

Strategic SWOT Tool

A Strategic SWOT (Strengths, Weaknesses, Opportunities and Threats) Analysis is a tool used in the development of **strategy**. While the development of strategy can be quite complex and difficult to do using one tool, we have found the Strategic SWOT Analysis to be quite a useful tool in starting the process.

Example Strategic SWOT Analysis

	<u>STRENGTHS</u>	<u>WEAKNESSES</u>
	<ul style="list-style-type: none"> • Customers • Business Experience • Staff • Finances 	<ul style="list-style-type: none"> • Consulting skills • Size • Product Range • Resistance to Change
<u>OPPORTUNITIES</u>	<ul style="list-style-type: none"> • Left sales to existing clients • Acquire new business • Consulting firm 	<ul style="list-style-type: none"> • Annual planning day • Join international network • Strategic alliances
<u>THREATS</u>	<ul style="list-style-type: none"> • Remove negative people • Business plan top 20% clients • Document all processes 	<ul style="list-style-type: none"> • Target weak competitors • Jane to head consulting • Publicise targets

Step by Step Guide

The process you use is very simple.

1. Draw a blank matrix with the words Strengths, Weaknesses across the top and Opportunities and Threats on the side as shown above.
2. Develop about four **Strengths** (what's great about your idea or what you do well)
3. Develop about four **Weaknesses** (what you do badly or are lacking)
4. Develop about four **Opportunities** (where and what are they?)
5. Develop about four **Threats** (what are your hurdles).

6. Carefully examine the strengths and then the opportunities and ask yourself the following question. "How can I use these strengths to commercialise these opportunities?" Write down the ideas (strategies) that come to you.

7. For the other three quadrants the process is the same but the questions are as follows

- "How do I use these strengths to overcome these threats?"
- "What do I do to make sure that these weaknesses don't spoil these opportunities?"
- "What if these weaknesses combine with these threats, what corrective action will I need to take?"

8. The value of the Strategic SWOT Analysis is very much dependant on the quality of the SWOT items. They must reflect the competitive strengths and weaknesses and be based on a real understanding of market opportunities and threats. **Be realistic and brutally honest.** Try to work it out from all viewpoints. New opportunities may be uncovered, problems put into perspective, nasty threats revealed, real strengths you can cash in on, weaknesses you can address. If we are not honest in our selection, we will not get honest strategies!

The Strategic SWOT is a great way of pulling your idea apart to see if it really can realise all that potential. It may help you work out what changes you need to do to make your idea happen. What strategies combine the elements of your strengths and opportunities to overcome your weaknesses and threats? Look for new markets, new processes, new people and even new core values. Intuition can often help you develop the strategies so take time to develop your ideas.

9. You will now have a number of strategies. Which three will give you the biggest impact? Develop them as strategies for your organisation.