

---

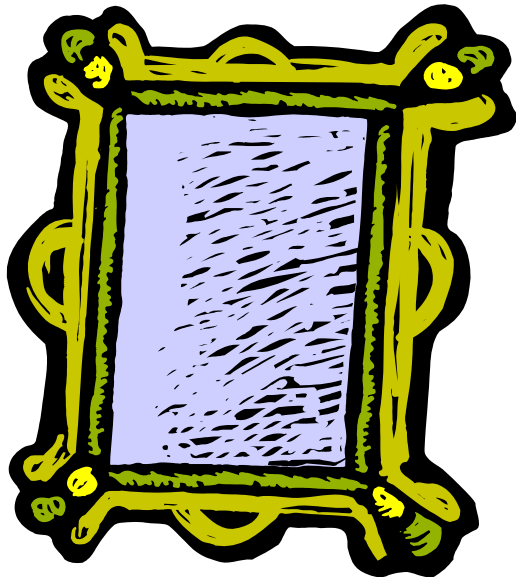
# Strategy Assessment

## *The Core Concepts to Address*

---

By: Aaron Dyer

Winston Churchill once said, “However beautiful the strategy, you should occasionally look at the results”. It is essential to define your strategy for your business and utilize the process of good planning at all times. In this way, strategic planning should be a part of your normal business practices as an entrepreneur.



The first step in strategic planning has echoes of Churchill’s words; you must assess your organization’s current status. Starting here will assess your organization’s readiness to engage in the overall strategic planning process. If you want to improve performance, you must first be aware of what is currently going on in the everyday processes of your company and the effects that are produced by those actions. Use this assessment as a key tool to help you move forward in the process of identifying key issues to address.

In order to help you further define areas of examination, a SWOT analysis can be a great tool. It stands for Strengths, Weaknesses, Opportunities, and Threats. These key factors are crucial in assessing your organization's strategic position. Identifying these areas will greatly benefit your business and ultimately lead to the growth of your venture. Being aware of your weaknesses can also be a great strength; so do not be fearful of highlighting problem areas. Use these findings as another means to help you refocus that area and emerge stronger than before. Capitalize on any opportunities you find and learn to recognize threats that exist for your business.

In looking at the internal factors, some items to consider analyzing are:

- Resources
- Management
- Employees
- Operational efficiency + capacity
- Partnerships
- Systems
- Suppliers
- Brand awareness and market positions
- Patents and trade secrets

### Strengths

Catalogue the particulars of what your company does well. What is benefiting the performance and raising the bottom line? Ask yourself what the company’s capabilities, skills and resources are as knowing these answers will help you create and execute future business plans.

Another term for these positives is “Core Competencies”.

### Weaknesses

Ask yourself what is holding the company back from its full potential. Be a detective and ferret out those seemingly small or inconsequential details that might be having a larger effect on your company and its earnings than you had previously suspected.

Is it also beneficial to get a sense of how your customers view you. Is your company being overlooked by the consumer for some reason? If so, do some research and find out where the issue lies. Is there a problem with customer service that is somehow off putting to clients? Are your employees and team members competent as well as having the skills to be able to deal with your clients?

You might have an employee who is incredibly savvy on the technological side of the business, but who is unfortunately also dealing with the customer and lacks the proper people skills to communicate properly and effectively. It is important to recognize the strength of the person and use it to your advantage, which also means realizing that you need to get another team member to deal with the public. Placing people in roles where they excel and are happiest makes for a better work environment, which will increase productivity and ultimately financial results.

The external assessment is equally as integral to the growth of your company as the internal assessment. It is necessary to be knowledgeable on all facets of the business, as knowing these details will

ultimately prepare you when making future plans for your company.

In the external assessment, there are two environments to consider - the macro-environment and the micro-environment. You want to study both areas closely and determine the issues, trends, or events that are positively or negatively impacting your business. The macro-environment affects all types of firms, whereas the micro-environment affects only firms in a particular field or industry.

Some factors to consider when analyzing the external factors are:

- Macro-Environment Issues
  - Political
  - Social
  - Economic
  - Technology
  
- Micro-Environment Issues
  - Barriers to entry
  - Customers
  - Suppliers
  - Substitute products
  - Rivalry among competing firms

### Opportunities

What are potential areas for growth and increased performance? The more you know about how your company and how its functions will translate into you being more aware of the opportunities that are available to be taken advantage of. Your employees can be another resource to aid you in recognizing such opportunities. Cultivate a good working relationship with those you employ and encourage open communication. Some of the best ideas could come from people already on your team.

### Threats

Threats are the challenges that face your company. You must be aware of what is happening in the field of business that you operate to truly be able to assess threats to your business.



It can be a daunting task to take an unbiased look at your company, but it is necessary and will ultimately serve to better your business and its practices. It is natural that you take pride in your business and perhaps have rose-colored

glasses, but that will not be helpful in improving your business and creating your strategy. Be realistic about the strengths and weaknesses possessed by those on your team, yourself, and within the business. The SWOT analysis will clearly outline your current position in the marketplace, as well as adding definition to where you could be in the future.

It may also be beneficial to apply the SWOT method to your competitors businesses as well. The competitive business world fights its own battles on a daily basis, and you want to go into this battle fully armed with a strategy and knowledge of your opposing side. Miyamoto Musashi has said, "Perception is strong and sight weak. In strategy it is important to see distant things as if they were close and to take a distanced view of close things." Always attempt to stay one step ahead of the game by being able to anticipate actions that could take place down the road, whether it is with a competitor, your business, or trends in the overall market.

---

#### **About the Author:**

Aaron Dyer is President of Dyer Consulting Group, a small business consulting firm that advises business owners on ways to grow their revenues and increase profitability through better strategic planning and financial management. For more information, and also to sign up for Aaron's future articles, visit [www.DyerConsultingGroup.com](http://www.DyerConsultingGroup.com)

