



Strategic Planning & SWOT Analysis

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Abstract

There is no doubt that for an organization to actually remain stable and productive effort should be made to identify what constitute their strength, weakness, opportunities and threat, hence the acronym SWOT. It is the identification and careful analysis that would actually keep every productive organization going. If an organization does not make necessary effort to identify its strength, weakness, opportunities and threat, such organization is bound to fail in area of productivity as such organization will not be stable. This paper however dealt on the actual meaning and what the acronym stands for and its evaluation in two private schools. The paper however identified what constituted strength, weakness, opportunities and threat of the two schools. SWOT analysis however helped one of the two studied to advance in the face of growing challenges thereby leading to its stability and increased productivity.

Keywords: strength, weakness, opportunities, threat, stability, productivity and organization

Background and History

Coca-Cola's history dates back to the late 1800s when Atlanta pharmacist John Pemberton mixed caramel-colored syrup with carbonated water to come up with a drink that many people at the time thought was different than anything they've ever had. The name Coca-Cola was given by Pemberton's bookkeeper, Frank Robinson, who also wrote the name in the distinctive script that is still used this day in every can and bottle around the world. The Coca-Cola Company as it is known is still headquartered in Atlanta Georgia where it was founded over one hundred years ago.

Introduction

Healthcare organizations must continually make adjustments to maintain optimal function (Christiansen 2002). A number of different techniques can be used to determine where adjustments need to be made. One essential technique involves a discussion of an organization's strengths, weaknesses, opportunities, and threats, commonly called SWOT analysis. SWOT analysis has been used extensively in other industries but has not been widely used in healthcare (Kahveci and Meads 2008). SWOT analysis is a precursor to strategic planning and is performed by a panel of experts who can assess the organization from a critical perspective (Gibbs *et al.* 2001). This panel could comprise senior leaders, board members, employees, medical staff, patients, community leaders, and technical experts. Panel members base their assessments on utilization rates, outcome measures, patient satisfaction statistics, organizational performance measures, and financial status. While based on data and facts, the conclusions drawn from SWOT analysis are an expert opinion of the panel.

Definition SWOT

Analysis is an examination of an organization's internal

strengths and weaknesses, its opportunities for growth and improvement, and the threats the external environment presents to its survival. Originally designed for use in other industries, it is gaining increased use in healthcare.

1. Steps in SWOT Analysis

The primary aim of strategic planning is to bring an organization into balance with the external environment and to maintain that balance over time (Sackett, Jones, and Erdley 2005). Organizations accomplish this balance by evaluating new programs and services with the intent of maximizing organizational performance. SWOT analysis is a preliminary decision-making tool that sets the stage for this work.

Step 1

SWOT analysis involves the collection and evaluation of key data. Depending on the organization, these data might include population demographics, community health status, sources of healthcare funding, and/or the current status of medical technology. Once the data have been collected and analyzed, the organization's capabilities in these areas are assessed.

In Step 2

SWOT analysis, data on the organization are collected and sorted into four categories: strengths, weaknesses, opportunities, and threats. Strengths and weaknesses generally stem from factors within the organization, whereas opportunities and threats usually arise from external factors. Organizational surveys are an effective means of gathering some of this information, such as data on an organization's finances, operations, and processes (Carpenter 2006).

Step 3

Involves the development of a SWOT matrix for each business alternative under consideration. For example, say a

hospital is evaluating the development of an ambulatory surgery center (ASC). They are looking at two options; the first is a wholly owned ASC, and the second is a joint venture with local physicians. The hospital's expert panel would complete a separate SWOT matrix for each alternative.

Step 4

Involves incorporating the SWOT analysis into the decision-making process to determine which business alternative best meets the organization's overall strategic plan.

2. Products and Brands

Coca-Cola has hundreds of brands and thousands of products sold worldwide in over 200 countries. Some brands and products are only sold locally due to cultural taste while other products are sold in a specific region or around the world. Coca-Cola's most famous brand is its Coca-Cola Classic Brand known for its white and red colors and original formula. Aside from its popular soft drink Coca-Cola brands which comes in a variety of flavors and diets, some of Coca-Cola's other popular brands include, Canada Dry Ginger Ale, Dasani Water, Nestea, Bacardi, Fuze, Minute Maid orange juice, Odwalla, Powerade, and Sprite.

3. Target Market

Coca-Cola's target market is as vast and varied as its product lines around the world. While the company does not have a specific target market, it does however, target specific markets and demographics based on taste and habits. For example, it's Odwalla brands of healthy juices is targeted towards people who are health conscious and do not mind spending a bit more money for a healthy drink while its Powerade drink is geared towards athletes who need a drink to replenish their system after a hard workout. Around the world Coca-Cola offers products targeted towards local markets and tailored to national tastes while keeping in mind cultural beliefs. For example, in India Coke offers Limca a light lemon-lime drink that is a favorite of the locals; and in Europe it offers Fanta, an orange flavored drink that is consumed daily by people there.

