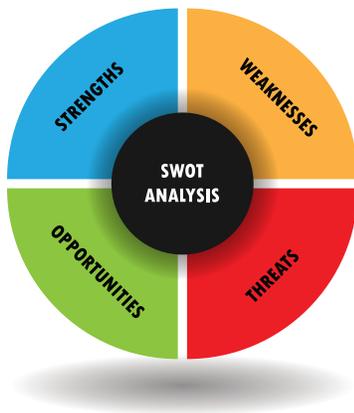


WIRED FOR RESULTS: BONUS GUIDE

CHAPTER 6: THE SOLUTION

SWOT Analysis

One of the most common business analysis tools used in business is the Strength, Weakness, Opportunities and Threat (SWOT) analysis. It is a simple but effective tool that can be used from solving a significant strategic decision to a tactical operations challenge. Most businesses use this process to perform an initial analysis and develop an informed assessment of any project, business venture, potential partnership or business expansion.



Working with Ron Y., one of my consulting clients, we used this framework to analyze his current business expansion decision. Ron has an established financial services business and sees an opportunity to acquire a business to expand his market reach and bring new services to his current customers.

As we explore the SWOT analysis grid below, sample questions demonstrate the types of topics in each of the four sections. These apply to any type of business whether products or services, business to business, business to consumer, or peer to peer.

SWOT ANALYSIS

Sample Questions

Positive

Negative

E
x
t
e
r
n
a
l

STRENGTHS

What makes our products and services exclusive?

- What do we excel in?
- What are our core competencies and capabilities?
- What is the intellectual property we possess over the competition?
- What access to specialized resources do we have over others?
- What unique position do you have in the marketplace?
- How competitive are we on delivering a quality product and service?

WEAKNESSES

Where do we find adequate financial funding? Crowdfunding vs. Venture Capitalist?

- How do we find industry-specific experienced personnel?
- How do we expand leadership skills to improve morale?
- What regions or countries will assist in increasing market share?
- How do we implement continuous improvement to gain efficiencies?
- What investments will improve the infrastructure and technology?
- How do we introduce a new customer profile into the established footprint?

I
n
t
e
r
n
a
l

OPPORTUNITIES

What strategic alliances and partnerships can we create to expand the business?

- What technology can we leverage to produce a quality product?
- How do we create a market demand in a crowded space?
- How do we take advantage of the current trends in the marketplace?
- How can we package our products and services to address the needs of several market segments?
- Who is our ideal customer and what are their pains and gains?
- How do we take advantage of market consolidation?

THREATS

What happens if our main supplier raises the price or goes out of business?

- What if the main alliance partner does not renew our annual agreement?
- How do we handle our key employees all leaving at the same time?
- How can we reduce our costs to preserve the margin in the event of new competitive pricing?
- How do we handle the latest government regulatory requirements?
- How secure is our legal team in the event of a lawsuit?
- How do we handle a market downturn like 2008?

To continue our SWOT Analysis of Ron Y.'s business opportunity, we explored one question in each category to demonstrate the effectiveness of this decision-making model. Ron has been approached to enter into a strategic partnership with a national, rapidly growing business consulting firm. We discussed his current business challenges and how this partnership could alleviate his growing pains.

SWOT ANALYSIS

Sample Answers

Positive

Negative

E
x
t
e
r
n
a
l

STRENGTHS

What do we excel at above our competition?

- a. Deliver 93.5% of consulting projects on time and on budget.
- b. Expanded scope of customer requests on 89% of projects.
- c. Hold a 95.7% customer satisfaction five-star rating.
- d. Deliver results as committed in the scope of work.

WEAKNESSES

What are our services delivery limitations?

- a. Focused on regional customers.
- b. Limited in experienced professional services personnel.
- c. Inadequate collaboration infrastructure.
- d. Excessive waiting time before starting a project.

I
n
t
e
r
n
a
l

OPPORTUNITIES

What strategic alliances can we create to expand the business?

- a. Align with a nationally based consulting firm.
- b. Leverage their infrastructure to improve internal communications.
- c. Expand services to future and current clients.
- d. Develop great brand awareness for specialized services.

THREATS

How do we handle our key employees leaving at the same time?

- a. Restricted strategy experience in only two consultants.
- b. Lengthy hire process to replace these experts.
- c. Increased salaries are outpacing the consulting billing rate.
- d. Constant competitor hiring offers presented to our staff.

Below is a blank canvas for you to create a SWOT Analysis for your own company

Positive

Negative

STRENGTHS

WEAKNESSES

E
x
t
e
r
n
a
l

OPPORTUNITIES

THREATS

I
n
t
e
r
n
a
l