

Do You Make these SWOT Mistakes?

Most organizations complete the exercise delineating their Strengths, Weaknesses, Opportunities and Threats. Yet usually the output, a comprehensive listing, ends up in a filing cabinet not to be considered until the beginning of the next strategic planning cycle. Why? How can the SWOT exercise become the catalyst for profound change?

Mistake One: Not recognizing the difference between Internal and External

Many people don't remember that Strengths and Weaknesses are internal to a company, while Opportunities and Threats reflect the external world. Instead many assume that Opportunities and Threats are also internally focused. The beauty of a SWOT exercise is that it gives a comprehensive assessment of both your internal and external worlds: how the competitive, regulatory, economic, environmental world affects your company's future.

Mistake Two: Misidentifying Opportunities

The inclination of almost every organization for whom we've facilitated SWOTs is to consider Opportunities as the inverse of Strengths. For instance, in an organization with low final fulfillment, they correctly identify low fulfillment as a weakness and then identify improving profitability through raising fulfillment as an opportunity. This is not correct! Raising profitability through improving fulfillment is certainly an implication of the weakness and could become a strategic initiative.....but it is NOT AN OPPORTUNITY.

An opportunity comes from the external world! One might be Vendors Building Infrastructure in Asia. This is an external event that the company can exploit. The implication of this opportunity is that the company can partner with the vendors to source more effectively in order to improve fulfillment. Identifying it correctly helps determine which actions will achieve the desired outcome.

Mistake Three: Not recognizing Weaknesses

SWOT exercises are often multi-divisional brainstorming sessions. In this environment, it is often painful and difficult for a person to step forward publicly and put forth a weakness that reflects on his/her department. If you can't identify a weakness, you can't fix it and move the organization forward! Creating an environment that will be safe for individuals to reflect honestly and thoughtfully is critical.

Mistake Four: Not having an objective view

Organizations aren't often very objective about their SWOTs. Naturally, they come to it with a narrow frame of reference which colors their perceptions. For instance, leaders may not understand their metrics of success actually benchmark lower than their key competitors. This will lead them to erroneous conclusions.

Mistake Five: Comprehensive lists that are overly tactical...and inactionable

We've done it ourselves and we've seen it in every organization with whom we've consulted. When we ask to see the company's SWOT, we are given comprehensive lists. Often 50 or more strengths, etc. This does no one any good. In order to be a catalyst of change, all lists must be built up to a few (no more than three) strategic issues that have significant impact on the organization.

The Solution - What to look for in a facilitator

While any organization can facilitate its own SWOT, we believe that choosing the right facilitator will provide a significant return. Great facilitators have a broad sphere of reference, a view to the external world, can help organizations be objective, create a safe environment and help mass the lists into prioritized, actionable strategic initiatives. The benefits of a great SWOT are the identification of a few strategic initiatives and the buy-in of the company's leadership to institute change. Anything less is a waste of time.

For information on how **windward group** can help you develop impactful strategic initiatives to transform your organization or just to chat, call us at 802.985.3631.

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