

Performance Management System: SWOT Analysis

**Standards and Inspections Division,
North Carolina Department of Labor**



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Page 1 of 4

1.0 Purpose and Scope

This procedure establishes a method for conducting a “SWOT” analysis which is the first step in the strategic planning process. The acronym “SWOT” stands for Strengths, Weaknesses, Opportunities and Threats. A SWOT is intended to help an organization determine its strategic challenges in accomplishing its mission. Developing a “SWOT” is a brainstorming activity involving all bureau employees. The acronym “SWOT” implies a certain order but the acronym in accordance with the correct process of analysis should be “OTSW” or “TOWS.” The brainstorming process begins with exploring the bureau’s opportunities and threats which are usually external to the bureau. Once those have been exhausted then each threat and opportunity is discussed separately to determine the bureau’s strength and weaknesses to address it. The process requires respect for everyone’s ideas.

2.0 Personnel Responsibilities

- 2.1 The bureau chief has responsibility for systematically monitoring the bureau’s internal and external environments for threats and opportunities.
- 2.2 The bureau chief has responsibility for facilitating and completing a SWOT analysis.
- 2.3 All bureau employees have responsibility for contributing their ideas to the SWOT analysis.

3.0 Health and Safety Issues

Refer to the *Employee Safety and Health Program Policies*, as well as the *Additional Resources* information section, on the DOL Intranet for all information related to safety matters affecting DOL personnel, including workplace violence, tornadoes, fires, slip and fall hazards, etc. To access this information, visit the DOL Intranet and click on the *Safety and Health Program* link on the homepage.

4.0 Procedure

- 4.1 Continually scan for relevant information about patterns, trends and relationships using a variety of sources as input into the SWOT analysis. Sources include but not limited to:
 - 4.1.1 Relevant literature such as trade and industry publications and websites;
 - 4.1.2 Web searches;
 - 4.1.3 Comparable agencies (especially benchmark data for comparison purposes); and,
 - 4.1.4 Internal and external stakeholder discussions, interviews and surveys.
- 4.2 The bureau chief schedules a meeting of his/her management team and/or employees to brainstorm a SWOT analysis. Allow for at least 3 hours and preferably with no more than seven or eight participants.

- 4.3 Select a moderator for the brainstorming session and a scribe to write down all ideas on a flip chart, blackboard or a digital screen. Any environmental scanning information should be shared with the staff.
- 4.4 Brainstorm threats and opportunities first in round-robin fashion allowing everyone to give one and only one idea. Maintain a positive environment and allow no comments regarding other participants' ideas during the process especially negative comments. If no one has an idea when it is their turn they can simply "pass." Continue the round-robin until all ideas regarding threats and opportunities are exhausted.
 - 4.4.1 Suggested questions for determining opportunities: Where do we have opportunities to add value to our bureau's services or operations? What external opportunities may allow us to improve our services or provide new services?
 - 4.4.2 Suggested questions for determining threats: What external barriers or threats exist that might impede our bureau's operations? What external challenges do we face that threaten our bureau's mission? Do we face any external obstacles that may prevent us from achieving desired performance?
- 4.5 Review the list of threats and opportunities and discuss the meaning of each idea. During the review process consolidate like-ideas, re-write those needing better clarification for understanding, and eliminate any that are duplicative or are beyond the bureau's ability to impact. (Some of the ideas presented may actually be organizational strengths and weaknesses.)
- 4.6 Once the list of threats and opportunities are finalized, then each threat and opportunity should be discussed separately to determine the bureau's strengths and weaknesses to impact it. Bureau strengths and weaknesses can be both tangible and intangible and include things such as employee competencies, process capabilities, budget appropriations, and products and services. This process should be informal but the moderator needs to control the discussion allowing no one to monopolize it and encouraging every participant to speak up. The scribe should capture ideas for each threat and opportunity.
- 4.7 The final step is for the scribe to produce a chart listing every threat and opportunity and for each its strengths and weaknesses.
- 4.8 A bureau chief with a management staff may elect to have each supervisor conduct a brainstorming session with direct reports prior to conducting a session with the management staff itself to finalize the SWOT Analysis.

5.0 Customer Service Requirements

- 5.1 The ideas suggested by every participant must be respected and no negative comments allowed.
- 5.2 The process must be orderly permitting everyone to participate.
- 5.3 The final chart must identify organizational strengths and weaknesses for each opportunity and threat identified.
- 5.4 The SWOT must clearly and concisely provide a guide (rather than a prescription) for developing a strategic plan.

6.0 Data and Record Management

- 6.1 The final chart has to be electronically maintained for strategic planning purposes as a reference document to inform future SWOT Analyses.