



7 POWERFUL ANALYSIS TECHNIQUES

UP YOUR ANALYSIS GAME

SAFETY FIRST!

Take a moment to consider any safety hazards we could encounter during this training

Please be careful of all work and trip hazards

What do we need to know about the facility?

- Emergency exits
- Restrooms
- Lunch and breaks

WORKSHOP RULES AND GUIDELINES

Questions are your key to learning

- Feel free to ask questions – dialogue is good!
- Use the parking lot to submit Post-it notes or written questions
- As we cover a new topic or tool, think about,
 - What will this mean to me?
 - How can I apply this to my life, work, etc.?

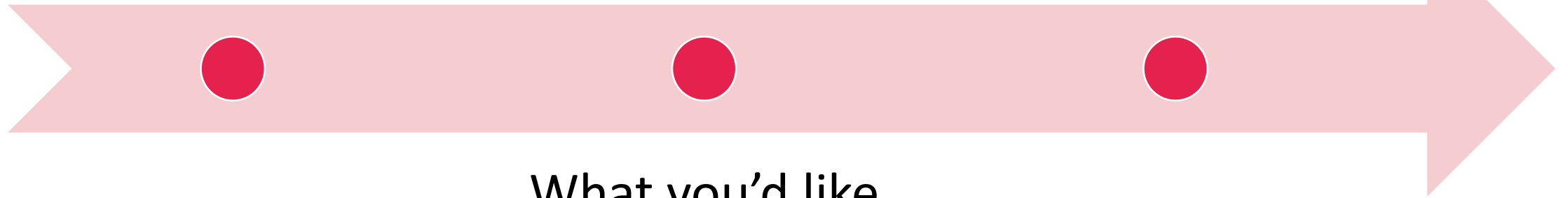
Participation

- Pobody's Nerfect

INTRODUCTIONS

Anything else
you want to
share

Name, position
and organization



What you'd like
to learn/want to
get out of this

THE RIGHT TOOLS FOR STRATEGIC ANALYSIS

Each of these techniques are simple, yet powerful, which is probably why they're so popular in the strategic and enterprise analysis space. But they're important for another reason; one that puts them near and dear to my heart; they can be done low tech.

That's right, pen to paper, whiteboard, or whatever. There is no need to invest in expensive software. The value of these tools is in the outcomes—the knowledge they generate.

OUR APPROACH

Identify the tool; why and how it's used

- 10 mins

Explain how to set up and facilitate the use of the technique

- 10 mins

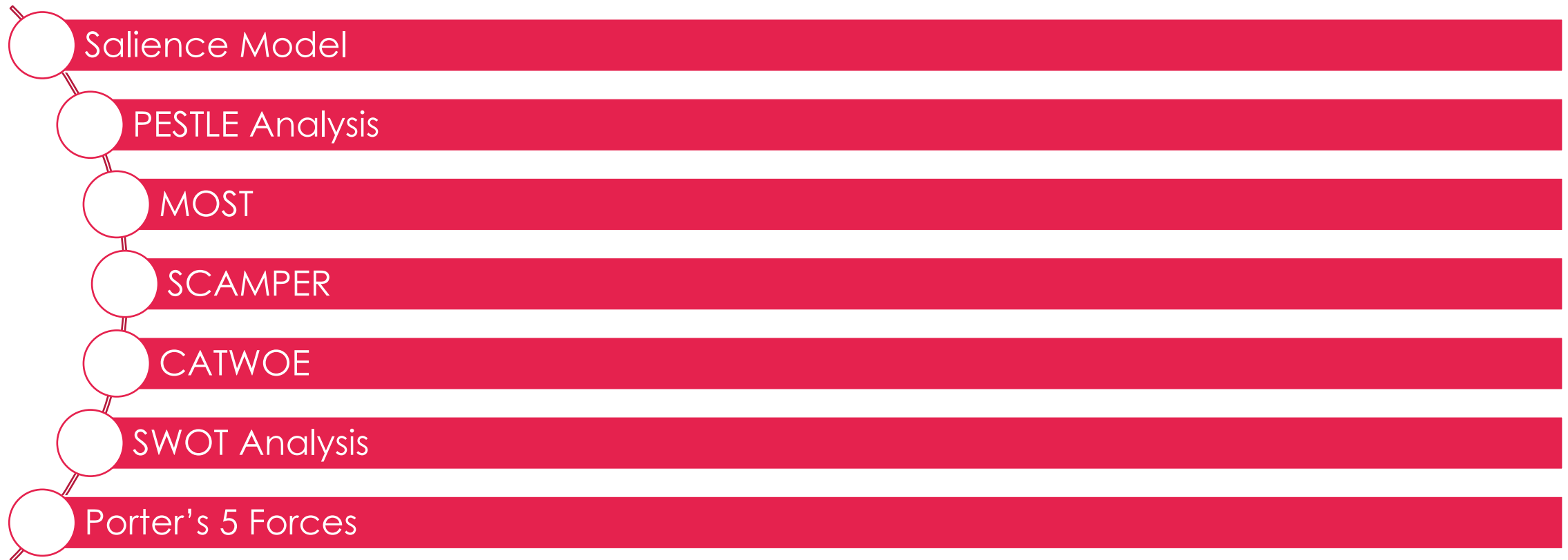
Practice how the technique might be used

