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| Situational analysis – external environment |
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| **External Environment** | **Opportunity** | **Threat** | **Influence** **(1-10)** |
| --- | --- | --- | --- |
| **ECONOMIC:** |  |  |  |
| Stage of the economic cycle | Yes |  | 7 |
| Current interest rate | Yes |  | 7 |
| Average disposable income | Yes |  | 6 |
| DEMOGRAPHIC |  |  |  |
| Population growth and make-up | Yes |  | 5 |
| Household structure (e.g. singles. families)  | Yes |  | 6 |
| Geographic distribution | Yes |  | 8 |
| Level of education | Yes |  | 7 |
| **TECHNOLOGY:**  |  |  |  |
| Innovations in the manufacturing process |  |  |  |
| Technological developments (substitute products) |  |  |  |
| SOCIAL/CULTURAL |  |  |  |
| Corporate social responsibility |  | Yes | 5 |
| Environmentally friendly ‘green’ products | Yes |  | 6 |
| Standard of living | Yes |  | 7 |
| Percentage of work to leisure time | Yes |  | 5 |
| POLITICAL/LEGAL: |  |  |  |
| Regulatory environment and legislation |  |  |  |
| Compliance with standards and codes |  |  |  |
| **ENVIRONMENTAL** |  |  |  |
| Climate Change & Carbon Trading |  |  |  |
| Eco-efficient manufacturing |  |  |  |
| PHYSICAL FACTORS:  |  |  |  |
| Climatic conditions |  |  |  |
| Water restrictions | Yes | 6 |  |
| Infrastructure – transport, communications and services | Yes | 8 |  |

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| Situational analysis – internal environment |
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| **Internal Environment** | **Strength** | **Weakness** | **Factor****(1-10)** |
| --- | --- | --- | --- |
| **STRATEGY** |  |  |  |
| Competitive advantage - able to differentiate |  | Yes | 7 |
| Key drivers of the business are known  | Yes |  | 8 |
| Strategy and resources for growth  | Yes |  | 5 |
| Detailed action plan  | Yes |  | 8 |
| **SALES & MARKETING** |  |  |  |
| Clear evidence of market need for your product/service | Yes |  | 7 |
| Know your specific market & competitors in detail | Yes |  | 8 |
| Know exactly who your target audience is and be able to describe them in detail | Yes |  | 6 |
| Spend more resources on your current and most profitable customers |  | Yes | 7 |
| Competitive and profitable pricing strategy | Yes |  | 8 |
| Your marketing plan and budget | Yes |  | 8 |
| Measure, learn from and adapt your marketing activities |  | Yes | 7 |
| **STRUCTURE** |  |  |  |
| Business structure – maximise wealth and minimise risk (e.g. sole trader, company, partnership, trust) | Yes |  | 5 |
| Distribution and sales to target markets | Yes |  | 9 |
| Are your buildings and facilities adequate? | Yes for current level of demand | Yes – limited capacity for expansion | 7 |
| Is your equipment effective and up to date? | Yes |  | 5 |
| Able to protect your IP from being copied? |  |  |  |
| **SYSTEMS** |  |  |  |
| Information and management systems (e.g. CRM) |  | Yes | 5 |
| Performance measurement and rewards |  | Yes | 5 |
| Documented processes and systems |  | Yes | 6 |
| Strong debt collection systems | Yes |  | 8 |
| Purchasing systems and inventory management | Yes |  | 8 |
| **STAFFING & SKILLS** |  |  |  |
| Recruit the right people  | Yes |  | 8 |
| Training and development of staff |  | Yes | 7 |
| Staff motivation, satisfaction and remuneration |  | Yes | 7 |
| Diversification of management and staff skill base | Yes |  | 8 |
| Management skills, experience & track record | Yes |  | 9 |
| Establish complementary areas of skills (e.g. trusted advisors with skills you don’t have) | Yes |  | 7 |
| Distinctive competencies reside in the business | Yes |  | 8 |
| **SHARE VALUES**  |  |  |  |
| People understand why the business exists | Yes |  | 8 |
| Shared understanding of the vision  | Yes |  | 6 |
| People can describe ways in which the business is distinctive | Yes |  | 5 |
| **FINANCES**  |  |  |  |
| Do you have access to further funds? | Yes |  | 10 |
| Manage budgets, cash flow and debtors | Yes |  | 8 |
| Is your cash flow adequate for growth | Yes |  | 10 |
| Manage and analyse performance against financial indicators in your industry | Yes |  | 8 |
| Management understand and use their financial accounts on a regular basis | Yes |  | 8 |
| **OTHER FACTORS:** |  |  |  |
| Nil |  |  |  |

Rating: 1 = Low, 10 = High |