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Preparing for the “New-Normal”

Back to basics with a SWOT analysis

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The current economic downturn and social distancing mandates has many of us scrambling on multiple fronts. Mobilizing our workforces to home environments, lost revenues, employee furloughs, shifting customer demands, supply chain interruptions and a slew of other current realities are keeping us up at night. While the hope is that a high level of “normalcy” will return, the COVID-19 crisis is likely to alter competitive landscapes and trigger huge distributions of wealth. Sure, this crisis can be viewed as simply accelerating historical trends to virtual work environments, online education and ecommerce; however, other consequences may be new to us. Organizations should be asking – what will our “new-normal” look like and how do we prepare for it?

Business sustainability is being tested and will continue to be tested as uncertainties intensify. We should all remember the phrase “survival of the fittest” as this is becoming more acute. From a personal, business and industry perspective we must be ready to confront our accelerating changes head-on. To accomplish this, organizations should be collecting timely, accurate and sufficient business intelligence (BI) defined as business strategies and technologies to harvest and analyze information for decision making purposes. A simple, yet powerful, strategic planning technique to organize BI thoughts is a SWOT analysis of identifying and assessing **S**trengths, **W**eaknesses, **O**pportunities and **T**hreats.

Why Now?

Change! A SWOT analysis identifies important internal and external factors in strategy setting to achieve objectives. Strategies should never be static, but rather change in concert with the business landscape. A crisis ushers in new challenges thus forcing us to change or jeopardize competitive strength.

Assessing your internal strengths and weaknesses in conjunction with the external landscape makes sense in the midst of accelerating changes. Now is a good time for boards and executive teams to candidly tackle this assessment to best prepare for what lies ahead.



Internal Factors

Strengths are characteristics of the business that give us advantages over others, while weaknesses are characteristics of the business that place us at a disadvantage. While far from an exhaustive list, the following are some considerations:

- A culture conducive to success
- Talent pool, both in terms of internal employees and contractors
- Balance sheet position in terms of net current assets and debt load
- Processes and relating controls to further operating, compliance and reporting objectives
- Ability to mobilize workforce to a virtual environment
- Fostering creative ideas
- Board independence, competence and oversight
- Commitment to integrity and ethical values
- Enterprise risk management including cybersecurity
- Information and communication

External Factors

Opportunities are external elements that we can exploit to our advantage, while threats are external elements that could cause trouble for us. Considerations include:

- Shifting customer preferences
- Advancing technologies
- New competitors or those exiting the marketplace
- Access to capital through creditors and equity holders
- Significant regulatory modifications
- Availability of competent human resources
- Economic cycles and currency fluctuations
- Increasing uncertainty with external stakeholders, including supply chain interruptions
- Hostile takeovers and M&A activities
- Geopolitical developments

Parting Thoughts

Consider inviting your teams to participate in a SWOT analysis to take advantage of this window of opportunity. Perhaps tackling them one at a time, or first internal factors and then external factors, will help to keep the conversations focused. Seek different perspectives and creativity leading to a consensus for marching forward.

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