

Background Paper: SWOT Analysis [Morning Session I and II on 21.1.2012]

Strategy is an integrated set of choices to reach an objective. The formulation of a sound strategy facilitates a number of actions and desired results that would be difficult otherwise. A strategic plan, when communicated to all members of an organization, provides employees with a clear vision of what the purposes and objectives of the firm are. The formulation of strategy forces organizations to examine the prospect of change in the foreseeable future and to prepare for change rather than to wait passively until external forces compel it.

The finalization of strategic plan for next five years is a mandatory success indicator for departments in their Results-Framework Document (RFD). RFD is an instrument to ensure that things are done right—that is effectively and efficiently. However, we also need to make sure that right things are getting done. A departmental strategy is the mechanism to ensure that the departments are moving in the right direction and doing the desirable things from the national point of view. Another way of looking at the relationship between RFD and departmental strategy is as follows: RFD is an instrument to implement a strategy and convert departmental vision into reality.

Format of Strategic Plan Document

Section 1: Ministry's Vision, Mission, Objectives and Functions

Section 2: Assessment of the situation

Section 3: Outline of the Strategy

Section 4: Implementation Plan

Section 5: Linkage between Strategic Plan and RFD

Section 6: Cross departmental and cross functional issues

Section 7: Monitoring and Reviewing arrangements

Section 1: Ministry's Vision, Mission, Objectives and Functions

This should be same as mentioned in the section 1 of RFD. This section should include the answers to two very important questions that define the aspiration:

- (i) What is our purpose?
- (ii) Where we aspire to be?

Section 2: Assessment of the situation

This section deals with the analysis of the organization's operating environment. It should include answers to following questions:

a) What external factors will impact us?

While preparing answer to this question a broad thinking is required to consider the following illustrative list of external factors:

- a. Political: Political landscape, other government policy and initiatives, international politics and relations
- b. Economic: Business cycles, GDP trends, interest rates, inflation, unemployment, etc
- c. Socio-Cultural: Population demographics, income distributions, social mobility, lifestyle changes, level of education
- d. Technological: Trends in information technology, role of technology in productivity improvement, technology for renewable energy, etc
- e. Environmental: Environmental legislation, energy consumption, waste disposal, carbon reduction, etc.
- f. Legal: Local, national and international law, Labour Law etc.

b) Who are our stakeholders ?

The stakeholder analysis is to be done where for each groups/set of stakeholders the Power and Stakes dimensions are to be analyzed through answers for following questions:

Power : How can they help us?

: How can they block us ?

Stakes : What would they want from us ?

: What do we want from them?

c) What are our strengths and weaknesses?

While assessing internal strengths some questions that can be considered are:

i. What made us?

ii. What drove our success in the past?

iii. What internal skills and knowledge do we possess?

iv. What do other stakeholders see as our strengths?

While assessing internal weaknesses some questions that can be considered are :

i. What is hindering our aspirations?

ii. What were causes of failures in the past?

iii. What additional knowledge and skills we need to learn?

iv. What do others see as our weaknesses?

d) What do we need to learn?

This requires creating learning agenda for the organization. The critical learning agenda shall pertain to those areas where we have little knowledge but the area is most important for our functioning. The development of strategy has to specifically and deeply consider the implications from the Section 2, i.e. the assessment phase.

This section should answer following questions:

Section 3: Outline of the Strategy

a) What are potential strategies?

The strategic initiatives are to be based on analysis of external forces and internal capabilities. This analysis should cover the following:

Pursue policy / initiatives that fit our strengths

Overcome weaknesses with new knowledge and capabilities

Identify actions that can leverage our strengths to reduce vulnerabilities to external threats

Establish a defensive plan to prevent our internal weaknesses from making it susceptible to external threats

b) How will we engage our stakeholders?

The stakeholder engagement plan should mention for each stakeholder group the questions that must be asked, mode of interaction, when (periodicity) and who will be responsible for doing it.

c) How will we build our knowledge and capabilities?

The learning plan should address following issues:

What do we need to learn?

From where and from whom can we learn?

How will we organize this?

Who is responsible?

d) What are the priorities?

