

OnStrategy

SESSION #2: DETERMINE
POSITION

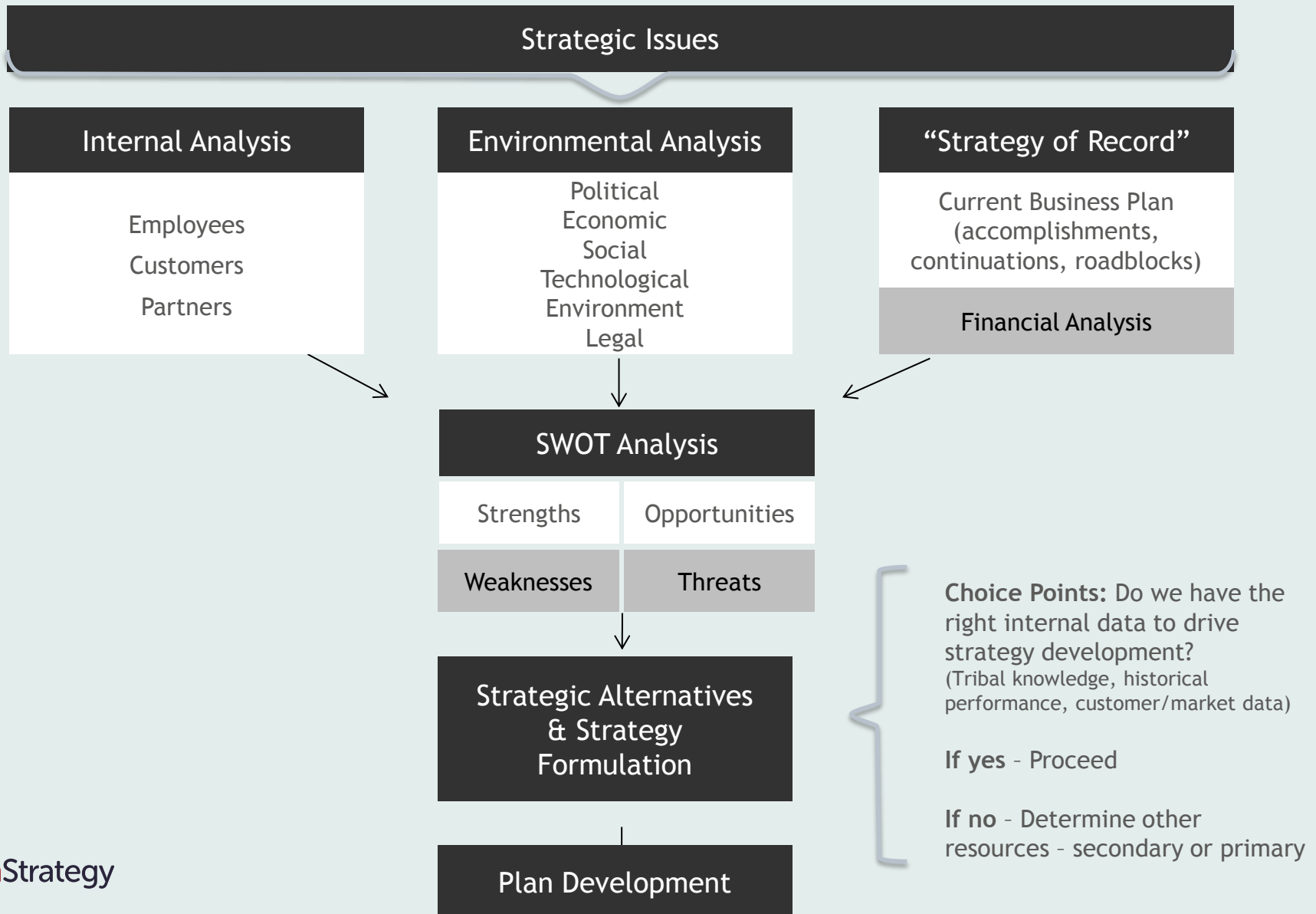
TEAM SESSION AGENDA

- I. Review the Purpose and Use of a SWOT (15 mins)
- II. Brainstorm your organizations Strengths, Weaknesses, Opportunities and Threats (60 mins)
- III. Synthesize the SWOT items into “Critical” and “Important” (30-40 mins)
- IV. Review next week’s pre-work (5 mins)

