

What is a SWOTT analysis? What is its purpose in strategic planning? Must you conduct a SWOTT analysis to have an effective strategic plan? Why or why not?

SWOTT analysis is an acronym, meaning Strength, Weaknesses, Opportunities, Threats, and Trends. It is a common style for management to review the company's strategies. Last week I discussed for a successful strategic management, would be to periodically evaluate their strategic business plan. A SWOTT analysis is an excellent way to review a company's strategic plan.

SWOTT allows a business to evaluate the internal strengths and weaknesses and while also evaluating external threats and trends. This will also allow a company to evaluate opportunities.

To have an effective strategic plan, a company does not have to do a SWOTT analysis. I think its better management to do a SWOTT analysis, or something similar. I will use an example with coaching softball. At the beginning of a season, my coaching staff will sit down and evaluate our goals and objectives for the season. We evaluate our progress throughout the year, and before beginning a new season, we evaluate our strengths, weaknesses, our competition (threats), current styles (trends), and develop a plan of what best coaching techniques we should use, to achieve our objectives. No this is not business, but having a successful strategic coaching plan, with a SWOTT analysis, has helped for me and my husband to become better coaches winning championships and developing young upcoming athletes.

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A SWOTT analysis is according to Thompson, Gamble & Strickland (2005) a tool for sizing up a company's resource capabilities and deficiencies, its market opportunities, its external threats and the internal and external trends for the company's future. A strength is something that the company does well or that makes it more competitive. A weakness is something that the company does poorly, which puts it at a disadvantage with their competition. This analysis also shows opportunities and threats to the company's well being.

The purpose of the SWOTT analysis in strategic planning "is a logical framework guiding discussion and reflection about a firm's situation and alternatives" Pearce & Robinson, 2009, p. 160). Basically it lays the cards on the table so everyone is seeing the same thing and then decisions can be made on a logical basis without as much bias.

You must conduct a SWOTT analysis to have an effective strategic plan because it opens the chance for discussions before going forward with a product or service that could be detrimental to the success of the company. It also can lead to a successful rolling out of a new product if the SWOTT analysis is favorable. Everything that can be thought of ahead is

written down and analyzed so that the next time the company is in a similar situation the company can review what happened previously.

References:

Pearce, J. A. II, & Robinson, R. B. (2009). *Strategic management: Formulation, implementation, and control* (11th ed.). New York: McGraw-Hill.

Thompson, A. A., Gamble, J. E. & Strickland, A.J. (2006). *Strategy: Winning in the marketplace: Core concepts, analytical tools, cases* (2nd ed.). New York: McGraw-Hill.