

OnStrategy

SESSION #2: DETERMINE POSITION

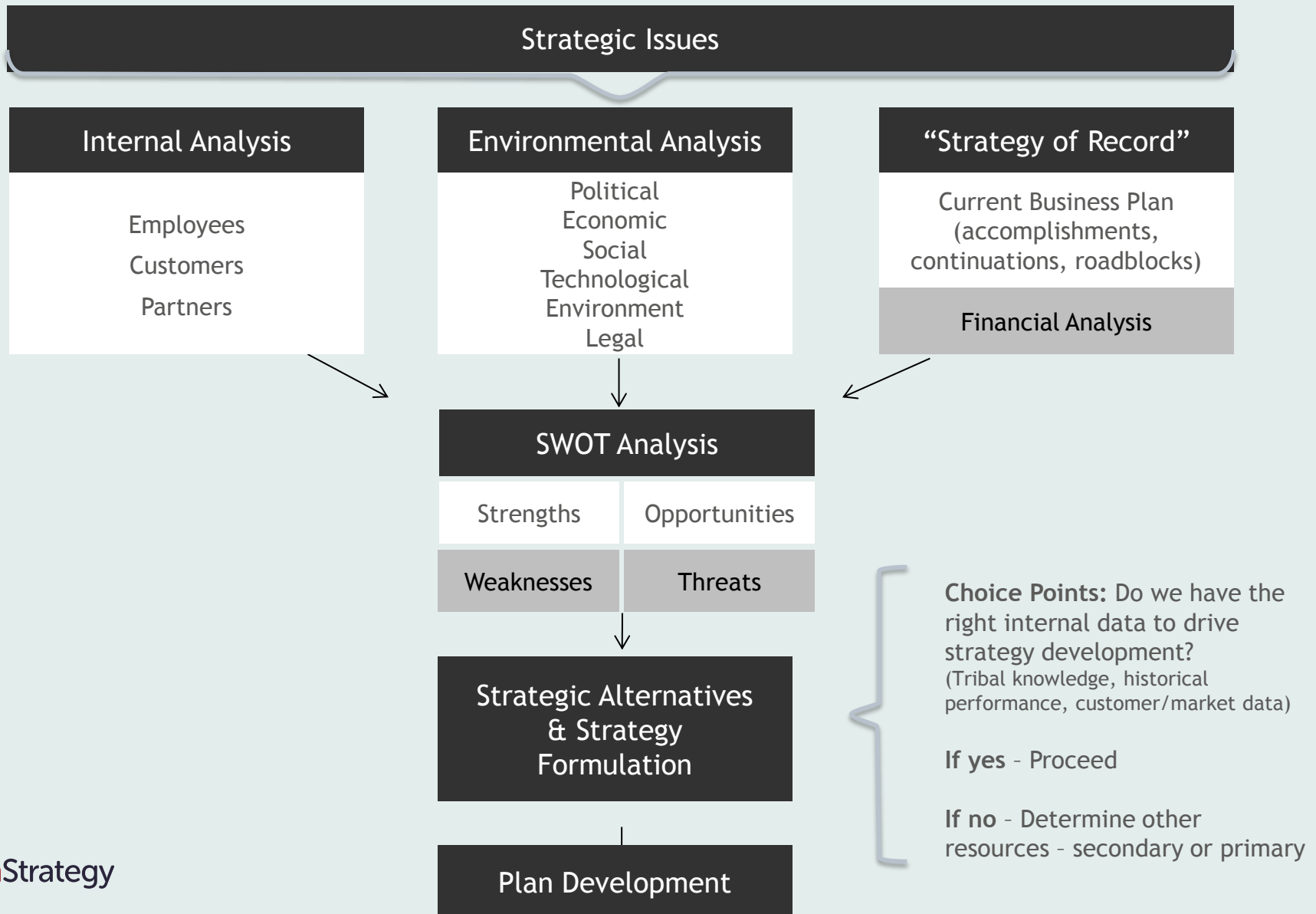
TEAM SESSION AGENDA

- 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](#)

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

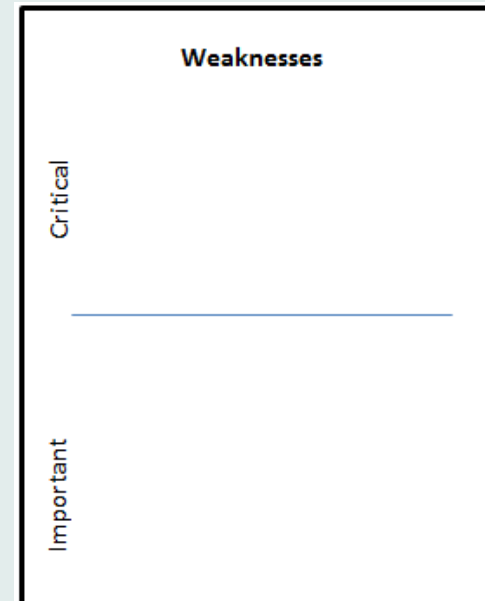
Setup: One flip chart for each SWOT area.
Select one color sticky for each area.

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

OnStrategy



[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?

CUSTOMER/STAKEHOLDER SEGMENTATION- EXERCISE

1. For your top 3-4 customer/stakeholder segments, Create a flip chart with the following fields:
 - Segment Name
 - Description:
 - Value Proposition:
 - Growth Strategy:
2. Assign a customer segment to individuals or small groups within your planning team and ask each to fill in the fields on the flip chart.
3. Ask each individual or team to report on their work to the large group in order to clarify and confirm the results.

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?