



Assess For Success: 6 Ways To Evaluate & Improve Your Business – Part 1

For every business owner, it is very beneficial to know the current value of their business, and the factors that determine that value. That requires doing valuations on a regular basis. What about the non-financial aspects of our business? Do we know the current worth and condition? We may think so, but there are several reasons why we may not:

- Business environments and circumstances change quickly, both internally and externally. The internal changes impact the external and vice versa.
- What was true when we last assessed may not be true now.
- Assumptions that decisions were based on are discovered to be outdated or untrue.
- Current understanding of the business may not be specific or measurable enough to be meaningful or actionable.
- We get so close to your business that we lose objectivity.

Integrating operational “valuations” or assessments into our standard management process is good business. Much like getting check ups on a regular basis to maintain our health and wellness, operational assessments can:

- Help us maintain a thorough and accurate understanding of condition of your business.
- Create the context for effective planning and performance management.
- Engage our management team and employees, enabling them to have a common understanding of the business, and to provide unified commitment to improving it and achieving success.

The following assessments (or analyses) can be used to determine the current state of our business:

1. Strengths, Weaknesses, Opportunities, Threats (SWOT)
2. Market Position
3. Target or Ideal Customer and Target or Ideal Engagement (project-based businesses)
4. Customer Concentration
5. Competitive Advantage and Value Proposition
6. Competitor and Competitive Position



Let's start the most comprehensive assessment, **Strengths, Weakness, Opportunities, and Threats** Analysis. This is a very well known process. There is a seemingly endless supply of information and templates easily available. If we are all set with this process, meaning we have a proven process that we execute regularly, then maybe this piece is just reassuring or affirming. Perhaps we have the assets and process but don't execute effectively, regularly, or at all. Maybe this will inspire us to make it SOP. Or maybe this will inspire us to create and execute our own process regularly to give our teams and us the best chance to achieve success. There are many different descriptions and



directions to doing a SWOT Analysis. They are similar, and none necessarily “wrong.” But it is important that we codify, or clearly define and describe what we are doing to all participants so there is common understanding and commitment. The following definitions or descriptions may be helpful in guiding the process:

- **Strengths and Weaknesses** categorize the current state of the business and can include assets, capability, activities, offer(s), and achievement that currently exist. Strengths are generally productive and what make the company successful. Weaknesses generally counterproductive or destructive and obstruct or prevent success.
- **Opportunities and Threats** categorize a future state of the business and can include assets, capability, activities, offer, and achievement that perhaps exist potentially, but are not currently realized, but could in the future. Opportunities are situations that can be acted or capitalized on to achieve potential success. Threats are situations that are potentially destructive and can threaten viability.

Here are some commonly used criteria to initiate new or fortify existing processes.

Strengths

- Offer or offers
- Capability
- Capacity
- Subject-matter-expertise
- Process
- Cash available to reinvest
- Brand Image
- Differentiator or distinction
- Customer relationships mix
- Partnerships, alliances or suppliers

Weaknesses

- Recurring problems
- Insufficient cash or cash flow
- Insufficient capability
- Insufficient capacity
- Insufficient subject-matter-expertise
- Lack of effective and efficient processes
- No, little, or poor brand Image
- No Differentiator or Distinction
- Inadequate customers relationships, mix

Opportunities

- New or emerging unmet or undermet needs
- New or expanded offer
- New or emerging cash availability
- New supply of talent
- Geographic growth opportunity
- New or emerging partnerships or alliances
- Reduced competition

Threats

- Offer obsolescence
- Financial obligations



- Legal or government compliance issues
- Loss of key personnel
- Loss of key customers due to change to their business
- New or emerging competition
- New or emerging competition

For this process to produce maximum benefit, we want to be:

- Rigorous and thorough
- Specific and measurable
- Verified and validated
- Clear, direct, accurate, and honest
- Objective (as much as possible)
- Inclusive (both with participants and their input and contribution)

And we want to avoid:

- Dominant or excessive influence or participation
- Non-specific, subjective language (for example, “good”, “bad”, “weak”, “strong”, “smart”)
- Clichés, jargon, slang
- Unnecessarily complex language

The goal is to:

- Create a clear, common understanding of the state of our business
- Identify “surprises” or the “unexpected”
- Determine meaningful “gaps” between the current and desired state
- Build and build on Strengths
- Eliminate, improve, or avoid Weaknesses
- Capitalize on Opportunities
- Eliminate, minimize, or avoid Threats

We can use SWOT as part of a Competitive Analysis, too, by analyzing or assessing our competitors using the same process and criterion. We can verify what we know about them, what don't know but want to and should know about them, and provide insight to direct effective positioning.

So now there is one more piece about SWOT Analysis out there. It is my hope and intention this is the one that helps you and your team be more productive, profitable, and ultimately successful.

I invite you to contact me with any feedback about this piece and SWOT analysis, and about exploring if and how I can help you achieve your success.