

From 'Swot' To Sweat' A Paradigm Shift

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ABSTRACT:

Globalization and liberalization of world economies have exposed traditional approaches to 'Individual and 'Organizational Appraisals' as inadequate and irrelevant in the fast changing business scenario. The approaches for the assessment of organizational capabilities to a great extent are, so far, based on 'SWOT' and 'Portfolio' analysis techniques & methodologies.

The authors in an attempt to better understanding of the business 'variables & their sensitivity' influences, on the organizational competitive capabilities observed that the points of reference for organizational capability appraisals have undergone a paradigm shift, No more the traditional methodology of SWOT Analysis and Portfolio Analysis are capable of providing actionable and purposeful insights to save organizations from the onslaught of market forces under severe hostile competitive environment. The 'Strengths' of an organization are perennially at conflicts with the realities at the market place and render themselves on the contrary as highly vulnerable 'Weaknesses' to competitive attack. And the organization which valued their Core Competencies as 'unbeatable strengths' are stuck in to sticky mud of committed NVA resources.

Now the 'weakness' of an organization in real terms could work as a strength at times and now a days more often. The lack of resilience in bigger organizations due to size/strength constraints, the not so big organizations stand to gain market share due to the "strengths in their weakness" that they were eagerly waiting for market opportunities to explore and grow.

Similarly today one cannot differentiate between an opportunity or a threat perception because we are chasing an illusionary scene at the market place and we definitely do not know anything beyond. The fate of 'Portfolio' analysis is none too different from the 'SWOT' analysis. Since we use the principles of 'SWOT' analysis as a basis for 'Portfolio' analysis. we are not very sure that our findings based on which, we take major and important decisions are 'Real' and 'Dependable'.

An attempt is made in this paper to cautiously rewrite the prescription for the organizational appraisal as "SWEAT" analysis in place of the SWOT and conventional Portfolio analysis techniques and tools.

Key Words

- S** Strategic thinking and approach
- W** Work ethics
- E** Energy levels & Endurance capabilities
- A** Administrative Capabilities (Value chain management)

T Tacit knowledge of market forces including . The real 'Gut feel' of the top management

INTRODUCTION

THE "SWEAT" METHODOLOGY

ELEMENTS OF "SWEAT" METHODOLOGY FOR ORGANIZATIONAL APPRAISAL

S—' STRATEGY'

The approaches of logical thinking, rational approach and professional management ('Ivory tower' styles) have been rendered incompetent to address the present day challenges of global competition. What is needed is something 'unique' some "sixth sense" some "introspective" feedback/ feed forward mechanisms which could alert the snoozers from complacency and draw their attention towards the critical changes in the management processes & practices to ensure survival.

The organisational capability to manage such situations is assessed based on the presence of 'strategic thinking & Strategic management' as an essential element of its DNA. Strategic thinking emphasizes on consistent, unstructured, flexible at the point of action result orientation and strategic management is to focus on the effective implementation of the 'Strategy' coupled with perpetual evaluation and control mechanisms in place.

W - WORK ETHICS

Today's assessment of essential aspects to survive and succeed is basically through the sheer strength of the resilience built over periods of 'in-learning' or facing challenges in business and backed up with ethical values & practices. The ethical value package for successful organizations consists mainly of transparency, consistency, constancy, sincerity, conviction, commitment to excel in the business world.

'Work Ethics' ensure 'balance' and 'centered approach' even under extremely stressful and volatile scenario in the present day business management. We do experience very often onslaughts from various corners of temptations & greed leading to disastrous business & social consequences. But what takes us home of normality is the strength of one's convictions on ethically correct and morally righteous action plans and appropriate responses to such situations. The aspects of national and international Standards on Corporate governance confirm this as a very essential element while assessing individual and corporate capabilities. Work ethics based on organizational ethos and an organizational culture adequately communicated to all its stakeholders and effectively implemented at all levels alone can ensure long-term sustenance.

E - ENERGY&ENDURANCE.

Organisational Energy is seen as the 'resilience' capability of an organization to sustain highly disturbing and turbulent business environment situations both external and internal to a business unit.

Endurance is that characteristic of a corporation which can differentiate with the organizational 'Wisdom' between the real and unreal aspects of business environment and be prepared to act on the real ones and endure those which are passing phases. The macro environment of any corporation is ever dynamic and consistently changing, to identify the real threats and real opportunities amongst changing environmental conditions and taking strategically appropriate steps for the business to achieve its objectives, it is necessary to have the acumen to take appropriate decisions and stand by one's convictions in one's capabilities.

A - ADMINISTRATIVE CAPABILITIES (VALUE CHAIN MANAGEMENT)

Strategic planning of support functions and implementation of strategic decisions at all levels maintaining performance as per targets, including quality cost & time is a measure of the administrative capabilities of an organisation. No strategy or project however serious & critical, cannot succeed in its effective implementation in case the support functions are not strategically alert, aligned and capable to strengthen the value chain for business success

General Management

T-TACIT KNOWLEDGE

This is the ultimate or the pinnacle status an organization has to achieve through consistent efforts in the acquisition and internalizing of all knowledge and competencies of relevant business environment and its critical success factors and the drivers of business. ‘TACIT KNOWLEDGE’ includes conceptual, comprehensive, proficient and effective understanding of all important and essential aspects of the business one is in, along with all aspects of external and internal environmental factors which influence the business and its prospects in future. Tacit Knowledge is inclusive both of “know –how” and “Show –How” of strategic management. It supports the basic aspect of organizational capabilities of intellectual capital being one of the critical success factors. This is the GUT FEEL of the business leaders.

Competitive Capabilty & Strategic Advantage Profile: The SWEAT INDEX

		Strategic Vision (X1)	Strategic Mission (X2)	Strategic Objectives (X3)	Domestic Operations (X4)	Global Operations (X5)	Total (X) = weight-age
S	Strategic Approach	A1	A2	A3	A4	A5	A
W	Work Ethics	B1	B2	B3	B4	B5	B
E	Energy / Endurance	C1	C2	C3	C4	C5	C
A	Adminstrative Capability (Value Chain Management)	D1	D2	D3	D4	D5	D
T	Tacit Knowledge	E1	E2	E3	E4	E5	E

$$\text{SWEAT INDEX} = \frac{\sum \pm A \pm B \pm C \pm D \pm E}{\sum X}$$

CONCLUSION

The SWEAT methodology is amenable to all business situations be it manufacturing, service, IT and ITES organizations. While using the SWEAT methodology one can use any appropriate weightage for each of the SWEAT parameters for comprehensive evaluation of organisational capabilities . We can assess individual characteristic potential for any given situation or could develop a SWEAT Index through detailed assessment of all the characteristics. We can build a portfolio analysis of the SBU’s and products more in terms of SWEAT capabilities inlieu of SWOT analysis and other techniques

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