consumers gain this power especially in situations where the costs of switching to a competitor are low or where they have the option to freely postpone their purchasing decision. Their influence grows further when sellers face an overall decline in demand. A specific case is a market with a limited number of buyers, where sellers try to attract customers not only by offering competitive prices, but also by providing above-standard additional services and extending warranty terms (David et al., 2023).

High profitability in the industry is desirable, but it also attracts the attention of potential new competitors. These are entities that are not currently active in the industry but have the capacity to enter it in the future. The arrival of new entrants increases the intensity of competition and generally reduces the overall profit potential of the industry, as these players target the same customer group (Kennedy et al., 2020). The strategy of established organizations should therefore be aimed at creating an environment with barriers to entry that will deter new competitors. These barriers include, in particular, specialized know-how, a strong brand reputation, customer loyalty, and high capital requirements for entering the industry (David et al., 2023).

Customer needs can also be satisfied by substitutes – products or services from different industries that perform a similar function to those offered by a given organization. Within Porter's framework, organizations must monitor both direct competitors and firms from other industries that may pose a threat in the form of alternative solutions. The absence of viable substitutes reduces competitive pressure, thereby creating greater potential for higher profitability (Kennedy et al., 2020). Conversely, the presence of available substitutes sets an

imaginary price ceiling, as it limits the amount consumers are willing to pay before switching to an alternative solution. These price limits then directly correlate with profitability ceilings across the industry (David et al., 2023).

Typically, the strongest force in Porter's Five Forces model is rivalry among existing competitors, which is also the factor most affected by changes in all four other forces. Intense rivalry within an industry can lead to a decline in overall profits, as organizations are often forced to lower prices or increase their costs to maintain market share. In some cases, increasing rivalry can lead to a situation where the industry loses its attractiveness (David et al., 2023).

Generally, the higher the intensity of these forces, the lower the industry's potential profitability. Porter's model thus represents a tool for strategic decision-making about entering new markets or strengthening positions in existing markets (David et al., 2023).

3.2 Internal Environment Analysis

In addition to external factors, an organization's strategy is also significantly influenced by internal factors. An analysis of the internal environment identifies the resources and capabilities of an organization that fundamentally influence its strategic options and ability to implement strategic objectives (Veber et al., 2021). The output of this analysis is the identification of an organization's strengths and weaknesses within its functional areas of business (Fotr et al., 2020).

Internal analysis may be conducted using the VRIO framework, which assesses corporate resources based on their contribution to competitive advantage. If resources are difficult for competitors to imitate, they can provide an organization with a lasting competitive advantage (Kennedy et al., 2020). The VRIO method also assesses the extent to which an organization's resources can be used to fulfill its strategic objectives (Fotr et al., 2020).

Another tool used for internal analysis is Value Chain Analysis (VCA), which serves to identify an organization's internal capabilities. The analysis is based on dividing an organization's overall activities into individual basic activities, providing a more

detailed overview of all activities carried out within an organization (Veber et al., 2021).

3.2.1 VRIO Analysis

The Resource-Based View (RBV) theory emphasizes that internal resources are more important than external factors in achieving a competitive advantage. Organizational resources can be either tangible (e.g., labor, capital, land, or equipment), which can be easily bought or sold, or intangible (e.g., corporate culture, knowledge, brand value, or reputation), which are difficult to transfer and often play a key role in gaining and sustaining competitive advantage (David et al., 2023).

The VRIO decision-making framework (Figure 5) evaluates an organization's resources and capabilities by analyzing each type of resource based on four criteria. The acronym VRIO is derived from the initial letters of these criteria (Fotr et al., 2020):

- **Value** – How expensive is the resource, and how easy is it to obtain on the market?
- **Rareness** – How rare or limited is the resource relative to competitors?
- **Imitability** – How difficult is it for competitors to imitate the resource?
- **Organization** – Is the organization organized to capture the value of the resource?

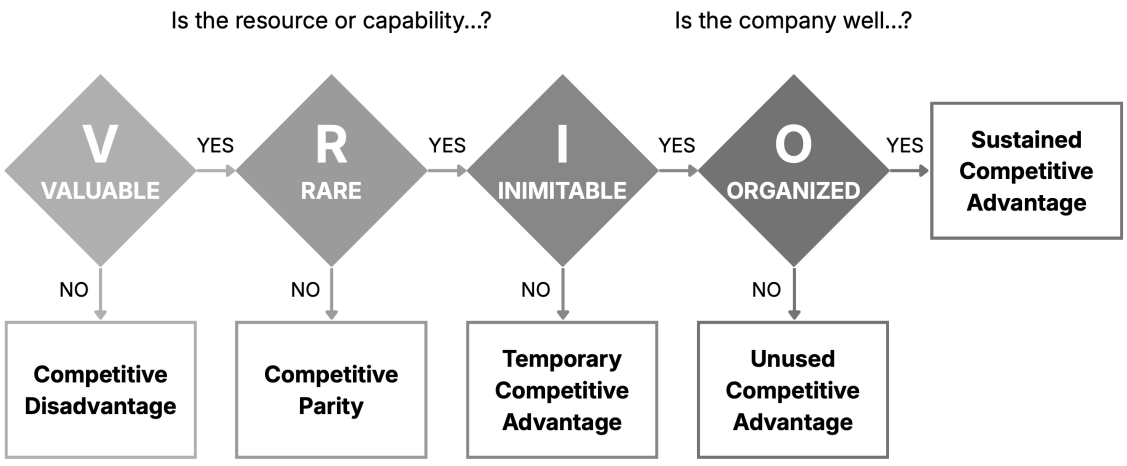


Figure 5: VRIO Framework
Source: Own processing according to (de Bruin, 2016)

3.2.2 Value Chain Analysis

Michael Porter's VCA is used to evaluate resources linked to individual activities that contribute to value and margin creation (Thaddeus, 2007). This concept assumes that value gradually increases during the individual steps within an organization and that each activity has the potential to contribute to the organization's competitive advantage (Kennedy et al., 2020).

The value chain (Figure 6) is divided into five primary activities that directly involve the creation and distribution of goods and services, and four secondary activities that support the primary activities. In some cases, an organization can achieve a competitive advantage through its support activities (Kennedy et al., 2020).

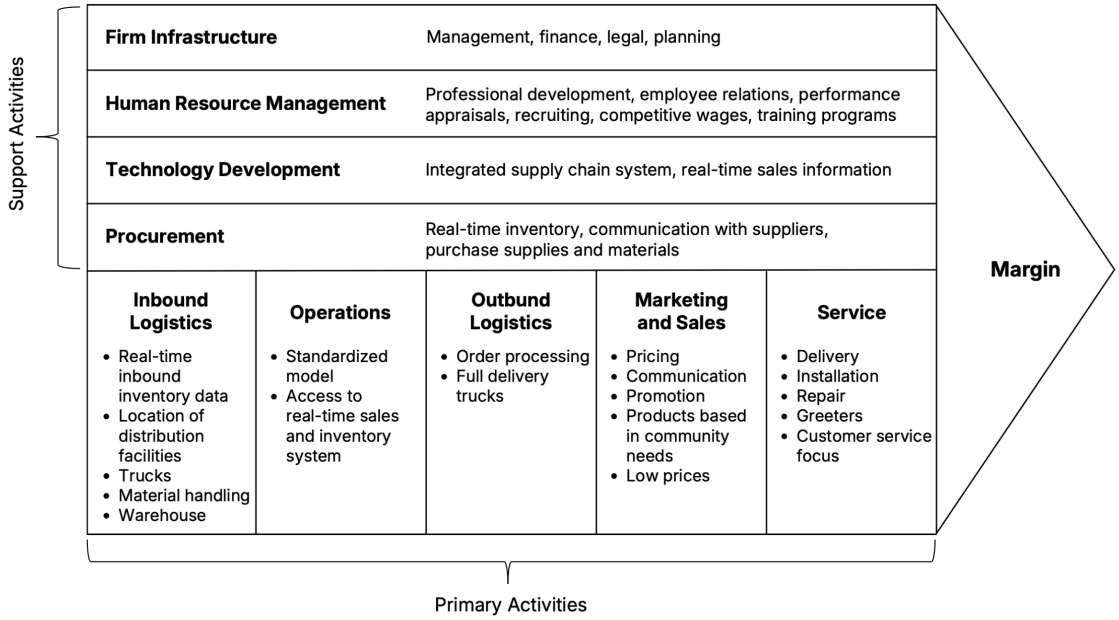


Figure 6: Porter's Value Chain Model
Source: Own processing according to (Kennedy et al., 2020)

3.3 Synthesis and Evaluation of the Strategic Analysis

The output of the external analysis is the identification of potential opportunities and threats that may affect the organization's future direction. These factors can then be systematically summarized and evaluated using the External Factor Evaluation (EFE) Matrix. The purpose of this matrix is to select from the identified opportunities and threats those factors that are critical to the organization and affect its strategic intent (Fotr et al., 2020).

Internal analysis provides an organization with an overview of its strengths and weaknesses. Internal environment factors can then be evaluated using the Internal Factor Evaluation (IFE) Matrix, which is designed to assess the organization's internal position in relation to its strategic intent (Fotr et al., 2020).

One of the final stages of strategic analysis is the synthesis of findings obtained from the EFE and IFE matrices, which can be performed using SWOT analysis (David et al., 2023). SWOT analysis integrates the results of previous analyses into a unified analytical framework and serves as a basis for selecting an appropriate strategy. Its goal is to enable the organization to effectively leverage its strengths and opportunities while minimizing its weaknesses and limiting the impact of external threats (Kennedy et al., 2020).

3.3.1 EFE Matrix

The EFE matrix is a strategic tool that summarizes findings from external environment analysis and uses them to identify key opportunities and threats. At the same time, it enables managers or analysts to assess how well the organization is prepared to respond to these factors. The creation of an EFE matrix involves five steps (David et al., 2023):

1. A list of key external opportunities and threats is created, focusing on factors relevant to the industry in which an organization operates and that are significant to its strategy. The number of factors should be the same for both categories, ideally around ten at most, so that the matrix is symmetrical. Opportunities are listed first, followed by threats.
2. Each factor is assigned a weight ranging from 0.01 to 1.00 based on its relative impact on an organization's success within the industry, with the sum of all weights totaling 1.00.
3. External factors are rated on a scale from 1 (poor response) to 4 (excellent response), reflecting the effectiveness of its strategy in exploiting the opportunity or minimizing the threat.
4. For each factor, a weighted score is calculated as a multiple of its weight and the assigned rating.

5. The weighted scores of all factors are summed to obtain an organization's overall weighted score, indicating how effectively it responds to external factors. The score ranges from 1.0 (lowest) to 4.0 (highest).

If the total weighted score calculated from the EFE matrix exceeds 2.5, this indicates a strong external position for an organization, and a score above 3.5 reflects an excellent ability to respond to current opportunities and threats. Conversely, values below 2.5 signal that an organization is responding inadequately to external factors, which may indicate a need to revise or create a new strategy (David et al., 2023).

3.3.2 IFE Matrix

The IFE matrix summarizes the strengths and weaknesses of an organization identified through internal environment analysis. The purpose of this matrix is to evaluate an organization's internal position relative to its strategic intent and to assess whether a current strategy is effective. The process of creating an IFE matrix consists of five steps (David et al., 2023):

1. Identification of key internal factors, strengths, and weaknesses that are relevant to an organization's strategic intent. Strengths are listed first, followed by weaknesses, always in equal numbers to maintain the symmetry of the matrix.
2. In the next step, individual factors are assigned weights ranging from 0.01 (unimportant) to 1.0 (very important) with a total sum of 1.0, reflecting their relative importance to an organization's success.
3. Each internal factor is assigned a rating that reflects how effectively an organization's strategy leverages its strengths or weaknesses. Ratings range from 1 (poor response) to 4 (superior response).
4. The weighted score for each factor is calculated separately as a multiple of its weight and the assigned rating.
5. In the final step, all weighted scores are added up to produce the organization's total weighted score, which ranges from 1.0 to 4.0.

The result of the IFE matrix reflects the overall level of an organization's internal position. A rating of 2.5 represents average internal strength, while a score lower than 2.5 indicates an internally weak organization (David et al., 2023). In this case, it is

advisable to focus on strengthening an organization's internal environment. Conversely, a rating of 4 signals a strong internal position, where the strategic intent is supported by a stable, well-developed internal environment with a high profitability of successful implementation (Fotr et al., 2020).

3.3.3 SWOT Analysis

The SWOT framework is a tool for analyzing an organization based on external factors, which include opportunities and threats, and internal factors, which include the strengths and weaknesses of an organization (Fotr et al., 2020). This framework can serve as a conclusion to a strategic analysis using input data obtained from the EFE and IFE matrices (David et al., 2023). The SWOT analysis is conducted using a table divided into four quadrants that systematically captures the individual factors (Veber et al., 2021).

Based on SWOT analysis, four basic types of strategies can then be formulated within an organization (David et al., 2023):

- **SO (Strengths-Opportunities)** – a strategy in which an organization uses its internal strengths to maximize external opportunities.
- **WO (Weaknesses-Opportunities)** – a strategy focused on improving internal weaknesses so that an organization can better exploit external opportunities.
- **ST (Strengths-Threats)** – a strategy whereby a company uses its strengths to minimize or eliminate the impact of external threats.
- **WT (Weaknesses-Threats)** – a defensive strategy in which an organization attempts to limit its weaknesses and avoid threats.

