

# Southwest Airlines In a Different World

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# SWOT Matrix

## STRATEGY / SWOT MATRIX EXAMPLE

<b>Strengths (S)</b>	List strengths	<b>Opportunities (O)</b>	List opportunities
<b>Weaknesses (W)</b>	List weaknesses	<b>Threats (T)</b>	List threats

<p><b>SO Strategies</b> Use strengths to take advantage of opportunities</p> <p><b>WO Strategies</b> Overcome weaknesses by taking advantage of opportunities</p> <p><b>ST Strategies</b> Use strengths to reduce threats</p> <p><b>WT Strategies</b> Minimize weaknesses and reduce threats</p>	<p><b>Strengths - S</b></p> <ol style="list-style-type: none"> <li>Hire people with positive personality</li> <li>Use the "10 minute turnaround" model.</li> <li>Offer different rewards.</li> <li>Have more flights with more seats.</li> <li>Cost efficient.</li> </ol>	<p><b>Weaknesses - W</b></p> <ol style="list-style-type: none"> <li>No food or first class.</li> <li>Only in 64 cities.</li> <li>Seats were based on a first come, first serve basis.</li> <li>Due to change, boarding process was increased to 4 to 6 minutes.</li> </ol>
<p><b>Opportunities - O</b></p> <ol style="list-style-type: none"> <li>Only airline to win the "triple crown" of service.</li> <li>Expanded their services to different cities.</li> <li>Began to code-share with other airlines.</li> </ol>	<p><b>SO Strategies</b></p> <p>Use of the "10 minute turnaround model" will be an immense asset in expansion to new cities, especially major hubs.</p>	<p><b>WO Strategies</b></p> <p>Lack of customization for customers (i.e. first class seating or food on flights) is easily overcome by outstanding service (Triple Crown award).</p>
<p><b>Threats - T</b></p> <ol style="list-style-type: none"> <li>Airlines began to use Southwest's model.</li> <li>Private automobiles.</li> <li>Other airlines</li> <li>Other airlines made it able to purchase tickets via Internet.</li> </ol>	<p><b>ST Strategies</b></p> <p>Cost efficiency model keeps operating costs the lowest of any airlines, which minimizes any threat of other airlines who may try to mimic SWA's model.</p>	<p><b>WT Strategies</b></p> <p>Weakness of minimal customization for customers is minor, and will not give other airlines a noticeable advantage.</p>

# EFE Matrix

Key Internal Factors	Weights	Rating	Weighted Score
<b>External Threats</b>			
1. Airlines began to use Southwest's model.	0.11	1	0.11
2. Private automobiles.	0.15	4	0.6
3. Other airlines.	0.16	3	0.48
4. Other airlines made it possible to purchase tickets online.	0.15	2	0.3
<b>External Opportunities</b>			
5. Only airline to win the "triple crown" of service.	0.12	3	0.36
6. Expanded their services to different cities.	0.18	4	0.72
7. Began to code-share.	0.13	2	0.26
			0
			0
			0
			0
			0
			0
<b>Totals</b>	<b>1</b>		<b>2.83</b>
<b>Notes:</b>			
Totals for weights must equal 1.0			
Total for weighted score must between 1.0 and 4.0			
If you need more rows just insert a new row in the middle of previously entered data			
major weakness = 1			
minor weakness = 2			
minor strength = 3			
major strength = 4			

# IFE Matrix

Key Internal Factors	Weights	Rating	Weighted Score
<b>Internal Strengths</b>			
1. Hire people with positive personalities.	0.1	3	0.3
2. Use the "10 minute turnaround" model.	0.17	4	0.68
3. Offer different rewards.	0.11	3	0.33
4. Have more flights with more seats.	0.14	4	0.56
5. Cost efficient.	0.13	4	0.52
<b>Internal Weaknesses</b>			
6. No food or or first class.	0.07	2	0.14
7. Only in 64 cities,	0.1	1	0.1
8. Seats were based on a first come, first serve basis.	0.1	1	0.1
9. Boarding process increased 4 to 6 minutes.	0.08	2	0.16
			0
			0
			0
			0
			0
			0
			0
<b>Totals</b>	<b>1</b>		<b>2.89</b>

**Notes:**

Totals for weights must equal 1.0

Total for weighted score must between 1.0 and 4.0

If you need more rows just insert an new row in the middle of previously entered data

major weakness = 1

minor weakness = 2

minor strength = 3

major strength = 4

# Southwest Mission

Dedication to the highest quality of customer service delivered with a sense of warmth, friendliness, individual pride, and company spirit.



# Southwest Vision

To expand our locations both domestic and overseas by being the largest and most profitable airline company to achieve both short and long-haul carriers efficiently and with low cost. Also to be an airline carrier that has the most productive workforce to guarantee the best flight possible for each and every passenger.





# Balance Scorecard

Simplified Strategy Map	Objectives	Measurements	Targets	Initiative
<p>The diagram illustrates a Simplified Strategy Map with four perspectives: Financial, Customer, Internal, and Learning.          <ul style="list-style-type: none"> <li><b>Financial Perspective:</b> Includes Profitability (top), Lower Cost, and Increase Revenue.</li> <li><b>Customer Perspective:</b> Includes On-time Flights, Limited Cust., and Lowest Prices.</li> <li><b>Internal Perspective:</b> Includes Fast Ground Turnaround.</li> <li><b>Learning Perspective:</b> Includes Ground Crew Alignment with company goals.</li> </ul>         Arrows show causal relationships: Ground Crew Alignment leads to Fast Ground Turnaround. Fast Ground Turnaround leads to On-time Flights and Lowest Prices. On-time Flights and Lowest Prices lead to Limited Cust. Limited Cust. leads to Lower Cost and Increase Revenue. Lower Cost and Increase Revenue lead to Profitability.         </p>	Profitability	Market Value	30% CAGR	
	Lower Cost	Limited Customization	50% CAGR	
	Increase Rev.	Seat Revenue	20% CAGR	
	On-time Flights	FAA On-Time Arrival Rating	#1 Ranking	Quality Management
	Lower Prices	Customer Rankings	#1 Ranking	Customer Loyalty Programs
	Increase Prof.	Limited Customization		
	Fast Ground Turnaround	Minimal time on ground	30min-60 Turn Over	Cycle time optimization Program
		On-Time Departure	90% N/A	
	Develop the necessary skills	Strategic Job Readiness	1 <sup>st</sup> Yr. 0%, 2 <sup>nd</sup> Yr.85%, 3 <sup>rd</sup> Yr. 100%	Succession Plan
	Develop the support system	Info System Availability	100%	Human Resource Management
Ground Crew aligned with Strategy	Strategic Awareness	100%	Ground Crew Training	

# Personal Opinion

Would you recommend that Southwest Airlines acquire the gates and slots available at LaGuardia Airport?

- ▶ Increase Efficiency (10min Turn Around)
- ▶ Provide more customization (Seating Selection)





# Questions?

