

FIGURE 6-3
The TOWS Matrix

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| <p style="text-align: center;">Always leave blank</p> | <p style="text-align: center;">STRENGTHS—S</p> <ol style="list-style-type: none"> 1. 2. 3. 4. List strengths 5. 6. 7. 8. 9. 10. | <p style="text-align: center;">WEAKNESSES—W</p> <ol style="list-style-type: none"> 1. 2. 3. 4. List weaknesses 5. 6. 7. 8. 9. 10. |
| <p style="text-align: center;">OPPORTUNITIES—O</p> <ol style="list-style-type: none"> 1. 2. 3. 4. List opportunities 5. 6. 7. 8. 9. 10. | <p style="text-align: center;">SO STRATEGIES</p> <ol style="list-style-type: none"> 1. 2. 3. 4. Use strengths to take advantage of opportunities 5. 6. 7. 8. 9. 10. | <p style="text-align: center;">WO STRATEGIES</p> <ol style="list-style-type: none"> 1. 2. 3. 4. Overcome weaknesses by taking advantage of opportunities 5. 6. 7. 8. 9. 10. |
| <p style="text-align: center;">THREATS—T</p> <ol style="list-style-type: none"> 1. 2. 3. 4. List threats 5. 6. 7. 8. 9. 10. | <p style="text-align: center;">ST STRATEGIES</p> <ol style="list-style-type: none"> 1. 2. 3. 4. Use strengths to avoid threats 5. 6. 7. 8. 9. 10. | <p style="text-align: center;">WT STRATEGIES</p> <ol style="list-style-type: none"> 1. 2. 3. 4. Minimize weaknesses and avoid threats 5. 6. 7. 8. 9. 10. |

FIGURE 6-4

The TOWS Matrix for a Food Company

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| | <p style="text-align: center;">STRENGTHS—S</p> <ol style="list-style-type: none"> 1. Current ratio increased to 2.52 2. Profit margin increased to 6.94 3. Employee morale is high 4. New computer information system 5. Market share has increased to 24% | <p style="text-align: center;">WEAKNESSES—W</p> <ol style="list-style-type: none"> 1. Legal suits have not been resolved 2. Plant capacity has fallen to 74% 3. Lack of a strategic-management system 4. R&D expenses have increased 31% 5. Dealer incentives have not been effective |
| <p style="text-align: center;">OPPORTUNITIES—O</p> <ol style="list-style-type: none"> 1. Western European unification 2. Rising health consciousness in selecting foods 3. Free market economies arising in Asia 4. Demand for soups increasing 10% annually 5. U.S./Mexico Free Trade Agreement | <p style="text-align: center;">SO STRATEGIES</p> <ol style="list-style-type: none"> 1. Acquire food company in Europe (S1, S5, O1) 2. Build a manufacturing plant in Mexico (S2, S5, O5) 3. Develop new healthy soups (S3, O2) 4. Form a joint venture to distribute soup in Asia (S1, S5, O3) | <p style="text-align: center;">WO STRATEGIES</p> <ol style="list-style-type: none"> 1. Form a joint venture to distribute soup in Europe (W3, O1) 2. Develop new Pepperidge Farm products (W1, O2, O4) |
| <p style="text-align: center;">THREATS—T</p> <ol style="list-style-type: none"> 1. Food revenues increasing only 1% annually 2. ConAgra's Banquet TV dinners lead market with 27.4% share 3. Unstable economies in Asia 4. Tin cans are not biodegradable 5. Low value of the dollar | <p style="text-align: center;">ST STRATEGIES</p> <ol style="list-style-type: none"> 1. Develop new microwave TV dinners (S1, S5, T2) 2. Develop new biodegradable soup containers (S1, T4) | <p style="text-align: center;">WT STRATEGIES</p> <ol style="list-style-type: none"> 1. Close unprofitable European operations (W3, T3, T5) 2. Diversify into nonsoup foods (W5, T1) |