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# Tips from the toolkit: 2 – assessing organisational strengths

'SWOT' is a familiar term used in the development of business strategy. It is based on the identification of strengths, weaknesses, opportunities and threats as part of a strategic analysis approach. While there are a range of more sophisticated models for analysing and developing business strategy, it is a useful model for general practice as it is less time consuming than other approaches.

The following article discusses some ways to apply this framework to assess organisational strengths (and weaknesses). It is based on The Royal Australian College of General Practitioners' 'General practice management toolkit'.

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## Practice analysis

Start your analysis by identifying the processes required for general practice services. Examples include bookkeeping, cold chain management, sterilisation, patient recall. These processes are important to do well but are relatively standardised across practices and are not creating differentiation, growth or innovation. Others such as appointments and scheduling, marketing, chronic disease management or special interest health services may be more significant in the success of the practice. Groups of inter-related processes create systems. Changing one process can have positive or negative effects in other parts of the system. It is important when changing processes to consider unintended consequences. For example, marketing of services may increase demand beyond capacity. An increase in demand may apply more pressure on the system such as more telephone calls – will there be the ability to cope with increased telephone traffic?

Business strategy requires an analysis of the internal situation (eg. staff) and the external situation (eg. government policy). The strengths and weaknesses of the SWOT framework (Figure 1) are used to conduct the internal analysis. The opportunities and threats represent the aspects of an external analysis.

### Strengths (and weaknesses)

Strengths and weaknesses refer to a practice's capabilities and resources. In this article, capabilities describe the processes that produce health services. Resources include the people, finance, buildings, technology and information as well as intangible assets such as reputation and culture that are deployed through the business processes. (Capacity building is a term used by the Commonwealth Government in relation to general practice divisions or networks. This refers to the development of infrastructure and organisational linkages that assist in the delivery of government programs and is distinct from a practice's capability.)

Strengths	Weaknesses
Opportunities	Threats

Figure 1. SWOT matrix diagram

Next, consider the resources you currently have or need, to provide health services in your area. List the various people required in general practice – doctors, nurses, managers, receptionists and others. Do you have the right human resources? An important resource is the practice facilities, layout and physical workflow. Is your practice designed to deliver 21<sup>st</sup> century care? Do you have suitable technology and equipment?

After developing your list of capabilities and resources and analysing the external environment, consider the following questions:

- What can we do?
- What do we want to do?
- What do others want us to do?

These questions inform the next step in distinguishing organisational capabilities and resources as a strength or weakness. They also help assess the external environment for opportunities and threats.

## Strategic development

The analysis is the starting point for strategic planning. There are other tools that can be used in strategy development including the Balanced Scorecard<sup>1</sup> approach described by Kaplan and Norton. The process of thinking strategically about your practice is valuable. Research from the Stanford University Research Institute, SDI International found a gap of 35% between what organisations could do and what was actually done.<sup>2</sup> Consider whether your practice may have a similar gap between performance and potential. Strategic thinking may close the gap.

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