- 20 mins

Teach back to the group (optional)

- 20 mins

THE 7 TECHNIQUES IN THIS COURSE



SALIENCE MODEL



WHAT IS THE SALIENCE MODEL?

- A framework to prioritize stakeholders based on:
 - Power (Ability to influence outcomes)
 - Legitimacy (Valid stake in the initiative)
 - Urgency (Need for immediate attention)

STAKEHOLDER CATEGORIES



SALIENCE MODEL EXAMPLE

- **Project:** Implement new CRM system
 - CIO → Power + Legitimacy
 - Sales Manager → Legitimacy + Urgency
 - End Users → Legitimacy
 - CEO → Power



SALIENCE MODEL ACTIVITY

- Identify stakeholders in your scenario
- Map them using Power, Legitimacy, Urgency
- Decide engagement approach

PESTLE ANALYSIS



Political

- Political factors determine the extent to which a government may influence the economy or a certain industry. Each nation makes decisions on taxation, legislation, and access. Some may be advantageous for your business. Others, not so much.
- Political factors include corporate and individual tax policy, fiscal policy, trade policies and agreements, tariffs, regulations, but also political stability, levels of corruption, along with environmental and consumer protections. And this is by no means an exhaustive list. But all of these contribute to the political realities of a country.

Economic

- As the name would suggest, Economic factors are those that reflect the economy's performance. For example, a spike in unemployment or a sudden rise in the inflation rate would affect how you market and price your products and services, as there would be impacts to supply and demand.
- Economic factors include Gross Domestic and National Products, inflation and interest rates, average cost of living, currency exchange rates, labor cost, and growth patterns in consumer spending.

Social

- Social factors examine the social environment of the market, like cultural trends, population and demographics, socio-economics, education level, religion, lifestyles, age and life expectancy, etc.

Technology

- Technological factors pertain to innovations in, well, technology. These may make some of the available options more or less favorable. Technology includes automation, the availability and means for research and development, internet connectivity and access, and the amount of technological awareness in a market.

Legal

- Legal factors have both an external and internal lens. And this illustrates that sometimes, these factors fit under more than one category in PESTLE. Some external laws affect the whole business environment in a certain country, while internal corporate policies are left to individual companies to manage themselves. These can play a significant part in deciding ultimately where and how you do business.

Environmental

- Environmental factors include but are not limited to climate, weather, and geographic location. This aspect of the PESTLE is crucial for certain industries, for example agriculture or tourism.

SETTING UP YOUR PESTLE – INITIAL SET UP

Select your medium of choice, and create a grid, separated into the 6 sections of the PESTLE.

- In some cases, you can also include a seventh box in the middle, to include the problem or challenge you're looking to address, but this is optional.



Label each box with one of the PESTLE elements. Now, we're ready to start filling in your grid. This will follow a simple 3 step process of Brainstorming, Ranking, and Sharing. This is then followed by a secret 4th step, which is to repeat the process as needed.



Let's start by brainstorming the various PESTLE factors. You can do them all at the same time, though I generally prefer to focus on one at a time, knowing that you can always revisit them later in the session or even at a later time as factors change.



Consider the six factors of political, economic, social, technological, legal, and environmental, and how they might impact your business, or the problem/challenge you're looking to overcome.

- It can be to your advantage to inform teammates of the objectives of the session in advance, so they can brainstorm themselves.

SETTING UP YOUR PESTLE - FACILITATION

Ask lots of questions.

