



# PERFORMING A SWOT ANALYSIS

Compliments of David Perry



*Perry-Martel International*

# What, pray tell, is a SWOT Analysis and why does it matter when recruiting executives?

Simply put, it's a way to assess an organization's strengths and weaknesses (the internal factors that affect your business), as well as opportunities and threats (the external factors that play a role in your success or failure), to compare them to those of their competitors and allowing them to strategically plan their organizational performance.

## Why Performing a SWOT Analysis Before an Executive Search Matters

Succinctly put, the best executive talent already have jobs – good ones. They will come to an organization not to make more money but because of what the organization stands for and what it's trying to achieve. The best will want to understand the organization's business goals, its challenges, its assumptions, and its blind spots. The best will want to understand the organizational culture which drives the way people interact and how things get done. To attract the best talent, you need to prepare because the best will ask probing questions and you'd better be ready to answer them.



To get the information for that level of executive engagement during discussions, Perry-Martel first goes deep inside the hiring organization starting to do the SWOT Analysis. Only once we have the narrative for the engagement story can we go out to the marketplace to present the opportunity to prospects (passive candidates) with authority and conviction. A SWOT Analysis is the [base for a great executive search](#)

So in the context of executive recruitment, *competitors* might mean direct competitors, indirect competitors, suppliers, and so on. After all, every organization competes for talent at the executive level!

- **Strengths:** Strengths are the things that make an organization better than its competitors. Examples of strengths include popular products or services, an established customer base, a golden reputation in the marketplace, strong management, qualified employees, ownership of patents and trademarks, or anything else that sets the company apart from the competition.
  - Strengths should always be gauged against those of a competitor. Something you do just to keep up with the competition is not a strength. It's a necessity.
- **Weaknesses:** These are the areas in which a company does not perform well, making it vulnerable to aggressive competitors or negative market forces. Weaknesses might include poor management, employee problems, high turnover, lack of marketing and sales expertise, lack of capital, bad location, poor products or services, a damaged reputation, and so on. These conditions make it more difficult to attract the right candidates, so it's imperative to identify them now.
- **Opportunities:** Opportunities are things that could make your business stronger, more enduring, or more profitable — for example, the emergence of new markets or the expansion of old ones; possible mergers, acquisitions, or strategic alliances; a competitor going out of business or leaving the marketplace; or the availability of a desired employee.
- **Threats:** Threats are the things that could adversely affect a business. Threats might include changing marketplace conditions, rising company debt, cash-flow problems, the entrance of a strong competitor in the market, competitors with lower prices, possible laws or taxes that may negatively affect the company's profits, or strategic partners going out of business.

Performing a SWOT analysis will reveal how the organization rates within its industry. This information can then be used to identify the ways in which the position you seek to fill is superior (or not) to similar roles in competing

companies, and how best to structure the job description and position profile to attract the talent you need. It'll also help you anticipate any concerns that prospective candidates may have about the organization, and to negotiate from a position of knowledge when you find the person you want to hire.

Ultimately, the purpose of a SWOT analysis is to help companies build on their strengths, minimize or correct their weaknesses, leverage opportunities, and formulate a plan to deal with potential threats. Ottawa executive recruiter David Perry while explain a key concept from his book, *Hiring Greatness: How to Recruit Your Dream Team and Crush the Competition*, during his keynote presentation for Great People Inside last year in Brasov Romania,

“Great leaders are strategists first. They oversee the crafting and recrafting of the organization’s strategy to adapt to contingencies, identify relevant opportunities, and respond to changes in the industry. The strategist chooses a corporation’s direction and decides on its best plan of action. All strategists must answer a sole the question: “Does your company matter?” If leaders can’t articulate why their firm exists, what needs its products or services fill, what makes it different from the competition or where its business is headed, then they can’t make the crucial decisions that drive the organization forward, and their subordinates, customers and other stakeholders all will suffer. And no amount of cash incentive will bring the A-players, Top Talent, Tier-1, executives to the company. And that’s why a SWOT Analysis is critical to the success of an executive search.”

## SWOT Analysis – no small task.

Usually, it’s done in conjunction with the search chair and maybe the search committee. (If the role you’re filling is of the super-senior variety, you might want to do it with the board instead.) The good news? There’s a chance that other departments will have already done a lot of the heavy lifting for you. Marketing and sales often conduct SWOT analyses to ensure they understand how the company is perceived in the market. And odds are, the finance group has a business analyst on staff who can help you out, too.

## Ready to perform a SWOT Analysis?

To start, grab a piece of paper and draw one vertical line and one horizontal line on it to divide it into four quadrants or squares. In the top-left square, write *Strengths*. In the top-right square, write *Weaknesses*. In the bottom-left square, write *Opportunities*. Finally, write *Threats* in the remaining square.

Next, detail the company's strengths, weaknesses, opportunities, and threats in the appropriate squares. There will be obvious ones, of course — like, "The company is the market leader for product x." But you'll also want to try to uncover SWOTs that are a bit less apparent.

## Performing a SWOT Analysis

To assess the organization's weaknesses, it helps to do a little sniffing around to find out what its employees say about it. Good places to start include [Glassdoor](#), [PayScale](#), [Vault](#), [The Muse](#), [Comparably](#), and [Blind](#). You can also try Google and the Better Business Bureau if the organization is large enough. Finally, here are some general questions to spark discussion during your SWOT Analysis:

- What about each of the company's main competitors stands out?
- What does the organization offer that its competitors do not?
- What doesn't the organization offer that its competitors do?
- What is the company's rank or position in the industry? What about its competitors?
- How long has the organization been in operation? What about its competitors?
- How is compensation — salary, bonuses, options, equity — determined at the company and at its competitors? (Direct and indirect competitors)
- Are the organization's benefits better than, comparable to, or worse than those offered by its competitors?
- Are the organization's advancement opportunities better than, comparable to, or worse than its competitors?
- What is the organization's forecasted growth? What about its competitors?
- Is the company in expansion mode? What about its competitors?

- How is the company's core operation trending? What about its competitors? How valuable is the company's credibility? What about its competitors?
- What was the company's revenue percentage increase or decrease for the previous year? What about its competitors?

After you have filled in all four squares, you can use this information to devise strategies to leverage your strengths, minimize your weaknesses, and reduce your vulnerabilities and potential threats to recruit exactly the right person.

Prospective candidates will also want to know which departments in the company are strong and which are weak. You want to know ahead of their questioning, so you can answer any concerns they may and keep the discussions on track.

This is a lot of work the first time you do it but as you practice you'll enjoy two critical side benefits:

- You'll out recruit your competitors every day and the executives you attract will stay and add value in the areas you wanted them to, and
- You'll get blazing fast and accurate at hiring the best and your competitors will not be able to steal them away, essentially recruiter proofing your company.

You may also want to read the following:

[The Inside-Out Approach](#)

[The 28 ATTRIBUTES OF SUCCESSFUL EXECUTIVES](#)

[The Importance of High Quality Candidate Research](#)

[3 STEPS FOR TAPPING TOP EXECUTIVE TALENT](#)

Aspects of PERFORMING A SWOT ANALYSIS, were drawn from the authors books, *Hiring Greatness: How to Recruit Your Dream Team and Crush the Competition* {WILEY} and *Executive Recruiting for Dummies* {Dummies Press}.

