

OUTLINE

Strategy development is most effective when there is significant tension for change. This tension for change is created when a sizeable gap exists between an inspiring vision of the future and the current reality. Without a thorough understanding of the current reality, strategy will likely be established on shaky ground with little regard for the strengths that can be leveraged, weaknesses to be mitigated, opportunities to be pursued, and threats to be avoided.

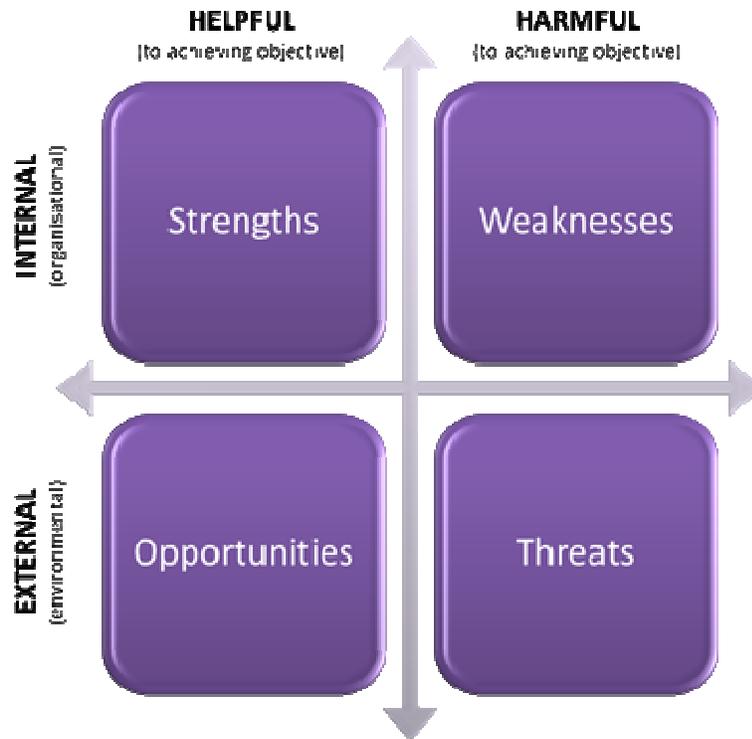
Organizations that jump from Vision to Strategy with little regard for where they currently stand, are taking a significant risk. As with any navigational exercise, it's treacherous to plot a course towards a desired destination when you don't know your current position. Thus, all truly effective strategies begin with both a Vision and a Current Reality Assessment. These create the gap from which a creative strategy can be formed.

A well proven tool for conducting a Current Reality Assessment is the SWOT Analysis; Strengths, Weaknesses, Opportunities, and Threats. SWOT has stood the test of time because it prompts business leaders to consider both internal and external factors. The strengths and weaknesses of a business are all about its internal capabilities and gaps. Leaders have complete control as to whether they successfully leverage strengths, or mitigate weaknesses.

Strengths and Weaknesses provide an internal view of the business (see image below);

- Strengths are those capabilities that drive success
- Strengths lay at the root of those accomplishments an individual or team take pride in
- Strengths can be seen in every day activity and accomplishments

- Weaknesses are those things that regularly trip up the team
- Weaknesses get in the way of accomplishments and can often be the items that cause a team to miss targets and objectives; they cause frustration, confusion and conflict
- A business has reasonable control over Strengths and Weaknesses; you can decide to develop a specific strength that is important to your long-term vision, or you can decide to mitigate or remove a weakness



Opportunities and Threats provide more an external view (see image above);

- A business can elect to pursue Opportunities they are not currently pursuing, but typically have little control over Threats other than a decision to mitigate when it aligns with the strategy
- Opportunities must be aligned with Strategic Moves, Target Market and Core Ideology
- Opportunities must lend themselves to action in the near-term
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- Threats are risks to the success of your business and accomplishment of your vision
- Threats cannot be controlled but may be mitigated

STRENGTHS

Replay the past 12 months of your organization's performance, making note of the significant successes and achievements. As you reflect on these, identify the strengths and unique talents of the team that drove the success of the past year.

Strengths are those abilities and skills your team are really, really good at. These are the capabilities and talents you and your teammates regularly count on to drive success. These strengths are visible on a daily-weekly basis, and everyone takes pride in them.

Please list below as many as come to mind, capturing them as quickly as possible.

THREATS

Every organization faces risks they cannot control and may not influence. Threats are those risks that if realized would significantly decrease the organizations chances of successfully executing their strategy.

By understanding the threats, an organization can determine where mitigation strategies are possible and can be pursued.

Please list below as many as come to mind, capturing them as quickly as possible.