- What is the political situation of the country, region, or municipality and how can it affect the business or the industry?
- Are there any prevalent macro or microeconomic factors to consider, like GDP or population age?
- Are there cultural impediments in the market that require mitigation?
- Are there any technological advancements on the horizon, which will affect the organization or the market?
- Do any current or expected future laws or regulations that regulate the business or industry exist, and how likely is that to remain the same?
- What are some of the social or environmental concerns for the industry?

Now, rank these factors based on their expected level of impact on the organization. I like to use severity and likelihood on a scale of 1-10, and multiplied together to come up with a single value, but this is where you have some flexibility to align to existing practices, should they exist.

What's important is that everyone uses the same scale, to ensure you're comparing apples to other apples. When doing your rankings, you can either have people rank individually and then aggregate those scores into an average, or you could do the ranking as a group.

When as a group, there's likely to be some significant discrepancies in ratings. One person's two is another's 10. This could be because of awareness of issues or just differing perspectives. It's important to discuss those to arrive at a consensus.

Allow people the time and space to discuss, learn, and change their minds. Don't be afraid to adjust rankings as your stakeholders provide more input or as new information arises.

SETTING UP YOUR PESTLE – CLOSING OUT

With your PESTLE analysis complete, it's time to share your completed analysis with stakeholders, including any senior leaders who may not have been a part of the process thus far.

It's critical that you keep stakeholders informed of what, if anything, you're doing about factors that can influence your business. This is particularly true for external factors, for which there may be little control.

Finally, you should repeat the PESTLE analysis to keep your strategies and processes up to date. Set a cadence, say annually or bi-annually. This will ensure you stay knowledgeable and informed about the various factors you need to consider when strategizing for your business.

PESTLE WITH GEN AI

Option #1

‘Generate a PESTLE analysis for a **fintech startup** operating in **Europe**.’

Option #2

‘I want to complete a PESTLE analysis for my company. What questions do you need to ask me in order to complete this?’

CASE STUDY - PESTLE

- Your organization has decided to expand to a new market, and they're letting you make the choice!
- It can be one you're familiar with or one you would REALLY like to move to.
- Use PESTLE to understand the challenges, opportunities, and overall viability of your choice.
- You can leverage any knowledge you have or information available online to help you complete this task

MOST





WHAT IS MOST?

MOST
ensures
alignment
between
strategy
and
execution:

Mission

Objectives

Strategy

Tactics

MOST BREAKDOWN

- **Mission** – Why the organization exists
- **Objectives** – Measurable goals
- **Strategy** – How objectives are achieved
- **Tactics** – Specific actions

MOST EXAMPLE





MOST ACTIVITY

Take a
business
initiative

Define:

Mission

Objectives

Strategy

Tactics

SCAMPER





SCAMPER

It can often be difficult to come up with new ideas when you're trying to develop or improve a product or service.

This is where creative techniques like SCAMPER can help. This tool helps you generate ideas for new products and services by encouraging you to think about how you could improve existing ones.

You use the tool by asking questions about existing products, using questions from each of the seven prompts. These questions help you come up with creative ideas for developing new products, and for improving current ones.



SCAMPER

Substitute

Combine

Adapt

Modify or Magnify

Put to other uses

Eliminate or Minimize

Reverse or Rearrange

SCAMPER HOW TO

1. Take an existing product or service. This could be one that you want to improve, one that you're currently having problems with, or one that you think could be a good starting point for future development.
2. Ask questions about the product you identified, using the SCAMPER mnemonic to guide you. Brainstorm as many questions and answers as you can.
3. Look at the answers that you came up with. Do any stand out as viable solutions? Could you use any of them to create a new product, or develop an existing one? If any of your ideas seem viable, then you can explore them further.

If any of your ideas seem viable, then you can choose which ones you want to explore further. But be warned...most ideas that you generate using the tool may be impractical or may not suit your circumstances. Don't be alarmed...in fact, be encouraged– the aim of SCAMPER is to generate as many ideas as you can.

SUBSTITUTE

- What can you substitute or swap in or out to improve the product?
- What other product or process could you use?
- What rules could you change or substitute?
- Can you use this product somewhere else, or as a substitute for something else?
- What will happen if you change your feelings or attitude toward this product?



COMBINE

- What would happen if you combined this product with another product or service, to create something new?
- What if you combined purposes or objectives of your users?
- What could you combine to maximize the uses of this product?
- How could you combine talent and resources to create a new approach to this product or service?