4. Social and Environmental Involvement

The Coca Cola Company runs an international philanthropic nonprofit organization called the Coca Cola Foundation. The foundation promotes water conservation within communities and industry and supports access to clean water and sanitation in rural areas. It also supports access to exercise, physical activity and nutritional education programs that promote healthy living. In addition, it looks into new recycling methods to decrease litter and increase recovery and reuse. The foundation also supports education by providing access to programs through grants and scholarships.

5. Distribution Channels

Coca-Cola's products are sold and distributed worldwide through many outlets from store shelves and vending machines, to concession stands and restaurants. The Coca-Cola Company tries to extend its reach and offer its products through many channels to expand its offerings to everyone around the world. Although the company does not sell its

drink online, mainly because drinks of that sort are considered convenience items and people want to consume them right away, it does sell apparels and gears online to promote its brands and products. Nowadays you can find coke products in just about anywhere.

6. Main Competitors

Coca-Cola has several competitors. However, the company's main competitor is undoubtedly the Pepsi Cola Company or PepsiCo. Both companies have been rivals competing against each other ever since they were founded. Both Coke's and Pepsi's portfolios of products are extensive. They offer products that are somehow similar in flavor, ingredients, and price. However, Coke tries to position itself as a company that has been around much longer and cater to the needs of thirsty drinkers around the world by offering distinct products to its customers around the world.

7. Financial Records and Company Growth Financially

Coca Cola has been lagging behind PepsiCo with both revenue and net income decreasing over the past few years. However, the company's total assets have increased by several billions in the last few years including cash flow. Over the past three years from 2012 to 2014, Coca Cola's revenue has decreased from about \$48 billion to \$45.9 billion; a decrease of over 4 percent over the past three years. Net income decreased from \$9 billion to about \$7 billion or 22 percent during the same period. On the other hand, PepsiCo's revenue increased from \$65.4 billion to about \$66.6 billion during the 2012-2014 period; an increase of 1.8 percent compared to Coke's 4 percent decrease during the same period. Pepsi's net income increased slightly from \$6.1 billion to \$6.5 billion; an increase of 6 percent. As we can see, Coca Cola is lagging behind PepsiCo in revenue and in profits.

8. Market Value and Stock Growth

The Coca-Cola Company's total dollar market value, which is calculated by multiplying a company's outstanding shares by the current market price of one share, is over \$178 billion. At its highest Coca-Cola's stock peaked at over \$42 in May 2013. It increased from below \$32 in January 2012. It has been gradually rising over the past few years. The stock is currently hovering around \$40 a share.

9. Company Management and Key Officers

Coca Cola's CEO and Chairman of the Board is Muhtar Kent. Mr. Kent joined the company in 1978 and served in various roles since then. He became Chief Executive Officer of the Company on July 1, 2008, and as Chairman of the Board of Directors in 2009. Coca Cola's President of Eurasia and Africa Group is Mr. Ahmet C. Bozer. Mr. Bozer joined the company in 1990 as a financial controller. In 2000 he was appointed president of Eurasia and Middle East Division and Eurasia Group President in 2007. He leads the company's business activities in over 90 countries. The President of Coca-Cola's Latin America Group is Mr. José Octavio Reyes. Mr. Reyes began his career with Coca Cola in 1980 as Manager of Strategic Planning in Mexico. He was named president of Latin America Group in 2002.

SWOT Analysis Strengths, Weaknesses, Opportunities, and Threats

- a. Strengths:** One of Coca Cola strength is its extremely recognizable brand. The company's popularity is one of its superior strength which is virtually incomparable. The Coca Cola brand is known all over the world. People drink Coke not only for its taste, but because feeling that they are part of something cool, hip, and popular.
- b. Weaknesses:** Coca Cola is a very successful global company, with limited weaknesses. Like every multinational corporation with several products sold in many countries, Coca Cola does have some weaknesses. Word of mouth can be a weakness in some cases. Some of its products do not taste as good and are not as popular as its flag brand Cole Classic. However, one of the biggest weaknesses that Coke faces is the public's perception that it is unhealthy and can leads to certain diseases like diabetes if consumed in high quantities.
- c. Opportunities:** Because Coca Cola is a big company it has few opportunities that it can exploit. It has many unpopular brands and products that it should continue to take advantage of and develop. Another opportunity lies in its ability to develop new products based on changes in consumer tastes.
- d. Threats:** In spite of the fact that Coca Cola dominates the beverage market, it still has to deal with many threats. The first and foremost of which is competition, especially from second leading competitor Pepsi. Another threat is the changing health-consciousness attitude of the market, which could have a serious effect on Coca Cola.

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