

INCORPORATING MCDS METHODS INTO SWOT – BASIC IDEA, EXAMPLES, AND EXPERIENCES

Jyrki Kangas, Professor, University of Eastern Finland

SWOT analysis is a commonly-used tool for analysing environments to attain both a systematic approach and support for a decision situation. External and internal factors are studied: Strengths, Weaknesses, Opportunities, Threats. The purpose of applying SWOT to a strategic planning process is usually to develop and adopt a strategy resulting in a good fit between the internal and external factors. The chosen strategy must also be in line with the objectives of the decision-makers. SWOT could be used more efficiently than has normally been the case in its applications. Too often, SWOT remains at the level of merely pinpointing the factors, as SWOT itself includes no means for analytically determining the importance of the factors or assessing the decision alternatives with respect to the factors.

The idea in using Multiple Criteria Decision Support (MCDS) methods within a SWOT framework is to evaluate systematically the SWOT factors and make them commensurable as regards their intensities. SWOT provides the basic frame within which an analysis of the decision situation can be performed and the applied MCDS method enables a more analytical SWOT procedure. MCDS methods enhance SWOT analysis and its results so that alternative strategic decisions can be more easily prioritised.

The MCDS method applied initially and most often within the SWOT framework has been the Analytic Hierarchy Process (AHP), and the hybrid AHP-SWOT approach has been called the A'WOT. Any MCDS method, and its prioritisation principles, can, however, be applied and the existence of different techniques allows the adaptation of use of the MCDS method according to the needs of the decision-maker and the specific planning situation. In this presentation, the evolution of the A'WOT method with AHP, SMART and SMAA-O techniques recently applied within SWOT is reviewed, and insights

into the qualities of some MCDS techniques are given. The usability of the techniques are discussed in connection with some case examples in the field of strategic natural resources management. Also the possibility of making use of social choice theory or, more precisely, voting methods within SWOT framework is considered.

The hybrid MCDS-SWOT approach has gained considerable use and growing popularity, and it has been applied in various strategic planning situations in different fields, and in many countries. Based on the numerous studies, it can be concluded that the combined use of MCDS and SWOT is a promising approach to supporting strategic decision-making processes. These hybrid methods can be applied to increase and improve the information basis of strategic planning processes, and to improve the benefits of using SWOT. They may provide not only a solid decision support but also an effective framework for learning in strategic decision support. They can also be used as a tool in communication and education in decision-making processes where multiple stakeholders are involved. It seems that hybrid methods, which also include the qualities of 'old' methods with which people are already familiar, can promote the introduction of new ideas to planning processes.