SWOT analysis provides a straightforward method for understanding an organization's internal and external environment, but on its own, it does not provide a sufficient basis for choosing a strategy. The outputs obtained through SWOT analysis can serve managers primarily as a starting point for formulating an organization's strategic objectives (Kennedy et al., 2020). Furthermore, the SWOT method is a static assessment of a situation at a given time and does not account for the dynamics of a competitive environment, which must be considered in strategic decision-making (David et al., 2023).

4 Digitalization as a Strategic Tool in a Global Business Environment

The current global business environment is undergoing a significant transformation driven by the rapid development of digital technologies. Digitalization has a fundamental impact on the functioning of organizations, managerial decision-making processes, and the ways organizations create value for customers. However, digital initiatives may not lead to an immediate increase in profitability, but they do bring significant long-term benefits to organizations (Pettinger et al., 2022).

For this reason, it is necessary to view digitalization from a long-term perspective and to understand it as a key component of an organization's strategic management, including related changes to the business model (Ross et al., 2017). Digitalization should not be perceived merely as the use of digital technologies, but as a complex set of strategic management decisions that affect an organization's functioning and long-term competitiveness (Kharchenko et al., 2025).

Digitalization not only affects how organizations operate but also fundamentally changes customer behavior, with their growing awareness and connectivity leading to higher expectations and demands (Pettinger et al., 2022). This trend is particularly evident in purchasing behavior, where e-commerce, for example, is accelerating the sale of luxury goods. At the same time, consumer interest in greater personalization of products and services is growing (Liu, 2023).

4.1 Concept of Digitalization and Digital Transformation

Digitalization is one of the main trends driving innovative development in modern businesses (Kharchenko et al., 2025). At the same time, it is an organizationally and technologically demanding process that companies must undergo if they want to respond to the dynamic changes of the digital era. For digitalization to be successful, an organization's business model must be flexible and ready for change, as the digital environment is changing rapidly (Pettinger et al., 2022).

The shift in the business model towards digital transformation stems from a change in an organization's strategy and has a significant impact on its culture, structure, processes, and employee competencies (Pettinger et al., 2022). Digital transformation is a complex process that affects the entire organization and can be divided into three stages: digitization, digitalization, and digital transformation (Verhoef et al., 2021).

Digitization is a process by which organizations transform their existing analog infrastructure into digital (Pettinger et al., 2022). This term refers to the basic process of encoding analog information into a digital format, without a complete change in the process, but only a change in the medium (Verhoef et al., 2021).

Digitalization is the ability of organizations to use digital technologies to create added value for products and services, often leading to changes in their business model (Pettinger et al., 2022). This involves the practical application of digital tools within an organization to change and optimize existing processes, thereby increasing efficiency (Verhoef et al., 2021).

Digital transformation is a broader concept than digitization and digitalization alone, and it is the most complex phase of change within an organization driven by modern digital technologies. Digital transformation involves strategic changes within an organization that lead to the development of new business models and fundamentally influence an organization's functioning (Verhoef et al., 2021).

4.2 Digitalization as a Source of Competitive Advantage

One of the main goals of strategic management is to create and maintain a long-term competitive advantage, which also depends on an organization's ability to respond to current trends and changes in the environment, such as digitalization (David et al., 2023). Digitalization reinforces the importance of time as a key factor in competitive advantage, particularly given the speed with which an organization can adapt its strategy to change (Bharadwaj et al., 2013).

Digital startups as competitors are more flexible than traditional organizations and have more advanced digital strategies. Their emergence and development are putting

pressure on established organizations to also implement new digital technologies and digitize their processes. In order for traditional organizations to remain competitive in the long term against new competitors, they must adopt digital strategies (Pettinger et al., 2022). However, digital strategy cannot be understood solely at the functional level within an organization; it must be linked to an organization's overall business strategy. In the digital era, competitive advantage is shifting from asset ownership to the ability to implement corporate strategy using digital resources (Bharadwaj et al., 2013).

4.3 Strategic Role of Digitalization in Global Premium-Oriented Companies

Premium-oriented companies are notable primarily for their exclusivity, handcrafted workmanship, and high degree of personalization. Products from the luxury industry are characterized by uniqueness, high quality, and a unique reputation. For this reason, the digital transformation of the luxury industry is challenging, as it is essential to preserve the brand's identity and history (Sanz-Lopez et al., 2024).

The COVID-19 pandemic has greatly accelerated the digital transformation of the luxury sector, forcing companies worldwide to adapt quickly. Digitalization has thus moved from a marginal issue to a key component of the business model of luxury brands, which have become an example of how to combine long-standing traditions with digital tools (Nelson, 2024). Even so, many premium companies today have not yet fully embraced digital transformation (Sanz-Lopez et al., 2024).

The use of digital technologies is also a significant strategic shift for companies in the luxury sector, contributing to their long-term competitiveness and appeal to modern consumer bases (Sanz-Lopez et al., 2024). Digital transformation is expected to continue to significantly change and push the boundaries of the luxury goods market through several trends (Nelson, 2024).

4.3.1 Emerging Digital Trends

Artificial intelligence (AI) is one of the key tools in the digital transformation of luxury brands, enabling systematic analysis of customer preferences and the creation and personalization of offerings. A related digital tool is predictive analytics, which some brands, such as Cartier, use to proactively anticipate market trends and customer demands, allowing them to flexibly adapt their product offerings (Nelson, 2024). At the same time, however, designs created with AI can negatively affect the perceptions of a luxury brand's prestige and values (Sanz-Lopez et al., 2024).

An emerging trend in digitalization is the metaverse, a new digital world that is significantly influencing and will continue to influence the digital transformation of companies. The metaverse is characterized by the use of virtual reality (VR) and augmented reality (AR) technologies. VR allows the creation of fully digital environments within the metaverse, while AR connects digital content with the physical world (Pettinger et al., 2022). Some premium fashion brands, such as Balenciaga and Dior, are already using these technologies to hold virtual fashion shows and present their products. Augmented reality also allows customers to visualize luxury products in their own environment before purchase, thereby increasing their engagement (Nelson, 2024).

Another significant digital innovation is blockchain technology, a shared, transparent database network that allows valuable assets to be recorded and tracked. These assets can be tangible or intangible (Pettinger et al., 2022). For example, premium company LVMH Moët Hennessy Louis Vuitton SE uses blockchain to transparently demonstrate sustainability within its supply chain. In collaboration with ConsenSys and Microsoft, they have developed their own blockchain platform, Aura, which allows customers to trace the origin of their luxury goods (Nelson, 2024).

The advancement of digital technologies is also driven by Non-Fungible Tokens (NFTs), which are indivisible and verifiable, and enable luxury brands to create digital collections linked to their physical products. Tiffany&Co., for example, has used NFT technology to launch the first NFT jewelry, "NFTiff", with a limited edition of 250 pieces, offering its owners the exclusive opportunity to personalize their pendant and thereby deepening customer engagement and loyalty (Liu, 2023).

4.3.2 Digital Brand Experience and Communication

The premium sector is also shaped by a shift in marketing strategy, with digital marketing gradually replacing traditional forms of communication and becoming the dominant form of promotion. Its main goal is to reach customers through content in the online environment. However, when marketing luxury goods, it is important to pay attention to specific characteristics of this segment, such as an emphasis on precise craftsmanship, exclusivity, and higher product prices (Liu, 2023).

Storytelling plays a significant role in the premium segment. Companies can digitize storytelling using digital tools and use it as an engaging way to promote and pass on the company's heritage and values (Nelson, 2024). The use of social media is also an opportunity for companies to create their brand image and interact directly with customers. However, even in advertising and social media content, it is important to maintain the perception of personalized communication among customers. Another key digital touchpoint in brand marketing is the brand's own website, with an engaging design (Liu, 2023), which enables the transfer of the exclusive experience of brick-and-mortar stores into the customer's online environment (Sanz-Lopez et al., 2024).

4.4 Risks and Challenges of Digitalization

The adoption of digital technologies in companies brings not only positive effects, but also certain negative aspects. From a social perspective, one of these is the negative perception of system automation by employees, which can lead to the replacement of human labor (Kharchenko et al., 2025). On the other hand, digital transformation can create new jobs in an organization to replace routine positions. From an economic perspective, the costs of digital transformation are high for organizations, and there is no guarantee of a return on investment, which may discourage some companies from investing (Pettinger et al., 2022). The implementation of digital technologies also entails high costs for organizations in terms of retraining or training employees (Kharchenko et al., 2025).

The digital transformation of an organization is also influenced by its organizational culture, which can hinder its successful implementation. Employees often resist digital change, and management often underestimates this influence. It is important for a company to promote digital thinking within its culture, to facilitate the implementation of new technologies and adaptation to change. This attitude must come from management towards employees, where management must believe in the change towards digitalization, communicate its vision, and motivate others to fulfill it (Buvat et al., 2017).

National cultural differences, such as the distinction between low-context and high-context cultures, also significantly impact organizational change. In low-context countries, such as the US or Germany, communication about change is direct and detailed, with an emphasis on ensuring that information is understood literally. In contrast, in high-context countries such as Japan or China, communication takes into account hierarchy and relationships among participants, and it is often necessary to read between the lines. This can lead to misunderstandings or conflicts when implementing changes (Meyer, 2014).

4.5 Critical Reflection on Digitalization as a Strategic Management Tool

The critical evaluation of the theoretical part of the diploma thesis is based on a review of the relevant academic literature. In current academic literature, digitalization is primarily understood as a strategic process that fundamentally influences the functioning of organizations. A more complex phase is digital transformation, which requires the creation of a new business model for the organization.

However, a critical reflection of the available literature shows that the role of digitalization in strategic management is often presented only in general terms. Traditional strategic management literature pays only limited attention to digitalization, and newer articles tend to focus mainly on digital technologies and current trends. But deeper integration of digitalization into strategy formulation and implementation is often missing. Digitalization is often described only as

a necessary response to a dynamic environment, without explaining in detail how it is reflected in an organization's day-to-day strategic management.

These limitations are particularly evident among premium-oriented companies whose competitive advantage is based on authenticity, exclusivity, and craftsmanship. Digital technologies such as AI, VR, and AR contribute to an organization's long-term competitiveness but, in themselves, do not represent a source of competitive advantage. It depends on how they are strategically used and linked to the organization's overall strategy and business model.

Despite the increasing number of studies on digitalization, there is still a limited understanding of how it should be managed in practice within strategic management, especially in internationally operating premium companies. Another limitation of the existing literature is the separate view of cultural differences from digitalization. Cultural differences are frequently examined in the context of international organizations, but without any connection to digital strategies. However, digitalization should not be viewed as a universal process, as international companies may need to adapt their digital strategies to cultural differences. The practical part of this thesis, therefore, aims to connect the theoretical background with the real-world management of digitalization in a selected company.

5 LASVIT

LASVIT (Figure 7) specializes in the production and installation of exclusive designer lighting fixtures, glass architectural elements, and glass art objects. The company combines the authenticity and values of Czech glassmaking with innovative technologies. Individual glass creations are made by hand-blowing, which reinforces the connection to traditional glassmaking techniques and the uniqueness of each piece (Svoboda & Williams, 2026). The name LASVIT was created by combining the Czech words *"láska"* (love) and *"svit"* (light) and refers to the essence of the work of glassmakers who create glass installations that bring emotions and stories into interiors (Prague Business Club Leaders, 2025).



Figure 7: LASVIT Logo
Source: Lasvit (2026)

The company was founded in 2007 and operates internationally, contributing to the preservation and dissemination of the Czech glassmaking tradition abroad. Currently, the company has 9 official branches and showrooms worldwide and employs more than 350 people. Since its inception, it has completed more than 3,000 custom installations in various countries around the world. The company's official headquarters (HQ) is located in Nový Bor, Liberec Region, Czech Republic. Another part of the company is based in Prague in Holešovice, where the Prague showroom is located (Lasvit, 2026). The main production plant and glassworks are in Nový Bor, complemented by the Ajeto glassworks in Lindava. The production facilities are complemented by two metalworking plants located in Česká Lípa and Mladá Boleslav. The company also operates a metalworking plant in Shanghai, where it employs around 55 people (Prague Business Club Leaders, 2025).

Leon Jakimič, the founder of the company, serves as Executive Chairman of LASVIT and holds a majority stake. The LASVIT design team is led by award-winning creative director Maxim Velčovský. When designing unique projects, the company

collaborates with several internationally renowned designers, including Zaha Hadid, Daniel Libeskind, Maarten Baas, Ross Lovegrove, and the Nendo studio, as well as leading Czech designers such as René Roubíček and Jan Plecháč. A significant milestone for LASVIT in the world of design was winning the Fuorisalone Award 2024 at Milan Design Week. The company received this award for its exhibition entitled "Re/Creation" (Lasvit, 2026).

5.1 Establishment and Historical Development

LASVIT was founded in 2007 by entrepreneur Leon Jakimič, a native of Liberec, whose family is associated with prominent names in the glass industry, such as Riedel and Swarovski (Lasvit, 2026). The craft of glassmaking has been passed down in his family for six generations, and Jakimič sought to introduce Czech glassmaking art to the world, combining respect for traditional glassmaking techniques with an innovative approach (Šimáčková Lembacherová and Srbová, 2021).