The Strategic Initiatives for the ministry/department to be listed and prioritized adding to total of hundred. For example suppose there are five (the figure is taken just for illustration, strategic initiatives can be many more) strategic initiatives then department may give weights/priorities as below :

Strategic Initiative 1 : 30

Strategic Initiative 2 : 25

Strategic Initiative 3 : 20

Strategic Initiative 4 : 15

Strategic Initiative 5 : 10

Total : 100

The prioritization has to be done on the basis of three dimensions of suitability (effectiveness and impact), feasibility (ease of implementation) and acceptability (by stakeholders).

Section 4: Implementation Plan

The implementation plan should cover the following :

(i) Strategic Initiatives

- (ii) Stakeholder engagement: Who, When and How?
- (iii) Learning Agenda : What, When and How?
- (iv) Resources required : People, Money, infrastructure
- (v) Tracking and measuring : Measurables and observables to assess progress, methods of reviews, methods of corrective actions
- (vi) Overall Plan and milestones: Detailed activities, points of coordination, milestones and review points

[Excerpts from Performance Management Division website, Cabinet Secretariat]

In the Workshop at Sariska, we would attempt to provide answers to the questions contained in Section 2. The exercise is akin to a SWOT (Strength, Weakness, Opportunity, Threat) analysis of the Organization. The participants would split into 12 groups consisting of about 7 persons each and the format of discussion would be as per the Annexure.

Sample Strategic Plan Documents

Ministry of Panchayati Raj

SWOT Analysis

Strengths

- a. Constitutional status and backing
- b. Structure is ensured
- c. Periodic elections are mandatory
- d. Representation for weaker sections (SCs/ STs/ Women) ensured through reservation. Some States have reservation for OBCs

Weaknesses

- a. Lack of financial resources
- b. Lack of trained manpower
- c. Arbitrary exercise of powers and failure to observe the Rule of Law
- d. Very little real powers in each subject area due to poor delegation
- e. Over assumption of powers for political reasons
- f. Lack of public awareness and vigilance

Opportunities

- a. To undertake integrated local development using local resources
- b. Involvement and participation of people
- c. Responsive administration and improvement in quality of service to the people
- d. Training of political workers in leadership
- e. Self-help and community cooperation

Threats

- a. Reluctance of politicians and bureaucrats to give up power
- b. Failure to accept the imperatives of a multi-party system manifested in intolerance of Panchayats which do not toe the line of the ruling party at State level
- c. Resistance of govt. dept. functionaries to work under elected local authorities

Ministry of Health & Family Welfare

External factors which will have an impact:

Political: At the political level Health is not a critical parameter. However major positive initiatives in the Health sector have a relevance for publicity and delivery to the poor and should be welcome at the political level.

Socio Cultural: Health interventions are largely welcome across all sections of society. However the issue of family planning has been sensitive in India with various religious and political groups opposed to any kind of coercion in family planning.

Technological: Technological advances affect strategies in Healthcare. Currently the reach and impact of rural schemes can be multiplied by use of communication technologies, mobile medical units and GPS fitted emergency ambulance services.

Stakeholders:

The stakeholders in the Health sector are

1. Government of India
2. State Governments – have to implement the programmes. Demand resources.
3. People of India – expect delivery.
4. Political Parties and Press/Media – expects delivery with a critical evaluation of performance. On Issues of family planning political response can be reactive and biased.
5. Medical and Paramedical cadres in the Central and State Governments – is the cutting edge for delivery. Expect better service conditions and remuneration.
6. Private Sector in Medicine – expects support and minimum regulation. Delivers the major portion of Healthcare in the country.
7. UN Agencies and International Donors – Active participants in Governmental and NGO schemes and activities.

Strengths and Weaknesses:

India's strengths in Healthcare are a strong economy with high rates of growth which permits increase in the level of financial intervention. An educated, competent reservoir of qualified medical and paramedical personnel. An elaborate delivery system existing from existing down to the Nyay Panchayat level. Availability of "best in class" curative services. An extensive technological knowledge base with concomitant technological systems, like communication, in place. A strong pharmaceutical and medical equipment industry. Growing medical tourism.

India's weaknesses in Healthcare are political apathy towards Healthcare and a low level of public expenditure on Healthcare. A chaotic unorganised private sector providing 76% of Healthcare nationally and over 75% of Healthcare in rural areas. Skewed distribution of doctors/specialists/nurses focused on certain regions of the country and largely urban based in backward states. A huge number of unqualified/unlicensed private medical practitioners specially in the rural areas. A demoralised state delivery cadre at the PHC/Sub centre level in many parts of backward states. Serious shortage of doctors in state medical cadres in backward states. Public apathy compounded by a lack of basic hygiene, sanitation and even of safe drinking water and nutrition in significant parts of the country.

