

Does Your Client's Business Strategy Make Sense?

Overview

A situational analysis (SWOT) analyses four key areas of a client's business: strengths, weaknesses, opportunities, and threats. Strengths (S) and Weaknesses (W) focus on internal factors, while Opportunities (O) and Threats (T) concern external or environmental factors. Effective strategic planning requires a comprehensive analysis of each of these areas.

This SWOT analysis form provides guidelines and questions to help your client. It also allows you to quantify your client's current strategic position. You can use the baseline score at the next planning session to measure improvement and changes in the external environment. All questions in the form need to be answered for a complete SWOT analysis. Once you have a baseline, the planning process will become simpler as you can measure and quantify change.

SITUATIONAL ANALYSIS (SWOT) ASSESSMENT OF YOUR ORGANIZATION

I. Strengths

Please indicate with a checkmark (✓) in the corresponding column for each statement below.

No.	Question	Agree	Neither agree nor disagree	Disagree
1	We have cost and pricing advantages.			
2	We are a recognized market leader.			
3	We have the advantage of economies of scale.			
4	We possess a strong set of skills.			
5	We have a higher level of experience.			
6	We possess exclusive technology.			
7	Our advertising campaigns are more effective than the competition.			
8	We possess advanced technological/technical skills.			

9	We have a strong ability to develop new products.			
10	We have sufficient financial resources.			
11	We have a high level of competence.			
12	Our management is highly competent.			
13	We have carefully planned functional area strategies.			
14	Our reputation with buyers is favourable.			
15	We experience a moderate level of insulation from competitive pressures.			
	Total number of ✓'s			

II. Weaknesses

No.	Question	Agree	Neither agree nor disagree	Disagree
1	We are facing internal operating problems.			
2	Our product line is limited.			
3	Our facilities are outdated.			
4	Our overall costs are higher compared to our key competitors.			
5	Our marketing skills are below average.			
6	We do not have the financial resources to implement necessary strategy changes.			
7	Our market image is not strong.			
8	We currently lack a definitive strategic direction.			
9	Our track record in implementing strategy is not strong.			

10	We are not making progress in Research & Development.			
11	Our profitability is below average.			
12	There is a lack of essential skills or competencies.			
13	There is a need for more managerial depth and talent.			
	Total number of ✓'s			

III. Opportunities

No.	Question	No	Maybe	Yes
1	The market is currently experiencing faster growth compared to previous periods.			
2	Sourcing or supply activities can be controlled through vertical integration.			
3	We can expand into related products.			
4	The reduction of trade barriers is increasing access to foreign markets.			
5	There are opportunities to enter new markets or market segments.			
6	Our rivals are becoming too comfortable.			
7	We can expand our product/service line to meet customer needs.			
8	Reducing regulatory requirements will simplify business operations for us.			
9	There are potential customer segments that we could cater to.			
	Total number of ✓'s			

IV. Threats

No.	Question	No	Maybe	Yes
1	The market is growing at a slower pace than our initial expectations.			
2	Buyers' needs and tastes are shifting in ways that diverge from our current expertise.			
3	Regulatory requirements are becoming increasingly burdensome.			
4	Entering this industry is straightforward due to low barriers to entry.			
5	There are changes in foreign exchange rates and/or trade policies.			
6	Foreign competitors with lower costs are entering the market.			
7	Our susceptibility to changes in the business cycle or recessions should be considered.			
8	Technology has the potential to disrupt this industry unexpectedly.			
9	The sales of substitute products are increasing.			
10	Our customers and/or suppliers are experiencing an increase in bargaining power.			
11	Demographic changes are affecting business in a negative way.			
	Total number of ✓'s			

V. Interpreting the Situational Analysis Assessment of Your Organization

1. Strengths and Weaknesses:

- Add 1 point for each ✓ under "Disagree"
- Add 2 points for each ✓ under "Neither agree nor disagree"
- Add 3 points for each ✓ under "Agree"

2. Threats and Opportunities

- a) Add 1 point for each ✓ under “No”
- b) Add 2 points for each ✓ under “Maybe”
- c) Add 3 points for each ✓ under “Yes”

Total Strengths _____

Total Threats _____

+Total Opportunities _____

+Total Weaknesses _____

(S + O) _____

Minus (T + W) _____

Strategic Baseline _____

The Strategic Baseline is a tool that can be utilized during planning sessions to assess the level of change within the organization, evaluate improvements in strengths and weaknesses, and analyse the impact of the external environment on progress.