Before founding his own company, Leon Jakimič worked for Preciosa in Jablonec nad Nisou, a major manufacturer of glass and crystal. In 1999, he moved to Hong Kong, where he served as the director of the lighting department at Preciosa. It was there, in 2007, that he founded the first branch of LASVIT (Bajtler, 2025). Shortly after founding the company, Jakimič secured LASVIT's first major contract worth $800,00 for lighting at the Mira Hotel in Hong Kong. At that time, the company had only three employees, and the $400,00 advance payment for the project arrived before the company's offices had even been finished (Prague Business Club Leaders, 2025).

Following the successful opening of its Hong Kong branch, the company subsequently opened a branch and production facility in the Czech Republic to systematically expand its activities on the international market (Prague Business Club Leaders, 2025). Co-founder Aleš Stýblo helped develop the Czech branch, while Jakimič managed it from Hong Kong. As a co-founder, he acquired a 4% minority stake in the company, which he still holds today (Holzman, 2023).

In 2008, LASVIT entered the Arab market and established a branch in Dubai. Just one year later, in 2009, LASVIT won a $2.5 billion contract to produce chandeliers for two

Dubai metro stations (Bajtler, 2025). In 2009, LASVIT also expanded to the American continent, establishing its third foreign office. In 2016, it also opened a studio in the famous New York neighborhood of SoHo, one of the world's leading centers of art, design, and fashion (Větrovská and Kaplan, 2024). This was followed by the opening of other branches around the world. They currently have nine offices and showrooms worldwide: in Singapore, New York, Prague, Nový Bor (HQ), London, Paris, Dubai, Hong Kong, and Shanghai (Lasvit, 2026).

In 2017, LASVIT expanded its production facilities by acquiring the glassmaking company Ajeto in Lindava, which currently manufactures primarily lighting fixtures, decorative glass, and light sculptures (Lasvit, 2026). In 2019, LASVIT opened its new headquarters in Nový Bor (Figure 8). The company decided not to build a new headquarters, but to preserve tradition by renovating two early 19th-century buildings that had previously served as farm buildings, glass workshops, and a school. The renovation design was prepared by the architectural studio OV Architects, led by Jiří Opočenský and Štěpán Valouch (Šimáčková Lembacherová and Srbová, 2021).



Figure 8: Headquarters of LASVIT in Nový Bor
Source: Lasvit (2026)

During the reconstruction of the new HQ, two new buildings were added to the two historic buildings: the Black House and the Glass House, which today form part of the

company's headquarters. The Glass House is unique in that its roof is covered with translucent glass tiles developed by LASVIT specifically for this building. This is meant to symbolize the renewal and new confidence of glassmaking in the region. The building has received several awards, including the Czech Architecture Award 2020. The Glass House is also the winner of the Building of the Year in the Czech Republic 2020 and the Grand Prix of Architects 2020 competitions (CzechTourism, 2026).

5.2 Corporate Mission, Vision, and Strategic Orientation

LASVIT defines its mission with the slogan *"Lift everyone."* The company's goal is to create breathtaking spatial installations and experiences that can appeal to everyone who encounters them. They are not only intended to impress those who purchase their products and have them custom-made, but also everyone else who passes by. The mission is based on the belief that when people surround themselves with beautiful and meaningful things with a story, it can have a positive effect on them. This mission is followed by the vision *"to be the first Czech new luxury brand loved globally"* (Křeč, 2022).

LASVIT's corporate culture reflects six core values based on the initial letters of the company's name, each represented by a Czech term (Kaiser, 2022):

- **L** – láska a pokora (love and humility);
- **A** – akčnost a odvaha (action and courage);
- **S** – svoboda a zodpovědnost (freedom and responsibility);
- **V** – vášeň a výkon (passion and performance);
- **I** – inovace (innovation);
- **T** – týmová práce (teamwork).

This broader philosophy is concentrated into three key pillars that are shared commitments for all employees: Love, Inspiration, and Responsibility. For them, love means the belief that every great design must come from genuine emotion. That is why they bring passion, emotion, and personal commitment to every project. Inspiration is a source of creative energy and motivates them to explore new, uncharted, infinite frontiers. The value of responsibility expresses their desire to leave a positive impact on the world and society (Lasvit, 2026).

LASVIT's portfolio is divided into three main segments. The company's largest division is custom-made lighting installations, which showcase LASVIT's creativity and unique work. The average price of custom projects is around $300,000, with residential and commercial projects accounting for a significant portion. Another division is the collection of scalable products, which primarily includes pendant lights, glasses, and vases (Johnstun, 2023). The newest division, Glass for Architecture, combines glass with architecture to create artistic facades made entirely of glass. The impetus for its creation was the opening of the new headquarters in Nový Bor, which generated public interest in glass facades (Nová, 2022).

5.3 International Scope of Operations

LASVIT's current headquarters is located in Nový Bor in northern Bohemia, and the company also has its own showroom in Holešovice, Prague (Lasvit, 2026). LASVIT's main production facilities are located in the Czech Republic, in the glassworks in Nový Bor and Lindava, and in the metalworks in Mladá Boleslav and Česká Lípa. The company also owns a 100% stake in a metalworking company in Shanghai, Asia, which represents a strategic advantage for serving Asian clients. In the long term, LASVIT is focused on maintaining a family business to preserve majority ownership across generations. For this reason, it refuses to enter into private equity funds that could push for an early exit from the Czech Republic (Prague Business Club Leaders, 2025).

LASVIT currently has 9 official branches (Figure 9), strategically located across all major continents to be closer to its clients and build stronger relationships with them. In Europe, they can be found in Nový Bor, Prague, London, and Paris. They operate in the Middle East through their Dubai branch. North America is managed from New York. In Asia, LASVIT is represented in locations such as Shanghai, Singapore, and Hong Kong, where the very first LASVIT branch was opened (Lasvit, 2026). LASVIT also cooperates globally with approximately 400 retail partners, through which it sells its smaller mass-produced lighting fixtures (Prague Business Club Leaders, 2025).

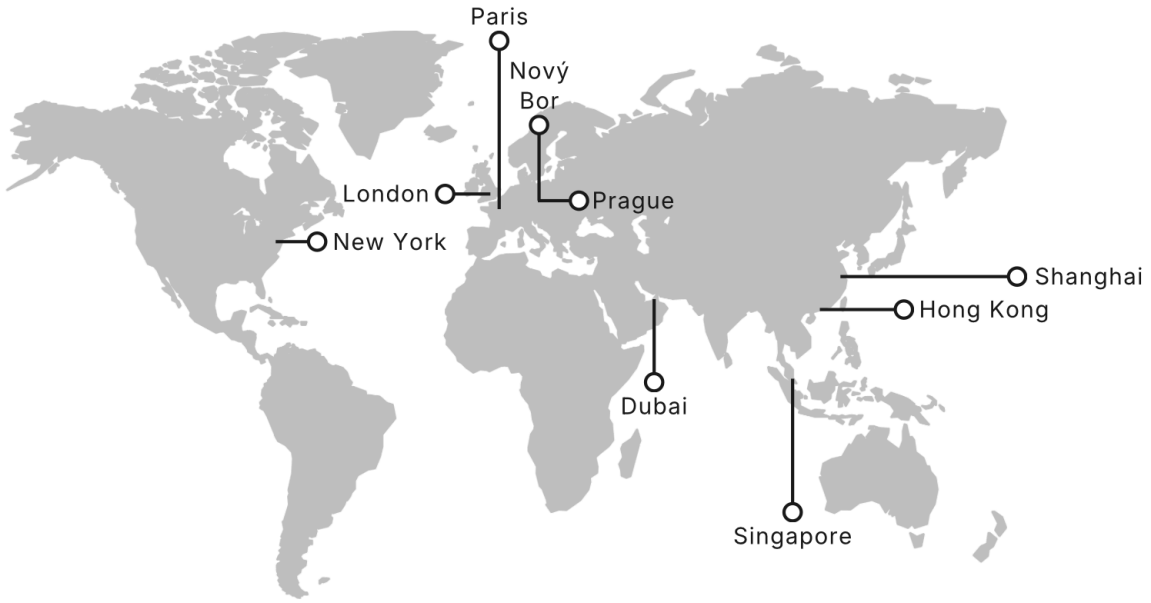


Figure 9: Global Presence of LASVIT
Source: Own processing according to (Lasvit, 2026)

Approximately 80% of the customer base consists of the Business-to-Business (B2B) segment, which primarily includes commercial and residential projects such as luxury hotels, casinos, government buildings, and private residences (Prague Business Club Leaders, 2025). In this segment, LASVIT mainly cooperates with architects and designers who design and order LASVIT installations for their clients, with whom the company is often not in direct contact. It has also begun to focus more on the Business-to-Customer (B2C) segment in recent years, launching an e-shop featuring a collection of scalable products, such as smaller light fixtures, decorative glass, and drinking glasses (Bašta, 2022).

The order process begins with sales representatives operating at the international level. The project manager is then responsible for the project from the initial assignment to the final result. All glass products are manufactured in glassworks in the Czech Republic and the company's metalworks, and after completion, the installation is installed directly at the client's premises. LASVIT has approximately 40 of its own fitters for this purpose, who travel to clients worldwide, enabling the company to simultaneously install up to 8 large projects in different locations around the globe (Prague Business Club Leaders, 2025).

5.4 The Role of Digitalization in the Company Context

At LASVIT, the Chief Information Officer (CIO) and Manager of Shared Services is responsible for digitalization across the entire company globally. When designing LASVIT projects, designers' creativity often clashes with technical and construction limitations. That is why effective digitalization management is so important: it connects artistic design with technological tools, enabling these ideas to be realized. To integrate the work of designers and engineers, LASVIT uses its own project software and Rhino and Autodesk software (Inventi, 2025).

LASVIT recently underwent a major digital transformation, modernizing its Customer Relationship Management (CRM) systems and migrating them to the Microsoft Dynamics 365 Sales cloud solution. The systems are available 24/7, highly intuitive, and interconnect sales, accounting, and project processes worldwide, minimizing data errors through automatic data transfer (Seyfor, 2026).

Since 2017, LASVIT has been using 3D printing technology for prototyping and manufacturing components, enabling designers to quickly and cost-effectively produce multiple design variants, from which the final product is manufactured after fine-tuning (Fiedler et al., 2022). In 2021, LASVIT used VR technology at Milan Design Week to present a virtual tour of a house featuring LASVIT lighting and design installations. The tour provided a virtual glimpse into how LASVIT works with space and light (Louda, 2021). During the COVID pandemic, LASVIT launched a virtual tour of its Prague showroom, allowing customers from around the world to explore it from the comfort of their homes.

Manual craftsmanship has always been rooted in storytelling, tradition, and the authenticity of manual work. That foundation is not something automation or AI can easily displace. Technology does not figure here as a substitute for the human factor, but rather as a means of optimizing processes. In the context of LASVIT, AI is used primarily in the initial design phase. Based on specific client requirements, AI proposes initial concepts that designers then build on. The final elaboration, technical implementation, and artistic supervision remain in human hands (Prague Business Club Leaders, 2025).

6 Strategic Analysis of LASVIT

Strategic analysis, including an analysis of LASVIT's external and internal environment, will identify the key factors affecting its operations, with emphasis on digital transformation across its international markets. Attention is also paid to digitalization as part of the company's strategy. The subsequent synthesis of external and internal factors will be carried out using EFE and IFE matrices, and the results will be evaluated in the SWOT analysis. The outputs of the analysis will then be used to formulate strategic recommendations for LASVIT, focusing on the further development of digitalization as a strategic tool.

6.1 Analysis of the External Environment

The analysis of LASVIT's external environment examines factors that the organization cannot directly influence through its activities. The output of this analysis is the identification of opportunities the company can leverage and potential threats it should eliminate. The source of information for this part of the analysis is secondary data, primarily from publicly available sources, professional articles, statistics, academic studies, and legislative documents.

PESTEL analysis is used to evaluate the macroenvironment, structuring the external environment into six areas. The analysis takes into account the fact that LASVIT operates in international markets and therefore includes both national and global perspectives. The specific competitive environment for LASVIT is evaluated using Porter's Five Forces model, which compares the key competitive pressures acting in the industry.

6.1.1 PESTEL Analysis

The PESTEL framework consists of six categories of factors: Political, Economic, Socio-Cultural, Technological, Environmental, and Legal. Because LASVIT operates internationally, individual factors are considered at the national, regional, or global level, depending on their relevance. The national context primarily focuses on factors

that directly influence the company's production and human resources infrastructure in the Czech Republic. The regional level is used for factors whose impact depends on the specific regions in which the company operates. The global perspective is used for technological, social, and environmental trends that affect the entire industry.

Political factors

U.S. tariff policy represents a significant political factor in the current business environment. Since February 2026, the Trump administration has imposed a temporary 10% tariff on all imported goods, with threats to raise it to 15% (Clarke, 2026). At the same time, escalating tensions between the U.S., Israel, and Iran have led to the closure of the Strait of Hormuz, disrupting global shipping and driving up oil prices (Smith, 2026). The overall geopolitical uncertainty, compounded by the unpredictable rhetoric of the U.S. administration, may negatively affect international project logistics, installation timelines, and cost predictability.

In Saudi Arabia, where LASVIT operates, the government is currently running the Saudi Vision 2030 program with a budget of over USD 1 trillion for investment in local infrastructure. The goal of Saudi Vision 2030 is to reduce national energy consumption by up to 30% and promote sustainable urban development, including investments in modern, energy-efficient lighting technologies (Ken Research, 2025). The projects under Saudi Vision 2030 are based on futuristic design and state-of-the-art lighting technologies, creating opportunities for lighting installations that support the national development strategy.

