

# Environmental Scan (SWOT Analysis)

The Environmental Scan or “SWOT” analysis is a process used to identify the (S)trengths, (W)eaknesses, (O)pportunities, and (T)hreats of a business or organization. During the scan important information is gathered, reviewed, and analyzed concerning the existing internal health (Internal Scan) and the environmental conditions (External Scan) of the organization. An Environmental Scan is similar to a "check-up" physical so it is important that you be honest, objective and complete in your approach.

Using the following worksheets, conduct both an internal and external scan of your business. It is important to involve owners, managers and key employees. It is often helpful to include key advisors of your business such as bankers, CPA’s, and insurance providers. Sometimes suppliers and customers should be included if they are highly familiar with your business and are willing to provide you with honest and objective feedback. The results will help you think and plan strategically and can be used to make decisions critical to the future success of your business. You may need to customize some of the questions in order to get the best results for your specific business.

## INTERNAL SCAN

The internal scan is a process to identify the strengths and weaknesses of an organization. During the internal scan important information is gathered, reviewed, and analyzed concerning the existing health of the organization. The internal scan is similar to a medical “check-up”.

Using the following worksheets, conduct an internal scan of the Organization in the following areas:

1. People
2. Programs and Services
3. Systems and Structures
4. Financial Resources
5. Innovation

When you have completed the worksheets, use the summary sheet to prioritize the organization’s strengths and weaknesses

## **PEOPLE**

1. How knowledgeable and skilled is our workforce (compared to the best in our field)?
2. How motivated and dedicated is our staff (consider factors like absenteeism, attitudes about work, willingness to go the extra mile, and team orientation)?
3. Is the staff customer-oriented? Give examples.
4. Is the staff team-oriented? Give examples.
5. Does our staff have the ability to learn new skills and are they willing to learn new skills? Give examples.
6. Is our staff entrepreneurial? Give examples.
7. Does our organization have strong and effective leadership and management? Give examples.

## **PRODUCTS & SERVICES**

1. Are our products/services customer focused?
2. How good is our customer service (what do our customers say about us)?
3. Are our products and/or services priced right?
4. Do we have the right products and/or services to be successful in the coming year?
5. What new products and/or services will we need to add to be successful over the next three years?

## **SYSTEMS & STRUCTURES**

1. Do we have a written operational or business plan?
2. Do we have a current marketing plan?
3. Do we have good and effective internal and external communication systems in place?
4. Do we have systems in place to accurately measure production, quality, profitability and customer service?
5. Are our buildings and offices adequate for staff to fully serve our customers?
6. Are our buildings and offices safe and inviting for our customers?
7. Do we have the equipment necessary to fully serve our customers? Is our equipment adequately maintained and up to date?
8. Do we have good external advisors (business, insurance, financial, legal, and taxes)?

## **FINANCIAL RESOURCES and CONTROLS**

1. Do we have an effective system of financial controls in place?
2. Does the organization have a budget and is it operating within budget?
3. Do we generate and review monthly, quarterly and annual financial statements?
4. Do we reconcile monthly bank statements?
5. Have we identified any potential new sources of income for our Organization?
6. Do we have a system in place to encourage and reward Cost Savings?

## INNOVATION

1. Is our organization innovative? List at least two examples of product or process innovations developed in the last two years.
  
2. Do managers/owners encourage and support risk-taking?
  
3. How creative and innovative is our staff?
  
4. Do we have a system or plan in place to encourage and reward innovation?

## INTERNAL SCAN SUMMARY

### STRENGTHS AND WEAKNESSES

**List the top five strengths and weaknesses of the Organization:**

<b>No.</b>	<b>Strengths</b>	<b>Weaknesses</b>
1		
2		
3		
4		
5		

## EXTERNAL SCAN

The external scan is a process to identify opportunities and threats that may positively or adversely affect an Organization. During the external scan important information is gathered, reviewed, and analyzed concerning the future of the Organization.

**Describe the most important changes you believe may affect our organization:**

1. What trends affecting our type of business do you anticipate in the next three years (e.g. the economy, finance, marketing, global competition, technology, etc.)?
2. What changes do you expect in our revenues in the next three years? Why?
3. What changes may affect our customer base in the next three years?
4. Who are our primary competitors (list them)? What are their key strengths and weaknesses? (You may want to think in terms of size, marketing, website, suppliers, location, experience/motivation, quality, convenience, etc. as a way to categorize them)

No.	Competitor	Strengths	Weaknesses
1			
2			
3			
4			
5			

5. What changes do you anticipate with our competitors in the next three years?

6. What changes in technology may affect us in the next three years?

7. What changes in the social, regulatory, or political environment may affect us in the next three years?

Positively:

Negatively:

8. What opportunities do you see available to our business in the next 12-24 months?

9. How could we best take advantages of these opportunities?

## EXTERNAL SCAN PRIORITIES

List the top five opportunities and threats facing our Organization.

No.	Opportunities	Threats
1		
2		
3		
4		
5		