

## **REVIEW**

**by Prof. Ogniana Kirilova Stoichkova, PhD**

**professional field 3.8 Economics**

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of dissertation for awarding the scientific degree "Doctor of Science" in the field of higher education 3. Social, economic and legal sciences professional field

3.8. Economics doctoral program Finance, Insurance and Social Security

**Author: Assoc. Prof. Dr. Krassimir Todorov**

**Topic: "Conceptual model of strategic hierarchy and its impact on financial results - applied in the automotive industry"**

### **1. General description of the submitted materials**

With order № 389 from 26.11.2020. of the Rector of the Higher School of Insurance and Finance Assoc. Prof. Dr. Grigoriy Vazov I have been appointed a member of the scientific jury for providing a procedure for defense of a dissertation on "Conceptual model of strategic hierarchy and its impact on financial results - attached in the automotive industry" for obtaining the educational and scientific degree "Doctor" in the field of higher education 3. Social, economic and legal sciences, Professional field 3.8. Economics, doctoral program "Finance, Insurance and Social insurance".

The author of the dissertation is Assoc. Prof. Dr. Krassimir Todorov, lecturer on a basic employment contract at VUZF, at the Department of Marketing and Management.

The materials submitted by the Center for Research and Doctoral Training at VUZF include all the necessary documents for the procedure, so that on all sides of the evaluation made by the scientific jury, to indicate the specific merits of the doctoral student and to make an objective conclusion.

## **2. Brief biographical data about the doctoral student**

Assoc. Prof. Dr. Krassimir Todorov is a lecturer on a basic employment contract at VUZF. He defended his doctoral dissertation at the Department of Accounting and Control at the University of National and World Economy. He was elected an associate professor at VUZF in professional field 3.7 "Administration and Management" and is a holder of disciplines that deal with the problems of management theory, strategic management. He combines his teaching work with research in the field of management problems, which has led to the realization of the current dissertation, the subject of this review.

## **3. Topicality of the topic and expediency of the set goals and objectives**

Assoc. Prof. Dr. Krassimir Todorov has been directing his research in recent years to the problems of strategic and operational management. In the dissertation presented for review, he undertakes to analyze in detail the differences between strategic and operational management on the basis of a different perspective - the impact on the financial results of operational and business-corporate strategies of the example of the automotive industry. In itself, this task is insufficiently developed in the scientific literature and up-to-date, modern with an indisputably significant effect on practice. The introduction of the dissertation sets out clearly and concretely formulated the main goal, "to redefine the established order and the relationships between the different levels of corporate strategy, business strategy and functional strategies in their quest to develop a new theoretical model of the strategic pyramid, as and to examine its effect on the financial performance of the organization. " This goal is developed through five specific tasks, which are logically arranged and each subsequent one is based on the previous one and is supplemented with new arguments and evidence. The dissertation contains three interrelated hypotheses, which are proved in the overall presentation of the work. According to the author, they are:

First, the role and place of the operational strategy are specific and therefore go beyond the scope of traditional functional strategies.

The second, market-based theory and resource-based theory, affect the three strategic levels in a specific and consistent way.

Third, the proposed theoretical model satisfies all the criteria for a "good" theory. Completely in the spirit of academic ethics, the author points out those problems that have remained out of his attention in the study. In our opinion, their absence does not reduce the value of what has been achieved in the dissertation, but can serve as a further field for analysis and research in the creative path of the dissertation.

## **4. Knowledge of the problem**

I know the work of Assoc. Prof. Krassimir Todorov on this dissertation. I have participated in the previous discussions in the department and the changes it has made as a result of the recommendations made in these discussions. It is noteworthy that these recommendations have been largely taken into account and the final version, which is presented for protection, contains many revisions. The candidate already knows a number of

contemporary Bulgarian authors who have authoritative publications on the subject and they are listed in the dissertation. The connection between the strategic hierarchy and the financial results in an industry such as the automotive industry is much more strongly emphasized.