ADAPT

- How could you adapt or readjust this product to serve some other purpose or use?
- What else is the product like?
- What else is like your product?
- What other context could you put your product into?
- What other products or ideas could serve as inspiration for you?

MAGNIFY OR MODIFY

- How could you change the shape, look, or feel of your product?
- What could you add to modify this product?
- What could you emphasize or highlight to create more value?
- What element of this product could you strengthen to create something new?



PUT TO OTHER USES

- Can you use this product somewhere else, perhaps in another context or industry?
- Who or what else could use this product?
- How would this product behave differently in another setting?
- Could you recycle the waste from this product to make something new?

ELIMINATE

- How could you streamline or simplify this product?
- What features, parts, or rules could you eliminate?
- What could you understate or tone down?
- How could you make it smaller, faster, lighter, or more fun?
- If you took away part of this product, what would you have in its place?



REVERSE OR REARRANGE

- What would happen if you reversed or rearranged this process, or sequenced things differently?
- What if you try to do the exact opposite of what you're trying to do now?
- What components could you substitute to change the order of this product?
- What roles could you reverse or swap?
- How could you reorganize this product?



ACTIVITY

Apply the scamper to develop a better product...one we used to use all the time, but that can seem old fashioned now...a pen!

What can you create?

(20 minutes...10 to share)

CATWOE

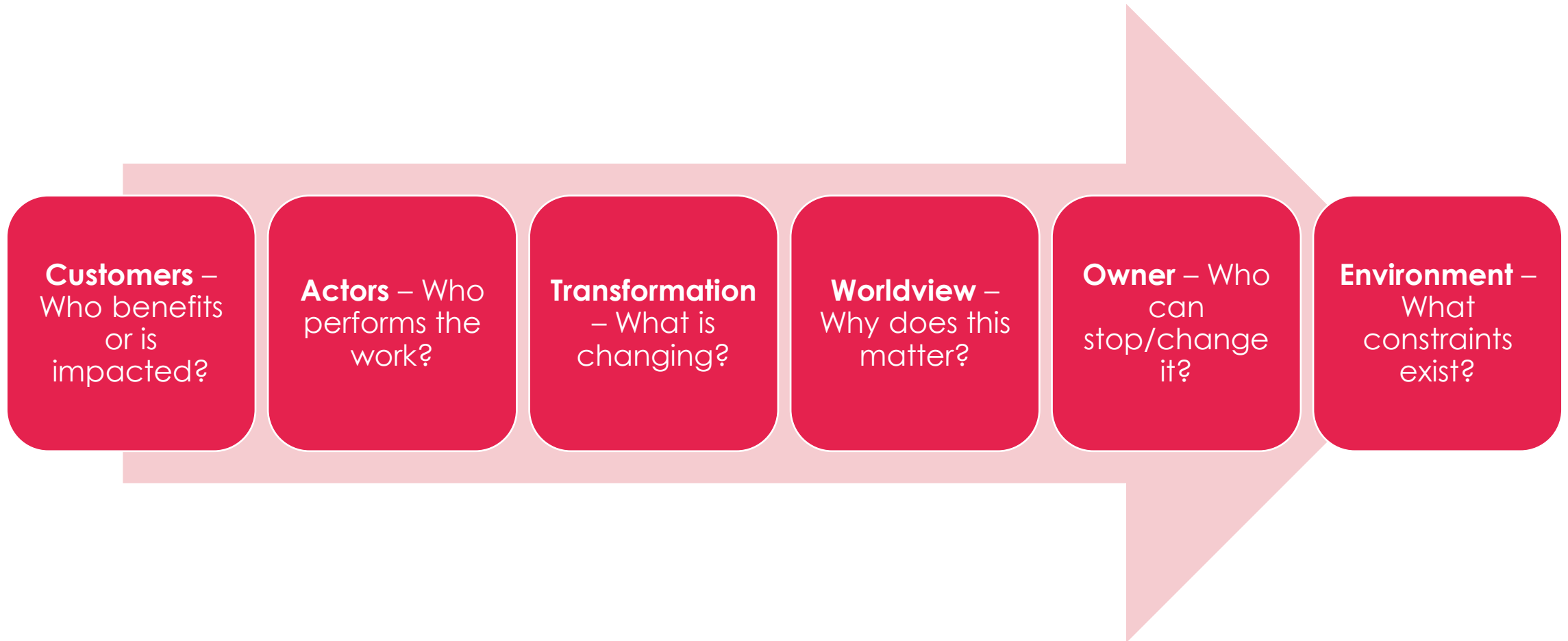




WHAT IS CATWOE?

