

STANDPOINT

by

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on

dissertation on "**Conceptual model of strategic hierarchy and its reflection on financial results - applied in the automotive industry**"

presented by: Assoc. Prof. Dr. Krassimir Todorov, applying for the scientific degree "Doctor of Science" in professional field 3.8 "Economics", scientific specialty "Finance"

1. General description of the submitted materials

Pursuant to Article 13 of ZRASRB, art. 40 of PPZRASRB and Art. 6, paragraph 8 of the Regulations for conditions and procedure for obtaining the degree of "Doctor of Science" at VUZF, as well as by Order of the Rector of VUZF № 389 from 26.11.2020 I was appointed a member of the Scientific Jury. At the first meeting of the Scientific Jury I was appointed to present an opinion to establish the extent to which the requirements under Art. 37. (Amended, SG No. 19/2011, effective 8.03.2011), namely: (1) The dissertation work for acquiring the scientific degree "Doctor of Sciences" **shall contain theoretical summaries and solutions to major scientific or scientific-applied problems that correspond to modern achievements and represent a significant and original contribution to science;** (2) The dissertation work under par. 1 shall be prepared independently and may not literally repeat the topic and a significant part of the content of the presentations for acquiring the educational and scientific degree "Doctor of Sciences".

The presented materials have the following most common characteristics:

- Dissertation work in a volume of **272 pages** (+34 pages of appendices), including a list of figures (85 figures), bibliography - with cited 352 sources, appendix with a questionnaire covering 7 key questions on a 4th scale.
- **List of the candidate's publications** on the topic - **9 issues (3 monographs, 3 studies, 3 articles)** in authoritative academic publications. 6 - published in Bulgaria, 3 - abroad (AV AkademikerVerlag; Emerald Group Publishing (ML); Lambert academic publishing). The total number of pages of the 3 monographs exceeds 1300 p.
- **List of required contributions** - **2** scientific and **3** practical contributions are indicated.
- **Avtoreferat** - presented, 90 pages, fully reflecting the results achieved in the dissertation.

First ascertainment:

Assoc. Prof. Dr. Krassimir Todorov presented the materials that are formally required for the application for the scientific degree "Doctor of Science". And completely

sufficient to assess the accumulated capacity of knowledge and their constant transformation into certain scientific, practical and expert solutions.

2. Brief biographical data about the doctoral student - defended the dissertation "*Accounting models for comparing revenues and incomes in corporate structures*", doctor of scientific specialty 05. 02.07, defended in 2004. For the period 2002-2014 works in Inchcape - Toyota Balkans and TM Auto - *official distributor, financial director and manager. Participates in the development and implementation of global strategies in a number of international investment projects in Russia, Georgia, Azerbaijan, Romania, Macedonia, Poland.*

3. Relevance of the topic and expediency of the set goals and objectives

The relevance of the studied phenomena related to the construction of a conceptual model for strategic hierarchy reflects not only the continuous evolution in the development of scientific management, the constant discussion of various concepts, theories and models of application, but also current trends in science in a postmodern and post-theoretical world. In which theoretical constructions and structural definitions are largely inferior to: "nonlinear" and turbulent development; the constant transformation and the dynamics of the ongoing processes; the movement of knowledge towards integrativeness, productivity and application. **In this sense, the topic of the dissertation fully fits into this order of understanding of strategic management, its various directions, levels, linking functions, categories and derivation of theoretical and applied tools to achieve a sustainable competitive advantage in modern corporations.** This in turn is a real intellectual challenge for the author of the dissertation.

4. Knowledge of the problem

What are the main prerequisites for turning this ambitious goal into a successfully completed scientific task (mission)?

First of all, his consistent and systematic study of the fundamental foundations, their discussion, his approaches to analogy and transfer to new knowledge, as well as the affinity for the systematization of the various concepts that came into the focus of the study. This is especially evident in the presented papers, publications and assessments prior to the dissertation. With the introduction and use of such key concepts and categories as: "*strategic positioning*", "*external and internal strategic perspective*", "*strategic pyramid*", "*strategic iceberg*" and others. As well as in the search for a holistic approach, integrated knowledge, connections and dependencies between estrogenic and endogenous factors in the substantiation of the conceptual framework of the new theoretical model.

