

IDENTIFYING the organization's strengths, weaknesses, opportunities and challenges

An SWOC analysis identifies an organization's strengths, weaknesses, opportunities and challenges. It includes an assessment of the internal environment (strengths and weaknesses) and an assessment of the external environment (opportunities and challenges). Organizations may benefit from a SWOC analysis during the development phase of a strategic plan. A SWOC can assist in understanding culture, can be a valuable tool in decision-making, and may be used to assess a variety of issues (a business idea, a potential partnership, an investment opportunity, etc.). Subject matter must be clear in order for planners to accurately determine implications and outcomes.

The SWOC Analysis is useful in identifying an organization's critical success factors (CSF's). CSF's are activities which an organization must perform to ensure stakeholder satisfaction and long-term success. Integral to CSF outcomes are high-performing employee behavior and competencies. According to Jack F. Rockmart, there are four basic types of CSF's.

FOUR basic types of critical success factors

- Industry – These factors result from specific industry characteristics and are the things that the organization must do to remain competitive.
- Environmental – These factors result from macro-environmental influences on an organization and include things like the business climate, the economy, competitors and technological advancements.
- Strategic – These factors result from the specific competitive strategy chosen by the organization and can include the way in which the company chooses to position themselves, market themselves, and whether they are high volume low cost or low volume high cost producers, etc.
- Temporal - These factors result from the organization's internal forces and include specific barriers, challenges, direction and influences.

Adapted from www.mindtools.com

KEY steps during the initial implementation of a SWOC Analysis

1. Brainstorm lists of strengths, weaknesses, opportunities and challenges.
2. Categorize list of ideas and reduce it to top five to ten ideas per category.
3. Separately review and discuss each category and possible implications to the organization.
4. Determine how the organization's internal strengths and weaknesses align with opportunities and threats.
5. Analyze results and determine whether a strength and/or opportunity exist--promote potential growth or, if both weaknesses and/or threats are prevalent, represent areas for improvement.

Assess external forces affecting an organization before conducting the internal analysis. This will determine if internal sources are capable of meeting external forces that present opportunities or challenges. Once the SWOC analysis is complete, clarify how strengths and weaknesses align with potential opportunities and challenges. The organization must assess its current state and identify methods to meet these conditions. If a disparity exists between internal and external forces, conduct a gap analysis to determine alignment.

The SWOC analysis often generates a good deal of soft data (qualitative-ideas, concepts, behaviors, opinions, etc.) and little hard data (quantitative-measurable rankings that can be approached mathematically, etc.) or data that lacks enough information. Planners should be mindful of this and use as much measurable and informative data as possible to ensure strategic planning success.

DESIRED planning outcomes of SWOC analysis

- List internal strengths, weaknesses, opportunities and challenges.
- Identify organizational competencies.
- Specify thoughts and action plans that build on strengths and ensure opportunities are seized.
- Specify plans or ideas that address weaknesses and threats.
- Conduct meaningful discussions among key decision makers regarding strengths, weaknesses, opportunities, threats and possible implications.

REFERENCES

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Bryson, M., John. & Alston, K. Farnum. Creating and Implementing Your Strategic Plan, 2nd Edition, Jossey-Bass, 2004.

Change Management Toolbook.com

AROW the Action and Research Open Web. The University of Sydney.
www.mindtools.com