

SWOT & TOWS ANALYSIS

Its Purpose

- Assesses the organization's strengths, weaknesses, opportunities and threats;
- Provides powerful insights in identifying critical issues and 'gaps' in the performance of an organization towards its vision; and
- Aids in strategy formulation to accomplish the organization's mission and to achieve it's vision.

S — STRENGTHS

- positive attributes, tangible and intangible that are internal to the organization
- human resources, facilities or physical assets, – organizational structure, financial and logistical resources, systems and procedures and operational processes
- positive aspects that add value or competitive advantage

W — WEAKNESSES

areas capable of improvement

- Are you lacking skills or new products?
- Do you have a higher cost base or lower productivity than your competitors?

You must face any unpleasant truths about your business and be realistic.

- Can you do anything better?
- Do you do anything badly?
- What should be avoided?
- What causes problems or complaints?

O — OPPORTUNITIES

- external attractive factors that represent the reason for your organization to exist
- positive image, resolution of conflicts/problems associated with current situations, events or trends that provide greater value that will create demand or your services
- positive aspects external to your organization placing you at competitive advantage

T — THREATS

- external challenge created by an unfavorable trend, events or development that may lead to poor or deteriorating delivery of services
- devastating media or press coverage, economic downturns, governmental regulations, technology
- requires proactive response through contingency plans

TOWS ANALYSIS

Strategic Analysis: INTERNAL (Strengths → build; enhance | Weaknesses → resolve; reduce) | EXTERNAL (Opportunities → exploit; expand | Threats → avoid; thwart)

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Strategy Formulation — Here's how:

- Strengths–Opportunities. Use your internal strengths to take advantage of opportunities.
- Strengths-Threats. Use your strengths to minimize threats.
- Weaknesses-Opportunities. Improve weaknesses by taking advantage of opportunities.
- Weaknesses-Threats. Work to eliminate weaknesses to avoid threats.

Strengths-Opportunities (S-O) Strategic Option:

How can strengths be employed to take advantage of the opportunities?

Strengths-Threats (S-T) Strategic Option:

How can strengths be used to counteract threats that tend to hinder the attainment of the organization's vision mission and objectives

Weaknesses-Opportunities (W-O) Strategic Option:

How can weaknesses be overcome to take advantage or exploit the opportunities?

Weaknesses-Threats (W-T) Strategic Option:

How can weaknesses be overcome to counteract threats that tend to hinder the attainment of the objectives and exploitation of opportunities?

TOWS Matrix

| TOWS Matrix | Opportunities | Threats |
|-------------------|-----------------------------|---------------------------|
| Strengths | Strengths Opportunities | / Strengths / Threats |
| Weaknesses | Weaknesses Opportunities | / Weaknesses / Threats |

Strengths/Opportunities — What strengths can you use to capitalize on your opportunities?

Weaknesses/Opportunities — What weaknesses must be mitigated to capitalize on your opportunities?

STRATEGIC MANAGEMENT

Strengths/Threats — What strengths can you use to better handle your threats?

Weaknesses/Threats — What weaknesses can be used by your external threats?

PESTLE / PESTELE ANALYSIS

What is PESTLE Analysis?

- More recently termed PESTELE
- a framework or tool used to analyze and monitor the macro-environmental (external marketing environment) factors
- used to identify threats and weaknesses which are used in a SWOT analysis.

STEEPLE/PESTELE: Social, Technological, Economic, Environmental, Political, Legal, Ethical

P — POLITICAL

Organizations need to be able to respond to the current & anticipated future legislation, and adjust their marketing policy accordingly

- how and to what degree a government intervenes in the economy
- can include – government policy, political stability or instability in overseas markets, foreign trade policy, tax policy, labour law, environmental law, trade restrictions, etc
- often have an impact on organizations and how they do business

E — ECONOMIC

- Has significant impact on how an organization do business and how profitable they are
- include – economic growth, interest rates, exchange rates, inflation, disposable income of consumers and businesses and so on
- can be further broken down into macro-economical and micro-economical factors
 - Macro-economical factors - the management of demand in any given economy. Governments use interest rate control, taxation policy and government expenditure as their main mechanisms they use for this.
 - Micro-economic factors - the way people spend their incomes.

S — SOCIAL

These factors are of particular interest as they have a direct effect on how marketers understand customers and what drives them.

- Also known as socio-cultural factors
- involve the shared belief and attitudes of the population

- include – population growth, age distribution, health consciousness, career attitudes and so on

T — TECHNOLOGICAL

We all know how fast the technological landscape changes and how this impacts the way we market our products.

Affects marketing and the management in three distinct ways:

- New ways of producing goods and services
- New ways of distributing goods and services
- New ways of communicating with target markets

L — LEGAL

Companies need to know what is and what is not legal in order to trade successfully.