## **5. Research methods used**

The dissertation uses methods inherent in the topic and field of research - analysis and synthesis, review of scientific publications related to the topic, empirical research and analysis. They provide an opportunity to make an in-depth theoretical analysis, as well as on the basis of questionnaires and analysis of data from them to make practical and practical conclusions that have the character of a contribution.

## **6. Characteristics and evaluation of the dissertation**

Structurally, the dissertation contains an introduction, three chapters, a conclusion and a list of references. An abstract is also attached, which summarizes the actual conclusions and results of the study. After the introduction sets out the main parameters of the study in the individual chapters, the following problems are emphasized: In the first chapter the author makes an analysis of the existing features that distinguish operational management. The author identifies two key elements - process and content. In parallel, it indicates how their interpretation is decided within the scope of the discipline of strategic management. Here Assoc. Prof. Dr. Krassimir Todorov outlines the theoretical nature of the operations, which are presented in an original way - as functions and as processes. The evolution of the definitions of operational strategy is traced. In the opinion of the author, the new thing he adds is the detailing of the content element of the operational strategy in terms of main and additional objectives of the presentation, as well as on the basis of structural and infrastructural decisions, which is achieved basic applied approaches in operational management.

In the second chapter, Assoc. Prof. Dr. Krassimir Todorov performs a detailed analysis of the theories of strategic management. Here the dissertation makes a thorough analysis of the most common management theories, clarifies the basic concepts, based on the theoretical foundation on which the scientific essence of corporate, business and operational strategies. In the spirit of scientific ethics, the author points out that borrowing theoretical material from the discipline of strategic management, with the two main theories - market-based theory and resource-based theory has identified several key theoretical concepts for operational management. The analysis is completed with the transfer in the field of strategic application of key models, built both through the concepts of strategic management and through those of operational management. All this gives me two reasons to conclude that, similar to strategic management, in which the practical application of the strategy is mediated by the business model, operational management has an applied tool - the operational model.

Chapter three solves several research tasks. First, the innovative approach applied in clarifying the place and role of the operational strategy within the strategic hierarchy should be noted. Four points of view, which belong to prominent foreign scientific authors, are subjected to a critical analysis and presented. The categorical positioning of the operational

strategy is depicted in an innovative model of the reformulated strategic hierarchy. The scientific contribution that stands out in this part of the dissertation consists in proving by testing three hypotheses formulated in the introduction.

Second, the input point is reinforced by the fact that there is a description of the practical application of the innovative conceptual model. It is based on the example of four major manufacturers in the automotive industry, whose success is explained by the logical sequence of relationships established in the models and their impact on financial results. This part of the dissertation gives a practical-applied character to the research. The strong and detailed theoretical analysis of the models of operational and strategic corporate management is "tested" on the example of the automotive industry. The corporation, which belongs to the world's largest car manufacturers - Toyota Motor Corporation (TMC), known for its operating philosophy, embodied in the production system of Toyota (TPS) and won the fame of a symbol of corporate success. In this part of the dissertation the connection of the task set in the topic is emphasized - the impact of the conceptual model on the financial results in the automotive industry. Applying DuPont's model, the author focuses the analysis on how the three areas of management (profitability, asset turnover and financial leverage) affect the return on equity.

Another positive point of the dissertation should be noted - after each chapter the main conclusions reached by the author in the respective part of the dissertation are formulated. This makes it possible to highlight the contributing moments, both in theoretical and practical terms.

The dissertation contains a large number of tables, figures and diagrams, which adequately illustrate the theoretical models and dependencies that the author analyzes. This facilitates their perception and provides an opportunity to highlight even more strongly the processes of subordination, interaction and effectiveness described by him.

For the purposes of the dissertation research a survey was conducted to verify the practical application of the innovative conceptual model, as well as the reliability of the formulated author's thesis on the existence of logical consistency in the influence of resource-based theory and market-based theory on the three strategic levels. The survey consists of seven questions. The author himself assesses the weight of the conclusions from the conducted survey as sufficiently reliable. The respondents in the survey are not many - they are 15 in number, but they all hold senior management positions - or own or run a business in manufacturing, trade, banking and insurance. This fact justifies the claim that the practical application of the innovative model for creating a sustainable competitive advantage is fully confirmed.

