



**The Business Growth & Exit
Strategies Newsletter
From
Big Picture Advisors**

The Sultan of SWOT

Babe Ruth is arguably the best baseball player who ever played the game. He is certainly the most famous. Modern baseball sluggers can't compare to the accomplishments of Babe Ruth and owe so much to him and how he changed the game.

Born George Herman Ruth, he became known as The Sultan of Swat because of his powerful swing and his ability to swat a baseball like no one before him, and perhaps no one since. You too can become a Sultan just like the great Bambino himself - a Sultan of SWOT.

Learn how to use a simple SWOT Analysis to propel growth

You can also hit it out of the park.

Every business owner, manager or project leader should learn how to use a SWOT Analysis as a cornerstone of any annual business checkup, business plan review or business strategy evaluation. A SWOT analysis is perhaps the simplest, easiest and most effective (bang for the buck) evaluation that you as a business owner, manager, project leader or professional can do to review, update and ensure that you are following the business plan or roadmap that you have drawn for yourself. (You have a written business plan and strategic roadmap don't you??). This analysis promotes proactive thinking and planning rather than the reactive 'seat-of-your-pants' or 'I feel it in my gut' method of decision-making.

What is a SWOT Analysis anyway?

A SWOT analysis is essentially a tool for managing change, determining strategic direction and setting realistic goals and objectives. The process requires an honest review and assessment of four main components of your business or processes. Simply put – it is a way to lay out on paper the core issues and the resources needed to address them. A SWOT analysis leads to a proactive approach to problem solving versus a reactive approach.

A SWOT analysis begins with an 'internal' review of your strengths and weaknesses, the "S" and "W" of the SWOT acronym. It then moves on to a review of external factors, your opportunities and your threats; the "O" and "T" of the SWOT analysis.

The Process of SWOT

As mentioned before, a SWOT analysis is very simple, but requires honesty and rigor. To begin with start with four blank sheets of paper. On the top of each page write the words, Strengths, Weaknesses, Opportunities and Threats.

Beginning with the page with the word Strengths, identify and write down – in bullet item format – all of the strengths of your organization or particular process you are analyzing.

What are the positive characteristics, the added-value components? This could be your

products, your customer service, your patents, and your employees. When you are done, evaluate the list and grade them in terms of strongest to least strongest.

Repeat this same exercise with the Weaknesses page. What are your weaknesses? Be honest. NO sugar coating. This analysis is a gut check. Look in the mirror and no holding back. What are the items, deficiencies that are not performing well? Are your products old, do you have deadwood employees, are your systems antiquated. Do you suffer from undercapitalization?

Again – prioritize from the weakest of the weak on down.

Moving on to the Opportunities.

These are the real guts of this analysis. Because it reveals where future growth lies. What are the areas that you would really want to excel in? Do you want to capture more market share? This is where you put down evaluate where you can leverage your strengths, your USP (unique selling proposition). Strategic goals.

Opportunities represent areas in which your company could grow, increase profitability, revenue, market share. Similar to the others – you will prioritize these in terms of best opportunity to worst.

Finally, let's move on to the Threats.

Here you will put down what are the threats to your business, not only currently but what you think might come up as a threat in the future. Threats are typically external, such as competitive forces, but could also be internal such as the loss of key individuals or lack of access to capital to fuel growth.

For example, if you are a retailer, a major threat could be having a Big Box store open nearby. Or a threat could be if your key manager or employees leave for another company. (This could also be an opportunity to get fresh faces into the company or promote from within)

What factors to consider

There are many key factors to consider for each area of the SWOT analysis. Most are core business items, however, every business has unique issues directly related to it. Some of the issues to consider when completing a SWOT analysis include:

- Management Team
- Depth of Staff
- Experience/Knowledge/Training
- Operational Efficiency
- Utilization of Technology
- Quality control and other processes
- Products/Product Development
- Marketing
- Distribution Channels/Supply Chain
- Online presence/branding
- Sales
- Financial stability

Taking a SWOT at Babe Ruth

So let's use our SWOT Analysis technique to evaluate the career of Babe Ruth, the Sultan of SWAT. What were his strengths, his weaknesses, the opportunities he had and the threats he was faced with?

Strengths

It is obvious to anyone with any limited knowledge of baseball that Babe Ruth's strength lay in his ability to hit homeruns. He was a large man for his time, 6' 2" 215 lbs. He leveraged this into a powerful swing that could swat the baseball longer distances than anyone before him. He was an accomplished pitcher, even before he switched positions. This understanding (strength) of the pitchers mindset most definitely aided his ability to see or anticipate the pitches. A little known fact was that Babe Ruth had one of the highest batting averages ever. So not, only did he hit the ball far but he hit it well and often. He was able to

intimidate the opposing team and pitchers just by his swagger, which he backed up.

Weaknesses

The great Bambino liked to live life large. He had a very flamboyant lifestyle off the baseball diamond. He had a weakness for the women and for alcohol. He did not take very good care of his body, the core strength that led to his success. He also came across as quite vain, this could be seen as a weakness, and especially in the eyes of the baseball owners who wanted to control their star player.

Opportunities

More than any other ball player of his era, Babe Ruth, created opportunities that had not existed before. His fame and on and off the field accomplishments led to salaries and benefits that had never been paid heretofore to anyone in the game. Because of his ability to hit the ball, he opened opportunities for others on his team to shine, to drive in runs and raise the level of their game. He also provided the owners of the NY Yankees the opportunities to build a new stadium (the house that Ruth Built) and win more world series than they could have otherwise imagined.

Threats

Due to his tremendous batting skills, there was always a threat that opposing teams would not throw to him. He was walked more than anyone had at the time. No statistics were kept then of intentional walks, but it is logical to accept that many of his walks were on purpose in order to limit the damage he could have done by batting. Babe was also a threat to himself. His womanizing led to an unhealthy life and venereal disease. His drinking and party life led to a steep decline in his baseball career longevity. In fact, he passed away at an early age of 53.

We have used The SWOT analysis of the Sultan of SWAT to reveal how this simple, yet piercing analysis can be done not only on a business in general, but also on specific processes and even individuals and careers.

With Baseball season in full swing, it's time that you took a swat and doing your own SWOT analysis.

Regards,

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