- factors include - health and safety, equal opportunities, advertising standards, consumer rights and laws, product labelling and product safety
- If an organization trades globally this becomes a very tricky area to get right as each country has its own set of rules and regulations.

E — ENVIRONMENTAL

These factors have only really come to the forefront in the last fifteen years or so.

- Due to increasing scarcity of raw materials, pollution targets, doing business as an ethical and sustainable company, carbon footprint targets set by governments
- These are just some of the issues marketers are facing within this factor. More and more consumers are demanding that the products they buy are sourced ethically, and if possible from a sustainable source.

E — ETHICAL (PESTELE / STEEPL)

The most recent addition to PESTEL is the extra E - making it PESTELE or STEEPL

- includes ethical principles and moral or ethical problems that can arise in a business.
- It considers things such as fair trade, slavery acts and child labor, as well as corporate social responsibility (CSR)

REMEMBER:

This helps you understand the "big picture" forces of change that you're exposed to, and, from this, take advantage of the opportunities that they present.

GAP ANALYSIS

What is a GAP?

Potential — "Where our organization wants to be"
 Performance — "Where our organization is now"

What is Gap Analysis?

A tool utilized by organizational leaders to:

- assess the current and future states of a program
- identify the differences or "gaps" between the programs

Essential for a navigation leader to

- complete a programmatic gap analysis prior to the implementation of a navigation program

An important step for leaders to

- obtain the knowledge to implement the most appropriate action plan
- bridge the gaps
- provide a baseline with which to monitor the progress of the program

A Strong Gap Analysis

- provides a better understanding of opportunities and strengths
- Prepares for potential challenges

Leaders are encouraged to repeat their gap analysis at consistent intervals in preparation to respond to the unique and ever-changing needs of their stakeholders and healthcare systems. — Campos & Hamilton, 2019

Why Do a Gap Analysis?

- Strategic gap analysis measures the difference between an ideal outcome and the real outcome.
- The analysis identifies the steps that must be taken to close that gap, and
- For a business or other organization, the analysis can lead to an action plan for greater success.

Gap Analysis in Two Levels

Strategic level

comparing the condition of your business with that of the industry

Operational level

comparing the current state of your business performance with the state you desire

In Other Words, Gap Analysis is?

- a process used to assess your current/present state to that of your desired future state

- It is an evaluation to identify performance deficiencies
- It aims to fine tune a process

Purpose of Conducting GAP Analysis

- Identify gaps
- Collect policies, procedures, programs, metrics, personnel that support the current systems
- Establish list of actions to achieve in conformity with the goals

How to Conduct GAP Analysis — 5 Steps

| | |
|---------------|---|
| Step 1 | Pick a specific problem area to focus on during the analysis |
| Step 2 | Define the goals you want to achieve; make sure they are realistic & align with your business. Determine the current state of your business and gather all necessary data |
| Step 3 | Determine the desired state for your business and define its parameters |
| Step 4 | Identify the gaps between the 2 states and come up with steps to close them |
| Step 5 | Actions / Parameters should be done |

GAP Analysis Example

| 1. THE PROBLEM | 2. CURRENT SITUATION | 3. DESIRED OUTCOME | 4. THE GAP |
|--------------------------------|--|--|---------------|
| High spoilage rate at line #3. | Spoilage rate is too high according to industry standards (>8%). | Spoilage rate should be reduced below industry standards (3%). | More than 5%. |

5. ACTIONS / REQUIREMENTS

- Improve spoilage measurement system.
- Improve spoilage awareness among employees.
- Focus on areas with the largest number of defects.

WRAP-UP: Key Steps to Bridge the GAP

| | | |
|----------------------|--|----------------------|
| CURRENT STATE | GAPS → KEY STEPS TO BRIDGE THE GAP → Action Plan | DESIRED STATE |
|----------------------|--|----------------------|

GAP Analysis TOOLS

Facility walk-through

- Identify activities, deliverables, and services
- Main reason for existence of an office

STRATEGIC MANAGEMENT

- Support activities
- Develop comprehensive picture of unit/office:
Maps, Pictures, List of buildings and organizations

Document Review

- Policy Reviews
- Other policy statements
- Mission statements
- Standard Operating Procedures
- Position and job descriptions
- Existing plans

Staff Interviews

- Identify organizational structure
- Identify requirements to fulfill mission
- Determine awareness of staff to the organization's VMGOs (vision, mission, goals, objectives)
- Awareness of existing/current programs and goals

Workshop with key informants

- Evaluation of plans
- Identification/listing of specific actions to close gaps

REMEMBER:

Many businesses fail to plan strategically; they may meet their basic business targets but fail to realize their full potential. — Investopedia