- CATWOE helps define a problem from multiple perspectives:
 - Customers
 - Actors
 - Transformation
 - Worldview
 - Owner
 - Environmental Constraints

CATWOE BREAKDOWN



CATWOE EXAMPLE

Scenario: Long customer wait times in support

Customers: End users

Actors: Support agents

Transformation:
Long wait →
fast resolution

Worldview:
Faster service
improves
loyalty

Owner: Head
of Customer
Support

Environment:
Budget, staffing
limits



CATWOE ACTIVITY

1. Break into groups:
2. Choose a real or sample problem
3. Complete a CATWOE analysis

SWOT ANALYSIS



WHAT IS A SWOT ANALYSIS?

- SWOT analysis examines and defines your Strengths, Weaknesses, Opportunities, and Threats—hence the acronym. It can be used to plan how best to leverage strengths and opportunities and mitigate the effects of weaknesses and threats that may arise.
- A SWOT analysis guides you to identify the positives and negatives in the internal and external environment
- Developing a full awareness of your situation can help with both strategic planning and decision-making
- The SWOT method was originally developed for business and industry, but it is equally useful in other arenas and even personal growth

SWOT EXPLAINED

Strengths

- The first element of a SWOT analysis is Strengths. These are the things your company does well, or things the company has or does, that separate you from your competitors. This could include tangible assets, like patents, available capital, or anything proprietary, or intangible, such as staff knowledge or skill, and brand.

Weaknesses

- Once you've figured out where your strengths lie, it's time to put on our self-awareness hat, and critically examine your weaknesses. As you might have guessed, these are the things your company lacks, or doesn't do well, or that your competitors do better than you.
- Like strengths, it includes tangible weaknesses, such as limitations or constraints on the business, for things like staffing or lack of intellectual property, to intangible, such as poor branding and marketing.

Opportunities

- Next up, opportunities. Opportunities include having few competitors, having access to markets that are underserved for your product, or having access to media coverage for your brand.
- If your marketing team is generating more business than you can currently handle, that's a massive opportunity. If your company is working on some new innovation or product, that will change the marketplace, that's another opportunity!

Threats

- And finally, threats, which include everything that poses a risk to either your company itself or the industry, including the likelihood of growth or ongoing success.
- New or emerging competitors, significant changes in laws or regulations, even just changing attitudes and perceptions toward your company from customers, all fall under threats to your continued success.

WHEN DO YOU USE SWOT?

- A SWOT analysis can offer helpful perspectives at any stage of an effort.
- You might use it to:
 - Explore possibilities for new efforts or solutions to problems.
 - Decide on the best path for your initiative. Identifying your opportunities for success in the context of threats to success can clarify directions and choices.
 - Determine where change is possible. If you are at a point of making a decision, an inventory of your strengths and weaknesses can reveal priorities and possibilities.
 - Adjust and refine plans to pivot course. A new opportunity might open wider avenues, while a new threat could close a path that once existed.
 - SWOT also offers a simple way of communicating and is an excellent way to organize the information you have gathered from studies or surveys.

HOW DO YOU USE YOUR SWOT ANALYSIS?

SWOT analysis is generally illustrated as a 2 by 2 matrix or grid, with four distinct quadrants—one for each individual element. This simple presentation offers several benefits. It's easy to read, yes, but it also nicely separates the elements into internal and external factors.

- Typically, Strengths and Weaknesses are considered internal factors in that there is a level of control within the organization, and they can be affected by the decisions of the people inside your walls. A low employee retention rate, for example, would be categorized as a weakness, but improving it is within your control.
- On the other hand, Opportunities and Threats are generally considered to be external factors. For example, emerging competitors are a threat, but as you might imagine, there's very little control you have over this.

So, we've got our grid. Now it's time to gather the team together.

- I like to tackle the quadrants in order, so let's start with Strengths.
- With the quadrants populated, you can, as best as you can, try to match your strengths to leverage your opportunities.
- Also, see if you can convert weaknesses into strengths.
- These will give you your action plan for the next steps. All that's left is to organize the information for distribution to key stakeholders and then begin executing your plan.

