The SWOT is a format to formalize observations and gathered data in a structured way. On top you find the results of an ‘internal assessment’ of the organization structured in Strengths & Weaknesses. The bottom part structures the ‘environmental scan’ data in Opportunities & Threats.

The SWOT creates a ‘confrontation matrix’ between ‘the inside of the organization’ and the environment the organization operates in. That confrontation helps to create a strategic direction for the organization and brings out issues the organization can act upon.

The results coming out of a Confrontation Matrix is only as good as the quality of the data gathering & analysis (garbage in, garbage out). In order to cover the different aspects and to allow for a valid analysis, it is recommendable to use a ‘multidisciplinary’ approach and allow for data (and its interpretation) to be challenged.

A confrontation matrix is part of the strategic process. The confrontation between the strengths and weaknesses inside the organization and the challenges and opportunities created by the environment the organization operates in.

The process, leading to strategic choices or the decision to launch major strategic projects, is done in three steps:

1. The environmental scan: is a critical analysis of the evolutions happening around the organization. After analysis of all these factors, the ‘results’ are summarized under Opportunities & Threats. (use environmental scan tool).
   
The environmental scan includes areas as political context, economical, social and technical evolutions, environmental issues and legal context. (PESTEL acronym)

2. The internal S/W analysis: is looking at the different internal aspects of your organization. Here you can look at: processes, quality of our service, efficiency, obsolescence of technology, communication in the organization, competency levels in key areas, speed of execution, innovation, ....
3. The confrontation matrix analysis: is looking at the ‘match & mismatch’ between the strengths / weaknesses on the one hand and the Opportunities / Threats on the other. The matrix (and certainly the discussion of the matrix with stakeholders) will give a number of possible ‘routes’ for action, which you will lead to strategic choices for the organization and business opportunities.

Data gathering and Analysis can be done in all possible ways. You can do research, benchmarking, go and observe how it works elsewhere, get feedback from people who experienced it, etc... You could also pull on your own resources, expertise and experience and bring a number of stakeholders together in a focus group format.

It works best if you bring a very heterogeneous and multidisciplinary group of stakeholders together and in a format that allows challenge, critical examination of facts & opinion, openness for new lines of thought.

It might be a good idea to bring in an external process facilitator, to create an effective methodology, guarantee a sound communication process and avoid groupthink.