

## **Using Swot technique to develop objective analysis, NEW STRAITS TIMES-MANAGEMENT TIMES**

WE asked you to remember the importance of interpretation to the SCQuARE analysis technique.

In this article, we will point at the shortcomings in Swot analyses; how SCQuARE differs; and how we at SCQuARE International use the Swot technique to develop an objective analysis.

Here are some key points to remember when attempting to use SWOT analyses.

Swot framework has tendency to oversimplify Firstly, Swot analysis is not without limitations.

While useful for reducing a large quantity of situational factors into a more manageable profile, the Swot framework has tendency to over-simplify the situation by classifying the firm's environmental factors into categories in which they may not always fit.

The classification of some factors as strengths or weaknesses, or as opportunities or threats can be seen as somewhat arbitrary.

For example, the corporate culture of a company can either be a strength or a weakness. A technological change can be a treat or an opportunity.

Used out of context, without a clear statement of the aim of the organisation, and without interpretation, Swot analyses can be misleading.

If you have read earlier sections of this series of articles, you will know that we emphasise Entity, Aim, and Interpretation.

Setting-Start-point and Change-complication are not just the SWOT of an organisation. They are the Swot in context plus interpretation.

Prejudice versus perspective Multiple perspectives are essential for a valid Swot analysis. The method used to acquire inputs to the Swot matrix will affect the quality of the analysis.

If the information is obtained hastily in a quick interview with the CEO, the information would represent a single viewpoint (even if this one person may have a broad view of the company and industry).

This is too frequently the case. The quality of the analysis will be greatly improved if interviews are held with a range of stakeholders such as employees, internal experts or owners of key technology, suppliers, customers, strategic partners, etc.

However, here's the rub, interviewing large numbers of people can be a prohibitively costly exercise.

At SCQuARE International we overcome this problem by conducting our surveys electronically, using a standard spreadsheet and e-mail. This way we are able to reach large numbers of people, quickly and at a relatively low cost.

We then apply a statistical analysis to give a powerful objective view of the business.

Using SCQuARE, this data is put into context with the business aims and other key facts (like performance and results) to give an unsurpassed grasp of the key issues facing the business.

A key insight we have learned at SCQuARE International is: Staff - middle managers, managers and general staff - best know the internal strengths and weaknesses and the barriers in the organisation.

These things help or hinder them in their jobs.

Bosses - the executives, senior management and directors - best know the external threats and opportunities facing the business.

Accordingly, we always seek to survey a cross-section of employees.

Using these techniques, we are able to conduct widespread surveys in a few weeks as against months.

As a few examples, we surveyed: \* Fifty sales and marketing staff across 12 countries in Asia-Pacific for a world famous entertainment business; \* Seventy-five key staff of a famous international consultancy across 30 international locations; \* Forty senior staff of an international brewery; \* Twenty key staff for a farm.

Perhaps what is more important than the superficial classification of these factors is the firm's awareness of them and its development of a strategic plan to use them to its advantage.

This is what SCQuARE is really about.

\* SCQuARE International provides management development, consultancy and software. Many directors, executives and managers have found SCQuARE an invaluable asset in delivering a step change in their organisation's performance, in their careers, and in assisting them in securing senior positions.

\* All rights reserved, copyright SCQuARE International. No part of this publication may be produced, stored in any retrieval and/or information systems, or transmitted in any form or by any means, graphic, electronic, mechanical, photocopying, recording or otherwise, without the prior written permission of SCQuARE International Malaysia Sdn Bhd.

\* <http://www.scquare.com.my>

Copyright 2003 NEW STRAITS TIMES-MANAGEMENT TIMES all rights reserved as distributed by WorldSources, Inc.

COPYRIGHT 2003 BY WORLDSOURCES, INC., A JOINT VENTURE OF FDCH e-Media, INC. AND WORLD TIMES, INC. NO PORTION OF THE MATERIALS CONTAINED HEREIN MAY BE USED IN ANY MEDIA WITHOUT ATTRIBUTION TO WORLDSOURCES, INC.

**EBSCO / NEW STRAITS TIMES-MANAGEMENT TIMES**