PERSONAL/CAREER SWOT

Strengths

- What natural talents or abilities do I have?
- What type of specialized knowledge or skills have I developed?
- What skills or traits have made me successful?
- What formal education or training do I have?
- What do others see as my strengths?

Weaknesses

- What are the key areas in need of improvement?
- What do I struggle with?
- What important things do I avoid doing?
- What do I see as roadblocks?
- What areas don't I feel confident in?

Opportunities

- How is my industry doing? My organization?
- What does the job market look like?
- What does the larger (macro) economy look like? Locally, nationally, or globally?
- Are there any external factors (e.g., low unemployment rate and lack of qualified employees) that you can exploit?
- Who do I know that may help me fulfill your dreams?

Threats

- What obstacles are preventing me from achieving my goals, ie. education, experience, or training?
- Are there negative market trends that can affect me?
- Is the industry or my organization changing or becoming uncertain?
- How do I stack up against the competition?
- What are the biggest threat to my success?

SWOT

Strengths

- What are the positive things your company does that makes it unique, or does better than your competitors?
- What are all the good things your customers say about your company or product(s)?
- What resources, human or otherwise, do you have that set you apart?

Weaknesses

- What are the things your customers dislike or complain most about?
- What could your company do better, considering people, process, and technology?
- What resources do your competitors have that you lack?

Opportunities

- How might we build more trust or loyalty with our customers?
- How can we better utilize our resources?
- Which products performed better than expected? Why?

Threats

- When thinking about threats, you can likely leverage some of your enterprise risks, so this quadrant may end up populating itself.
- Consider any new, emerging or established competitors, changes in the regulatory environment, volatility in the market, or even internal threats such as higher than expected turnover, which could threaten or derail growth.

CASE STUDY - SWOT

Learner's choice!

Conduct a SWOT on your organization. Select your line of business, or a current project to complete the task!

OR

Conduct a SWOT on yourself. Focus on a career objective and potential for advancement to complete the task!

SWOT WITH GEN AI

Option #1

‘Generate a SWOT analysis for an **e-commerce company specializing in sustainable products.**’

Option #2

‘I want to complete a SWOT analysis for my company. What questions do you need to ask me in order to complete this?’

SWOT

My goal(s) is/are to... _____	
Strengths	Weaknesses
Opportunities	Threats

PORTER'S 5 FORCES



PORTER'S 5 FORCES

Every organization faces some level of external pressure. The onus is on each organization to respond to that pressure and develop strategies to cope with those forces. And wouldn't you know, there's a great approach to identifying those forces so that you've got fewer surprises.

Michael Porter's Five Forces is a simple but powerful technique for identifying the main sources of pressure or competition in a given industry or space.

When you better understand the forces affecting you, your organization, and your industry, you can adjust your approach to mitigate those forces, be it through leveraging a strong position or shoring up a weak one, to ensure a strong path forward.

According to Porter, and as the name "Five Forces" would suggest, there are five forces that represent the key sources of competitive pressure within an industry.

Competitive Rivalry >> Supplier Power >> Buyer Power >> Threat of Substitution >> Threat of New Entry

He stressed that it's important not to confuse these five forces with more fleeting factors, such as industry growth rates, government interventions, subsidies, and technological innovations and advancements.

According to Porter, these are temporary in nature; growth can slow, subsidies can end, and new tech is just around the corner, while the Five Forces are permanent parts of an industry's structure, and thus, should be the bedrock of your strategy

Competitive Rivalry

- Looks at the number and strength of your competitors. How many are there? Who are they, and how do they stack up against you for the quality of their products and services?
- In an industry where rivalry is intense, such as in consumer beverages, with Coke and Pepsi, companies attract customers by being aggressive in their pricing strategy, and by launching high-impact promotions and advertising campaigns.
- This makes it easy for buyers to go elsewhere if they feel affinity or disillusionment with one over another. Same with suppliers if they feel they're not getting a good deal from you, and can get a better deal from your rival.
- On the other hand, where competitive rivalry is minimal, as in the Social media space or often in telecommunications, where there are few others doing what you do, or where one company dominates the market, with smaller competitors filling in the gaps, then you'll likely have tremendous competitor power, which generally translates into a healthy bottom line.

Supplier power

- The ease with which your suppliers can increase their prices. Looking at your suppliers or vendors, how many potentially exist and are available to you? How unique is their product or service? And what are the switching costs from one supplier to another?
- The more suppliers or vendors you have access to, the easier it will be to switch to a cheaper alternative, should you want or need to.

