



## SWOT Analysis for Continuous Improvement

A SWOT (also known as SLOT) analysis is a powerful strategic planning tool used to evaluate the Strengths, Weaknesses/Limitations, Opportunities and Threats to a project or business. The use of the SWOT model in team meetings and brainstorming sessions can be a great tool for generating ideas and evaluating issues.

The aim of the SWOT analysis is to identify the key internal and external factors that are important to achieving the objective. A SWOT groups the key pieces of information into two main categories:

- internal factors – the strengths and weaknesses/limitations internal to organisation
- external factors – the opportunities and threats external to the organisation

Through carrying out a series of SWOTs it is possible to evaluate and predict the outcomes by identifying the good, bad, potential and uncontrollable factors.

### Current state SWOT

A current state SWOT looks at a department, process, system, programme, equipment, etc. The current activities are examined and the areas that are working well or not so well are quickly identified by the team. SWOT examples could be:

- How to improve a sales process through reviewing the current marketing approach.
- How to improve a manufacturing process by reviewing the layout of the building and equipment.
- How to identify the cause of an error (root cause analysis\*) and incorporate into the corrective action system.
- How good is the Quality Management System, which could then form part of the continuous improvement review.

### Proposed state SWOT

Following the current state SWOT, specific areas can be prioritised and a further SWOT of the proposed changes can help to evaluate and predict the results. For example:

- You've identified a new piece of machine to replace an old one that is critical to the product.
- You've identified an element of the process which could be carried out earlier, and want to evaluate its likely success.
- You need to put forward evidence to show that you have evaluated the impact of expanding the department to senior management.

	Helpful	Harmful
Internal	Strengths	Weaknesses
External	Opportunities	Threats

### Results of Changes SWOT

Following the implementation of the changes, a follow-up SWOT shortly afterwards will help to identify unknown issues that need to be addressed. It is useful too, to compare the SWOT with the Current State SWOT which will then identify continuous improvement activity and shows a methodical approach to change management.

Example SWOT:

#### STATE OF THE WAREHOUSE

<b>STRENGTHS</b>
1. All items are segregated by type on identified racks
2. All items are listed on T cards
3. All items are listed on the computer inventory
4. Computer access in warehouse

<b>WEAKNESSES</b>
1. Lack of room
2. Height of racking and access
3. Nowhere to check faulty returns
4. Isolated
5. Losing key personnel
6. Collection times
7. No telephone
8. Outside lighting in winter

<b>OPPORTUNITIES</b>
1. Use barcoding
2. Rationalise stock, apply JIT (Just in Time) with suppliers
3. Outsource fault checking
4. Review stock items and new products on market

<b>THREATS</b>
1. Fire/flood and loss of stock
2. Security and break-ins
3. Competitor practice

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### Selection of SWOT team

It is always advisable to include people with a range of knowledge on any improvement activity. By bringing them together as a team, it highlights different points of view and experiences that may affect the final outcome. It is useful to include people who have a vested interest in the end result, such as customers and stakeholders, not just people with knowledge of the actual process.

### Brainstorming

It is helpful to pose questions to tease out of the team the issues associated with each element of the SWOT.

#### Strengths:

- Think about the items that are effective and efficient.
- What adds value?
- What are the best points?
- What does the subject provide that you can't live without?
- What are you pleased with?

#### Weaknesses:

- What needs improving?
- What creates problems or is a hassle?
- What stands in the way of progress?
- What items are costly?
- What items are a waste of time?

#### Opportunities:

- What could improve the SWOT statement?
- What is possible?
- What are the options?
- What could be changed?
- What can be developed?
- Where is the subject going?
- What needs to be done to get there?

#### Threats:

- What could damage the SWOT statement?
- What causes worry or concern?
- What could go wrong?
- What is out of the organisation's control?
- How could something bad happen?

### Review and improve

Reviewing the strengths can provide insight into areas that do not form part of the SWOT.

Weaknesses provide an overview of the current state of affairs. By reviewing and improving the weaknesses statements they shouldn't appear on a future SWOT as a weakness.

Opportunities become goals and these can be prioritised into an action plan.

Threats should be examined and preventative action put in place. Some threats are controllable; others are not. Effort should be spent on preventing the controllable threats.

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#### Note:

Whilst this fact sheet gives general guidance on this topic at the time of drafting, it is not intended to be a comprehensive guide. You are advised to seek specific advice in relation to any particular issues that need to be addressed in relation to this topic by a competent person.

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