

SWOT PAPER

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The managers in Cardinal Health can use the SWOT analysis planning tool to perform a situational analysis of the organization. In the industry of health care services, Cardinal Health is one of the companies that lead. To maintain this position, there is a need to critically analyze and review the SWOT analysis. As an interactive process, SWOT analysis calls for coordination among different departments within the organization such as finance, marketing, operations, and strategic planning. Cardinal Health organization has both internal and external factors that either positively or negatively affect the operations of the organization.

Strengths

Being one of the best-performing companies in the health sector, Cardinal health organization has many strengths that necessitate its thriving in the industry. These strengths are important because they help the organization to not only protect and maintain its market but also penetrate new markets. One of the strengths of the company includes having suppliers that it can rely on. The company is attached to suppliers that reliable in the provision of the raw materials. For this reason, the company can overcome bottlenecks experienced in the supply chain. The company also experiences a high consumer satisfaction level. It has a department that is dedicated to the management of consumer relationships enabling it to attain consumer satisfaction among the consumers it has and potential customers as well (Albert and Rahmat 2019).

Another strength of the organization is an outstanding performance in the newly won market. Cardinal Health organization has exhibited professionalism in entering into new markets and successfully winning them. Through this expansion, the organization has been able to build a new stream of revenue. Furthermore, the company has successfully integrated with complementary organizations through merging. The company has been successful at integrating

several technology firms in the recent few years to modernize how it operates and build a chain of supply that is reliable as well. The company has also shown strength in the development of new products. It has been innovative in coming up with ideas that when put in practice lead to the introduction of a new product in the market (Bhaduri, 2020).

Weaknesses

These are fields that Cardinal Health should improve upon. They are internal factors that may negatively affect the operations of the organization. The organization should improve on such areas as investing in new technology. If the company feels that there is a need to expand in different departments of the organization, technology should not be left out. At the moment, the technology adopted is not at par with the company's vision. Secondly, the level at which the company has invested in development and research is not at par with that of the competitors in the industry which is fast growing. When more money is invested in technology advancement, the processes are likely to be integrated across the board (Albert and Rahmat 2019).

Additionally, the company has been unable to cope with challenges presented by new competitors in the industry thereby losing a small share of the market in the market gap categories. There is a need for Cardinal Health to devise an internal mechanism by which the salespersons will be giving feedback in addressing these challenges. Another weakness that the company has is a negative image it suffered from the investigation of Oxycodone, a painkiller drug that was investigated by the Drug Enforcement Administration (DEA). It was reported that the company's Florida distribution center would instead of shipping the legitimately dictated medical needs ship more oxycodone. This branded the company a bad name in the public. Compared to the other competitors in the health industry, the daily inventory of Cardinal Health is higher. This is a weakness to the company because it requires that the company raises

additional capital to invest in that channel. The long-term growth of this company may negatively be affected as a result (Albert and Rahmat 2019).

Opportunities

Some external factors present themselves to the Cardinal Health organization that may positively influence the progress of the company. One such factor is the lower rate of inflation. When there is a low rate of inflation in the market, high stability is achieved. For this reason, the customers of the Cardinal Health organization are credited at a lower rate of interest. Another opportunity presented to the company is a decrease in transportation cost resulting from lower prices of shipping. As a benefit to the company, it can help in boosting the profits through a reduction in the costs incurred (Bhaduri, 2020).

Another important opportunity that Cardinal Health company enjoys is the experienced trend in how the consumers behave on the products offered. They appreciate and recommend the products leading to open up of a new market for the company thereby creating an additional stream of income and also come up with innovations to provide new products. Additionally, the increased market in Cardinal Health has led to a weakening of its competitors' advantage and led to its rising. The level of competitiveness has therefore increased and thus able to meet the demands of the industry even better. New policies on taxation by the government have also presented an opportunity to the company. The low taxation rates have provided a stronger ground for the Cardinal Health company to increase its profits (Figueroa, 2020).

Threats

External forces also pose some negative factors that could lead to the poor performance of the company. One of such factors is the development of new technologies by competitors. This is a threat since the same is not concurrent in Cardinal Health. A negative impact of this threat may be experienced in the medium- or long-term future. Another threat posed to the company is the seasonal demand for highly profitable products. In case of unlikely occurrence during the peak season, it may result in decreased profitability of the organization. Additionally, since the company operates in many different countries, it suffers the risk of being exposed to fluctuations in currency. This is especially the case in the countries that have an unstable political climate in different markets of the world (Albert and Rahmat 2019).