FORCES IN DETAIL

Buyer Power

- But what about when the number of buyers is low compared to the number of suppliers in an industry? Now we've entered the realm of "buyer's power." Buyer's power means your customer will find it easy to switch to new, cheaper competitors, which can ultimately drive down prices.
- Think about a user that has a variety of Apple products; phone, laptop, AppleTV. What is the total cost, in time, money and effort, for them to switch to one of Apple's competitors?
- When the customer base is small, they have comparatively more power. However, the scales tip in your favor if you have many customers and little competition.
- You can then use that balance to determine how best to price your product or service to attract the customers.

Threat of Substitution

- Refers to the likelihood that your customers find a different way of doing what you do; of replacing you.
- For example, if you are a supplier of Robotic Process Automation software that a company uses to automate a critical process, that organization could elect to substitute or replace your software by simply doing the work manually, outsourcing it, or by eliminating the step altogether.
- In these cases, that business is likely looking at the overall costs of each option. A substitution that's easy to do, or cheap to make can impact your product or service, and therefore, your business and profits.

Threat of New Entry

- How easy is it for new competitors to start up? If the cost of entry is low; it only takes a bit of money, time and effort before rivals can enter and compete effectively in your market, then the threat of new entry for rivals is high, which can negatively impact your position.
- However, if the high cost of entry presents a barrier to new rivals, you can keep a favorable position and take fair advantage of it. Think about mining or manufacturing, where there are significant upfront capital costs just to be able to start working.
- This is also true in highly regulated industries, such as banking and financial sectors, or consumer packaged goods, which are typically dominated by a few, large players

SETTING UP THE 5 FORCES MODEL

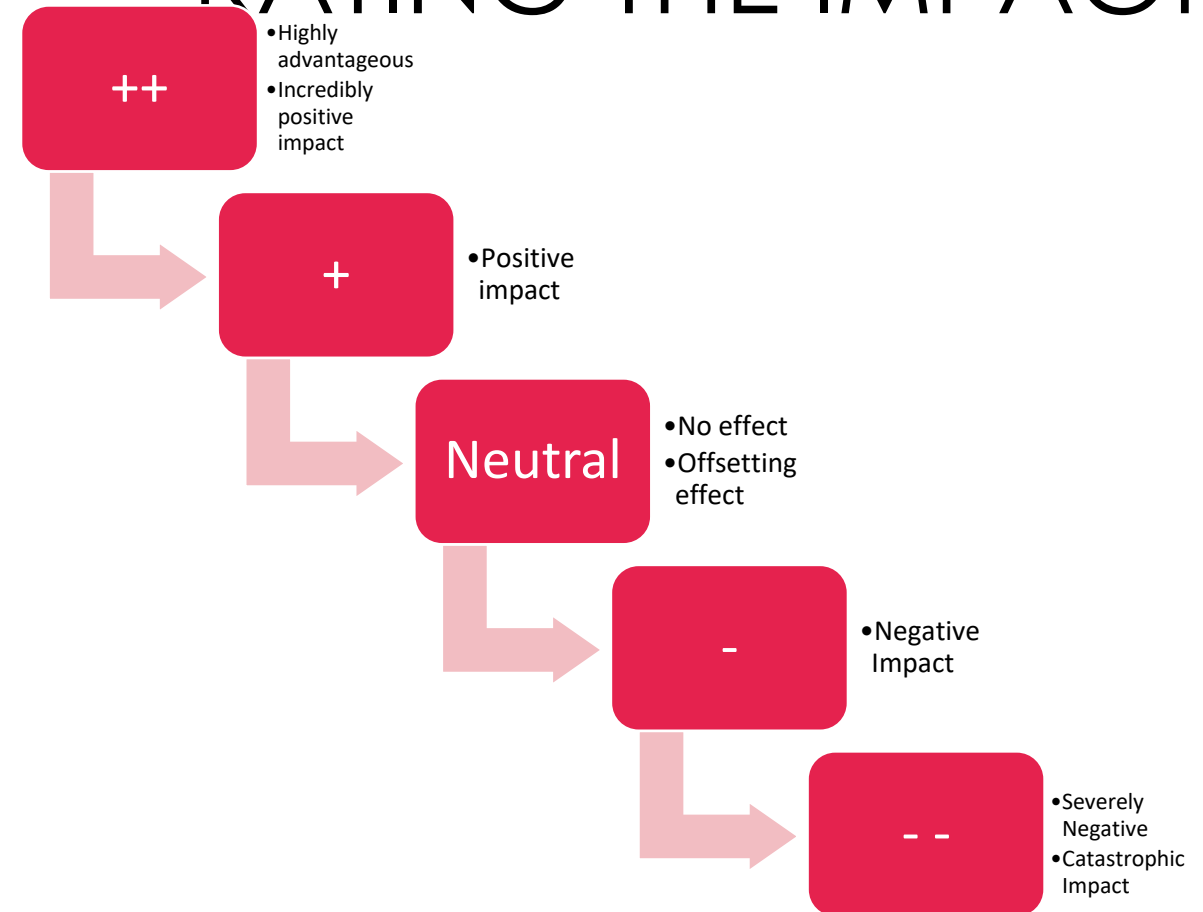
To use the model, examine each of the five forces and how they impact your industry. Like with PESTLE Analysis, you're going to ask yourself a lot of questions. For example;

