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| Situational analysis – external environment |
| | **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 |  | |
| Situational analysis – internal environment |
| | **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 |