STRENGTHS WEAKNESSES TRENDS (SWT)

A DIFFERENT PERSPECTIVE FOR PLANNING SUCCESS



SWT and Strategic Planning

Perspective by Verne Harnish, Founder and CEO of Scaling Up

"We've observed for decades how market-leading firms eventually fall behind startups because they just couldn't see the future, in what Harvard Business School Professor Clayton Christenson labeled the innovator's dilemma.

So why do leaders miss seeing sweeping global trends that are about to broadside them? I put a big part of the blame on the standard SWOT analysis used in strategic planning — the age-old tool used to identify an organization's Strengths, Weaknesses, Opportunities and Threats. It's time to update this methodology.

I don't want to throw the SWOT away. It still has its place in the strategic planning process. It's an excellent tool for gathering ideas and input from middle managers who are more internally focused and closer to the day-to-day operations of an organization.

The SWT Tool is an updated approach that identifies inherent *Strengths and Weaknesses* within the firm while exploring broader external *Trends* beyond their own industry or geography."

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Strategic planning comprises two distinct activities: strategic thinking and execution planning. Strategic thinking is coming up with a few big-picture ideas. Execution planning is figuring out how to make them happen.

To do the right kind of strategic thinking, the senior leadership team can use the SWT Tool. What's different about it?

In the SWT, senior leaders face the brutal facts of their reality, as Jim Collins puts it so well. They need to call out inherent weaknesses that will likely never change — so they can say no to situations that would require the organization to be strong in those areas.

At the same time, leaders need to be crystal clear on the inherent strengths or core competencies of the organization that have been the source of its success.

An organization tends to have strengths and weaknesses baked in. So the process is less about changing them and more about playing the hand the firm was dealt. Instead of sizing up a company's immediate opportunities and threats, as they typically do in a SWOT, the senior

team should rise above this and look at the *major trends* – significant changes in technology, distribution, product innovation, markets, consumers, and society around the world that might shake up not only the business but the entire industry.

Forget about the competitor down the street. Is there a company on the other side of the globe that's going to put you out of business? Is there a new technology coming onto the startup scene that could change the way all companies must do business overnight?

A Different Perspective

To feed the strategic planning process properly, the key is using different techniques to extract ideas from all levels of the organization. From front-line employees, ask one simple question: "What should the organization start, stop, and keep doing?" From middle management, require a standard SWOT.

Demand that the senior team to go deeper and broader using the SWT Tool. Knowing what trends are going to shake up your industry — and having a plan for dealing with them — will help you stay ahead of the competition — and sniff out new rivals who want to take over your turf while you can still do something about it.

<u>Contact</u> me to discuss further how to implement Start-Stop-Keep in your company.

All the best,



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Trends

What are the significant changes in technology, distribution, product innovation, markets, consumer, and social trends around the world that might impact your industry and organization?

Strengths/Core Competencies

What are the inherent strengths of the organization that have been the source of your success?

Weaknesses

What are the inherent weaknesses of the organization that aren't likely to change?