- Does a rivalry exist between our organization and a few other big competitors? Or many small competitors? Is the competition cut-throat and intense, or can we retain customers relatively easily?
- Are there many suppliers from which we receive our goods and services to choose from, or is there a small group of suppliers on which we are dependent?
- Is buyer power high or low? Are we forced to compete on price in a race to the bottom?
- What substitute solutions exist for buyers, and would they find them easy to implement in lieu of your product or service?
- How easy is it for new competitors to enter the market? What barriers exist (related to time, money and effort) that slow or stop new entrants to the market?

When answering these questions, it's important to be honest and objective. Often, we tend to show bias toward the strength of our organization and how awesome we are.

As you consider these and any other questions, write down your brainstorming results for each of the five forces. Then, summarize the impact and scale of each using those results. This is not an exact science, so don't worry about being perfect.

RATING THE IMPACTS



You can use the same rating scale we discussed in PESTLE, or you can use a simpler “Double Negative to Double Positive” scale. You’d have a - - for a significant negative force and a ++ for a significant positive force. - for a moderately negative impact, + for a moderately positive one. For something neutral, you can use "0."

Finally, think about how your analysis will likely impact you. Examine all those positive and negative values. Do you have a weak position that needs shoring up? Or are you coming from a position of strength?

It bears repeating that no situation is perfect. Using Porter's Five Forces can help you to think through what could, or needs to, change to improve your organization.

CASE STUDY – 5 FORCES

Use the 5 Forces model to assess your own organization's position in the marketplace

Consider the questions on the previous page, plus any others you can think of

(Optional) when you're done, rank each force using your preferred scale

5 FORCES WITH GEN AI

Option #1

‘Generate a Porter’s 5 Forces analysis for the **smartphone** industry.’

Competitive Rivalry

Supplier Power

Buyer Power

Threat of Substitution

Threat of New Entry

SUMMARY



Knowing how to survey the corporate landscape has never been more important. With things changing rapidly, the ability to develop strategies and tactics to navigate corporate waters is how you stay afloat.

In this course, we've explored the "how" of 4 key Strategic Analysis techniques; knowing how and when to use PESTLE Analysis, Porter's 5 Forces, SWOT Analysis, and the 3 Horizon model will give you a better standing in writing your story. That being said, now it's up to you to do; to put what you've learned into tangible, measurable action.

How can you leverage these tools for more effective business analysis?

THANKS! FOR MORE FROM ME...

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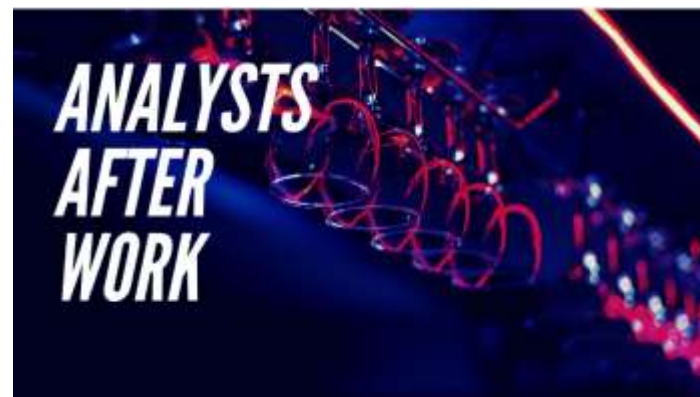
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