

OVERVIEW SWOT ANALYSIS METHOD AND ITS APPLICATION IN ORGANIZATIONS

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Abstract

In this paper, we first introduce the SWOT analysis method and of strengths, weaknesses, opportunities and threats and then, provide some charts in this regard. After that, way of connect with other Strategic SWOT method, Such as the balanced scorecard BSC and QFD quality. Also briefly, will introduce SWOT analysis method that helps us to be able to run at the same time in few companies. Finally, by providing examples of SWOT application in organizations and countries, will end our task.

Keywords: Strategic planning - SWOT Analysis - strengths, weaknesses, opportunities and threats

1. Introduction

Organizations are constantly making decisions and planning. Therefore, it is necessary for decision making and strategic planning in any organization, act to Recognition of current situation through internal and external environmental factors. This duty is rests on the environmental analysts, that to identify the risks and opportunities investigated environmental variables on all parts and organs such as inputs and outputs. In other words, through analyzing is a environment that opportunities and threats identified and on that basis, and earlier identification of internal strengths and weaknesses achieved from organization, set goals and determine Organizational policies and procedures. This helps the management to deal with the opportunities and threats of the external environment to adopt a integrated procedure And achieve appropriate goal. This work, especially from the early 80's and by competitive pressures, became obvious that for save their life should focus the potential on recognizing business enjoyment. [1] Thus concept strategic management theories formed And elements of the present situation to deal with crises and formulate the path ahead in terms of opportunities and threats was introduced.

2. Introduction of SWOT:

SWOT analysis for the first time in 1950 by two Harvard Business School graduates, namely George Albert Smith and Roland Christensen was raised [6]. At that time, this growing success

of the business as a management tool was known but maybe most evident in the success of this analysis is obtained when the Jack Welch of General Electric in 1980, used this for study GE strategies and increase productivity for his organization [6]. SWOT is Head word of strengths phrases weakness , (Opportunities), and threats [2] The first step in the strategic planning is determines the mission, vision and mission of the organization and then be through the SWOT analysis is a tool for strategy, design strategy For organization that be proportional to its environment. Using this analysis, it is possible to begin to analyze in the internal and external environments And secondly, make Strategic decisions that balance environmental opportunities to the organization strengths.

Definitions of strengths and weaknesses and the opportunities and threats:

Strengths: Means By its distinctive competence, the organization in areas such as financial resources, positive mental image among customers, suppliers, and positive relationships with those cases can be superior to competitors.

Weak point: Limitations or lack of resources, skills and capabilities and strengths that can be tangibly prevent the effective performance in organization. Management Performance is Effective in exacerbating weaknesses.

Opportunity: it means success of a major desired in external environment, such as knowledge of a part of market before this had been forgotten. Changes in competitive conditions or rules and improve relationships with buyers and sellers. [2]

Threats: threat is an unfavorable success in external environment of the organization such as Bargaining power of buyers or key suppliers, rapid and significant changes of technology and such things that can be a major threat to the success of any organization. [2]

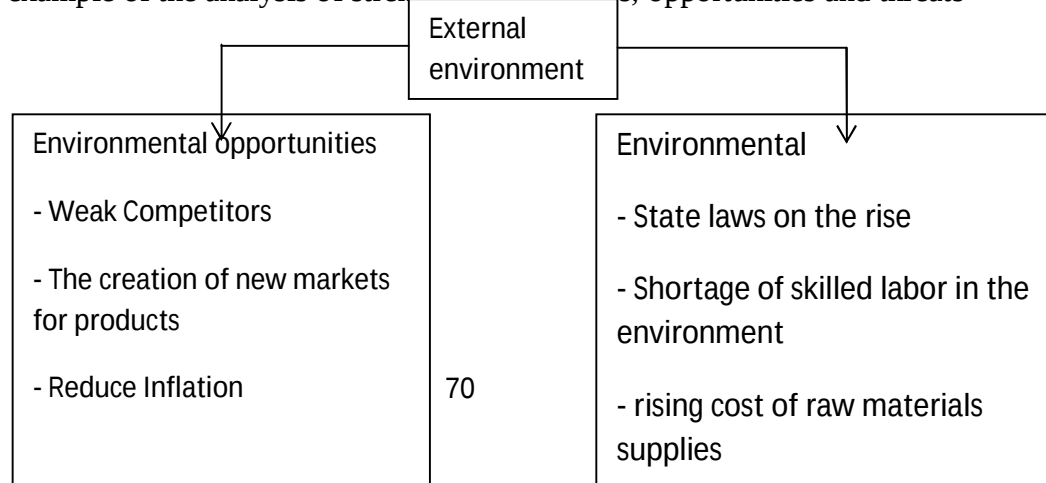
The rules governing SWOT Matrix Analysis:

