

## **SWOT Analysis for the Packaging Industry**

If your company is like most businesses the vast majority of your management time is spent on the tactical details of running the business; strategic issues often become a secondary consideration. Over the course of a typical year only the most high profile strategic issues are addressed. This makes sense. Owners and managers have achieved their positions by producing results. Those results come from a focus on execution, getting things done. It is very hard to think about the strategy when you spend your day down in the weeds, producing product and servicing customers. The problem is any plan to grow the business must take into consideration the big picture.

SWOT analysis was developed in the 1970's at the Stanford Business School as a way for companies to identify and analyze the internal and external factors that impact future success. SWOT is not a complicated technical term it is simply an acronym that stands for Strengths, Weaknesses, Opportunities, and Threats. Under a SWOT based strategic planning system Management periodically takes a day or two away from their operating responsibilities to analyze their company and markets in light of these four categories of issues. This analysis uncovers the information necessary to create a plan that mitigates dangers and positions the company to reach its fullest potential. What flows from a SWOT analysis is a strategic plan with defined objectives and detail strategies for achieving those objectives.

I recommend that you set aside time each year to create and revise your strategic plan and then review your implementation progress against the plan at least quarterly. SWOT analysis would be a very effective tool to formalize your efforts. The strategic planning process can be chaired by a member of your management team with strong project management skills. It can also be helpful to utilize an outside facilitator with experience structuring and facilitating the SWOT process.

The packaging industry landscape has changed tremendously in the last 30 years and it is continuing to evolve. There are trends that can't be ignored and great opportunities for creativity. My experience managing equipment projects for several hundred packaging companies in the last 10 years has shown me that there exist significant entrepreneurial opportunities in the packaging and die making markets. While much of the business press focuses on large companies and the consolidation of the industry, great innovation is taking place among the independents. Implementing a systematic strategic planning process will position your company to exploit market opportunities, create innovation, and steer clear of potential danger. I applaud you if strategic planning is already part of your yearly calendar. If not I would encourage you to consider formalizing your strategic planning efforts and make it a consistent part of your management approach.