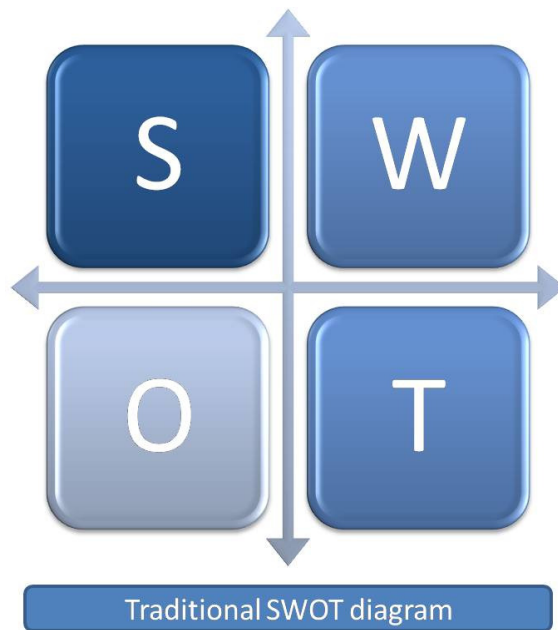


## SWOT Analysis, a classic strategic tool brought up-to-date

### The problem with SWOTs

Are you one of those managers who rely on the trusty SWOT analysis as the core of your strategic planning? Maybe, as in the example at the beginning of this article, a sheaf of SWOTs is just about all that you and your team regularly use to support your thinking and business analysis? If this is you, you're not alone!



Over many years of facilitating strategic planning offsites and running courses on 'strategic thinking', we've found it's the ubiquitous SWOT that is the most popular and widely used analytical tool. But in our experience, it's also among the most poorly understood and misused of tools, putting at risk your ability to plan and execute successfully.

A bad SWOT (and that's most!) can be subjective, impressionistic and superficial. A team can quickly draw a couple of SWOTs on a chart and believe they have a strategic plan. Then they might say 'we've done our strategy'. No wonder the traditional SWOT analysis all too often becomes a 'Stupid Waste Of Time'!

In this short article we're going to show you how you can get the most out of your next SWOT. We guarantee it will change forever the way you use this classic tool!

### Strengths and weaknesses of the traditional SWOT

The exact origins of the SWOT are unclear but it has been a favourite strategic planning tool since 1965, with the publication of Igor Ansoff's book 'Corporate Strategy'. Its simplicity and accessibility meant that it was widely taken up, soon becoming a favourite in all kinds of organisations, from large corporates to small not-for-profits. But let's take a look at its pros and cons.

Strengths	Weaknesses
Easy, versatile and quick to use	Can be subjective and impressionistic
Familiar to most people	Does not rank or prioritise issues
A good starting point	Generates a lot of information without interpreting it
Efficient way to get a lot of key issues on the table immediately	Often completed at too high a level, with no data collection to check
Makes you look at your position externally and internally	Describes obvious and current weaknesses, not those emerging in future
Can stimulate a useful team conversation	Does not reflect the way key stakeholders see you (e.g. market, competitors, customers)

Clearly, this is a tool that deserves a place in your strategy toolkit but it needs to be reinvigorated and made much sharper – and it will never be enough on its own. Here, it's worth repeating that, at UGM Consulting, we draw on a bank of more than fifty tools to create the particular set of around twenty that will help you determine the right strategic direction.

### Getting the most out of your SWOT: Dos and Don'ts

The Dos and Don'ts in the table below will help you maximise benefits when you use the SWOT. Ranking items, testing assumptions and considering underlying patterns relating to your data will vastly improve the analytical value of the tool.

<b>Dos</b>	<b>Don'ts</b>
Do list any unclear items as both S and W, O and T	Don't think that having a SWOT = having a strategic plan
Do take your customers' perspective when you evaluate a product or service	Don't imagine that a SWOT is the only tool you'll need
Do test all your assumptions by comparing your strengths and so on with those of your competitors	Don't complete your SWOT without deciding which areas are going to be most important to your profitability
Do rank or rate each S and each W to decide exactly how strong/weak you are	Don't become too self-critical about things that outsiders might view as your strengths
Do interpret what you've done by identifying any underlying patterns and asking what options emerge	Don't finish a SWOT without taking a step back to challenge, "What's all this saying to us? What are the patterns here?"
Do list any unclear items as both S and W, O and T	Don't think that having a SWOT = having a strategic plan

### Summing up the SWOT

A well-executed SWOT can be an indispensable tool in your strategic portfolio. Its versatility alone ensures its place. It can be used at various levels to good effect:

- Organisation-wide
- Particular line of business
- Department
- Project
- Personal (i.e. to support career planning)

But the key to using it successfully is to apply the Dos and Don'ts in a disciplined way. This will help you draw out of your SWOT the patterns, options and further data gathering that you will need to undertake in order to check the assumptions you've made. These additional steps are well worth the effort. Using a SWOT this way will give you the kind of precision that characterises the best strategic thinkers!