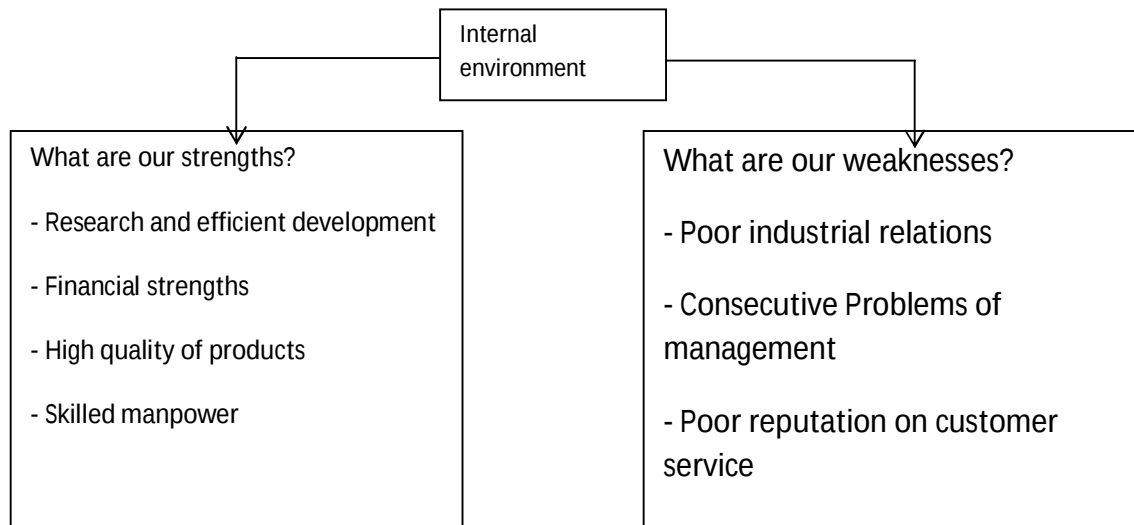
- How do we take advantage of the opportunity to exploit the maximum strengths (SO)
- How to use the strengths, can eliminated or reduced threats effect (ST)
- How to take advantage of opportunities, Weak points to strengths Or reduce the severity of Weak points (WO)
- How with reduce Weak points, eliminate or decrease impact threats or decrease their impact. (WT)

Briefly we can say that the aim of analyzing the opportunities and threats in the external environment is study that a company can gain opportunities and avoid threats.

Especially when faced with uncontrollable external environment in current time. [3]

Figure 1: An example of the analysis of strengths, weaknesses, opportunities and threats





SWOT analysis procedure can be outlined as follows:

- 1 - Session of the SWOT analysis
- 2 - Overview of the meeting and explained the work
- 3 - Use brainstorming techniques to identify strengths and weaknesses and the opportunities and threats
- 4 - Prioritization of internal and external factors
- 5 - SWOT matrix and insert it in the selection of priority
- 6 - Comparison with other internal and external factors and strategies of SO, WO, ST, WT
- 7 - Determine the steps needed to go from the strategies
- 8 - actions and their consequences
- 9 - SWOT matrix updated at appropriate intervals

Display used matrices in SWOT analysis [8]:

Prioritization matrix internal factors

Affecting the performance or of the competitive functionality of company				
Low	Average	high		The importance
The average priority	High priority	High priority	high	
Low priority	The average priority	High priority	Average	
Low priority	Low priority	The average priority	Low	

Prioritization of external factors matrix

Potential effects on the Company				Probability
Low	Average	high		
The average priority	High priority	High priority	high	
Low priority	The average priority	High priority	Average	
Low priority	Low priority	The average priority	Low	

SWOT matrix

W Weak point	Strengths	SWOT
List of strengths	List of Strengths	
WO strategies	SO strategies	Opportunities
With opportunities, destroy Weak points	With strengths, use the opportunity	List of Opportunities
WT strategies	ST strategies	threats
Reduce Weak points and avoid threats.	To avoid threats, use strengths.	List of threats

3. Quantitative Analysis of SWOT:

Quantitative SWOT analysis, provide more detailed data for analysis [3] This method adapted itself with MADM decision making that use multi-layer design to simplify complex problems and thus the SWOT analysis can be executed simultaneously on several organizations [3]. When planning processes are complicated by multiple criteria, it may be because The SWOT is not used properly. [2]it Indicates that an unknown list, and incomplete qualitative factors affecting internal and external environment is used in the organization. The method that use SWOT analysis can be named evaluates the matrix of factors EFE external and internal factors evaluation matrix and IFE Matrix CPM design competition.