PHASE 1: DETERMINE POSITION



INPUTS TO A GREAT STRATEGY



CREATING A SWOT

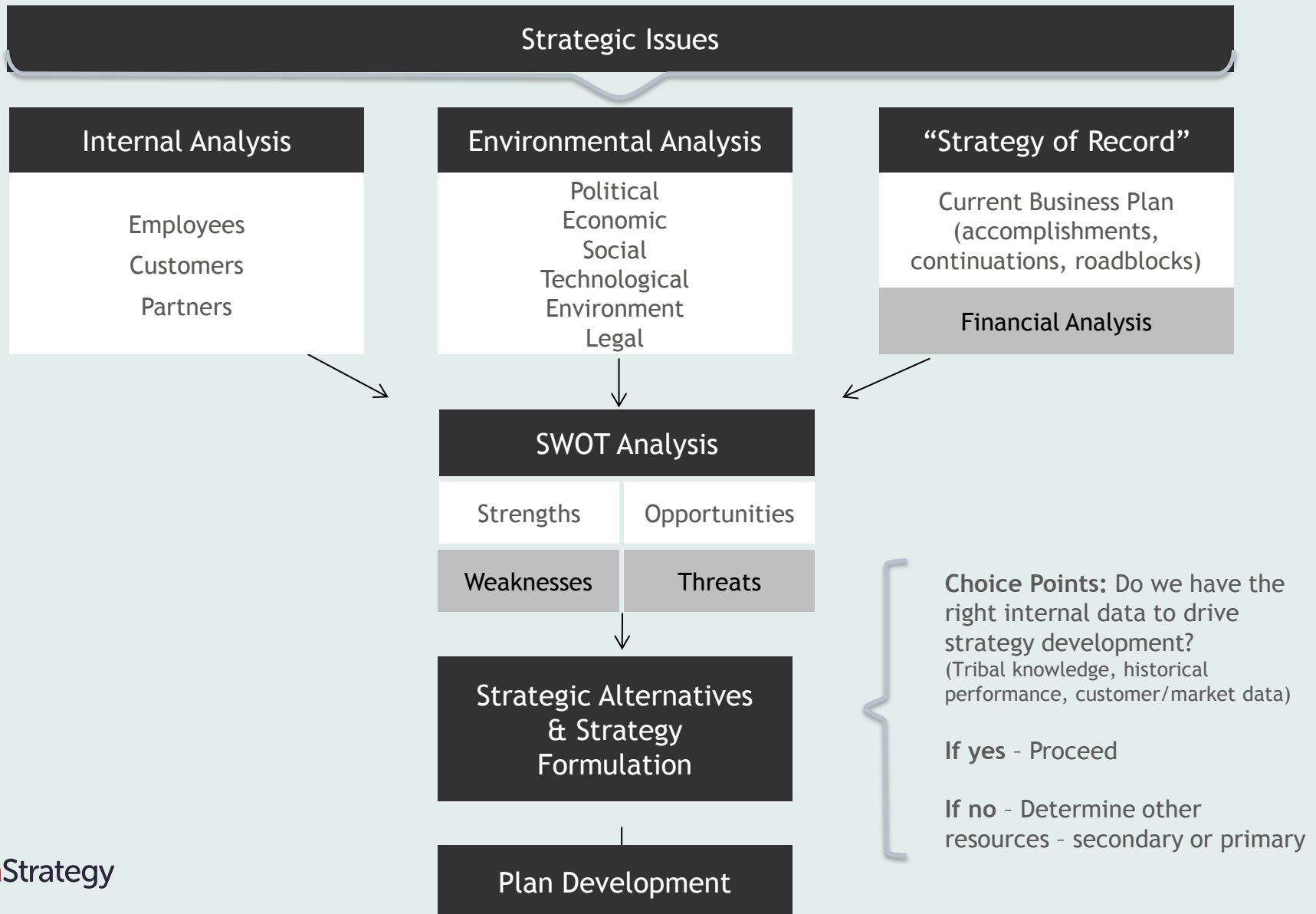
WHITEBOARD VIDEO

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[How To Perform A SWOT Analysis](#)

INPUTS TO A GREAT STRATEGY



SWOT ANALYSIS OVERVIEW

What are our strengths, weaknesses, opportunities & threats?