The European Union has launched its EU funding program, The Digital Europe Program for Small and Medium-sized Enterprises (SMEs), to promote digital transformation across European society. The aim is to support projects in AI, cybersecurity, digital skills, and the implementation of digital technologies in manufacturing processes, such as automation or cloud solutions (European Commission, 2026a). Drawing on these funds may be an opportunity for LASVIT to increase its adoption of digital technologies at partially subsidized costs, thereby significantly reducing the financial barrier to entry into digital transformation.

Economic factors

A large proportion of LASVIT's employees are based in the Czech Republic, where the company's main production facilities and headquarters are located. In the Czech Republic, average gross wages grew by 5.1% in the fourth quarter of 2025 (Czech Statistical Office, 2026a). The growth in gross wages is accompanied by low unemployment in the Czech labor market, which stood at 3.3% in January 2026 (Czech Statistical Office, 2026b). Unemployment in the Czech Republic remains well below the EU average, which stood at 5.8% in January 2026 (Eurostat, 2026). This difference reflects a shortage of workers, mainly in skilled trades, on the Czech labor market.

The market for luxury and premium lighting is growing in popularity in both residential and commercial spaces. In the Asia-Pacific region, growth is influenced by an increase in the population of wealthy individuals. In the Middle East, the market is driven by extensive construction of development projects, where luxury and high-quality lighting are widely used to highlight the uniqueness of the projects. In 2025, the global luxury lighting market was valued at USD 21.08 billion, and in 2026, it is expected to grow at a compound annual growth rate of 8% to USD 22.75 billion (Fortune Business Insights, 2026).

Socio-cultural factors

Affluent consumers represent a relatively small share of the global population, yet they wield enormous purchasing power. In 2024, top affluent clients accounted for about 25% of total spending. Asia and the Pacific are among the most dynamic markets for luxury spending growth, driven by rapid income growth. By 2030, the number of affluent households in the region is expected to grow by up to 8% (Visa, 2025). The growing number of affluent households is expanding the potential customer market for LASVIT premium lighting installations.

In America, the nature of luxury goods purchasing is influenced by the emerging Generation Z, which views luxury more as an immersive experience rather than mere material possessions. They also focus on authenticity and sustainability, and they consider authentic brand storytelling important (Logan et al., 2025). Generation Z is

also more digitally savvy, and for them, the shopping experience can be enhanced by interactive tools such as AR/VR or virtual showrooms.

Technological factors

The glass industry is also being driven by the growing trend toward AI systems, which are putting pressure on companies to become more efficient. In craft-based industries such as glassmaking, there is a natural caution and apprehension toward technological change. The implementation of digital tools in companies is therefore usually approached on a smaller scale (Glasstec, 2025). At the same time, the development of AI poses risks to data security, intellectual property, and reliability that need to be carefully considered at the company level (Booth et al., 2024).

AI enables designers to generate more ideas and variations more quickly. This allows them to develop initial concepts more efficiently and to obtain more precise consumer feedback earlier in the design process. Systems that convert text into images can thus assist designers during the early stages of inspiration. However, the expertise of human experts remains irreplaceable. They verify the AI output and adapt it so that the design is meaningful and manufacturable (Booth et al., 2024).

Designers and engineers use computer-aided design software to create hand-drawn 2D and 3D models, but this process is usually very time-consuming. Engineers at Massachusetts Institute of Technology (MIT) wanted to streamline the process using AI tools. They created an AI model capable of generating 3D designs based solely on instructions and an initial sketch. This is one of the first steps toward effectively using AI models in sketching and modeling 3D product designs prior to manufacturing (Chu, 2025).

Environmental factors

Consumers, even those in the premium segment, increasingly recognize the importance of sustainability, but are generally unwilling to pay extra for it. They view sustainability more as a nice-to-have than a key factor in their purchasing decisions. It is expected that only those companies that actively incorporate sustainability into their strategy will remain competitive in the long term, even within the luxury segment (Grauel et al., 2025). Sustainability is also a key topic among Generation Z, who view

it as the new luxury. Luxury companies should combine craftsmanship and tradition with transparency and sustainable, local values (Logan et al., 2025). For LASVIT, this approach offers opportunities to highlight local resources and materials with an emphasis on traditional craftsmanship.

The glass melting process in the glass industry, in which glass furnaces reach temperatures exceeding 1,300 degrees and fossil fuels are burned, accounts for approximately two-thirds of total carbon dioxide emissions from glass production. EU pressure to achieve climate neutrality by 2050 is forcing companies to make changes to reduce CO2 emissions. Within the glass industry, companies are shifting toward new glass furnace technologies that generate heat from electricity rather than fossil gas or heating oil (Gallucci, 2025).

Legal factors

The EU has issued the world's first comprehensive regulatory framework for AI systems, the EU AI Act, with the aim of ensuring the safe use of AI within the EU. Providers are required to classify AI systems by risk level. High-risk systems must be transparent, secure, and auditable. At the same time, synthetic content generated by AI (text, images, video) must be transparently labeled as artificially created (PwC, 2026). A key step before implementing AI is classifying data and documents by sensitivity and risk level to clearly determine which data can be safely shared with AI. This may delay LASVIT's implementation of AI into its processes to ensure compliance with legal and ethical requirements and data protection regulations.

Another key legal framework is the General Data Protection Regulation (GDPR), which governs the processing of personal data within the EU. It is the strictest privacy and data security law in the world, and all companies worldwide must comply with it if they target or collect data from individuals in the EU (European Commission, 2026b). This regulation directly affects LASVIT's digital operations, as the company must ensure compliance with requirements related to the collection, processing, storage, and transfer of customer data, particularly when using digital tools such as CRM or project management applications. Given that the GDPR has been in effect since 2018, it represents an established legal standard rather than an emerging threat.

This analysis suggests that LASVIT operates in a highly technology-driven, changing global market. A key economic factor is the current situation in the Czech labor market, where extremely low unemployment of 3.3% is causing a shortage of skilled workers in craft-based positions and pressure to increase wages and efficiency. At the same time, digitalization and AI can help streamline certain processes, but they are not a full solution to the shortage of skilled workers. The EU legislation on artificial intelligence also introduces regulatory requirements that must be considered. Overall, the growing demand in Asia and the rising digital expectations of a new generation of customers make further digitalization a necessary step for staying competitive in the global luxury lighting market.

6.1.2 Porter's Five Forces Model

Porter's Five Forces model is used to assess LASVIT's competitive environment by examining the key pressures operating within the industry, such as: bargaining power of suppliers, bargaining power of buyers, threat of new entrants, threat of substitute products, and rivalry among existing competitors.

Rivalry among existing competitors – High

The market for exclusive, premium designer lighting is inherently limited, as it targets a narrow group of affluent, high-income clients. The market is dominated by a few strong international brands with long-standing traditions, competing for a limited number of prestigious projects and clients. Each of them strives to establish its own distinctive style through a combination of precision craftsmanship and bold design.

Several companies that produce premium lighting fixtures are based in Europe. Flos, founded in 1962, is an Italian company that focuses on avant-garde designs with a touch of the 1960s. Baccarat, a company with a long-standing tradition founded in 1764, is based in France and is known for its luxurious, handcrafted crystal lighting in a palatial style (Studia 54, 2023). Sans Souci, like LASVIT, is a Czech company based in northern Bohemia that creates lighting installations crafted by Czech artisans. Another Czech brand, Preciosa Lightning, is based in Jablonec nad Nisou in northern Bohemia. It produces luxury lighting that combines tradition, craftsmanship, and innovative design.

In addition to traditional competitors in the premium lighting segment, the market is also partly influenced by Asian manufacturers. These manufacturers typically offer cheaper, mass-produced lighting fixtures that cannot compete with those of companies with a long-standing tradition and a focus on craftsmanship. Asian manufacturers, therefore, target a slightly different segment of customers who are not looking for unique, custom-made installations.

LASVIT is regarded as one of the leading players in the glass lighting installation market, but faces direct international competition. It strives to make an impression through its high-quality craftsmanship, traditions, and the story behind each lighting installation. LASVIT also seeks to differentiate itself from the competition through collaborations with prominent designers and signature projects in iconic buildings. It further strengthens its position through regular participation in top-tier design fairs and a series of prestigious awards.

Threat of new entrants – Moderate

The market for lighting installations targeting high-net-worth clients is characterized by billions in revenue and growing demand for custom luxury lighting installations in both the residential and commercial sectors. The entry of new companies into this business is indeed interesting, but the initial capital investments required to establish and operate glassworks, as well as to develop and build an international sales network, are very high. Typically, the market is dominated by companies with a long history, strong references, and a brand – all of which often take years to build.

Hand-blowing and glass processing require highly skilled artisans and experienced designers. However, there is a shortage of such professionals in the market, and attracting new talent to the field is becoming an increasingly difficult challenge (Žižka, 2017). The Crystal Valley region in northern Bohemia has a long-standing tradition of Czech glassmaking and glassblowing dating back to the 17th century. One that LASVIT seeks to preserve and promote (Crystal Valley, 2026). However, Asian manufacturers of chandeliers and decorative lighting are increasingly entering the market, competing on price at the expense of quality. LASVIT takes the opposite approach, positioning itself in a higher price category while maintaining its quality, tradition, and craftsmanship.

Threat of substitute products – Low

Mass-produced lighting serves as a direct alternative to premium lighting installations. If clients are price-sensitive, they can opt for more affordable lighting options instead of a customized luxury lighting installation. However, such products lack the story, precise craftsmanship, and personalization that characterize LASVIT. Collaboration with leading international designers and unique designs naturally increases installation costs, and if a client is interested in a unique lighting installation, they must naturally expect to pay a higher price.

Bargaining power of suppliers – Moderate

LASVIT operates its own glassworks in Nový Bor and Lindava, as well as metalworks in Mladá Boleslav, Česká Lípa, and Shanghai. Its production is fully vertically integrated – from raw glass and wood to the final product. The company primarily uses basic inputs such as glass, wood, water, and fire. Thanks to this integration, LASVIT is not overly dependent on external component suppliers. Despite this integration, the company still depends partly on energy inputs critical to the glass production process, which may allow suppliers to retain some bargaining power.

Glass artisans are an irreplaceable factor of production. The Czech Republic has historically been a major center of glassmaking, but the number of qualified master glassmakers is gradually declining. The limited availability of skilled artisans in the area increases their bargaining power at the regional level. Furthermore, in the Crystal Valley region, where LASVIT operates, there are several glassworks, which allows artisans to choose among companies and negotiate more favorable working conditions.

Bargaining power of buyers – Moderate

LASVIT's primary customer base is the B2B segment, where high-value orders give clients a stronger negotiating position. Customers in this segment are characterized by a deep understanding of the market and can simultaneously approach multiple luxury brands to request quotes for lighting installations, allowing them to negotiate prices or project deadlines. Customers in the luxury segment are less price-sensitive, and key factors in their decision-making include reputation, references, and original

design. LASVIT has a broad portfolio with many signature projects and references, and unique collaborations with leading designers can also help attract customers.

Porter's Five Forces model shows that LASVIT operates in a highly competitive environment, where established international brands emphasizing tradition and craftsmanship compete for a limited number of prestigious contracts. While the threat of new entrants is limited by the high investment costs of building glassworks and the need for a strong brand and solid references, mostly Asian players are entering the market, offering cheaper alternatives without the added value of a story and tradition. LASVIT's vertical integration of production reduces its dependence on component suppliers. However, the company is facing a shortage of skilled craftspeople, whose bargaining power is increasing as their numbers decline.

6.2 Analysis of the Internal Environment

The analysis of LASVIT's internal environment focuses on the organization's microenvironment and includes factors and resources primarily related to the digitalization, in line with the thesis topic. These are aspects that the organization can directly influence through its internal activities and operations. The outcome of this analysis is the identification of the organization's strengths and weaknesses in digitalization. This part of the analysis draws on primary data obtained through a semi-structured interview with the CIO of LASVIT (Appendix A).

For the company's internal analysis, the VRIO framework is used to evaluate a company's resources and capabilities based on their potential to contribute to the organization's competitive advantage. The organization's individual activities are evaluated using value chain analysis, which enables the identification of key internal capabilities and their contribution to value creation.

6.2.1 VRIO Analysis

The VRIO framework is an analytical decision-making tool that evaluates the various types of resources at LASVIT based on four criteria. The goal of this analysis is to determine whether the company's specific resources represent a competitive

disadvantage, a competitive parity, a temporary competitive advantage, an unused competitive advantage, or a sustainable competitive advantage.

A key component of LASVIT's digital infrastructure is a cloud-based CRM solution that ensures global accessibility and real-time data sharing. This tool enables effective centralization of client information, monitoring of sales opportunities, and overall optimization of customer interactions. Since this is a standardized Microsoft solution, the technology is also available to competitors. LASVIT's competitive advantage thus lies not in the technology itself, but in its integration into a unified global strategy across all global markets.

The company uses its own project management tool, custom-developed for its specific processes and tailored to its business segment, where 90% of production is custom manufacturing, setting it apart from other companies. In contrast to the global market, where unified, standardized software solutions predominate, the company has chosen a custom tool that better meets its needs.