Secondly, it is the author's academic approach to systematize and decompose elements, discussing the maximum range of opinions, points of view and definitions in order to reach the essence of the studied phenomena. And then unite them in links and connecting categories for a new conceptual model.

Thirdly, this is the status of the author (occupying different roles and management positions in international automobile corporations within a 15-year period), allowing him to systematically show the logic of balance between the *"two cultures"*, i.e. to perceive in equal degree of the position of *"scientist-researcher"* and *"manager-researcher"* (according to P. Drucker). As well as his "privilege" to apply competitive situational analysis (following the model of M. Porter) in identifying successful strategies, linked to the preparation of financial forecasts.

5. Research methodology - the author applies deductive and inductive analysis in the exposition, systematic theoretical synthesis, empirical approaches, methods of comparison and observation.

6. Characteristics and evaluation of the dissertation - the dissertation is well structured in three chapters, which are logically substantiated, as each of them ends with main conclusions and building accents.

Second ascertainment:

Assoc. Prof. Dr. Krassimir Todorov has a clear scientific profile on the issues and areas of its managerial, economic and financial research, has an affinity for in-depth systematization of the conceptual apparatus, as well as striving for a broader methodology and interdisciplinarity for the scope of the studied phenomena.

7. Contributions and significance of the development for science and practice

What are the significant achievements in the dissertation?

1) Not only a multidisciplinary approach is applied, but also an interfunctional approach (so necessary for modern MBA programs in determining its content characteristics, structural areas, specializations and forms of education). By presenting arguments for the restructuring of the strategic hierarchy, subordination and interaction at certain strategic levels, their justification and impact on the financial results of the surveyed companies. Thus, the discussions on market-based theories (strategic management) and resource-based theories (OM) continue, questioning the validity of a number of statements in the studied literature sources on the issue. Indeed, many of them need critical analysis, further refinement, theoretical construction (construction) on the basis of essential variables, hypotheses and their verification in experiments, provoked research and practical applications. **This logic of the set goal, tasks, object, subject and main hypotheses is traced in all structural units of the dissertation (chapters, paragraphs) - based on basic concepts subjected to critical analysis, with inductive and deductive comparisons of advantages, disadvantages and limitations. of the research, ending with an interpretation of the author through precise summaries in classifications, tables, figures and conclusions.**

2) **Deepens and expands the strategic nature of operations**, as well as the classical characteristics of OM in terms of the use of algorithms in decision-making to optimize the resources used, giving it: **greater complexity and role of a transformation process that covers the entire business; with 4 perspectives of strategies (52 p.); has "soft" and "hard" aspects (77 p.); with a more independent meaning, outside the functional strategies, but also as an important factor for creating a competitive advantage.** This requires, as the author argues, economic theory to look for the productivity of one or another resource, relying more on psychological analysis and organizational behavior (111 p.). **In this regard, the constructed models, related to the 4 levels of competence, with the elements of organizational design and the formation of "production capabilities", by analogy with the so-called "sand cone", complement the author's original view of the evolution of OM in theory and practice.**

3) **The substantiation of the theoretical framework for an innovative model of strategic hierarchy is not only based on overlapping concepts, principles and their systematization, but also seeks confirmations and evidence through financial analysis (DuPont model, working capital analysis, consolidated financial reports of 5 global automotive companies), but also through an expert empirical sociological study on the applicability of a conceptual model, covering the opinion of 15 corporate managers of leading companies in our country.**

8. Evaluation of the publications on the dissertation - the 9 publications are related to the topic of the dissertation.

9. Assessment for fulfillment of the minimum national requirements - the candidate has for the period 14 citations, covering the necessary indicators.

