

Assignment – SWOT applied

VU Strategic Management

Dženan Hamzić, BSc : 00327029

1. Order the statements! What aspects are strengths, weaknesses, opportunities and threats and why?

1. The center is located within a two-minute walk of the main bus station, and is a fifteen-minute ride away from the local railway station of the Town.

STRENGTH: Close proximity to the bus and railway station are good indicators of high traffic.

2. There is a standard swimming pool for competitions (50×25 meters, 10 lanes of 2.5 meters, 25 ° C-28 ° C water temp., light >150 lux, depth >2 meters).

STRENGTH: Competition swimming pool can facilitate local(city) and state (intercity) championships. Furthermore, a lot of sporty customers want to swim in a standard swimming pool.

3. The swimming pool has no wave machines or whirlpool extensions as do competing local leisure centers have.

WEAKNESS: In comparison to the competition leisure centers, our pool has no whirlpool nor wave machines.

THREAT: Competitors are more innovative.

4. Chill Mill is located next to the largest shopping center of the town and the whole country.

STRENGTH: Proximity to the country's largest shopping center is beneficial.

5. It is one of the oldest centers in the area and needs some cosmetic attention.

WEAKNESS: It is damaging for reputation.

6. Due to an (continuous and above average) increase in disposable income over the last six years in the urban area Chill Mill is located in, residents have more money to spend on leisure activities.

OPPORTUNITY: The market is available. People have more money and are ready to invest in leisure activities which we can provide.

7. There has been a substantial decrease in the birth rate over the last ten years.

THREAT: Marked decreases.

OPPORTUNITY: More couples with no children. Some young couple programs can be organised.

8. In general people are living longer and there are more local residents aged over fifty-five now than ever before.

OPPORTUNITY: Older people want to enjoy life more and want to spend more money on leisure activities. Some arrangements for local residents aged over fifty-five can be made.

9. After conflicts with the manager of a competing leisure center, the leader of a respected local scuba club is looking for a new venue.

OPPORTUNITY: We could provide new service to our customers with a leader of a respected local scuba club. That way, new customers could be introduced with our facilities and programs better.

10. The city government plans the privatization of all publicly owned leisure centers within the next 2 years.

THREAT: New competition could enter the market.

OPPORTUNITY: We could expand our facilities.

11. Press releases have just been issued to confirm that Chill Mill Leisure Center is the first center in the area to be awarded ISO quality assurance standards.

STRENGTH: Strengthening of our customers trust.

12. A private joke between staff states that if you want a day-off from work then you should order a pizza from the Center's canteen.

THREAT: Bad food is not good for business especially in leisure facilities.

13. The Center has been offered the latest full-body training machine developed by a famous body builder, film star and later politician as part of a promotion campaign for this device (analysts expect it to be a flop).

OPPORTUNITY: If we can get it at a low price, why not. It can not hurt us.

14. Chill Mill Leisure Center has received a grant to fit special ramps and changing rooms to accommodate the local disabled.

OPPORTUNITY: Future is probably going to bring more older customers who also have disabilities. Implementing special ramps and changing parts of rooms for the local disabled is going to benefit the business by helping disabled people and winning sympathy from other customers.

15. It is widely acknowledged that Chill Mill has the best-trained and most respected staff of all regional leisure centers (especially in the technically demanding areas of physiotherapy, fitness guidance and massage).

STRENGTH: Highly competent and trained staff is very beneficial for business.

16. The canteen is highly unprofitable. Despite of its low prices, guests prefer to visit the fast-food-chains and restaurants of the nearby shopping center after their stay.

WEAKNESS: This is damaging reputation as well as business. Especially in leisure centers, people want to have good and quality food available. Customers are willing to pay more for better food.

Order:

6, 16, 11, 12, 5, 1, 4, 2, 9, 15, 13, 10, 3, 7, 8, 14

2. Be creative and formulate some (2+) strategic actions based on the above analysis. Why could they be beneficial?

3. Prioritize the suggested actions and justify your order.

Before doing anything else, or bragging about ISO standards, the canteen has to be “reinvented”. Employing a new Chef, preparing new menus and redesigning canteen facilities would surely be beneficial for the business. Higher customer lock-in would be achieved.

As a second step I would invest in some new cosmetics of the facility. Maybe a deal with city management can be made to invest some funds for new cosmetics our center and as exchange for that, the city can organize state championship in our swimming pool, or we could offer some leisure activities for city management people in exchange.

Having good canteen is crucial for the future revenues and total customer satisfaction. Customer would like to have good snack after sporty or health activities.

Fixing canteen and renewing facility cosmetics is important for future business development. Located besides the country’s largest city mall, which is highly modern, the leisure center needs freshness to attract customers from the mall. Furthermore, local people have more disposable income and are ready to pay the price for good meal and good leisure facilities and activities.

After the canteen and cosmetics has been “taken care of”, some advertising boards (e.g. Leisure and Food) can be placed to the nearing bus/train stations. Deals can be made with some of the shop owners (beauty, sport shops) of the nearing shopping center to get discount on leisure and sport activities. Massage after “hard” shopping, or long travel makes a perfect day. There is also a perfect opportunity to advertise as a fitness center with latest training equipment from “stars” or swimming pool with scuba diving.

The above actions can lead to revenues increases fast which are needed for future projects. At the same time, public leisure centers should be checked out based on locality, potential and pricing, and if future potential exists, negotiations with the city government should be started for the acquirement for some or at least one, with highest potential, leisure center.