Definition:

A **SWOT analysis** is a quick way of examining your organization by looking at the *internal* strengths and weaknesses in relation to the *external* opportunities and threats.

Outcome:

Prioritized list of potential areas to focus on.

THE ANATOMY OF A GOOD SWOT ANALYSIS

**Attribute,
characteristic or trend**

Effective internal communication

which results in

Impact* to the organization

* Meaning what is important about the attribute.

good cross-functional team work.

S/O
W/T



| Internal | External |
|--|--|
| <p>Strengths</p> | <p>Opportunities</p> |
| <p><u>Collectively:</u> Extensive expertise Staff and Management Team highly committed e-Services built and integrated in operations</p> <p><u>Principal Oil Company:</u> Solid “Team” reputation -Adaptability</p> <p><u>Adecco Oil:</u> Systemized processes – key expertise of Adecco Oil group Solid budget in place with Adecco</p> | <p>New technology Competitors do not have sophisticated systems Competition capturing some personnel New suppliers provide competitive options</p> |
| <p>Weaknesses</p> | <p>Threats</p> |
| <p><u>Collectively:</u> Tension created by two cultures integrating Lack of unified vision at this time Lack of a strategic plan</p> <p><u>Principal Oil Company:</u> Lack of systemized processes, as a whole</p> <p><u>Adecco Oil:</u> Not customer oriented</p> | <p>Recruitment of critical staff by key competitors Cloud computing (housing externally vs. internal) Constant influx of newer technology Data Security Prospective additional merger Business intelligence becoming a larger element enterprise-wide-putting a stress on IT resources</p> |

QUESTIONS TO ASK

- Strengths - What do you want to build on?
- Weaknesses - What do you need to shore up?
- Opportunities - What do you want to capitalize on?
- Threats - What do you need to mitigate?

BUILDING YOUR SWOT - SETUP

Supplies Needed: Flip charts & 4 colors of sticky notes or 1 whiteboard & four color markers

Setup: One flip chart for each SWOT area.
Select one color sticky for each area.

BUILDING YOUR SWOT - EXERCISE

1. Strengths - One Idea per Sticky Note
 - *What are our key strengths? And WHY are they important? Always ask why.*
 - Look for insights from the SPI
 - Round robin from participants pre-work
2. Weakness
 - *What are our weaknesses that get in our way? Why?*
 - Repeat above - SPI & round robin
3. Opportunities
 - What are big market opportunities that will help us grow?
 - Tip: Don't include internal opportunities here
 - Repeat above - SPI & round robin
4. Threats - Repeat Strengths flow
 - What are threats do we need to pay attention to?
 - Repeat above - SPI & round robin

SYNTHESIZING YOUR SWOT - EXERCISE

1. Strengths: “Which of these are our core competencies and which are just strengths?”
 - Move the sticky notes from to either the top area or the bottom area.
 - (NOTE: You might need to define core competencies - better or best at compared to the competition, consistent differentiator, difficult to imitate and constantly improving it)
2. Weaknesses & Threats: “Over the next three years, which of these are critical to shore up or mitigate and which are ‘important, but not critical?’”
 - Move the sticky notes from Step 1 to the blank W or T poster in either the top area or the bottom area.
3. Opportunities: “Over the next three years, which of these are critical to capitalize on and which are ‘important, but not critical?’”
 - Move the sticky notes from Step 1 to the blank O poster in either the top area or the bottom area.



SAVING YOUR DECISIONS

Update your [SWOT Analysis here.](#)

LEADER EVALUATION-DID WE GET IT RIGHT?

- Does your SWOT contain all the key areas relevant to the plan, including customer, employee, leadership, competitor, and industry trends?
- Are the items under strengths and weaknesses internal and controllable?
- Are the items under opportunities and threats external and not controllable?
- Does each item identify both the attribute and the impact?

CUSTOMER PERSPECTIVE

WHITEBOARD VIDEO

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[How To Segment Your Customers](#)

"The purpose of business is to
create a customer."

- Peter Drucker

CUSTOMER ANALYSIS DEFINITION

Who are we providing value to?

Definition:

Customer segmentation defines the different groups of people or organizations a company aims to reach or serve.

