

SWOT Analysis:

Creating a more actionable SWOT with a new approach:
Story Format



Strategy Kiln

Job to be done...

**In the wrong hands, a SWOT analysis can be internally focused, ingratiating, & unactionable.
Let's overcome these limitations with an insightful and actionable SWOT approach.**



A standard SWOT will make everyone sad, and will get you nowhere

| Strengths What do you do well? What unique resources can you draw on? What do others see as your strengths? | Weaknesses What could you improve? Where do you have fewer resources than others? What are others likely to see as weaknesses? |
|--|--|
| <ul style="list-style-type: none">• We are able to respond very quickly as we have no red tape, and no need for higher management approval.• We are able to give really good customer care, as the current small amount of work means we have plenty of time to devote to customers.• Our lead consultant has a strong reputation in the market.• We can change direction quickly if we find that our marketing is not working.• We have low overheads, so we can offer good value to customers. | <ul style="list-style-type: none">• Our company has little market presence or reputation.• We have a small staff, with a shallow skills base in many areas.• We are vulnerable to vital staff being sick or leaving.• Our cash flow will be unreliable in the early stages. |
| Opportunities What opportunities are open to you? What trends could you take advantage of? How can you turn your strengths into opportunities? | Threats What threats could harm you? What is your competition doing? What threats do your weaknesses expose you to? |
| <ul style="list-style-type: none">• Our business sector is expanding, with many future opportunities for success.• Local government wants to encourage local businesses.• Our competitors may be slow to adopt new technologies. | <ul style="list-style-type: none">• Developments in technology may change this market beyond our ability to adapt.• A small change in the focus of a large competitor might wipe out any market position we achieve. |



Why does the SWOT have a bad wrap?

LIMITATIONS

- Too internal - companies focus on strengths, not brutal facts & growth
- It sounds like business class 101 (amateur hour)
- Difficult to add visuals to a one page SWOT due to space constraints
- The SWOT is not actionable, with only a weak nod to what's next
- Often, one person does the SWOT with limited cross functional input



HOW TO OVERCOME

- Start with external opportunities and threats, and your customer
- You can alter this perception by adding the elements we'll discuss
- Use SWOT "Story Format" so you can accommodate charts & visuals
- Build initial strategies from key challenges/opportunities
- Go and make some friends



Investopedia Definition of SWOT

- SWOT analysis is a **strategic planning technique** that provides assessment tools.
- Identifying core strengths, weaknesses, opportunities, and threats leads to fact-based analysis, **fresh perspectives**, → and new ideas.
- SWOT analysis works best when **diverse groups or voices within an organization are free to provide realistic data** points rather than prescribed messaging.

Although fresh perspectives and “brutal facts” are the intention, SWOTs are often weak in this area



How does a SWOT fit within strategic planning?

SITUATION ASSESSMENT

- Understand the trends and forces shaping your industry, customers and organization
- Have an open mind, gathering data to answer the question **“What’s Happening?”**



PESTEL Analysis:

- political, economic, societal, technological, environmental, legal

Porter’s Five Forces:

- Power of buyers, power of suppliers, threat of new entrants, threat of substitutes, competitive rivalry

5 Cs Framework:

- Customers, company, competition, collaborators, climate

Consumer Journey:

- What are the key moments of receptivity for how your customers enter your category, make decisions, live their life, and continue to buy?



SWOT

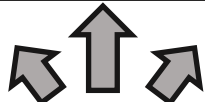


- Use the information and insights acquired from the situation assessment to inform your SWOT analysis