LASVIT has fully integrated systems that enable automatic, online data transfer between individual tools without the need for manual data entry. This minimizes errors, speeds up order processing, and ensures high data accuracy. At the same time, digitalization and system integration create a single source of truth that provides the most up-to-date information on individual orders in real time. Building a high-quality database is closely linked to system integration. The company emphasizes the importance of accurately entering information for each project, but there is still room for improvement. Data quality is also influenced by cultural differences; for example, obtaining complete data is more difficult in Asia and the Middle East than in Europe or the Americas.

The success of digitalization at LASVIT is not based solely on the technologies implemented, but primarily on the people and their attitude. The entire change process begins with top management, which places great emphasis on involving employees from the start of the digitalization. The goal is for technology to truly serve people, help them work faster, and inspire them to embrace new digital pathways. It is precisely this combination of integrated technologies and people's willingness to actively work with digital tools that ultimately creates the highest added value.

LASVIT uses Rhino and Autodesk graphic design tools in the work of its designers and engineers. Designs are first created in 2D and then manually converted into 3D. This manual transition between formats is inefficient within the company's digital workflow, slowing down the process and offering no automation. The situation is further complicated by a shortage of technical specialists in the Czech labor market.

Based on the identified resources and capabilities, an analysis was subsequently conducted using the VRIO model (Table 1). Individual resources and capabilities were evaluated according to four criteria: whether they are valuable, rare, difficult to imitate, and whether the organization is capable of effectively utilizing their value. Based on this evaluation, it was further determined what type of competitive advantage these resources or capabilities provide to LASVIT.

Table 1: VRIO Analysis of LASVIT

Resources and Capabilities	Valuable	Rare	Inimitable	Organized	Competitive Consequences
Cloud CRM (Microsoft)	Yes	No	No	Yes	Competitive Parity
Custom project management application	Yes	Yes	Yes	Yes	Sustainable Competitive Advantage
Integrated systems and data quality	Yes	Yes	No	Partial	Temporary Competitive Advantage
Digital culture and employee engagement	Yes	Yes	Yes	Yes	Sustainable Competitive Advantage
Design solutions (2D to 3D conversion)	Yes	No	No	No	Competitive Disadvantage

Source: Own processing

The analysis shows that the company has a well-developed global digital strategy that provides a clear competitive advantage. The strategy is built on integrated systems, cloud-based CRM, and project management tools. The project management application is tailored to the specific needs of LASVIT and its employees, making it difficult for competitors to replicate. Digital technologies are supported by a corporate culture that promotes digitalization.

However, during the implementation phase, particularly in the work of design engineers, a digital gap arises, resulting in inefficiency. Although professional digital

tools are used, 2D designs must still be manually converted into 3D models before manufacturing. This creates a bottleneck in the process and places excessive demand on the limited capacity of technical specialists.

6.2.2 Value Chain Analysis

The value chain analysis examines how digitalization affects LASVIT's key activities and contributes to its value creation. The activities are divided into two categories: primary and support activities. The goal of the analysis is to identify strengths and areas where digital capabilities remain underdeveloped.

Primary Activities

Primary activities are those directly concerned with creating and delivering value to the customer. They include inbound logistics, operations, outbound logistics, marketing and sales, and service.

In the area of inbound logistics, a strategic step has been the company's digitalization, through which LASVIT has integrated external partners, such as suppliers of technical drawings and manufacturing partners, into its internal systems. The digital integration of suppliers enables a seamless flow of up-to-date information through automated communication and real-time data sharing across systems, thereby minimizing the potential for errors.

From a digitalization perspective, operations are a key activity at LASVIT, as the premium segment is highly complex in project management. Designers and engineers create designs and visualizations using Rhino and Autodesk software. However, conversion between 2D and 3D models remains manual, highlighting potential for deeper digital integration. The use of 3D printing technologies streamlines prototyping. To manage global orders, the company uses a custom-developed project management application that helps process orders more efficiently.

Outbound logistics within project management is characterized by a project-oriented supply chain process and international coordination, supported by integrated systems, specifically cloud-based CRM and an internal project management

application. Unified order tracking and management enables the company to plan installations more efficiently and track individual projects worldwide.

Marketing and sales activities are supported by the company's website, through which LASVIT presents signature projects and collaborations with designers to build its brand identity. Sales activities are managed through their CRM system, which allows data to be shared globally among sales representatives and project managers. Although LASVIT's products are not integrated into external architect libraries, B2B partners can access a dedicated portal containing exclusive materials.

Service activities are supported by integrated digital systems that enable real-time data sharing and global accessibility. All employees involved in a project have global access to up-to-date project documentation, which contributes to the efficiency of service processes. The IT department's services are focused on the needs of both customers and the business and are characterized by fast, effective support.

Support Activities

Support activities are an integral part of the value chain, as they support primary activities, ensure their smooth operation, and contribute to the company's overall performance. These functions include: firm infrastructure, human resource management, technology development, and procurement.

Within the firm's infrastructure, LASVIT operates on the basis of a unified global digital strategy, supported by integrated digital tools. The two main systems, CRM and project management, are fully integrated, ensuring a single source of truth that enables centralized access to all data anytime. For internal communications, the company uses Microsoft 365, which is implemented across all company branches.

The company's human resource management reflects the crucial role employees play in the digital transformation process, which is based not only on the implementation of technologies but also on employees' attitudes, digital skills, and motivation. Digital tools are therefore used in human resources management. The Employee Net Promoter Score (eNPS) metric is used in LASVIT to measure employee satisfaction, and its collection and evaluation are conducted digitally. Digital platforms are also integrated into the onboarding process and continuous employee training.

LASVIT operates in international markets, and technological development is a key priority for the company. The transition from on-premise solutions to cloud-based CRM systems has enabled the company to achieve 24/7 system availability and real-time data sharing across all its international branches. The development of an internal project management application has enabled greater customization and more precise alignment with the company's process needs. The company also pays close attention to change management for key applications, ensuring they evolve continuously in line with the organization's changing needs.

As part of its procurement process, LASVIT systematically integrates external partners into its internal systems, thereby improving coordination and transparency and minimizing errors. This integration ensures that external parts of the value chain are coordinated more efficiently, reducing communication gaps and improving overall process alignment. However, the company has vertically integrated a significant portion of its manufacturing process.

The value chain analysis reveals that digitalization at LASVIT acts as a unifying force across all business activities, connecting global operations with specialized custom manufacturing. Value for the end customer is created not only through the product itself, but also through the company's ability to manage complex, cross-continental projects digitally. Integrated systems ensure a smooth flow of information from the first customer contact through to the final installation. However, technology alone is not sufficient – corporate culture, employee engagement, and their willingness to use digital tools are equally critical to the overall effectiveness of the value chain.

6.3 Synthesis and Evaluation of the Strategic Analysis

Based on the analysis of the external and internal environments, this synthesis focuses on identifying the key factors influencing LASVIT's current position, particularly in the international context of digitalization. External factors are summarized in the EFE matrix, and internal factors in the IFE matrix, allowing the quantification of their weights. Findings from the EFE and IFE matrices are systematically integrated into a unified framework through a SWOT analysis, with the results serving as the basis for formulating strategic recommendations for LASVIT.

The factors and their weights were determined through expert judgment, reflecting their relative importance to the company. The weighting process drew on prior strategic analyses, relevant secondary sources, and a semi-structured interview with a company representative. Higher weights were assigned to factors with the greatest impact on the company's long-term competitiveness, particularly in digitalization, innovation, and international market operations.

6.3.1 EFE Matrix

The EFE matrix (Table 2) summarizes the findings from the analysis of the external environment based on the PESTEL and Porter's Five Forces models, conducted in the context of LASVIT. The goal is to identify key opportunities and potential threats for the company. Within the EFE matrix, individual external factors are assigned weights based on their strategic importance to the company, with the rating reflecting the extent to which the company currently leverages the factor or, conversely, mitigates its negative impacts. The resulting weighted score enables identification of the areas with the greatest influence on the company's overall strategic position.

Table 2: EFE Matrix of LASVIT

Key External Factors	Weight	Rating	Weighted Score
Opportunities			
1. Growing global demand for premium lighting installations.	0.12	4	0.48
2. Digitalization and automation in the glass industry.	0.13	3	0.39
3. Growth of high-value customers in the Asia-Pacific region.	0.11	3	0.33
4. AI-driven transformation of 2D designs into 3D models.	0.10	2	0.20
5. EU funding programs targeting AI development.	0.06	2	0.12
Threats			
1. Intense competition in the premium lighting segment.	0.12	3	0.36
2. Shortage of qualified tech specialists in the CZ labor market.	0.12	2	0.24
3. Entry of low-cost Asian manufacturers into the market.	0.07	3	0.21
4. Pressure on wage growth and operational efficiency.	0.10	2	0.20
5. Regulatory requirements imposed by the EU AI Act.	0.07	2	0.14
Total	**1**		**2.67**

Source: Own processing

The overall weighted score of the EFE matrix is 2.67, indicating that LASVIT responds relatively well to external opportunities and threats. The company successfully capitalizes on key opportunities, particularly amid growing global demand for premium lighting installations in the B2B and high-end residential segments. This growing demand is further supported by the opportunity presented by the increasing number of high-value customers in the Asia-Pacific region. This success is underpinned by a strong brand, signature projects, and collaborations with renowned designers. However, within the external environment, intense market competition remains a significant threat.

In the area of digitalization, the company has a strong foundation thanks to a unified global strategy, enabling LASVIT to effectively respond to opportunities related to digitalization and automation in the glass industry. Examples include the development of a specialized project management application and the transition to cloud-based CRM, which strengthen collaboration across international branches. The matrix reveals certain limitations, particularly in the area of AI-driven transformation of 2D designs into 3D models, where, despite a higher weight, the rating is lower, indicating that the potential is not being fully realized. In the long term, external threats such as a shortage of technical specialists and the resulting pressure on labor costs may also have a greater impact on the company's operations.

6.3.2 IFE Matrix

The IFE matrix (Table 3) summarizes the findings from the analysis of the internal environment based on VRIO and value chain analyses, conducted in the context of LASVIT. The goal is to identify the company's key internal strengths and weaknesses. The matrix includes 10 factors, divided into 5 strengths and 5 weaknesses. Within the IFE matrix, individual internal factors are assigned weights based on their strategic importance to the company, with the rating reflecting the extent to which the company currently leverages the factor or, conversely, mitigates its negative impacts. The resulting weighted score enables identification of the areas with the greatest influence on the company's overall strategic position.

Table 3: IFE Matrix of LASVIT

Key Internal Factors	Weight	Rating	Weighted Score
Strengths			
1. Custom-built application for global project management.	0.14	4	0.56
2. Digital culture and employee engagement in digitalization.	0.12	4	0.48
3. Unified digital strategy supported by integrated tools.	0.11	3	0.33
4. Cloud-based CRM with global data accessibility.	0.08	3	0.24
5. Digital brand presence.	0.07	4	0.21
Weaknesses			
1. Complexity of coordinating global projects.	0.09	3	0.27
2. Dependence on highly skilled workforce.	0.13	2	0.26
3. Manual processes in the 3D design workflow.	0.12	2	0.24
4. Inconsistent data quality in an international environment.	0.08	3	0.24
5. Limited engagement with external digital libraries.	0.06	3	0.18
Total	**1**		**3.01**

Source: Own processing

The overall weighted score of the IFE matrix is 3.01, placing LASVIT among internally strong companies. This result is driven largely by the company's long-term investment in digital technologies and its commitment to building a digital corporate culture. A key strength for the company is its custom-developed project management application, which represents a sustainable competitive advantage and serves as the backbone for coordinating international projects. The strong digital culture at LASVIT and the active involvement of employees demonstrate that the company's digital transformation is based not only on technology but also on people's interest and motivation to use these technologies across the organization.

The company's weaknesses are partly influenced by the demands and specific nature of the premium lighting segment, which relies heavily on skilled craftspeople, designers, and engineers. Their limited capacity poses a challenge to the company's growth. Manual processes in the design workflow, such as redrawing 2D designs by hand into 3D models, can unnecessarily strain the team's limited capacity. Given the company's strong digital culture, it would be possible to quickly and effectively implement new technologies that could partially address this weakness.

6.3.3 SWOT Analysis

The SWOT analysis of LASVIT (Table 4) consolidates the results from the EFE and IFE matrices into four basic quadrants. These quadrants identify key factors in the external and internal environment that influence the company's strategic position in the international arena. The external environment includes opportunities and threats, while the internal environment consists of strengths and weaknesses that the company can influence to some extent.

Table 4: SWOT Analysis of LASVIT

Strengths	Weaknesses
1. Custom-built application for global project management. 2. Digital culture and employee engagement in digitalization. 3. Unified digital strategy supported by integrated tools. 4. Cloud-based CRM with global data accessibility. 5. Digital brand presence.	1. Complexity of coordinating global projects. 2. Dependence on highly skilled workforce. 3. Manual processes in the 3D design workflow. 4. Inconsistent data quality in an international environment. 5. Limited engagement with external digital libraries.
Opportunities	**Threats**
1. Growing global demand for premium lighting installations (B2B and high-end residential). 2. Digitalization and automation in the glass industry. 3. Growth of high-value customers in the Asia-Pacific region. 4. AI-driven transformation of 2D designs into 3D models. 5. EU funding programs targeting AI development.	1. Intense competition in the premium lighting segment. 2. Shortage of qualified tech specialists in the CZ labor market. 3. Entry of low-cost Asian manufacturers into the market. 4. Pressure on wage growth and operational efficiency. 5. Regulatory requirements imposed by the EU AI Act.