The increasing trend of the American economy isolating itself is also a threat to the Cardinal Health organization. The governments from other countries may react towards this by doing the same thereby negatively affecting the international sales volume. Lastly, consumers are now shifting their buying behavior from physical to online. This may pose a threat to Cardinal Health organization because the organization has the physical infrastructure that it uses as a model for supplying its products (Bhaduri, 2020).

Stakeholder groups with influence on the above elements

Different stakeholders, both internal and external influence each of the above-discussed elements. One such stakeholder is the government. Government is the body responsible for the determination of the inflation rate of a given country. It shapes the direction of the economy which in turn dictates the level of inflation in the country. Government is also responsible for the cost of shipping. It works on improvement of infrastructure of a country for example construction of roads. Where the infrastructure is developed, transportation of products becomes affordable. The government also formulates the rates of taxation in the economy which

determines whether it becomes an opportunity or a threat to Cardinal Health organization. Lastly, a threat that exposes the company to reduced international sales volume is a result of the government's decision to isolate itself from other companies (Albert and Rahmat 2019).

Another group of stakeholders that influence the elements is the patients. In most cases, the patients from the market for Cardinal Health organization. We can therefore refer to them as the consumers of the organization's products. It is the consumers that may change the model of selling by the company from the physical one to the online model. The behavior of consumers appreciating the products of the company is also an element that involves the patients. By doing this, they recommend the company's products to others thus forming a new market. Also, an increment in the number of consumers of the product is the reason for the weakening of the competitors.

Managers also have a great contribution to the elements discussed. It would be a decision by the managers to improve on the technology of the company and invest in research and development to achieve the objectives of the company. To address the issue of challenges presented by the competitors, the managers of the organization should devise the mechanism of feedback by the salespersons (Figueroa, 2020).

Possible organizational changes based on SWOT analysis

After noting down the elements in the SWOT analysis, actions should be taken to work on the weaknesses after which the organization will be able to run smoothly. For instance, if Cardinal Health organization works on investment in new technology, it will be able to offer health services virtually. High-quality virtual care would be impossible without the adoption of new technology. Investing in virtual health care will widen the market size of the company. Also,

if the company can come up with a mechanism where the salespersons address the challenges imposed by the competitors, it would be possible to retain the market and provide to them satisfactorily. Other competitors come up with mechanisms that outshine the Cardinal Health organization and end up drawing the market that the company serves. If the organization works on appropriate measures, it would be able to outshine the competitors (Smulison, 2020).

The future viability of Cardinal Health if no changes are made

In the long run, the progress of the organization would be deterred. Results that are likely to occur would not be pleasant to the stakeholders of the organization. For instance, failure to adopt new technology would mean that the company lags as the counterparts make impressive progress. The market already won by Cardinal Health organization would shift their attention to the other companies for better services. Also, if the Cardinal Health organization fails to address the already existing problems, more problems would be made making it even more difficult to address them. These problems among others would lead to progressive failure of the company Cardinal Health organization (Song and Deng et al., 2019).

Strategic recommendations that Cardinal Health should adopt

To effectively compete in the healthcare industry, there are some recommendations that Cardinal Health organization should consider employing. One such recommendation is having the right leadership. The senior leadership of Cardinal Health should commit to making the organization a priority. Secondly, Cardinal Health should adopt the principle of a shared vision. When the vision is shared with all the stakeholders of the company, they may understand and embrace it to enhance patient safety. The third recommendation is to develop the right culture. The company should develop a culture of change among all the stakeholders. Change may be

necessitated by employing such actions as the provision of necessary resources such as technology, equipment, education as well as training. The fourth recommendation is good governance. Decisions made in the company should be clear and efficient. Lastly, key stakeholders such as physicians and nurses should be accountable and engaged earlier to facilitate positive transformation in the health industry (Smulison, 2020).

In conclusion, if the elements discovered in the SWOT analysis of the Cardinal Health organization are reviewed, the weaknesses and threats may be resolved using the necessary measures. The respective shareholders should work to ensure that they resolve the weaknesses the company experiences. The company should also employ appropriate measures to compete with competitors favorably, retaining the market and also win more.

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