Third ascertainment:

Assoc. Prof. Dr. Krassimir Todorov covers the goals and objectives of the dissertation, the relevant scientific and practical contributions, **demonstrating original approaches to argue, derive and prove their theses.** In this regard, the justifications made and **his personal position** on conceptual differences and the need to reformulate the classical hierarchical structure are particularly successful (187 p.).

10. Critical remarks and recommendations

The considerations made here (1 and 2) are to a large extent a reflection of the discussion initiated by the author, provoking reasoning in principle and have mainly the character of proposals for his future research.

1) The substantiation of any "good theory" always overlaps with a series of theoretical principles and empirical evidence, taking into account the leading postulate of the following thesis: **good practice cannot be unscientific and good science - impractical, because good**

theory must find practical application. On the other hand, "pure science" is meaningless if it cannot be implemented in business in the form of models, functioning structures or basic principles (approaches) in real life situations. Because companies and their respective operational strategies are not applied "in an ideal world, but in the world we live in" (J. Stiglitz), but also using different knowledge, like "tools put in a common box" (P. Drucker). In this sense, **the presented theoretical framework covers the criteria of a kind of mesotheory, combining various data and factors from macro- and microanalysis.** As its productivity, it should be sought not only in the precise theoretical systematization, but also in the interaction between the available resources (material, human, financial, information), the influence of the external environment, network and virtual structures (teams), high or low specificity of transactions (Fr. Fukuyama) - i.e. how the balance between all parts of the dynamically changing system is realized in a certain hierarchy (mechanisms, norms, standards). Both for corporate structures, but also for medium, small companies in the business, which are predominant. The author correctly draws similar conclusions in his presentation, assuming that the configuration of the "*new conceptual model may be different for different types of industries.*" As well as the fact that its validity "*could hardly be proved empirically, since the set of principles is mainly theoretical*" (246 p.).

2) In this direction are the specific productive areas that **strengthen interdisciplinary thinking:** strategic management and the implementation of classical management functions, different management styles, leadership, organizational behavior and organizational culture. As well as in terms of individual reasoned concepts, such as that of the life cycle, but with modern interpretations - ILSM (Integrated Life Cycle Management). Or for its integrated management, leading to long-term strategies, continuous improvement and product roadmap (linked design, technology, evaluation and training). Moreover, the conducted research has the character of a test exam according to the new conceptual model, and not to the identification of the studied phenomena in the studied companies by the essential components, traced in theoretical terms. It is not clear what exactly is meant: operations management (OM) - the nature of which is generally well-founded in terms of criteria or indicators, but how it works (or is perceived) in practice; to what extent is their synonymous use equivalent in "production" or for organizational design (according to Kempel, 149 p.). And to what extent it is also operational - understood and perceived mainly as a qualitative characteristic of managerial ability, which is evident from the survey with experts. Or it means that as meaning and action they are still in fig. 33 (44 p.). And as a function, it continues to play an independent but subordinate role, not integrated into the strategic hierarchy.

3) Typographical errors are made, which in some respects can be considered as admissible, but already chronically recurring (carried over in the research tools), even if they do not violate the meaning of the concepts, affect the overall presentation of the work. Perceived as annoying negligence. There is also no uniform standard for citing literature sources in the bibliography (regarding the place of indication of the year of publication).

CONCLUSION

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 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 Assoc. Prof. Dr. Krassimir Todorov **has in-depth theoretical knowledge and professional skills** in Professional field 3. 8. Economics, demonstrating qualities and skills for independent research.

Due to the above (and the **3 key findings I mentioned**), I confidently give my **positive assessment** of the research presented by the above reviewed dissertation, avtoreferat, results and contributions, and **I invite the esteemed scientific jury to award the educational and scientific degree of Doctor of Sciences "in professional field 3.8" Economics "**, scientific specialty "Finance" of Assoc. Prof. Dr. Krassimir Todorov.

15.01.2021

Signature:

(Assoc. Prof. Dr. Dimitar Panayotov)