

Agenda



- 1. Introduction: What is SWOT?
- 2. Looking internally at strengths and weaknesses.
- Identifying core competencies
 Assessing financial capacity for new strategies
 Evaluating management culture for readiness to change.
- 3. Looking externally at threats and opportunities.
- Detecting and categorizing threats and opportunities
- Analyzing customers
 Changes in the competitive environment

SWOT

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Strengths: Capabilities that enable your organization to perform well. They are a source of leverage

Weaknesses: Characteristics that prohibit your organization from performing well. They need to be addressed.

Opportunities: Trends, forces, events, and ideas that your organization can exploit.

Threats: Possible events or forces beyond your organization's control that you need to mitigate.

Core Competencies



- Core competencies are an organization's expertise or skills in key areas that directly produce superior performance, e.g. technical abilities, managerial know-how, customer service.

- For a skill to be a core competency, it must confer a sustainable competitive advantage. What does your organization do uniquely well that others value?

- Benchmarking is a means to discover core competencies. The benchmark may be in another industry, e.g. airlines and ticket pricing.

(From "Strategy: Create and Implement the Best Strategy for Your Business" HBS, 2005)

Elements of a solid core Searcadzania sportem competency

Inimitability: Hard to copy.

Durability: Continuing value over a long period of time, e.g. brand names like Coca-Cola, Disney. Appropriability: Can others take the value you've created? In some

Appropriability: Can others take the value you've created? In some industries, retailers have the power to take value.

Sustainability: Are there available substitutes for your competency? Competitive superiority: Is your competency truly superior to your rivals, or is it merely good?

Example o penchma	Se Akademia Zarządzania Sporte			
	COMPANY 1	COMPANY 2	COMPANY 3	
Time to market	5	2	3	
Quality	4	4	5	
Service	4	2	5	
Customer satisfaction	5	2	4	
Human resources	4	2	4	



Se Akademia Zarządzania Sportem Financial condition: Can you afford your strategy?

- Cash flows: Are operating cash flows sufficient for your plans?

- Access to outside capital.
- Cost of borrowing/debt
 Capacity for additional debt
 Cost of equity, if applicable

- Other scheduled spending, e.g. purchase of land.

- Hurdle rate of new projects: The hurdle rate is the minimum rate of return.

(From "Strategy: Create and Implement the Best Strategy for Your Business" HBS, 2005)

Se Akademia Zarządzania Sportem Management and Culture: How does your organization handle change??

- Are your managers respected and effective?

- Do people feel personally motivated to change?
 Is your organizational structure flat, i.e. there are few layers
- between the workers and the CEO

- Is teamwork and collaboration normal?
- Are people accountable for their results?

- Is good performance rewarded?



Group exercise

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- Divide into six teams of six to seven people

- Each team should consider strengths and weaknesses of their respective sport organizations. What are some in common?

- Spend 15 minutes with your team in discussions

- Each team will have one speaker report their findings to the entire group. Each speaker should only speak 2-3 minutes.

SWOT

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External Analysis

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Porter, "The essence of strategy is relating an organization to its environment".

- The environment:
- Customers
- Competitors - Suppliers
- Regulators
- Technology
- -Substitutes

An example from the US: Concussions in American football.

Customers

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- Who are your customers? This may seem like a simple question, but many companies forget to ask it.
 What is the best way to reach my customers?
 How price-sensitive are my customers? Sports and leisure are

(From "Strategy: Create and Implement the Best Strategy for Your Business" HBS, 2005)

- What customer needs are not being met?
 How loyal are my customers?
- Market segmentation: Age, gender, location, income, behavior, etc.



Competitive Rivalry

- Number of competitors

- Quality differences Other differences
- Switching costs, e.g. cell phones and providers

(From "Strategy: Create and Implement the Best Strategy for Your Business" HBS, 2005)

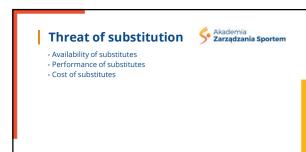
- Customer loyalty



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(From "Strategy: Create and Implement the Best Strategy for Your Business" HBS, 2005)

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Group exercise

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