

INTERNAL ANALYSIS	EXTERNAL ANALYSIS
Identifying the strengths and weaknesses of the organization Concerns the past and present	Uncovering of the organization's threats and opportunities Concerns the present and the future
The customers – the current ones	Political conditions – local, national and global, including legislation and administration
The products – what does the organization sell to whom and what is earned? How good are the products? What is the situation regarding patents, trademarks, and rights?	Socio-economic conditions – such as recession or boom, unemployment, interest rates, exchange rates, etc., including demographic trends in society
The suppliers – the current ones	The social conditions – for instance, attitudes and trends in society, including crime, immigration, alcohol, drugs, smoking, etc.
The competencies – what is the organization good at where are the deficiencies? This is not just about the number of employees in the development department, but also about what they can accomplish. What are the core competencies of the organization?	Technological developments – for instance, digitisation, wireless technology, electric cars, etc.
The financial situation – here a number of economic indicators come into play. Profitability, liquidity, solidity, etc.	Legal matters – including the development of the labour market. Interest groups
The organizational structure – does the structure fit the tasks? Is the organization functioning? How do the processes work?	Environmental conditions
The organization's culture – is there a healthy business culture? Do employees work together to achieve a common goal?	The competitors – are there more or less competitors? Bigger or smaller?
The management – is the management right for the tasks? Can we create the required change? Is there good cooperation in management?	The customers – both current and future (potential customers). Will the customer's behaviour and needs change? In which direction?
The technology – how does the organization utilize information technology to optimize and develop the processes? How does the organization use new technology for its processes, for instance, in production?	The markets – is there growth or the opposite? What about the geographic markets? What is the expectation of market development?
Goals and strategy – what are the organization's current goals and strategy? How closely is the strategy followed and achieved?	The distribution channels – including distributors, shops, etc. What is the expectation of their development?
	Resources – can the organization recruit the number of employees and managers with the skills needed in the future?
	The suppliers – how are they evolving? Will there be more?
	The financial resources – will the organization be able to raise the necessary capital in the future?
	The local conditions – Can the organization evolve at the current locations? Is there a need to move?

FIGURE 10.7
Internal and external analysis.