Learning Agenda:

The learning agenda from six decades of independent India's tryst with healthcare is that piecemeal efforts and changing strategies have resulted in abysmal health parameters despite some islands of success and excellence. What is needed is not to do different things but to do things differently. More of the same is not going to generate any basic transformation. India needs a paradigm shift in the entire sector of public healthcare delivery to effect substantive and urgently needed improvement.

Ministry of Tourism

SWOT Analysis

Detailed SWOT analysis has not been made by the Department as a part of strategy paper. Department has only identified certain strengths and weaknesses.

(1) STRENGTHS

Additional points of strength:

- (i) India Tourism is Economical and budget friendly.
- (ii) Variety & Diversity of Tourism products
- (iii) USPs
 - (a) Wild Life Tourism
 - (b) Taj Mahal
 - (c) Heritage properties (Fort & Palaces)
 - (d) Fairs & Festivals
 - (e) Yogas/ Indian Culture/ Religion
 - (f) Buddhist Circuit
 - (g) Desert Tourism

(2) WEAKNESSES

Additional points of Weaknesses:

- (i) Poor infrastructure. Unhygienic.
- (ii) Poor quality of Tourism services including Extortion & cheating tendencies.
- (iii) Airline seat capacity inadequate to foster desired level of Foreign Tourist arrival
- (iv) Deficit of Hotel Bed capacity
- (v) "Tourism unfriendliness" amongst people
- (vi) Security problems

OPPORTUNITIES

1. In the light of Robust Domestic economy, Domestic Tourism can prosper.
2. By making India as "365 days" destination, higher Hotel/Airline capacity utilization can be ensured
3. To develop & promote lesser known destinations
4. Greater scope in Theme based Tourism like Eco, Rural, Adventure & Wellness Tourism
5. Diversities of Tourism destination including J&K, North East, Deserts of Rajasthan(still not exploited fully)
6. With more liberal sky policy Airline seating capacity can be increased to match Tourist arrivals

THREATS

1. Terrorist threats (Advisories)
2. Fear (Phobia) of Epidemics H1N1, Bird Flu
3. Next door Tourism friendly countries of South East Asia posing great challenge viz. Singapore, Thailand, Malaysia
4. Dependence of Golden Triangle – attracting 60% of Foreign Tourists (All eggs in one basket)
5. Deficiency of "Repeat Tourism" because of inhospitable & unfriendly attitude towards Tourists, Indecent behaviour of service providers especially Transport services, guides & local agents.

Format of Workshop for SWOT analysis of the Organization

Stage I (One hour)

The group of 90 officers would be divided into about 12 groups of 7-8 persons and would be seated on 12 round tables. There would be 12 officers playing the role of facilitators for the group discussion one on each table. An instruction sheet would be separately circulated for the facilitators regarding the manner in which the discussion is to be facilitated. Groups would be randomly formed so that the possibility of friends sitting together could be avoided. The most common method of doing it is to mark the folders with 1,2,3,4,5... which would be indicative of the table no. where the person is required to take his/her seat. Facilitators would be assigned table no. in advance.

Each table would have a flip chart, post-it slips and laptop. The facilitator would be required to ensure that each member of the group gives his/her views and would jot down the points on the flip chart to highlight the points raised by members of the group. The atmosphere of the group should be conducive to encourage innovative and out of the box thinking. No idea, however absurd it is, should be rubbished. At the end of the discussion each group would be required to complete four power point slides one each for Strength, Weakness, Opportunity and Threat.

Stage II (One hour)

Each group would be showing and elaborating on the four slides prepared in 5 minutes and the entire group would discuss that and everybody would be free to give his/her comments, observations, suggestions. Freewheeling of ideas at this stage would be avoided.

Stage III (One hour)

Now the moderator would attempt to synthesize the 12 different versions and try to build up a consensus for an inclusive, integrated and yet a precise version of the SWOT analysis for the organization. The final version would be put before the entire group to raise any possible doubt and any modification at this stage would require rigorous argument from the proposer. In the absence of any dispute the final version would be adopted by the body.