However, the following deficiencies in all of them is unavoidable: [3]

1 - Ranking major factors is done objectively. Thus, the quantitative data such as rankings of trade face with problem.

2 - in ranking of the objective data, the data evaluation and ranking is without testing and it may cause the integrity of the data. To overcome these difficulties, Stewart and et al also Tyla and et al combined Analytical Hierarchy Process AHP with SWOT analysis. He create a new combine method to improve the SWOT analysis method created in environment. Also, in some cases has been seen that the SWOT analysis matrix developed based on GSM strategy.

Combined SWOT analysis with a balanced BSC Rating Cards

Integrating the Matrix SWOT Threaded Mode | Linear Balanced BSC, led to the emerge one Strategic Management integrated and Holistic system . SWOT Matrix, is use in order to clearly define and identify success factors and balance vote card[5] For this basis for developing a structured approach, to identify Set of opportunities and threats that are laid exposed to all the competitors. With communicate between SWOT and BSC, an organization can balance between its strengths against the weaknesses of its competitors [5] and make effort Optimum use to market opportunities. Also, we can combine BSC and SWOT analysis with the development QFD quality [4]. BSC combination make a SWOT analysis and QFD creates a planed opportunity for management to convert strategies into practice (DECO 1998) These three distinct techniques, are combined to create useful tool for strategic processes of an organization. [4] QFD applicant for both profit and Nonprofits organizations in order to develop holistic strategic plans [5]

In this combination process QFD can be identified and prioritized to organizational weaknesses that must be addressed as soon as possible and should be repaired and also Be effective In improving the quality and performance of organization. In fact, QFD help us to identify priority activities that an organization must face in order to provide customer satisfaction. [5] However, it is clear that organizations will be more successful In the way that have up to date, accurate, and efficient information.

4. Use SWOT analysis in the countries level:

In fact, SWOT analysis help to identify the relationship between environments and develop proper paths to countries such organizations. by Using this analysis we can identify weaknesses, opportunities and threats that a country facing with it And aware from competitive advantages of a country than other countries. In the analysis using the SWOT analysis was carried out In Venezuela, Was clearly evident in the country influence strengths and weaknesses and the opportunities and threats And lack of entrepreneurial and strong government control over business prevent opportunity such as internal strengths. SWOT is used widely in a number of developed and developing economies, such as the following. Help decision making in business area and commercial, Help determine the location of manufacturing firms in China, and the strategy of encouraging exports in China and Great Britain, develop regional economic in Australia, Choose the way of small businesses in Scotland. [6] Also at the country level, use this analysis to analyze large regional projects, such as transportation systems and transportation projects in India analyze the best entrepreneur in Japan. [6] Briefly This analysis method can be use to assess the competitive level Of country, Economic risk of different activities and identify opportunities and competitive advantages of a country. As another example Of application of the SWOT in macro level we can refer giant Chinese airlines [7] The company owns the world's largest shipping lines And in the field of quality has a international reputation. Hence, the confusion caused by poor performance and low-level management of the organization can be met at a minimal level. [7] this Organization use to determine the best level of performance and identify critical success factors identified appropriate environment SWOT analysis and able to

identify key stimuli of customer satisfaction and add Towards actions and initiatives with innovation and business environment - Commercial Key In order to moving Passengers, development of new services and allocate resources to specific goals and leading payment brand and could thereby increase the success [7]

5. Conclusions

SWOT analysis is a very important component in the strategy formation process. Analysis of opportunities and external threats, primarily used to evaluate examine the opportunities and minimize the threats and also This analysis of weak point is important to study the inner performance of companies (such as procedures and research and development effectiveness) Also we are able to use this Analysis with other strategic tools such as QFD and BSC. So SWOT analysis is able to help organizations and countries evaluate their overall situation compared to other And in the case of other countries.

6. Resources

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