O-C-C-A-M Strategy Razor

Framework for Thinking Strategically

| |  OPEN-UP |  COMPRESS |  COORDINATE |  ACTIVATE |  MEASURE |
|-----------|---|--|---|---|--|
| Behaviors | Ask questions Ask why Ideate Gather data & trends Spot patterns | Analysis of data/resources Seek competitive adv. Manage trade offs Simplify & set goals | Interlock corporate strategy Share strategic insights Align on key objectives Find multiplier effects Risk planning | More risk planning Harness resources Execute flawlessly Launch plan | Measure Review launch Apply learnings Optimize Feedback loop Iterate |
| Traits | Curious to learn Big picture visionary Status quo challenger Positivity | Ability to focus Be decisive Critical & analytical Intuition Courage | Multi-dimensional thinker Flexibility Ability to anticipate Relationship building Persuasion | Take initiative Eye for detail Hunger to win Willing to fail fast | Results driven Patience Tenacity Be proactive Resilience |
| Tools | Situation Assessment 5 Cs, Initial SWOT Value Chain Analysis Consumer Journey Map Porter's Five Forces | BCG Growth Matrix Strategy Canvas 4 Action Framework SWOT (Fusion Matrix) Positioning Statement | Business Case Project Charter Project Milestones McKinsey 7 RACI | Project Charter (signed) GOST Launch Plan Craw, walk, run test plan Risk register | KPI Dashboard Creative Testing Brand Tracker Results Report Progress to Forecasts |
| | What's happening? | What are the critical success factors? | Where are the synergies? | Will my plan deliver my objectives? | How can we improve? |



POP QUIZ

Question

You grew revenue +5%
last year

Is that a strength?

Answer

No!

Not if I tell you the
competition grew revenue
by +20%



Standard SWOT layout. We make it more externally focused on the next page...

Internal

External

STRENGTHS

WEAKNESSES

OPPORTUNITIES

THREATS

Competitive advantage/disadvantage
Financial resources
Human Capital
Processes
Customer relationships
Reputation

New market segments and possibilities
Consumer and market trends
Political, economic, societal, technological,
environmental, & legal forces (PESTEL)
Porters Five Forces
Competitive strengths/weaknesses



SWOT Analysis: Amazon entry into online grocery delivery

External

OPPORTUNITIES

- Online grocery is a **\$100Bn** sector growing at a **+15% CAGR** over 5 years
- Acquiring a current grocery chain, such as **Whole Foods**, would provide **distribution** and brand image gains for **quality**

THREATS

- Walmart has entered online grocery with "**InHome**" delivery, an attractive pricing plan, and is **gaining share** rapidly
- Amazon can only win in grocery delivery with a **large scale effort**, seeking to achieve online delivery market share of 30% by year two in order to be competitive vs. WMT and others

Internal

STRENGTHS

- Brand is synonymous with value
- Durable goods supply chain
- Personalization
- Current Prime subscriber base of 150MM members in the US alone

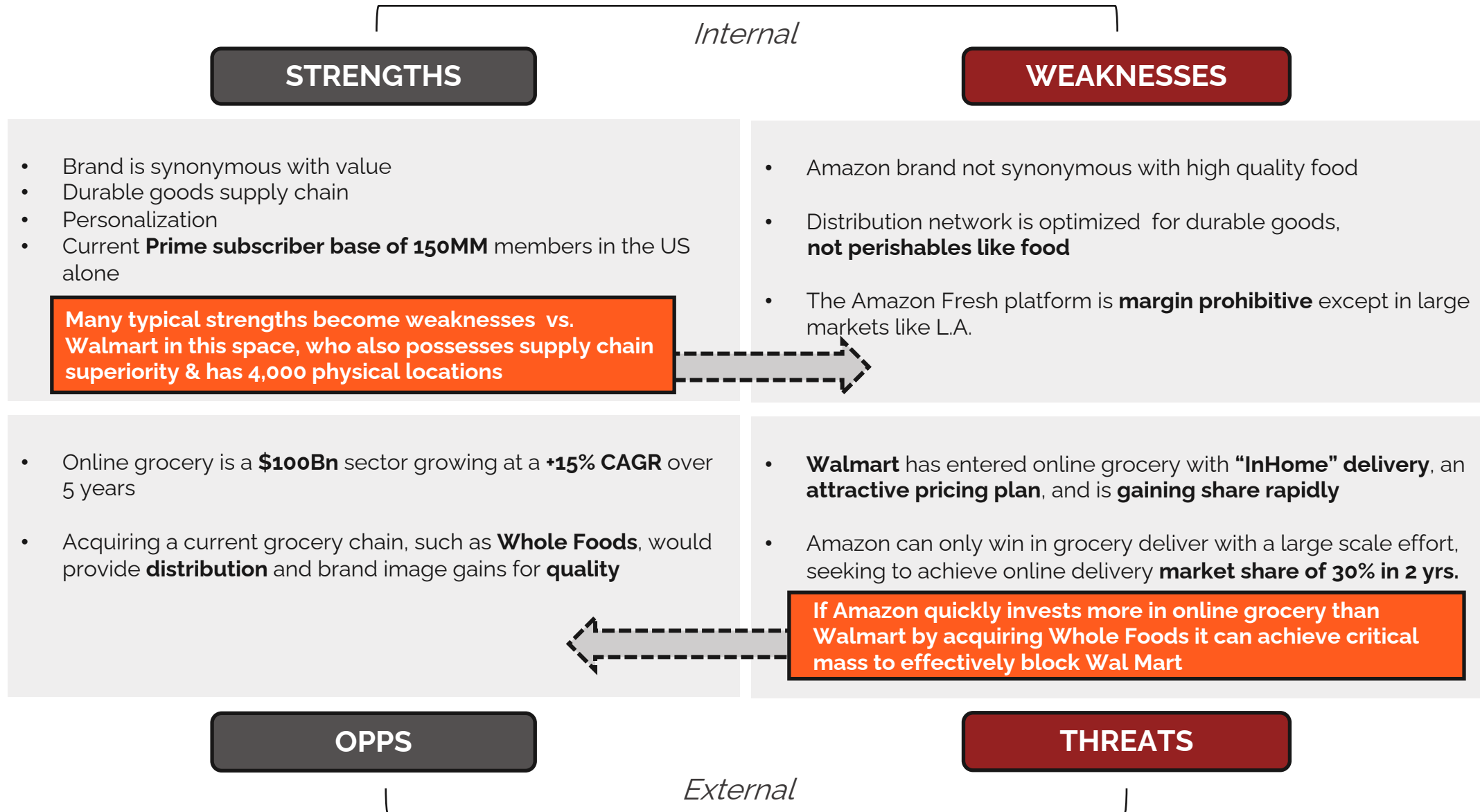
Many typical strengths become weaknesses vs. Walmart in this space, who also possesses supply chain superiority & has 4,000 physical locations