## **7. Evaluation of the abstract and reference for the contributions in the dissertation work**

The abstract is very detailed and accurately reflects the achievements in the dissertation itself. The report on the contributions is divided into two parts - the author has formulated contributions that have a strong theoretical character and secondly - practical-applied contributions. The formulated contributions to the first group (those of a theoretical

nature) are only two. However, they fully reflect the author's achievements as original theoretical statements concerning the categorization of the operational strategy at a separate strategic level, outside the scope of traditional functional strategies, as well as the establishment of logical consistency in the theoretical impact on corporate, business and operational strategy. , namely - at each strategic level, the application of one theory is replaced to the level of application of the other theory, in a logical sequence. Practical contributions are based on data from specific surveys analyzed using the DuPont model.

### **8. Evaluation of the publications on the dissertation**

The candidate has submitted a list of publications on the topic of the dissertation. They are both personal and co-authored. All are published in peer-reviewed and peer-reviewed publications. Monographic research and studies predominate, which is proof of the sufficiently solid popularization of the ideas that the candidate defends in his dissertation.

### **9. Assessment of compliance with the minimum national requirements**

From the reference for fulfillment of the minimum national requirements for awarding the scientific degree "Doctor of Economic Sciences", which the applicant has applied, it is evident that there is an overfulfillment of these requirements.

### **10. Personal participation of the doctoral student**

There is all the evidence that this dissertation is the work of the doctoral student himself, the result of his research and work on a topic that is largely within the scope of his teaching and on the other hand - his scientific research and analysis.

### **11. Weaknesses and issues**

I believe that the candidate could refer more massively to Bulgarian authors who are present in the development, but are relatively small in number compared to the impressive number of foreign authors. It is not appropriate in such a research paper to cite Wikipedia as a source. These references do not contribute to the quality of work. I suggest that the author will give motivated answer - why did he prefer the DuPont method and not another of the methods of financial analysis, among which there are newer and already widespread in science and practice?

### **12. Recommendations for future use of dissertation contributions and results**

It would be good in his future scientific activity Assoc. Prof. Krassimir Todorov to direct his efforts to develop in the direction of this original perspective, which is present in this dissertation - to use more financial methods for analysis of specific strategic and operational business models.

## **CONCLUSION**

The review of the dissertation on the topic: "Conceptual model of strategic hierarchy and its impact on financial results - applied in the automotive industry", developed by Assoc.Prof. Dr. Krassimir Todorov gives reason to conclude that this study meets the

minimum requirements of the Law for development of the academic staff in the Republic of Bulgaria. The topic provides an opportunity to reveal both fundamental issues of economic and management theory, and to outline models for practical benefits of the application of theory in business practice. The dissertation contains scientific, scientific-applied and applied results, which represent an original contribution to science and meet all the requirements of the Law for the development of the academic staff in the Republic of Bulgaria (ZRASRB) and the Regulations for application of ZRASRB. The presented materials and dissertation results fully comply with the specific requirements of the Regulations for admission and training of doctoral students at the Higher School of Insurance and Finance.

The dissertation shows that the doctoral student Krassimir Todorov has in-depth theoretical knowledge and professional skills in the professional field 3. 8. Economics, demonstrating qualities and skills for independent research.

Due to the above, I confidently give my positive assessment of the research presented by the above peer-reviewed dissertation, abstract, results and contributions, and I offer the esteemed scientific jury to award the degree of "Doctor of Economics" to Krassimir Todorov in higher education. education 3. Social, economic and legal sciences; professional field 3.8. Economics; doctoral program "Finance, Insurance and Social Insurance".

**12.01.2021**

**Reviewer:**

(Prof. Dr. Ogniana Stoichkova)