Source: Own processing

Opportunities

A major opportunity for LASVIT lies in the growing global demand for premium lighting installations, particularly in the Asia-Pacific region, where the high-end customer base is expanding. The company is well-positioned to meet this growing demand thanks to its international presence and a network of nine branches worldwide, including offices in Asia (Shanghai, Singapore, and Hong Kong), which enable closer contact with local clients.

The growing trend toward digitalization and automation is opening up new opportunities for growth in the glass industry. One specific opportunity lies in AI tools that, for example, convert 2D designs into 3D models, significantly shortening and streamlining the design process. LASVIT has a unified global digital strategy and has undergone an extensive digital transformation, giving it a strong foundation for leveraging these digital opportunities. The EU's Digital Europe Program represents an opportunity for funding the development of AI capabilities. However, these funds come with a significant administrative burden.

Threats

Competition in the premium lighting segment poses a real threat, as the customer base is limited to a small group of high-net-worth clients. Another external threat is the long-term shortage and gradual decline in the number of specialized skilled workers in the Czech labor market. High-quality human capital is an indispensable component of craftsmanship and handcrafted production, which are among the core values of the LASVIT brand. One mitigation measure could be greater integration of digital technologies into parts of the production process to increase efficiency.

One of the smaller but still relevant threats is the entry of Asian manufacturers into the market with cheaper lighting fixtures, particularly among price-sensitive customers. However, LASVIT does not seek to compete on price; its higher price point reflects the quality of craftsmanship, attention to detail, and heritage – areas where Asian manufacturers generally struggle to compete. Although the EU AI Act primarily targets providers of AI systems, it may pose a threat to LASVIT by imposing a higher administrative burden. When using these technologies, the company must comply with rules on transparency, security, and protection of sensitive information.

Strengths

The company's strong internal position reflects the fact that digitalization has long been a strategic priority at LASVIT. A significant strength is their custom-developed project management application. Unlike standard off-the-shelf solutions, it provides them with a sustainable and hard-to-replicate advantage. Although the cloud-based CRM system itself is not unique, LASVIT has turned it into a strength by integrating it

into its internal ecosystem and linking it with other tools. However, the success of digital transformation does not depend solely on technology. LASVIT's strength lies in fostering a strong digital culture across the entire company, where people are motivated and willing to actively use digital tools.

Weaknesses

One weakness is the high complexity of custom manufacturing. However, LASVIT manages this organizationally through integrated internal systems, which significantly mitigates its impact. Another identified weakness is the company's reliance on the availability of skilled craftspeople, designers, and engineering staff, although this reliance is largely driven by the segment's nature. The manual conversion of 2D designs into 3D models adds unnecessary burden on specialists, whose capacity is already limited.

The company prides itself on building a strong data foundation; however, due to its international presence and cultural differences, inconsistent data quality remains a weakness. LASVIT is actively addressing this weakness through its organizational processes and striving to adapt its systems to local specifics. A minor weakness compared to the competition is the lack of integration with external digital libraries for architects. On the other hand, LASVIT has decided to invest in its own solution and has created its own B2B portal for external partners.

6.3.4 Strategic Options based on SWOT

The strategic analysis identified LASVIT's key strengths and weaknesses, along with the opportunities and threats in its external environment. Drawing on these internal and external factors, four groups of strategic alternatives were formulated – SO, WO, ST, and WT. The most suitable strategy will then be selected and elaborated in greater detail in the following chapter.

SO – AI-Driven 3D Design Innovation (S2, S3, O2, O4)

The company has a strong digital culture and a unified global digital strategy across the entire organization, creating a solid foundation for further digitalization and the

implementation of modern tools. Building on this foundation, the company can actively capitalize on the availability of AI tools in design, specifically for transforming 2D designs into 3D models. This strategy directly leverages the growing availability of technology, enabling the company to accelerate and streamline its design workflow without increasing headcount. At the same time, the strategy indirectly addresses the threat of a shortage of qualified technical specialists.

WO – Internal 2D-to-3D Workflow Automation (W2, W3, O4)

One of the weak points is the manual conversion of 2D designs into 3D models, which slows the design workflow for high-end custom lighting. This problem is further exacerbated by a shortage of qualified personnel, such as designers and engineers. The use of AI tools to automate the conversion of 2D designs into 3D models represents a potential approach to partially addressing this weakness. Implementing such a solution could streamline the design process and enhance team capacity.

ST – Integrated Digital Systems Reliability (S1, S2, T1, T3)

LASVIT faces competitive pressure from both strong international premium brands and Asian manufacturers offering affordable alternatives. LASVIT's fully integrated systems enable the company to efficiently manage global custom manufacturing from initial consultation through to final installation. A strong digital culture and active employee engagement ensure this capability is not dependent solely on specific tools, which is precisely what makes it difficult for competitors to replicate.

WT – Data Quality Improvement (W4, T1)

Although a strong data foundation is standard at LASVIT, inconsistent data quality resulting from its international operations remains a weakness. Incomplete data can slow project delivery and increase error rates, which, in a highly competitive environment, could lead to the loss of clients. Establishing unified data standards across all markets would enable LASVIT to ensure consistent data quality and support smoother project execution.

7 Strategic Proposal for Digital Innovation at LASVIT

LASVIT has a solid foundation for further technological advancement. The organization is guided by a well-defined, unified digital strategy and a corporate culture that views technological innovation as a natural part of its development. These conditions enable the company to respond flexibly to changing market conditions and to systematically strengthen its own efficiency and competitiveness. The strategic proposal builds on the results of the strategic analysis and offers a concrete direction for the company's further digitalization efforts.

The EFE matrix resulted in an overall score of 2.67, with the sum of the weighted scores for opportunities (1.52) exceeding that for threats (1.15), indicating a predominance of external opportunities. Similarly, the IFE matrix, with a total score of 3.01, shows that internal strengths (1.82) significantly outweigh internal weaknesses (1.19), confirming the company's solid internal foundation. Based on these results, the SO – AI-Driven 3D Design Innovation approach (S2, S3, O2, O4) is identified as the dominant strategic direction, characterized by the active use of internal competencies to maximize external opportunities.

The SO strategy builds on the company's existing foundation in digitalization and capitalizes on emerging opportunities enabled by new artificial intelligence tools. Specifically, this involves opportunities in the form of AI tools designed to digitally transform hand-drawn 2D designs into 3D models. The strategy goes beyond strengths and opportunities and also influences some other identified factors. It indirectly addresses the threat associated with the shortage of specialized workers in the Czech labor market, who are essential to maintaining craftsmanship. At the same time, it can positively address the identified weakness in the lighting installation design workflow, where structural engineers currently manually redraw 2D designs into 3D models.

7.1 Design of the Strategic Solution

As part of LASVIT's design and engineering process, designers and engineers use Rhino and Autodesk software. Lighting installation designs are initially created in 2D;

however, 3D models are essential for production. Engineers manually redraw them from the 2D designs, and these models then serve as detailed technical instructions for manufacturing and assembly. This engineering process is time-consuming and largely dependent on manual labor, which reduces its overall efficiency. Furthermore, the limited number of engineers restricts the scalability of the process and acts as a barrier to growth in order volumes. Processing a larger number of designs thus depends directly on expanding workforce capacity, which is limited in the labor market.

The proposed strategic solution aims to increase the engineers' efficiency at LASVIT by implementing advanced AI technology. The core of the solution is the introduction of an AI system as a supporting element in the design workflow, specifically for the automated conversion of 2D designs into 3D models. Implementing this automation has the potential to shorten the time between design and production, reduce errors associated with manual processing, and increase the team's capacity. The goal of the proposal is to implement an AI tool at LASVIT within 12 months for converting 2D designs into 3D models, thereby increasing the team's capacity by at least 20%.

The proposed design process builds on the existing workflow and enhances it through AI integration. The input is a 2D design of a glass lighting installation, which is converted into a 3D model using an AI tool. The AI-generated output is then reviewed by an experienced engineer, who remains an integral part of the process, supervises the AI tool's operation, and adjusts the generated 3D model as needed. This step is crucial for ensuring the accuracy and functionality of the design, as the correctness of the 3D model directly influences the form of the final product. The proposed solution, therefore, does not aim to replace engineers' roles.

One of the tools available for 3D design is Wonder 3D, an AI-powered generative model integrated into Autodesk software, which is already widely used by designers and engineers at LASVIT. Wonder 3D allows users to generate 3D objects based on a simple text prompt or visual input. However, the primary use of this tool is visual creation, and its outputs are not directly usable for technical development or manufacturing. For this reason, it would be necessary to further modify these 3D models and convert them into a technical 3D model format (Autodesk, 2026).

Another option is AI tools that generate mathematically accurate 3D models suitable for technical and manufacturing applications. One example is the Leo AI tool, which currently represents an advanced solution for integrating AI into the engineering design workflow. This tool can understand mechanical relationships, technical specifications, and the broader design context, functioning as an engineering co-pilot. At the same time, it can integrate with existing systems and work with an organization's historical data and models. The tool is currently used by major global companies such as LG, Philips, Bosch, HP, Scania, Intel, and Toyota (Farid, 2025). For LASVIT's needs, it is advisable to focus on tools that can generate comprehensive, technically accurate designs, such as the Leo AI tool.

7.2 Implementation Roadmap

The successful implementation of the proposed strategic solution is supported by an implementation roadmap that outlines the individual activities necessary to translate strategic objectives into the company's day-to-day processes. The primary focus of this strategic proposal is the integration of the Leo AI tool for automated 3D model generation within LASVIT's design department. To achieve this objective, a structured roadmap (Figure 10) has been developed, outlining the individual steps for successful adoption. The execution is divided into short-, medium-, and long-term phases, ensuring seamless integration of the technology into internal workflows. The roadmap proposal is based on an analysis of LASVIT's current digitalization and therefore focuses primarily on implementing this specific AI tool.

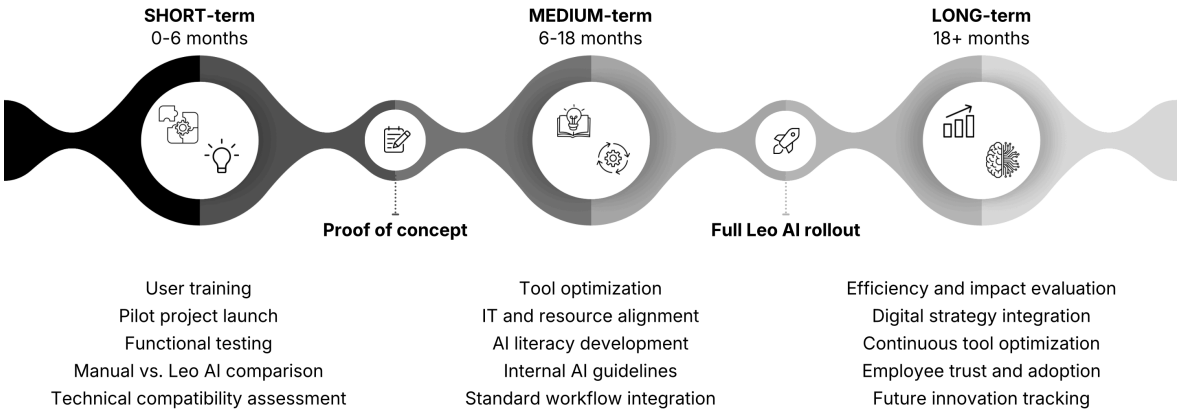


Figure 10: Implementation Roadmap for AI Integration
Source: Own processing

In the short-term phase (0-6 months), the proposed solution focuses on initiating the implementation of the selected tool. Although the Leo AI tool has been identified as a suitable solution, its immediate deployment into LASVIT's full-scale operations is not feasible. A key step in the implementation is therefore the execution of a pilot project, in which a selected group of employees will verify the tool's functionality on a representative sample of projects. A prerequisite for a successful pilot is also prior training of these employees to ensure effective use of the technology. The pilot operation itself will focus on comparing the outputs of the Leo AI tool with manual redrawing. The evaluation will assess the accuracy of transforming 2D designs into 3D models, time savings compared to manual processing, and the compatibility of the generated outputs with manufacturing and technical requirements.

In the medium-term (6-18 months), assuming successful pilot testing, the Leo AI tool should be gradually integrated into LASVIT's standard design workflow. The longer timeframe reflects the need to account for internal capacities and IT constraints. Based on the pilot project results and identified shortcomings, the tool will be further technically modified and better tailored to the company's specific needs. Prior to its full integration, it is essential to provide systematic employee training, including mandatory AI literacy training in accordance with the requirements of the EU AI Act. At the same time, an internal methodology governing the use of AI should be developed, particularly regarding the handling of sensitive data. Subsequently, the tool can be fully integrated into the workflows for creating 3D models.

In the long-term (18+ months), the goal is to monitor the impact of the Leo AI tool's implementation and assess whether it delivers the expected cost savings and efficiency gains at LASVIT. At this stage, the integration of the tool should already be viewed as a standard component of the company's digital strategy. Based on the data collected and experience gained, it will be possible to further optimize the tool and adapt it to changing needs. At the same time, it is important to foster employee confidence in the technology and emphasize its role as a supportive tool that increases productivity, rather than as a replacement for human labor. Given the rapid development of AI technologies, it is also essential to continuously monitor new tools and innovations so that LASVIT can keep pace with technological advancements.