WEAKNESSES

- Amazon brand is not synonymous with high quality food
- Distribution network is optimized for durable goods not perishables like food
- The Amazon Fresh platform is margin prohibitive except in large markets like L.A.



SWOT Analysis: Amazon entry into online grocery delivery



Amazon can win in grocery by acquiring Whole Foods to carve out unique market space, combining the value of Amazon (via Prime) with the high quality perception and physical footprint/distribution of Whole Foods

Internal

STRENGTHS

Coming Soon! "TOWS" style SWOT analysis.
I'll show you how to directly link your opportunities and threats to your strengths and weaknesses

External

THREATS

price war & grow share by leveraging reach of existing prime members

Acquisition of Whole Foods will allow for higher margins through premium products and physical store distribution network



Translating the SWOT into a strategic action plan

Key Challenges/ Opportunities

Strategy Pillar

Key Resources

Initial Strategic Considerations

1

Online grocery is a \$100Bn high growth sector, but Amazon currently lacks the resources and physical store infrastructure needed to offer greater consumer value than Wal Mart

Customer
Obsession

Operational
Excellence

Acquisition of
Whole Foods

Acquire Whole Foods, enabling us to go up market, avoid a price war with WMT, and deliver superior consumer value by introducing Prime

2

This is example text

Customer
Obsession

Customer
Obsession

This is example text

3

This is example text

Customer
Obsession

Customer
Obsession

This is example text



BIG IDEA

SWOT "Story Format"

Don't think of a SWOT as four squares on a page...

Create a story with your SWOT by dedicating a slide to each key area identified in your situation analysis



Competition:

Walmart Launches "InHome" Grocery Delivery

SWOT in story format

Threats

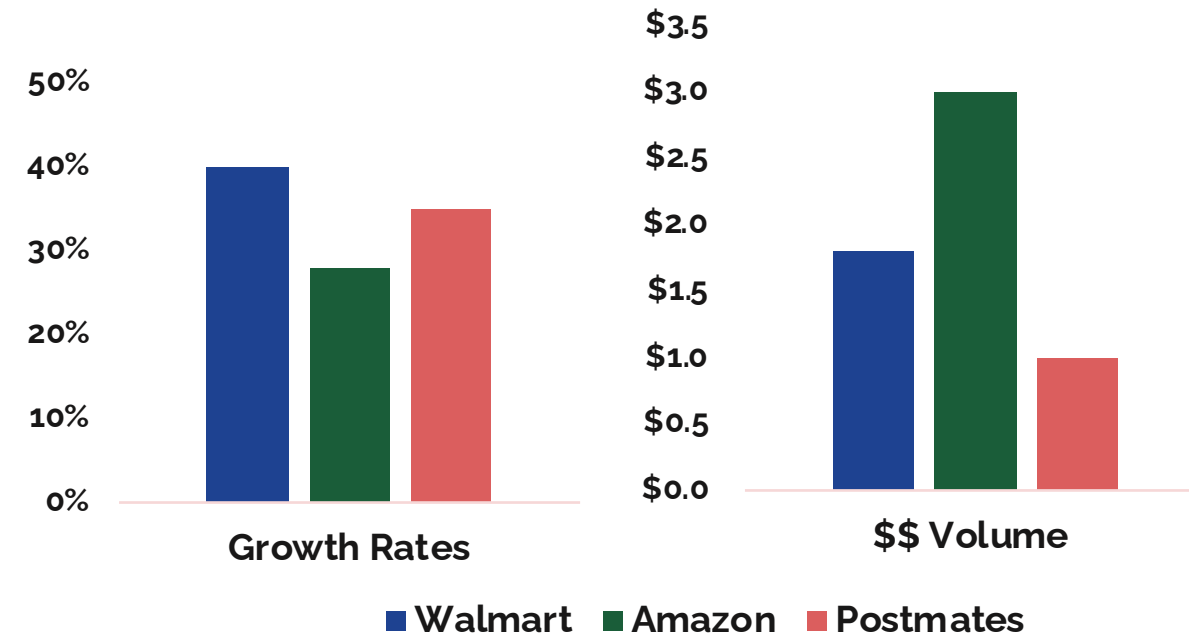


Walmart gained **54 million** new online shoppers during the pandemic; now leveraging this reach by expanding into grocery delivery

Customers can sign up for a free 30-day trial, then be charged **\$19.95 per month**

"InHome" delivery is in **86% of markets where Amazon operates** either Amazon Fresh or Whole Foods delivery

Annual Growth Rates & Revenue



Growing quickly & operating directly in our footprint, WMT's new grocery delivery platform is a critical threat. The \$20 per month commitment is larger up front vs. AMZN but offers consumers potential for greater cost savings in the long term, driving loyalty.



The Enduring Understanding

**Your SWOT doesn't have to be amateur.
Tailor your approach for your business,
hone in external factors, and consider the
“story format” for your SWOT.**



Download these at STRATEGYKILN.COM

SWOT Analysis

SWOT Analysis: Amazon entry into online grocery delivery



Competition: Walmart Launches "InHome" Grocery Delivery

SWOT in story format

Threats

- Online grocery is a \$300Bn sector growing at a 10% CAGR over the next 5 years
- Acquiring a current grocery chain, such as Whole Foods, provides distribution and brand image gains for quick

OPPS



Walmart gained **\$4 million** new online shoppers during the pandemic; now leveraging this reach by expanding into grocery delivery

Customers can sign up for a free 30-day trial, then be charged **\$19.95 per month**

"InHome" delivery is in **86% of markets where Amazon operates** either Amazon Fresh or Whole Foods delivery

Annual Growth Rates & Revenue



Growing quickly & operating directly in our footprint, WMT's new grocery delivery platform is a critical threat. The \$20 per month commitment is larger up front vs. AMZN but offers consumers potential for greater cost savings in the long term, driving loyalty.

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SWOT Fusion Matrix (TOWS Analysis)

Amazon can win in grocery by acquiring Whole Foods to carve out unique market space, combining the value of Amazon (via Prime) with the high quality perception and physical footprint/distribution of Whole Foods

Internal

STRENGTHS

WEAKNESSES

- AMZN brand is synonymous with value
- Durable goods supply chain
- Personalization

- Amazon brand not synonymous with high quality food
- Distribution network is optimized for durable goods not perishables like food
- The Amazon Fresh platform is margin prohibitive except in large

External

Like a "part 2" of this SWOT video

prime members
premium products and physical store distribution network

6/23/21

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Check out **StrategyKiln.com** or the
YouTube Channel for our episode on

SWOT Fusion Matrix Approach

("TOWS" with a cooler name)