THE ANATOMY OF GOOD CUSTOMER SEGMENTATION



EXAMPLES

| Bad Example | Good Example | Better Example |
|---|---|--|
| Small businesses located Oregon | Small businesses located in Oregon that are in the auto industry | Small body shops seeking rapid insurance reimbursement in Oregon |
| All agencies in the marketing industry | All agencies in the marketing industry billing less than \$10 million annually | An agency focusing on public relations for local and state government community programs |
| Field sales people constantly on the road | Field sales people earning between \$50K and \$100K who're looking to purchase a new car in the next year | Field sales people earning between \$50K and \$100K who are image conscious first movers and are looking to purchase a sports car in the next year |

QUESTIONS TO ASK

- What needs or wants define your ideal customer?
- What characteristics describe your typical customer?
- Can you sort your customers into different profiles using their needs, wants and characteristics?
- Can you reach this segment through clear communication channels?
- Are there enough customers in the group to make it profitable?
- Will this segment respond differently to product and service offerings than other segments identified?

LEADER EVALUATION-DID WE GET IT RIGHT?

After you have identified your customer segments, evaluate them based on the following criteria:

- Are there enough customers in each of the segments to make it profitable and worthwhile?
- Will each segment respond differently to product and service offerings than other segments identified?
- Can you reach each segment through clear communication channels?

SAVING YOUR DECISIONS

Update your [Customer Segments here.](#)

TEAM PRE-WORK FOR SESSION #3

1. Complete Mission, Values and Visions worksheets.
2. Read the Phase 2 Guide: Develop Strategy.

Extra content - to dig deeper

APPENDIX

ORGANIZATIONAL PERSPECTIVE

INTERNAL - STRENGTHS/WEAKNESSES

| Capabilities: | Resources: | Processes: | Current Customer: | Other: |
|----------------------|-------------------|-------------------------|------------------------------|-----------------------|
| Human | Financial | Operational | Customer mix | Technology management |
| Organizational | Physical | Customer management | Satisfaction | Communication |
| Knowledge | Intangible | Relationship management | Loyalty | Productivity |
| | | Innovation | Strength of your value chain | Profit margins |
| | | | Strength of your value prop | |

LEADERSHIP/STAFF - QUESTIONS TO ASK

Leadership:

- Strategic Performance Index
- Executive Interview Questions
(*Align with outcomes and existing planning docs*)

Management:

- Current Business Assessment

Staff:

- Current Business Assessment Questions/Employee Input Survey (Quantitative Questions)

MARKET LEVEL STRATEGIES

| | | MARKET | |
|----------|----------|---|--|
| | | Existing | New |
| PRODUCTS | Existing | Market Penetration Focusing on your market and product by niching. | Market Development Leveraging your product knowledge to reach new markets. |
| | New | Product Development Leveraging your market knowledge to develop new products. | Diversification Diversifying by offering new products in new markets. |

ENVIRONMENT, INDUSTRY & CUSTOMER PERSPECTIVE

EXTERNAL - OPPORTUNITIES/THREATS

| Operating Environment: | Industry: | Customer: | Competitors: |
|-------------------------------|---------------------|--------------------|-----------------------|
| Political/legal | New competitors | Growing, shrinking | Who they are |
| Environment | Substitute products | Size of markets | Strengths, weaknesses |
| Social | Power of suppliers | New markets | Strategies |
| Technological | Power of buyers | | |
| | Competitive rivalry | | |

ENVIRONMENT - QUESTIONS TO ASK

- What are the economic and demographic changes that could affect your company in your market?
- What are the technological developments or trends that could affect your industry?
- What political and legal changes might impact your industry?
- What are the current/emerging trends or components of society that will impact your company?
- What are the key areas of uncertainty that have the potential to impact your company?

INDUSTRY/MARKET - QUESTIONS TO ASK

- What is the primary market you compete in?
- What is profitable in your market? What is not profitable in your market?
- Is the customer base growing or shrinking?
- Why are customers using your product/service? Are there substitute products/services? What are they?
- Is the power of your suppliers growing or shrinking?
- Are there opportunities in your primary market that you could capitalize on?
- Are there current or growing threats that you need to be aware of?
- What are two markets your company does not currently operate in that are potential opportunities?

COMPETITORS - QUESTIONS TO ASK

- List your existing and/or potential competitors by name or group. What are each one's strengths and weaknesses? Are these opportunities or threats to your company?
- What are your competitors' competitive advantages?
- What is happening with competitors? Is competition growing or shrinking?
- Are there new competitors emerging?