7.3 Financial Evaluation of the Proposed Solution

The financial assessment evaluates the feasibility and potential impacts of implementing the Leo AI tool at LASVIT. Rather than replacing jobs, the focus is on increasing the efficiency of design engineers' work processes. The proposed solution focuses on assessing the extent to which the Leo AI tool can contribute to productivity growth and support the company's ability to execute more projects using existing human resources. The assessment is structured into three areas: efficiency gains, potential financial value of increased capacity, and implementation costs.

The estimate of efficiency gains (Table 5) is based on the claim that the Leo AI tool can save approximately 12 hours of work per engineer per week (LEO AI), which corresponds to approximately 30% of their work capacity. At the same time, the calculation is based on the fact that LASVIT currently employs approximately 30 engineers working 40 hours per week. With full adoption of the tool, these savings would amount to 360 hours per week, which corresponds to the capacity of 9 FTEs (Full-Time Equivalent). This savings would also translate into a potential increase in the number of projects completed, from the current 250-300 to approximately 325-390 projects per year, assuming full and effective utilization of the freed-up capacity. For a more realistic scenario, it is important to consider that, in practice, the tool may not be fully adopted by all employees. Assuming an 80% adoption rate, the effective increase in team capacity would be approximately 24%, resulting in 310-372 projects per year.

Table 5: Estimated Efficiency Gains of the Proposed Solution

Parameter	Value	Unit	Formula
Baseline Inputs			
Number of design engineers	30	FTE	–
Standard working time	40	h/week	–
Current project volume per year	250-300	projects	–
Time savings per engineer	12	h/week	–
Theoretical Efficiency Gains (100% Adoption Rate)			
Theoretical capacity increase	30	%	Reported savings / Working time
Total time saved	360	h/week	Engineers × Reported savings
FTE capacity equivalent	9.0	FTE	Total time saved / Working time
Theoretical project capacity	325-390	projects	Current volume × 130%

Adjusted Efficiency Gains (80% Adoption Rate)			
Effective capacity increase	24	%	Theoretical increase × Adoption rate
FTE capacity equivalent	7.2	FTE	FTE equivalent × Adoption rate
Adjusted project capacity	310-372	projects	Current volume × 124%

Source: Own processing

The financial value of the increased capacity (Table 6) is based on the assumption that implementing the Leo AI tool will enable the team to increase its capacity without having to hire additional engineers. With an estimated 80% adoption rate, the freed-up capacity corresponds to approximately 7 FTE, representing an effective capacity increase of 24%. To quantify the financial value of the freed-up capacity, the median salary for the position of Mechanical engineer designer is used, based on data from the National Classification of Occupations (2026), amounting to CZK 74,855 in the Liberec Region. However, employer contributions for social security (24.8%) and health insurance (9%) must be added to the gross salary, bringing the total cost per employee to approximately CZK 100,157. For 7 FTEs, the total monthly costs amount to CZK 701,099, or CZK 8,413,188 annually.

Table 6: Financial Value of Saved Capacity

Parameter	Value	Unit	Formula
Labor Cost Inputs (per 1 FTE)			
Median salary	74,855	CZK	–
Employer social security (24.8%)	18,565	CZK	Gross salary × 24.8%
Employer health insurance (9%)	6,737	CZK	Gross salary × 9%
Total monthly labor cost per FTE	100,157	CZK	Salary + employer contributions
Financial Value of Saved Capacity (80% Adoption Rate)			
Effective FTE gained	7	FTE	Rounded down from 7.2 FTE
Total monthly labor value saved	701,099	CZK	Total monthly labor cost × 7 FTE
Total annual labor value saved	8,413,188	CZK	Total monthly labor savings × 12

Source: Own processing

The cost analysis (Table 7) is based on the fact that the Leo AI Pro plan costs USD 15 per user per month (Software Advice, 2026). For conversion to CZK, the uniform exchange rate for 2025, as announced by the General Financial Directorate (2026), is used. This rate amounts to 21.84 CZK/USD. This rate represents the average annual exchange rate and eliminates the impact of exchange rate volatility on monthly license payments. The calculation assumes licenses are purchased for all engineers, even though the tool's actual adoption rate may be lower, since license fees are

charged per user. Training is considered internal, conducted by the IT department. Since Leo AI is an off-the-shelf tool that requires no custom development, the initial training is estimated at half a day (4 hours). This training period still represents an opportunity cost across 30 engineers. In the first year, implementation costs consist of the annual subscription fee and opportunity cost, totaling CZK 193,056.

Table 7: Cost Analysis of Leo AI Implementation

Parameter	Value	Unit	Formula
Cost Inputs			
Monthly subscription fee	15.00	USD / user	–
Exchange rate	21.84	CZK / USD	–
Number of design engineers	30	FTE	–
Engineer monthly labor cost	100,157	CZK	–
Engineer hourly labor cost	626	CZK	Monthly labor cost / 160 hours
Initial training and setup duration	4	h / user	–
Year 1 Expenditure			
Annual subscription cost (USD)	5,400	USD	Fee × FTE × 12 months
Annual subscription cost (CZK)	117,936	CZK	Annual (USD) × Exchange rate
Opportunity cost	75,120	CZK	FTE × Time × Hourly cost
Total Year 1 Expenditure	193,056	USD	Subscription + Opportunity cost

Source: Own processing

7.4 Expected Benefits and Risk Mitigation

Implementing the Leo AI tool can bring LASVIT several strategic advantages, with the main benefit being a significant streamlining of work processes. The implementation of the tool will enable the design team to handle a larger number of orders while maintaining its current size. Faster generation of 3D models will also enable more flexible responses to changing requirements, potentially accelerating the entire design process. The tool can also strengthen the company's innovation capabilities, allowing it to join the trend of using AI to automate routine processes. In addition, the Leo AI tool helps reduce the error rate associated with manual processing, which would contribute to greater accuracy and higher-quality outputs.

At the same time, it is necessary to consider the potential risks associated with implementing the AI tool. One of the main risks may be employees' negative perception of automation, which could lead to resistance or fears that human labor

will be replaced. LASVIT can effectively mitigate this risk by gradually introducing the tool through a pilot project and scaling it up only afterward. Another risk is the potential inaccuracy or error rate of AI outputs. This could be addressed through systematic quality assessment during the pilot phase, for example, by comparing the outputs of the Leo AI tool with manually redrawn 3D models. Furthermore, there is a financial risk associated with the initial costs of purchasing a license, which may not yield the expected benefits. This risk can be partially mitigated through a pilot deployment to a small group of users, allowing for validation of the tool's real value before widespread implementation.

8 Summary of Findings and Recommendations

The premium lighting market remains relatively niche, primarily targeting affluent clients, and is characterized by strong international competition. Like most industries, it is increasingly influenced by technological advancements that enhance operational efficiency and enable new product innovations. At the same time, the industry faces a shortage of skilled labor, even as demand in the premium segment remains strong. LASVIT is recognized as one of the leading players in this market, but an increasingly competitive and dynamic environment means that maintaining this position requires constant adaptation and differentiation.

The internal analysis indicates that LASVIT has a well-established and actively managed digital strategy, supported by strong leadership from the CIO. At the core of this strategy is the company's proprietary project management system, which enables efficient coordination of global projects and is tailored to LASVIT's specific business needs. This system is further complemented by a cloud-based CRM solution and a high degree of tool integration, which together support the unified management of international activities. Beyond technology itself, LASVIT also emphasized the development of a digital corporate culture, recognizing employees as a key driver of long-term digital transformation.

However, the internal analysis also reveals that not all processes are equally advanced in terms of digitalization. In the design process, AI tools are used in the early stages of design to generate concepts and provide creative inspiration. The actual processing of 2D designs is then done by hand, which is key to preserving the signature style and authenticity of LASVIT products. A key weakness emerges in the subsequent phase, where 2D designs are manually recreated into 3D models. This process is time-consuming and places unnecessary strain on technical engineers without contributing to the product's visual or creative value.

Based on the results of the EFE and IFE matrices, the SO – AI-Driven 3D Design Innovation strategy was selected as the most suitable for LASVIT, as it builds on the company's strong digital culture and unified global digital strategy. At the same time, the strategy focuses on opportunities arising from the growing availability of AI tools in design. The recommended solution in this case is specifically the implementation

of the Leo AI tool to support the design workflow, specifically for the automated conversion of 2D designs into 3D models of lighting installations. The Leo AI tool was selected for its ability to understand mechanical relationships and technical specifics, enabling it to effectively support engineers and positioning it among the leaders in AI for engineering design workflows. At the same time, the solution indirectly addresses the threat of a shortage of qualified technical specialists.

The implementation of the AI tool at LASVIT is designed in three phases to enable gradual scaling. In the short-term, it is crucial to run a pilot project with the Leo AI tool for a small group of users. This pilot will help identify any shortcomings while verifying the benefits in terms of time savings and increased accuracy of the generated 3D models. In the medium-term, the tool will be gradually integrated into work processes, accompanied by employee training and a broader rollout across the team. In the long-term, the Leo AI tool should become a natural part of the company's workflow.

The proposed solution aims to increase productivity and enable the company to deliver more projects without expanding engineering staff. The estimate of efficiency gains is based on the tool's specific capabilities, which indicate it can save approximately 12 hours per week per engineer, roughly 30% of their working hours. In practice, however, full 100% adoption by employees cannot be expected. Therefore, assuming an adoption rate of 80%, the effective increase in team capacity would be approximately 24%, corresponding to approximately 7 FTE. This could increase the number of projects from the current 250-300 per year to roughly 310-372 per year, without increasing the number of engineers. The actual impact, therefore, depends on the company's ability to convert this capacity into concrete project deliverables.

Based on an estimate of total employee costs using the median gross salary for the position of Mechanical engineer designer in the Liberec Region, the monthly cost for these 7 FTE would be approximately CZK 701,099 or CZK 8,413,188 annually. The value of the freed capacity is roughly 70 times higher than the annual Leo AI tool subscription fee of USD 5,400 (CZK 117,936). In the first year, it is also necessary to account for the initial training, during which engineers' time represents an opportunity cost. Given the estimated duration of the training (4 hours) and a group size of

30 engineers, the resulting opportunity cost is approximately CZK 75,120. The total implementation costs in the first year would therefore amount to CZK 193,056.

The proposed solution would significantly reduce the need for manual redrawing by automating the conversion of 2D designs into 3D models. This process change is expected to lead to faster workflows, increased efficiency, and a potential reduction in errors. As a result, the team can handle a larger volume of orders without increasing the number of engineers, at relatively low cost. Although implementation costs are higher in the first year due to initial training, they remain modest compared to the financial value of the increased capacity. At the same time, it is necessary to account for the risks associated with AI implementation, particularly potential resistance from some employees who may fear the replacement of human labor.

However, the success of any digital tool ultimately depends on people. Management, therefore, plays a crucial role in fostering an environment in which AI is perceived as a complement to human work. Given that digitalization has long been a strategic priority at LASVIT, the conditions for implementing the Leo AI tool are favorable. At the same time, the full potential of this solution can only be realized if production capacity can absorb the expected increase in project volume. This highlights the importance of cross-functional alignment as a key prerequisite for successful implementation.

Conclusion

One of the main goals of strategic management is to create and sustain a competitive advantage over the long term. This is closely linked to an organization's ability to respond to current trends and market changes, which undoubtedly include digitalization. Digital transformation poses a particular challenge for premium-oriented companies that rely on exclusivity, craftsmanship, and high quality. In this context, a digital strategy must sensitively bridge traditional values with modern technologies.

This diploma thesis examined digitalization as a strategic tool within the framework of strategic management, specifically in the context of LASVIT, an international premium company. The main objective was to propose specific strategic recommendations for the further development of digitalization in the selected company in response to the research question: *How can LASVIT strategically enhance the digitalization of its key processes in the international market?* For this purpose, the theoretical part established a conceptual framework, which was subsequently applied in the practical analysis.

The theoretical part of this thesis outlined the basic principles of strategic management and selected analytical models, alongside the key concepts of digitalization and digital transformation. The literature review showed that digitalization is typically presented in rather general terms in the context of strategic management and has not yet been sufficiently linked to organizations' strategic practices. The theoretical part further highlighted that digital tools alone are not a source of competitive advantage, as what truly matters is their strategic use and effective integration across the organization.

The practical part analyzed digitalization as a strategic tool within the real-world context of LASVIT. The analysis revealed that the company has a strong foundation – a unified digital strategy, a corporate culture focused on employee engagement, and an active leadership role in digitalization. The SO approach was evaluated as the most suitable strategic position, reflecting the company's ability to leverage its strengths in response to external opportunities. The proposed solution, SO – AI-Driven 3D Design Innovation, aims to increase engineers' efficiency by

integrating an AI tool into the design workflow. The Leo AI tool was proposed as a suitable solution for the automated conversion of 2D designs into 3D models. With an anticipated adoption rate of 80%, engineer capacity at LASVIT could increase by up to 24%, raising the potential number of projects from the current 250-300 to approximately 310-372 per year.

The financial evaluation showed that the benefits resulting from the increased capacity significantly outweigh the implementation costs, thereby confirming the economic efficiency of the proposed solution. However, merely implementing the tool does not guarantee success. The organization's ability to effectively integrate the tool into its processes, utilize the resulting capacity, and transform it into concrete outputs plays a key role. Nevertheless, the proposed solution was well received at LASVIT, primarily for its feasibility, time savings, and the opportunity to focus on higher-value activities.

