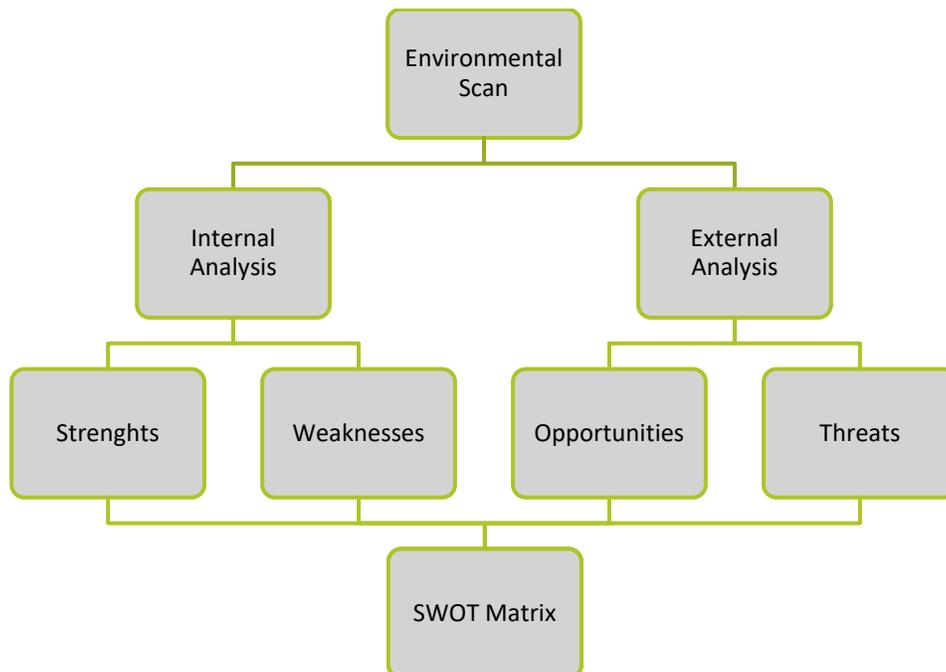


What is a SWOT?

A scan of the internal and external environment is an important part of the strategic planning process. Environmental factors internal to the organization usually can be classified as strengths (S) or weaknesses (W), and those external to the organization can be classified as opportunities (O) or threats (T). Such an analysis of the strategic environment is referred to as a SWOT analysis.

The SWOT analysis provides information that is helpful in matching the organization's resources and capabilities to the competitive environment in which it operates. As such, it is instrumental in strategy and selection. The following diagram shows how a SWOT analysis fits into an environmental scan:

SWOT Analysis Framework



STRENGTHS AND WEAKNESSES (INTERNAL CAPABILITY ASSESSMENT)

The purpose of the internal assessment is to determine what the organization can do.

STRENGTHS

An organization's strengths are its resources and capabilities that enable them to be successful in delivering products and services:

- Service excellence
- Good reputation among stakeholders
- Efficient operations and processes
- Collaboration between departments.

When you write out the Strength, it should have the attribute plus an impact. For example:

- Public works is able to respond quickly to all service requests resulting in stakeholder satisfaction.

Strengths

WEAKNESSES

The absence of certain strengths may be viewed as a weakness. For example, each of the following may be considered weaknesses:

- High cost structure
- No long-term approach to resource planning

When you write out the Weakness, it should have the attribute plus an impact. For example:

- Communication between municipal departments is irregular leading to misinformation being shared.

Weaknesses

OPPORTUNITIES AND THREATS (EXTERNAL ENVIRONMENT ASSESSMENT)

The purpose of this section is to assess the opportunities and threats that may be present in the environment that may have an impact on future strategies. To complete the external assessment, there must a systematic review of key aspects of the relevant environment which may include:

- Social
- Technological
- Economic
- Political factors
- Market characteristics (size, trends, segmentation, position in product
- life cycle, and buyer/consumer preferences and behavior)
- Industry structure
- Competition (indirect and potential of new entrants)
- Apparent key success factors

The work completed in the PESTLE exercise may help you complete this exercise.

OPPORTUNITIES

The external environment analysis may reveal new opportunities for efficiencies and change. Some examples of such opportunities include:

- Arrival of new technologies
- Strategic alliance opportunity with the capital region

When you write out the Opportunity it should have the attribute and the impact. For example:

- Strategic alliance opportunity with the capital region would allow for an improved collaboration of safety services.

Opportunities

THREATS

Changes in the external environment also may present threats to the organization. Some examples of such threats include:

- Stronger environmental laws.

When writing out the Threat it should have an attribute plus an impact. For example:

- Stronger environmental laws will require the municipality to adopt new water purification technologies putting pressure on budget priorities.

Threats

THE SoWOT™

It is important to note an organization should carefully select the opportunities it would like to pursue. In some cases, the organization can overcome a weakness to prepare itself to pursue a compelling opportunity.

SoWOT™

| | Strengths | Weaknesses |
|---------------|------------------|------------------|
| Opportunities | S – O strategies | W – O strategies |
| Threats | S- T strategies | W – T strategies |

- **S-O Strategies** pursue opportunities that are a good fit to the organization's strengths
- **W-O Strategies** overcome weaknesses to pursue opportunities
- **S-T Strategies** identify ways that the organization can use its strengths to reduce its vulnerability to external threats
- **W-T Strategies** establish a defensive plan to prevent the company's weaknesses from making it highly susceptible to external threats