An important limitation of this study was the limited availability of internal data and reliance on a single primary source: a semi-structured interview with the company's CIO. Future research could build on this work by incorporating broader perspectives, for example, through a questionnaire survey or additional interviews, to provide a more comprehensive view of digital technology use within the company. Future research could also focus on implementing the proposed solution and monitoring its actual impact on engineer performance, comparing the expected and actual results.

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Appendix A Interview with the CIO of LASVIT

The interview took place online on February 25, 2026, and lasted approximately 60 minutes. It was semi-structured, with questions prepared in advance to maintain structure and continuity. It was conducted in Czech and subsequently translated into English without any changes that would affect the meaning of the responses.

In your opinion, what digital capabilities are key to LASVIT's success as an international company?

"The foundation of any digitalization is not the technology itself, but the user. You can have the most advanced systems at your disposal, but if you don't have trained people who know how to use them effectively, investing in them will bring no added value. It is crucial to involve employees in the digitalization process from the very beginning, starting with top management. You must get management excited about the change, and the only way to do that is by showing them a clear purpose and concrete benefits – for example, through an initial study, budget, and timeline. Next, depending on the scope of the digitalization, identify key users within the company. It is precisely with them that we must maintain close contact and jointly design processes and services tailored to the people who will work with them daily. The main goal of digital tools is to streamline and accelerate the work of individuals. Only when people are efficient will the entire company be efficient, which will ultimately be reflected in its speed, competitiveness, and profit."

What role does system modernization play in LASVIT's operations, and which specific technologies are key for you?

"In today's world, the transition from local on-premise applications run in server rooms to cloud solutions has become practically a necessity, and the COVID-19 pandemic has significantly accelerated this trend. For a company that wants to operate globally and has a presence from the U.S. to Singapore, this was essentially a survival move. Cloud-based CRM has become our key tool, fully accessible to salespeople from anywhere and at any time. In addition, we use a specialized project management application that we had custom-developed for LASVIT, because our business is so specific that standardized solutions didn't suit us."

"But the most important thing is that both of these systems are fully integrated with each other. That is the core of our digitalization. Our colleagues – whether they are salespeople, project managers, designers, or engineers – don't have to manually transfer data between systems. Thanks to the integrations, information is transferred automatically, minimizing errors from manual data entry. Everything works quickly, online, and without delays. The system also enables mutual notifications between the sales and project teams. When someone makes a change, others know about it immediately without having to call or send emails. This has incredibly helped speed up order processing, because we work in different time zones and previously people had to wait for information, which caused delays. Digitalization has brought us closer together. The systems are interconnected, and we are no longer dependent on emails or phone calls from colleagues in different time zones."

Which areas of digitalization have the greatest impact on the company's competitiveness?

"The integration of digital tools is undoubtedly a key factor. Thanks to it, we've practically eliminated manual data entry. In our industry, accuracy is critical. If you make a mistake in an address, it's a complication, but if you make a mistake in the dimensions, the product simply gets manufactured incorrectly. Automation has significantly sped up and refined these processes, which is an extremely important aspect, but it's still just one piece of the whole puzzle."

"Another key step was integrating external partners into our internal systems. This primarily involves those who prepare drawing documentation for us or handle production. Connecting with third parties is more technologically challenging because each partner uses different, heterogeneous systems. Nevertheless, we managed to set up an integration that allows our systems to communicate automatically with theirs. This again dramatically reduces the margin for errors and improves the quality of inputs. In the past, it was common for several different versions of drawings to circulate in email threads. All it took was for someone to correct a detail and not send it to everyone, and suddenly, no one knew which version to use for production. Digitalization has allowed us to create a so-called single source of truth. There is one place in the system where the most up-to-date information is stored, which everyone draws from."

Where do you think digitalization creates the greatest added value? Is it in employee training and motivation, in the transition to the cloud, or in the overall integration of systems?

"I believe it's not about one specific element that outweighs the others. It's clearly a combination and synergy of all these attributes. It is precisely their harmony that brings real efficiency to the company. If you focused on accelerating just one area and sidelined the others, the whole system would cease to function. The competitive advantage lies precisely in the interconnection of these attributes. You can implement a wide range of technologies and be as well-integrated as possible, but if these tools don't support people in their daily work and they don't embrace them, they won't deliver real results for the company. True added value, therefore, comes from the synergy of selected technologies, online access, and people who know how to work with them and are willing to do so."

Are there any digital competencies specific to LASVIT or different from those of international competitors?

"I see this primarily in the structure of our business. Roughly 90% of our production consists of custom manufacturing. Our products are unique, with very few repeats. That is precisely why our custom manufacturing process is supported by our own project management tool, tailored to our business. This is where we fundamentally differ from the global market. We don't use any off-the-shelf solutions. Instead, we've opted for a custom tool that fully reflects what we do. Even during the design phase, we collaborated with key users who were part of the team building the application. Thanks to this, we covered our entire end-to-end process. These people themselves defined what they needed and how the system could best help them. We then implemented the result and integrated it with our CRM and external partners. This is our approach and the main difference from the international landscape, which often relies on robust, standardized software. We wanted to avoid that because, although even large systems can be customized, the costs associated with adapting them to such a specific business are often drastic."

Is the competitive advantage more in the technologies themselves, or in how they are used?

"Today, a true competitive advantage doesn't lie in owning the technology, but in the quality of the data you feed into it and how well you can utilize it. Closely related to this is the critical issue of data quality. If systems are configured incorrectly, they generate poor-quality data that won't help you make decisions. Moreover, in today's world, the quality of stored data is absolutely essential for deploying advanced tools such as AI. A properly configured and maintained data foundation is therefore a prerequisite for its effective use. We build this foundation through applications such as our CRM or project management tool, where mandatory fields are clearly defined. This generates accurate and clear metadata for each project, which is an advantage over standard email communication."

How does LASVIT manage to maintain data quality on a global scale, and what are the next steps for you in utilizing AI?

"After implementing structured tools, data quality improved dramatically, but we had to find a certain balance. At first, we set up too many required fields, which wasn't well received by salespeople. So we had to optimize the system to be acceptable to users while still providing the company with the data needed for reporting. Today, these processes are part of our sales cycle, and over the past 4 years, the quality of our data has improved. Cultural differences, however, present an interesting challenge. While people in Europe or America are more open, in Asia or the Middle East, it's more complicated, and data quality is generally lower there. The local business culture is different, and it's not always easy to get customers to share all the detailed information. We have to adapt our systems to this to some extent."

"Achieving high data quality is also a fundamental prerequisite for us to test the first concrete use case for an AI bot this year. The reason we have waited until now to proceed with full implementation is another essential condition: cybersecurity and data protection. Although we have a vast amount of structured data and metadata at our disposal, we must approach it through the lens of security and cannot allow everyone to see everything within the system, which requires precise data classification. We are currently in the pilot deployment phase, where we are

classifying documents into three sensitivity levels. Once we roll out this process company-wide, we'll be able to securely exclude sensitive data from AI bot searches."

Which digital technologies are key for you in terms of client relationships and their shopping experience?

"For some products, we used 360° product view technology, but we're currently moving away from it. There are two reasons for this: financial and technological. Creating a high-quality 360° presentation for a broad product portfolio is very costly. Moreover, it is technologically challenging to ensure smooth playback without high latency. To provide a truly premium experience for clients worldwide, a high-quality CDN (Content Delivery Network) is required. If the image stutters, the impression is poor, and a brand like LASVIT cannot afford that. We operate a B2B portal for our business partners and designers. However, this is a private platform where we share exclusive materials that you won't find on our regular website – from 3D models and technical data sheets to price lists. We also considered releasing our 3D models to large external libraries for architects, but ultimately decided to go with direct contact. We believe that a personal approach is irreplaceable in our segment."

"Storytelling plays a crucial role in our business, and clients often travel to Nový Bor in person, where we show them prototypes in our showroom. During the pandemic, we handled this via video conferences, but now clients are returning to in-person visits. As for visualization, for example, through VR, we use it more on a case-by-case basis for large projects if clients are interested. However, VR has not yet gained the widespread traction in our industry that was expected. This is because we run into the specific nature of our business, particularly strict non-disclosure agreements. A large portion of our work is for private residences, where clients seek maximum privacy. We therefore cannot create a public metaverse or virtual gallery featuring projects owned by specific individuals, as we do not have permission to publicly display them. Our virtual showroom at our Prague headquarters served as a compromise, presenting selected, publicly accessible pieces in a digital environment. However, when it comes to custom production, we believe that personal storytelling is paramount. When an owner acquires a unique light installation, they want to tell that story themselves to their guests and business partners right in

their own home. In this segment, discretion and a real experience simply remain the priority."

How difficult would it be for competitors to replicate your current digital setup?

"Our biggest competitive advantage is, above all, our brand. That is, the strength and reputation of the brand we've built. As for the technology, I don't think it would be extremely difficult to replicate on its own. If competitors correctly adapt the systems to their processes, they can get the same results as we do. The real advantage, however, lies in the fact that we already have these systems fully implemented and integrated. Our people know how to work with them and feed high-quality data into them. If competitors can combine these elements just as effectively, they can achieve a similar position. But then the battle shifts to the realm of brand and quality. In this regard, digitalization gives us a significant speed advantage. Thanks to the full interconnectivity of systems and the minimization of errors during data transfer, individual teams don't have to wait for one another. Even when we offer a client a product at a higher price point, our digital processes allow us to guarantee that we'll deliver it on time and with flawless quality."

How does digitalization support the management and coordination of international projects and the execution of orders across branches?

"The foundation is our unified data infrastructure. All the applications we use to deliver the product to the client. Especially, our CRM and project management tool serve as primary data sources for our data warehouse. Data correlation then takes place within this warehouse, resulting in comprehensive reporting for top management. This allows us to continuously evaluate the financial aspects, timelines, and production quality across hundreds of projects worldwide. Without this digital support, managing hundreds of unique projects across continents would be extremely complicated."

How is collaboration between branches supported digitally?

"We strive for maximum consistency in internal communication. We use the entire Microsoft 365 ecosystem for this, which allows us to effectively connect teams regardless of whether they're based in Nový Bor, Shanghai, or Dubai. The MS Teams

platform is our standard tool for video calls and chat, complementing standard email communication. A huge advantage of this unified environment is the ability to search for information across all channels at once, which helps us keep all internal communication under control and in one place."

"When it comes to clients, however, the situation is different, and we have to be much more flexible. Not every client uses Teams, so we have to adapt to local preferences. In Europe and the Americas, we often communicate via WhatsApp, while in China, WeChat is an absolute must. In the Middle East, on the other hand, we encounter certain restrictions on some services, so we tend to fall back on Teams more often. While our international operations are digitally managed and unified, communication with clients takes place through external channels, which, although harder to manage centrally, are absolutely crucial for business in those regions."

Do you also use digital technologies in HR, knowledge sharing, or employee development?

"Yes, digital tools are standard for us in these areas as well. If I had to highlight the most important aspect, it would be regular satisfaction measurement using the eNPS metric, which allows us to track trends in trust toward management and the product itself. An interesting finding is that the results of these surveys closely correlate with the company's overall health. Thanks to our open corporate culture, these digital platforms serve as a safe space for sharing honest feedback. The entire system is set up globally, so it's accessible to our non-Czech-speaking colleagues in our international branches as well. We also use digital support for systematic training and knowledge sharing. We use a tool for mandatory training during onboarding. New colleagues can clearly track their progress during training in the system and access an archive of presentations and professional materials to revisit at any time. Digitalization thus helps us in HR not only with administration, but above all with building a transparent and growth-oriented environment for every employee."

How does IT collaborate with other departments worldwide?

"At LASVIT, our IT department is very customer-focused. We use internal systems for communication, and our responses are very quick; it's definitely not the case that

anyone has to wait months for a reply. For user support, we're available to colleagues directly via Teams or by phone, because we want to help people in real time and give them immediate feedback. We pay close attention to change management for our key applications, such as CRM or the project management tool. These systems can't be static; they must constantly evolve alongside the company's needs. Since their development also requires external investment, we keep this process firmly under control to ensure we use resources efficiently. We are strongly focused on business needs and can adapt flexibly. However, we must also take security requirements into account, which is why it is not always possible to fully meet all end-user requests."

Where do you see the greatest internal limitations for improvement?

"I see the greatest room for improvement in an area that is essentially an endless topic for us – data quality. It's a process we have to work on constantly. Our task is to patiently explain to our colleagues that the mandatory fields in the systems are not an end in themselves but serve as the basis for reporting, which we then use to manage the entire company. In order to make the right strategic decisions, we must have data available that we can rely on."

"I see great potential for further digitalization in our design department, which uses Autodesk tools for its work. Currently, designs are first created in 2D and then converted to 3D, and it is precisely in this process that there is room for optimization. However, we are still at a stage where our engineers have to spend dozens of hours manually drafting individual designs. In engineering, however, this process is much more complex than in pure design, because every design must be absolutely precise and technically flawless, as it serves as a binding and direct basis for the production of a specific order."

What digital trends do you consider key for LASVIT over the next 3-5 years?

"Over the next few years, cybersecurity will be absolutely essential, and without it, you can't build anything else on top. If we have this foundation solid, it opens the door to integrating artificial intelligence, allowing us to handle a significantly larger volume of business with our current number of employees. I see the key primarily in transforming engineering processes. There is a shortage of technical specialists

in our region, and AI could be the way to address this deficit and transition from manual drafting to efficient prompt-based design within a few years. As for the digital experience for clients, in our segment, personal contact and the work of a sales representative in the region are irreplaceable, and technology alone will not bring in new clients."